PROSPECTUS

Abu Dhabi National Energy Company PJSC

(a public joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates, pursuant to Federal Law No. 2 of 2015 concerning commercial companies (as amended), with a paid up share capital of AED 112,434,250,000

U.S.$20,000,000,000
Global Medium Term Note Programme

Under the Global Medium Term Note Programme described in this Prospectus (the **Programme**), Abu Dhabi National Energy Company PJSC (**TAQA** or the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the **Notes**). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$20,000,000,000 (or its equivalent in other currencies).

This Prospectus has been approved as a base prospectus by the United Kingdom (the **UK**) Financial Conduct Authority (the **FCA**) in its capacity as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK Prospectus Regulation**) for Notes issued under the Programme, other than Exempt Notes (as defined below). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval by the FCA should not be considered as an endorsement of the Issuer that is the subject of this Prospectus or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA under Part VI of the Financial Services and Markets Act 2000, as amended (the **FSMA**), for Notes (other than Exempt Notes) issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's main market (the **Market**). References in this Prospectus to Notes (other than Exempt Notes) being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**).

This Prospectus is valid as a base prospectus under the UK Prospectus Regulation for 12 months from 18 July 2024 in relation to Notes which are to be admitted to trading on a regulated market in the UK other than in circumstances where an exemption is available under Article 1(4) and/or Article 3(2) of the UK Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

The requirement to publish a prospectus under the UK Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the UK and/or offered to the public in the UK other than in circumstances where an exemption is available under Article 1(4) and/or Article 3(2) of the UK Prospectus Regulation. References in this Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under the UK Prospectus Regulation. The FCA has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.

In addition, application may be made to admit the Notes to trading on the Abu Dhabi Securities Exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market (or any other stock exchange).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined in "*Overview of the Programme— Method of Issue*") of Notes will (other than in the case of Exempt Notes) be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange and will also be published on the website of the London Stock Exchange through a regulatory information service. In the case of Exempt Notes, notice of the aggregate nominal amount of such Exempt Notes, interest (if any) payable in respect of such Exempt Notes, the issue price of such Exempt Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

Each Series (as defined in "*Overview of the Programme — Method of Issue*") of Notes will be evidenced by registered certificates (each, a **Certificate**), one Certificate being issued in respect of each Noteholder's entire holding of Notes of one Series. Certificates may be evidenced by (i) interests in a global unrestricted note certificate in registered form (each, a **Regulation S Global Note Certificate**) in the case of Notes offered to non-U.S. persons outside the United States in reliance on Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) and/or (ii) interests in a global restricted note certificate in registered form (each, a **Rule 144A Global Note Certificate** and together with the Regulation S Global Note Certificate, the **Global Note Certificates**) in the case of Notes offered within the United States only to qualified institutional buyers (**QIBs**) in reliance on Rule 144A (**Rule 144A**) under the Securities Act. Each Regulation S Global Note Certificate will be deposited on the relevant issue date with, and registered in the name of a nominee of, a common depositary (the **Common Depositary**) on behalf of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Each Rule 144A Global Note Certificate will be deposited on the relevant issue date with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**). Beneficial interests in a Rule 144A Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "*Clearing and Settlement*".

The Issuer has been rated Aa3 by Moody's Investors Service Limited (**Moody's**) and AA by Fitch Ratings Limited (**Fitch**). The Programme has been rated Aa3 by Moody's and AA by Fitch. Each of Moody's and Fitch is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**).

Tranches of Notes to be issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, the applicable rating(s) will be disclosed in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same rating assigned to the Issuer by the relevant rating agency. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes (as defined in "*Terms and Conditions of the Notes*") may, if so specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), be calculated by reference to one of the Euro Interbank Offered Rate (**EURIBOR**), the Secured Overnight Financing Rate (**SOFR**), the Hong Kong Interbank Offered Rate (**HIBOR**) or the CNH (offshore Renminbi) Hong Kong Interbank Offered Rate (**CNH HIBOR**). As at the date of this Prospectus, the administrator of EURIBOR (the European Monetary Markets Institute) appears on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). As at the date of this Prospectus, the administrators of SOFR (the Federal Reserve Bank of New York), HIBOR and CNH HIBOR (the Treasury Markets Association of Banks) do not appear on the FCA's register of administrators

under the UK Benchmarks Regulation. As far as the Issuer is aware, the Federal Reserve Bank of New York does not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation or the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the Treasury Markets Association of Banks is not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of notes and distribution of this Prospectus see "*Subscription and Sale*" and "*Transfer Restrictions*".

Arrangers and Dealers

Bank of China	**Barclays**	**BNP PARIBAS**
Citigroup	**Emirates NBD Capital**	**First Abu Dhabi Bank**
HSBC	**ICBC**	**IMI-Intesa Sanpaolo**
J.P. Morgan	**Mashreqbank psc**	**Mizuho**
MUFG	**Natixis**	**Scotiabank**
SMBC Nikko		**Standard Chartered Bank**

18 July 2024

IMPORTANT INFORMATION

This Prospectus comprises a base prospectus in respect of all Notes (other than Exempt Notes) issued under the Programme for the purposes of the UK Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Prospectus and the Final Terms is in accordance with the facts and the Prospectus as completed by the Final Terms makes no omission likely to affect the import of such information.

Where information has been sourced from a third party, the Issuer confirms that such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information sourced from third parties contained in this Prospectus relates to the United Arab Emirates (the **UAE**) economic and commodity statistics and UAE government finance statistics, certain historic oil and gas prices and operational information from Masdar (as defined below) which are included under the headings "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" "*Description of the Group*" and "*Overview of the UAE and Abu Dhabi*".

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

In the case of any Notes which are to be admitted to trading on a regulated market within the UK or offered to the public in the UK in circumstances which would require the publication of a prospectus under the UK Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the issue or sale of the Notes and, any information or representation not so contained must not be relied upon as having been authorised by the Issuer or any of the Dealers or any of the Arrangers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. None of the Issuer, the Arrangers or the Dealers represents that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes. None of the Dealers, the Arrangers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

To the fullest extent permitted by law, none of the Dealers or the Arrangers accepts any responsibility for the contents of this Prospectus or any information incorporated by reference into this document, or for any other statement made that is consistent with the contents of this Prospectus, or purported to be made, by an Arranger or a Dealer or on its behalf in connection with the Issuer, or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States, the resale of the Notes in the United States in reliance on Rule 144A under the Securities Act and the admission of the Notes to the Official List and to trading on the Market. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than any QIBs and to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Prospectus by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Neither the Arrangers nor any of the Dealers makes any representation as to the suitability of any Green Notes (as defined below), including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any green, environmental or sustainability criteria required by any prospective investors. The Arrangers and the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Projects (as defined below), any verification of whether the Eligible Green Projects meet such criteria, the monitoring of the use of proceeds of any Green Notes (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular Eligible Green Projects. Investors should refer to the Green Finance Framework (as defined below) which the Issuer may publish from time to time, the Second Party Opinion (as defined below) delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Notes for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Prospectus and neither the Arrangers nor any of the Dealers makes any representation as to the suitability or contents thereof.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the **Stabilisation Manager(s)**) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the relevant Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

NOTICE TO INVESTORS

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES APPROVED THIS PROSPECTUS OR PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional

client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in the UK Prospectus Regulation.

Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "*UK MiFIR product governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTICE TO RESIDENTS OF SINGAPORE

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain (**Bahrain**), Notes issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the **CBB**) in Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Prospectus does not constitute an offer of securities in Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in Bahrain, other than to accredited investors for an offer outside Bahrain.

The CBB has not reviewed, approved or registered this Prospectus or any related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Prospectus. No offer of Notes will be made to the public in Bahrain, and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE STATE OF QATAR (INCLUDING THE QATAR FINANCIAL CENTRE)

Any Notes to be issued under the Programme will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (**Qatar**) (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in Qatar (including the Qatar Financial Centre). The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in Qatar (including the Qatar Financial Centre) and do not constitute debt financing in Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar (including the Qatar Financial Centre).

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority (the **Capital Market Authority**).

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL INFORMATION

Financial Statements

The historical financial information incorporated by reference in this Prospectus comprises the Group's unaudited interim condensed consolidated financial statements as at and for the three months ended 31 March 2024, including the Q1 2023 comparative information (together with the review report thereon, the **Q1 2024 Interim Financial Statements**), the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2023, including the FY 2022 comparative information (together with the audit report thereon, the **FY 2023 Financial Statements**), and the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2022, including FY 2021 comparative information (together with the audit report thereon, the **FY 2022 Financial Statements**, and, together with the Q1 2024 Interim Financial Statements and the FY 2023 Financial Statements, the **Financial Statements**).

The Financial Statements have each been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (the **IASB**).

The Financial Statements have been audited by Deloitte & Touche (M.E.), independent accountants, (**Deloitte**) in accordance with International Standards on Auditing (**ISAs**), who have issued unqualified reports thereon.

All financial information in this Prospectus (i) as at and for the three-month periods ended 31 March 2024 and 2023 and (ii) identified as a non-IFRS financial measure (as defined below) is unaudited. Where information is identified as unaudited, this means that the information has been extracted from information that has not been audited and does not imply that all other information in the table has been separately audited.

Except as otherwise noted:

- the financial information for Q1 2024 and Q1 2023 has been extracted from the Q1 2024 Interim Financial Statements;
- the financial information for FY 2023 and FY 2022 has been extracted from the FY 2023 Financial Statements; and
- the financial information for FY 2022 presented in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Comparison of Results of Operations for FY 2022 and FY 2021*" and the financial information for FY 2021 has been extracted from the FY 2022 Financial Statements. The FY 2022 Financial Statements classified TAQA Energy's B.V upstream oil and gas assets as held-for-sale and discontinued operations. These assets were reclassified to continuing operations in the FY 2023 Financial Statements as the sale agreement was terminated.

The Group's financial year ends on 31 December, and references in this Prospectus to a particular "**Fiscal Year**" or "**FY**" refer to the year ended on 31 December (or as at 31 December as the context requires) of that year.

TAQA - Waldorf Energy Netherlands BV Sale and Accounting Presentation

In October 2022, the Group entered into an agreement with Waldorf Energy Netherlands BV to sell 100 per cent. of its ownership in the upstream Oil and Gas business in the Netherlands. On 28 March 2023, the Group announced that as completion of the sale did not occur in accordance with its terms, it has terminated the agreement. The Group remains committed to its business in the Netherlands and will continue to contribute actively to the security of supply of gas through its upstream and gas storage activities. Consequently, TAQA Energy B.V.'s upstream Oil and Gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified as at 31 December 2023. In addition, the comparative consolidated statement of profit and loss for FY 2022 has been restated in the FY 2023 Financial Statements. As a result, while the FY 2022 Statements classified the upstream oil and gas assets in the Netherlands as a disposal group held-for-sale and as a discontinued operation, comparative amounts for the discontinued operations in the consolidated statement of profit or loss for FY 2022 are reclassified in the FY 2023 Financial Statements to reflect the classification in the consolidated statement of profit or loss for FY 2023. The financial information for FY 2021 presented in this Prospectus reflects the comparative figures for FY 2021 set out in the FY 2022 Financial Statements where the assets are classified as a disposal group held-for-sale and as a discontinued operation.

Disposal and Acquisition Activity in 2023 and 2024

On 21 June 2023, TAQA entered into an agreement for the purchase of the entire share capital of Sustainable Water Solutions Holding Company (**SWS Holding**) for a consideration of AED 1,724 million. 50 per cent. of the consideration will be paid at completion with the remaining 50 per cent. to be paid one year following completion. As of the date of this Prospectus, this transaction has not legally completed as it remains subject to certain conditions precedent, including receipt by Abu Dhabi Sustainable Water Solutions Company PJSC (**ADSWSC**) of the Abu Dhabi Department of Finance's (**DoF**) first subsidy payment equivalent to the MAR calculated in accordance with current Regulatory Control Period (**RC2**) in respect of FY 2023. See "*Risk Factors — The Group's sustainable water solutions revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted sustainable water solutions revenue may not reflect the Group's actual sustainable water solutions costs.*" The acquisition date in the Q1 2024 Interim Financial Statements is 1 January 2024, being the date the Group gained control over SWS Holding. The acquisition has been accounted for in the Q1 2024 Interim Financial Statements using the pooling of interest method, which reflects the economic substance of the transaction.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions. As at 31 December 2023 and 31 March 2024, the assets in Iraq contained within the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation.

Certain non-IFRS financial information

This document contains certain non-IFRS financial measures (**non-IFRS financial measures**), which are not liquidity or performance measures under IFRS. These measures are prepared in addition to the figures that are prepared in accordance with IFRS. TAQA uses such non-IFRS financial measures to provide additional information to investors and to enhance their understanding of its results. These measures have not been audited or reviewed, are not recognised measures of financial performance or liquidity under IFRS and should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

Non-IFRS financial measures may not be indicative of TAQA's historical results, nor are such measures meant to be predictive of TAQA's future results. TAQA has presented these measures in this document because it considers them to be important supplemental measures of its performance or liquidity, because these and similar measures are seen to be used widely in the energy industry as a means of evaluating a company's operating performance and liquidity. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this document.

Each of the non-IFRS financial measures presented herein is defined below.

- *Adjusted EBITDA* corresponds to profit for the year before finance costs, income taxes, depreciation, depletion and amortisation, net foreign exchange losses or gains, other income, interest income, profit from discontinued operations and bargain purchase gain;
- *Gross margin* corresponds to gross profit divided by total revenue;
- *Return on equity* corresponds to profit attributable to equity holders of the parent divided by closing equity attributable to equity holders of the parent;
- *Free cash flows* corresponds to net cash generated from operating activities and net cash generated from or used in investing activities; and
- *Free cash flow to Adjusted EBITDA* corresponds to free cash flow divided by Adjusted EBITDA.

Reconciliations from the corresponding IFRS measure to the above non-IFRS measures are set forth in "*Selected Financial and Other Information — Non-IFRS Financial Measures*".

THIRD-PARTY AND MARKET SHARE DATA

Certain information regarding market size, market data, market share, market position, growth rates and other industry data pertaining to TAQA and its business contained in this document consists of TAQA's estimates based on data compiled by professional organisations and on data from other external sources.

Industry publications and market research generally state that the information they contain has been obtained from sources TAQA believes to be reliable but that the accuracy and completeness of such information is not guaranteed and any estimates or projections they contain are based on a number of significant assumptions.

In some cases, there is no readily available external information (whether from trade and business organisations and associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring TAQA to rely on internally developed estimates. TAQA does not intend, and does not assume any obligation, to update industry or market data set forth in this document. Because market behaviour, preferences and trends are subject to change, prospective investors should be aware that market and industry information in this document and estimates based on any data therein may not be reliable indicators of future market performance or TAQA's future results of operations.

TAQA confirms that all such data contained in this document has been accurately reproduced and, so far as TAQA is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where TAQA has relied upon internally developed estimates, the information is characterised as TAQA's estimates or beliefs. See also "*Information Regarding Forward-Looking Statements*". Where third-party information has been used in this document, the source of such information has been identified.

STATISTICAL INFORMATION

The statistical information in this Prospectus has been derived from different identified sources. All statistical information provided in this Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times.

Efforts are being made by the UAE and its Emirates to produce accurate and consistent social and economic data. For example, the UAE implemented the International Monetary Fund's Enhanced General Data Dissemination System in 2018.

Nevertheless, there remain limitations relating to the statistics included in this Prospectus. These include:

- the most recent UAE census for which data was published was conducted in 2005. Population data included in this Prospectus for later dates for both the UAE and Abu Dhabi is either based on unpublished censuses (for example, a UAE census was held in 2011) or estimates based on such published or unpublished data;
- data in relation to Abu Dhabi's gross domestic product (GDP) for 2023 is a preliminary estimate. GDP data for Abu Dhabi for 2023 and prior years may be revised. For example, Abu Dhabi's real GDP data is calculated based on constant hydrocarbon prices and the base year for these constant prices was revised from 2007 to 2014 in 2021;
- in order to calculate GDP in Abu Dhabi, the financial data of companies operating across the UAE must be processed to reflect the production activity in Abu Dhabi only, which involves a high degree of estimation;
- statistical data for all years included in tables in this Prospectus may be revised due to methodological changes implemented in the future and statistical data for the most recent period provided in tables in this Prospectus should be treated as preliminary and subject to revision; and
- statistics in Abu Dhabi are not always published on a regular schedule and from time to time there may be lengthy delays in publishing particular statistics.

NO INCORPORATION OF WEBSITE INFORMATION

TAQA's website is www.taqa.com. Other than as set out in "*Documents Incorporated by Reference*", the information on this website or any other website mentioned in this document or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this document, and investors should not rely on it.

DEFINITIONS AND TECHNICAL TERMS

Certain defined terms in this document and technical and other terms are defined in the glossary. See "*Glossary and Certain Defined Terms*".

In this document, references in this Prospectus to the **Group** are references to TAQA and its consolidated subsidiaries.

Certain of the Group's operating data are presented on a **gross** or **net** basis, unless otherwise stated, gross refers to the total generation or capacity of such assets and net refers to the Group's share of such generation or capacity (in line with the Group's ownership stake in such asset, as relevant). In this Prospectus, the terms **thermal** and **conventional** power are utilised interchangeably throughout this document to refer to non-renewable power sources. In addition, unless the context otherwise requires, all references in this document to:

- **Abu Dhabi** means the Emirate of Abu Dhabi and its government as the context requires;
- **U.S.$**, **USD** and **U.S. dollars** are to the currency of the United States of America;
- **UAE dirham** and **AED** are to the currency of the United Arab Emirates;
- **£** and **sterling** are to the currency of the UK;
- **rupees** are to the currency of the Republic of India:
- **MYR** are to the currency of Malaysia;
- **MAD** are to the currency of Morocco;
- **Canadian dollars** and **C$** are to the currency of Canada;
- **Renminbi**, **RMB** or **CNY** are to the currency of the People's Republic of China (the **PRC**) which, for the purposes of this Prospectus, excludes the Hong Kong Special Administrative Region of the PRC (**Hong Kong**), the Macau Special Administrative Region of the PRC and Taiwan;
- **euro** and **€** are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the EU, as amended; and
- a **billion** are to a thousand million.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

CURRENCY INFORMATION

TAQA publishes its financial statements in AED rounded to the nearest million. This Prospectus contains a conversion of certain AED amounts into U.S. dollars solely for the convenience of the reader. These conversions should not be construed as representations that the AED amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. The UAE dirham has been pegged to the U.S. dollar at a fixed exchange rate of AED 3.6725 = U.S.$1.00 since 22 November 1980 and, unless otherwise indicated, U.S. dollar amounts in this Prospectus have been converted from AED at this exchange rate.

ROUNDING

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of such rounding, the totals of data presented in tables in this document may vary slightly from the arithmetic totals of such data. In addition, where the figure "0" appears in a table, it means that the relevant amount has been rounded to zero. Where the symbol "—" appears in a table, it means that no amount exists for the relevant item.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond TAQA's control and all of which are based on TAQA's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned," "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding targets, intentions, beliefs and current expectations concerning, among other things, TAQA's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which TAQA operates. In particular, the statements under the headings regarding TAQA's strategy and other future events or prospects in the following sections are forward-looking statements: "*Risk Factors*", "*Description of the Group*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions and are based on the beliefs of TAQA's management, as well as the assumptions made by, and information currently available to, TAQA's management. Although TAQA believes that the expectations reflected in such forward-looking statements are reasonable at this time, TAQA cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from TAQA's expectations are contained in cautionary statements in this document, including, without limitation, in conjunction with the forward-looking statements included in this document and specifically under the section titled "*Risk Factors*" or the underlying assumptions. These factors include, but are not limited to:

- Any decline in, or prolonged recovery of, general economic or business conditions, including as a result of the wars in Ukraine and Gaza, or other factors affecting the demand and price for the power and water that the Group generates, transmits and distributes, the oil and gas that it produces, stores, transmits or transports and the water it collects, treats and supplies;
- Operational hazards, natural disasters and other catastrophic events affecting the Group and other operational risks affecting the Group, its customers', its suppliers' businesses or the environment;
- Significant competition and/or a changing market environment;
- Inability to implement TAQA's strategy in the timeframes envisaged or the failure of such strategy, when implemented, to deliver all of the benefits envisaged;
- Any decrease in the regulated entities' maximum allowed revenue (**MAR**) or adverse changes to the applicable regulatory framework or any delay of receipt or future reduction in the government subsidy which is not matched by an increase in permitted tariffs, or any non-renewal or failure to extend the Group's long-term contracts;
- Risks related to the Group's power and water generation businesses, including any operational risks, disruption or termination in relation to its long-term generation off-take agreements and dependency on a limited number of customers and third-party suppliers;
- Risks related to the Group's transmission and distribution businesses, including any operating risks associated with the facilities and infrastructure for such activities and any changes to the applicable regulatory framework;
- Risks related to the Group's crude oil and natural gas exploration, production, transportation and storage businesses, including any decline in, depletion of, or impairment to, the Group's oil and gas reserves, certain commercial and operational risks associated with such activities and decommissioning costs in relation to the Group's oil and gas facilities;
- Risks related to the Group's sustainable water solutions businesses, including any changes to the applicable regulatory framework, the commercial and operational risks associated with the wastewater treatment facilities and the management of water collection, treatment, supply and sewerage services;
- Factors affecting the Group's cash flow, liquidity and ability to access financing, including the ability of the Group's subsidiaries to pay dividends, restrictions in the Group's financing facilities, changes to the credit ratings of the Group or Abu Dhabi, disruptions in global credit markets, any de-pegging of, or adjustments to, the existing UAE dirham/U.S. dollar exchange rate or other market risks;
- Political, security, legal and regulatory risks, including any suspension, termination or revocation of the Group's licences, litigation or regulatory action against the Group, and compliance with, changes to, or any breach of, applicable laws, regulations and standards;
- Risks related to the Group's ongoing projects and joint ventures, including liabilities related to the Group's investments and projects;
- Physical and transitional risks related to the effects of climate change and global warming, including societal and political response thereto;
- Other operating risks, including any inadequacy of the Group's insurance policies, any loss of the services of key members of the Group's senior management or staff and any failure or interruption in the Group's information technology systems; and
- Other risks set forth in "*Risk Factors*".

If any of these risks and uncertainties materialises, or if any of TAQA's underlying assumptions proves to be incorrect, the Group's actual results of operations, financial condition or achievement of any ESG or related targets could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward-looking statements in this document be regarded as a representation or warranty by TAQA, the Arrangers, the Dealers or any other person with respect to the achievement of the results set out in, or implied by, such statements. Please refer to "*Risk Factors*" for further information in this regard.

The forward-looking statements contained in this document speak only as of the date of this document. TAQA, the Arrangers and the Dealers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following:

1 the Group's unaudited interim condensed consolidated financial statements as at and for the three month period ended 31 March 2024 (available at: https://www.taqa.com/wp-content/uploads/2024/05/ENFS-TAQA-March24-Signed-copy.pdf) comprising solely of the following pages:

	Page numbers(*)
Interim Condensed Consolidated Financial Statements	Pages 3 to 9
Notes to the Interim Condensed Consolidated Financial Statements	Pages 10 to 32
Review Report.....	Page 2

2 the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2023 (available at: https://www.taqa.com/wp-content/uploads/2024/02/ENFS-TAQA-Financials-December-31-2023-English-Signed-copy.pdf) comprising solely of the following pages:

	Page numbers(*)
Consolidated Financial Statements.....	Pages 11 to 17
Notes to the Consolidated Financial Statements	Pages 18 to 98
Audit Report.....	Pages 5 to 10

3 the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2022 (available at: https://www.taqa.com/wp-content/uploads/2023/02/TAQA-Financials-31-December-22-ENGLISH.pdf) comprising solely of the following pages:

	Page numbers(*)
Consolidated Financial Statements.....	Pages 11 to 17
Notes to the Consolidated Financial Statements	Pages 18 to 96
Audit Report.....	Pages 5 to 10

(*) Page numbers refer to the page references of the PDF document.

4 The Terms and Conditions set out on pages 43 to 64 of the prospectus dated 7 June 2016 (available at: https://www.taqa.com/wp-content/uploads/2020/04/20160607_TAQA-USD-9bn-GMTNBase-Prospectus.pdf), the Terms and Conditions set out on pages 42 to 63 of the prospectus dated 11 April 2018 (available at: https://www.taqa.com/wp-content/uploads/2020/06/20180411_TAQA-USD-9bn-GMTN-Base-Prospectus.pdf), the Terms and Conditions set out on pages 33 to 57 of the prospectus dated 25 September 2019 (available at: https://www.taqa.com/wp-content/uploads/2020/07/20190925_TAQA-USD-9bn-GMTN-Base-Prospectus.pdf), the Terms and Conditions set out on pages 60 to 94 of the prospectus dated 19 April 2021 (available at: https://www.taqa.com/wp-content/uploads/2021/04/20210419_TAQA-USD-9bn-GMTN-Base-Prospectus.pdf), and the Terms and Conditions set out on pages 44 to 80 of the prospectus dated 13 April 2023 (available at https://www.taqa.com/wp-content/uploads/2023/04/TAQA-Base-Prospectus-2023.pdf) each relating to the Programme, which have been previously published or are published simultaneously with this Prospectus and which have been approved by the FCA or filed with it. Such documents shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The parts of the above-mentioned documents which are not incorporated by reference into this Prospectus (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either not relevant for investors or are covered elsewhere within this Prospectus.

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by Article 23 of the UK Prospectus Regulation.

AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any Notes are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, it will during any period that it is neither subject to section 13 or 15(d) of the United States Securities and Exchange Act of 1934, as amended (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any holder or beneficial owner of Notes or any prospective purchaser designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

The Issuer is a corporation organised under the laws of the UAE, and a substantial portion of the assets of the Issuer are located outside the United States and the UK. As a result, it may not be possible for investors to effect service of process within the United States and/or the UK upon the Issuer or to enforce against it in the United States courts or courts located in the UK judgments obtained in United States courts or courts located in the UK, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States. The Notes are governed by English law and disputes in respect of the Notes may be settled under the arbitration rules of the London Court of International Arbitration (the **Arbitration Rules**). In addition, actions in respect of the Notes may be brought in the English courts.

A substantial part of the Issuer's assets is located in the UAE. In the absence of any bilateral treaty for the reciprocal enforcement of foreign judgments, the Abu Dhabi courts are unlikely to enforce a United States or an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Notes. Investors may have difficulties in enforcing any United States or English court judgments or arbitration awards against the Issuer in the Abu Dhabi courts. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions. See "*Risk Factors — Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Abu Dhabi.*"

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes).

This Overview of the Programme constitutes a general description of the Programme for the purposes of Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA.

Issuer:	Abu Dhabi National Energy Company PJSC.
Issuer Legal Entity Identifier (LEI):	213800UNJSVQFNUYYW03.
Website of the Issuer:	www.taqa.com
Description:	Global Medium Term Note Programme.
Size:	Up to U.S.$20,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers:	Bank of China Limited, London Branch, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, ICBC Standard Bank Plc, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, Intesa Sanpaolo S.p.A., London Branch, J.P. Morgan Securities plc, Mashreqbank psc, Mizuho International plc, MUFG Securities EMEA plc, Natixis, Scotia Capital (USA) Inc., SMBC Nikko Capital Markets Limited and Standard Chartered Bank
Dealers:	Bank of China Limited, London Branch, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, ICBC Standard Bank Plc, Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch, Intesa Sanpaolo S.p.A., London Branch, J.P. Morgan Securities plc, Mashreqbank psc, Mizuho International plc, MUFG Securities EMEA plc, Natixis, Scotia Capital (USA) Inc., SMBC Nikko Capital Markets Limited and Standard Chartered Bank The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches, where the context allows.
Trustee:	Citicorp Trustee Company Limited.
Principal Paying and Transfer Agent:	Citibank N.A., London Branch
Registrar and Paying and Transfer Agent:	Citibank Europe plc.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a **Series**) having one or more issue dates and on terms otherwise

	identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms or, in the case of Exempt Notes, Pricing Supplement.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes will be issued in registered form only. The Notes will be evidenced by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Notes of one Series.
Clearing Systems:	Clearstream, Luxembourg, Euroclear (in the case of Regulation S Notes), DTC (in the case of Rule 144A Notes) and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Principal Paying and Transfer Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes:	Each Series of Notes may be evidenced by (i) interests in a Regulation S Global Note Certificate in the case of Notes offered outside the United States in reliance on Regulation S and/or (ii) interests in a Rule 144A Global Note Certificate in the case of Notes offered inside the United States to QIBs in reliance on Rule 144A. Each Regulation S Global Note Certificate will be deposited on or before the relevant issue date with, and registered in the name of a nominee of, the Common Depositary. Each Rule 144A Global Note Certificate will be deposited on or before the relevant issue date with a custodian for, and registered in the name of a nominee of, DTC. Beneficial interests in the Rule 144A Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "*Clearing and Settlement*". The provisions governing the exchange of interests in Global Note Certificates for Individual Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".
Currencies:	Subject to compliance with all applicable legal and/or regulatory requirements, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities:	Any maturity, subject to compliance with all applicable legal and/or regulatory requirements.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that (other than in the case of Exempt Notes): (i) the minimum denomination of each Note will be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); (ii) in the case of any Notes denominated in U.S. dollars, the minimum Specified Denomination shall be U.S.$200,000; and (iii) unless otherwise permitted by then current laws and

	regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).
Floating Rate Notes:	Floating Rate Notes (as defined in "*Terms and Conditions of the Notes*") will bear interest determined separately for each Series on the basis of the reference rate set out in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes). Interest periods will be specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).
Benchmark Replacement:	On the occurrence of a Benchmark Event (where the Original Reference Rate is not specified as SOFR Benchmark) (each term as defined in "*Terms and Conditions of the Notes*"), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate failing which an Alternative Rate to be used in place of the Original Reference Rate. An Adjustment Spread may also be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate as the case may be. If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each term as defined in "*Terms and Conditions of the Notes*") have occurred with respect to the-then current Benchmark (when the Original Reference Rate is specified as SOFR Benchmark), the Benchmark Replacement (as defined in "*Terms and Conditions of the Notes*") will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.
Exempt Notes:	The Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).

Redemption:	The relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies) (other than Exempt Notes).
Optional Redemption:	The Final Terms (or Pricing Supplement, in the case of Exempt Notes) issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders (in addition to the option described in "*— Noteholder Put Option upon Change of Control*" below), and if so the terms applicable to such redemption.
Noteholder Put Option upon Change of Control:	If Abu Dhabi, including, without limitation, any agency of its government or any entity controlled by it, at any time ceases to own and control (directly or indirectly) more than 50 of the economic and voting rights in respect of the Issuer, then each Note in respect of which the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) specifies that the Change of Control Put Option is applicable will be redeemable at the option of the holder at the Change of Control Redemption Amount set out in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes), together with (if applicable) interest accrued to but excluding the relevant Put Date (as defined in "*Terms and Conditions of the Notes*") if such option is exercised within the period of 30 days after the relevant Change of Control Notice (as defined in "*Terms and Conditions of the Notes*") is given.
Status of the Notes:	Subject as set out in "*— Negative Pledge*" below, the Notes are unsecured obligations of the Issuer which rank *pari passu*, without any preference among themselves and, subject as aforesaid, with all other outstanding present and future unsecured and unsubordinated obligations of the Issuer.
Negative Pledge:	The Notes contain a negative pledge in respect of the Issuer and any Material Subsidiary in relation to the creation of any Security Interest (other than certain Permitted Security Interests) to secure Relevant Indebtedness or Relevant Sukuk Obligation (as each such term is defined in "*Terms and Conditions of the Notes*"). See "*Terms and Conditions of the Notes — Covenants — Negative Pledge*".
Restriction on Disposals:	The Notes contain a restriction on disposals for so long as any Existing Bonds remain outstanding (other than as approved by an Extraordinary Resolution (each such term as defined in "*Terms and Conditions of the Notes*")) (1) by the Issuer or any Subsidiary (as defined in "*Terms and Conditions of the Notes*") of shares in any Domestic Subsidiary (or any holding company of any Domestic Subsidiary), in each case if, and to the extent that, any such disposal would result in the proportion of the total issued share capital of such Domestic Subsidiary beneficially owned by the Issuer (either directly or indirectly) being less than the proportion so owned by the

Issuer on the Existing Bonds Issue Date (as defined in "*Terms and Conditions of the Notes*"), and (2) by any Domestic Subsidiary of its assets other than:

(i) sales of inventory (including, without limitation, electricity and desalinated water) in the ordinary course of business;

(ii) sales or transfers between one or more Domestic Subsidiaries;

(iii) sales of equipment which is uneconomic, obsolete or no longer useful in the business of the relevant Domestic Subsidiary; and

(iv) disposals of assets to a bank or other financial institution made in connection with, and solely for the purpose of, any financing to be extended to the debtor on a Shari'ah compliant basis.

Domestic Subsidiary (as defined in "*Terms and Conditions of the Notes*") includes any subsidiary of the Issuer which is engaged from time to time in the business of power generation and/or water desalination in the Emirates of Abu Dhabi or Fujairah.

Cross Acceleration: The Notes contain a cross-acceleration provision in respect of other Borrowed Money Indebtedness (as defined in "*Terms and Conditions of the Notes*" and including for this purpose any guarantee or indemnity in respect of the relevant indebtedness) of the Issuer or any Material Subsidiary becoming due and payable prior to its stated maturity by reason of any actual or potential default or event of default or a failure by the Issuer or any Material Subsidiary to pay when due, or within any applicable grace period, any Borrowed Money Indebtedness subject to an aggregate threshold amount of such Borrowed Money Indebtedness of U.S.$50,000,000. See "*Terms and Conditions of the Notes — Events of Default*".

Ratings: The Issuer has been rated Aa3 by Moody's and AA by Fitch. The Programme has been rated Aa3 by Moody's and AA by Fitch. Each of Moody's and Fitch is established in the UK and is registered under the UK CRA Regulation.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be disclosed in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the ratings assigned to the Programme.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption: Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes — Redemption*".

Withholding Tax: All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the UAE

	or Abu Dhabi subject to customary exceptions, all as described in "*Terms and Conditions of the Notes — Taxation*".
Use of Proceeds:	The net proceeds (or an amount equal thereto) from the issue of each Tranche of Notes will be applied by the Issuer either wholly or partly (i) for general corporate purposes, including supporting liquidity and the repayment of outstanding debt, including with entities which may be underwriting a particular tranche of Notes issued under the Programme, or their affiliates; and/or (ii) with the intention of financing or refinancing, in whole or in part, Eligible Green Projects (as defined below). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes). See "*Use of Proceeds*" for further details.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Listing and Admission to Trading:	Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange or as otherwise specified in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes). In addition, application may be made to admit the Notes to trading on the Abu Dhabi Securities Exchange. As specified in the relevant Pricing Supplement, in the case of Exempt Notes, a Series of Notes may be unlisted. The development of an active trading market may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.
Selling Restrictions:	The United States, the EEA, the UK, the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market), the Dubai International Financial Centre, the Abu Dhabi Global Market, Japan, the Kingdom of Saudi Arabia (**Saudi Arabia**), Bahrain, Qatar (including the Qatar Financial Centre), State of Kuwait, Singapore, Hong Kong, the PRC, the State of Israel (**Israel**), the Republic of Italy (**Italy**) and Switzerland. See "*Subscription and Sale*".

RISK FACTORS

TAQA believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme.

Factors which TAQA believes may be material for the purpose of assessing the market risks associated with any Notes issued under the Programme are also described below.

TAQA believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but TAQA may be unable to pay principal, interest or other amounts on or in connection with any Notes for other reasons, and TAQA does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. If any of the following risks actually materialises, the Group's revenue, financial condition and results of operations may be adversely affected.

Certain defined terms used in this section have the meaning given to them in "Glossary and Certain Defined Terms".

FACTORS THAT MAY AFFECT TAQA'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks Relating to the Group's Business Generally

Any decline in, or prolonged recovery of, general economic or business conditions, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group conducts four principal businesses:

- power and water generation in the UAE and power generation internationally which, in Q1 2024 and FY 2023, accounted for 21.5 per cent. and 24.6 per cent., respectively, of the Group's revenue and accounted for 33.5 per cent. and 37.9 per cent. of the Group's Adjusted EBITDA, respectively;
- power and water transmission and distribution in the UAE, principally Abu Dhabi, which, in Q1 2024 and FY 2023, accounted for 59.8 per cent. and 59.9 per cent., respectively, of the Group's revenue and accounted for 43.8 per cent. and 44.6 per cent. of the Group's Adjusted EBITDA, respectively;
- upstream and midstream oil and gas activities in Canada, Europe and Iraq which, in Q1 2024 and FY 2023, accounted for 14.2 per cent. and 15.6 per cent., respectively, of the Group's revenue and accounted for 15.9 per cent. and 20.4 per cent. of the Group's Adjusted EBITDA, respectively; and
- wastewater and sewerage activities in the UAE which, in Q1 2024, accounted for 4.5 per cent. of the Group's revenue and accounted for 8.3 per cent. of the Group's Adjusted EBITDA.

Each of these businesses is sensitive to economic conditions that can impact the demand for the power and water that the Group generates, transmits, distributes and recycles (with respect to wastewater) and the demand and price for the oil and gas that it produces, stores, transmits or transports. Many economies around the world, including many of those in which the Group operates, have suffered, and may in the future suffer, slowdowns and/or recessionary conditions as a result of global inflationary pressures, the interest rate environment, the heightened geopolitical tensions related to the wars in Ukraine and Gaza, and the COVID-19 pandemic and, in particular, the resulting supply chain disruptions. With regard to the war in Ukraine, the imposition of sanctions on Russia by the United States, the EU and the UK, among others, and Russia's actions in response to such sanctions, has prompted a significant reduction in trading volumes between Russia and many economies around the world, exacerbating pre-existing inflationary pressures and price increases caused by the supply chain disruptions. In the case of countries whose economies depend on their hydrocarbon production, the combination of these geopolitical factors has resulted in markedly volatile hydrocarbon prices. See "*— Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — Volatility of oil and gas prices have, in the past, and could, in the future, impact the Group's revenue, operating income, profitability and cash flow and have in the past, and may in the future, lead to a reduction in the carrying value of the Group's assets, its planned level of spending for exploration and development and the level of its oil and gas reserves*" below. There can be no assurance that hydrocarbon prices will not remain volatile in the future or that there will not be significant economic declines in future years. The Group's financial performance is likely to be adversely affected in the future by recessionary conditions, or any future deterioration of general economic and financial conditions, in the markets in which the Group operates if such conditions result in reduced demand for

some of the products the Group produces. Furthermore, during periods of adverse economic conditions, TAQA and its subsidiaries may have difficulty accessing financial markets, which could make it more difficult or expensive to obtain funding for existing or proposed projects on acceptable conditions or at all. Such adverse economic or financial conditions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's businesses are subject to significant inherent operational hazards and may be exposed to the effects of natural disasters and other potentially catastrophic events.

The Group's businesses are subject to a wide range of operating risks that include equipment failures, human error and adverse conditions, such as extreme weather and natural disasters, that could lead to explosions, fires, losses of hydrocarbon containment and releases of other hazardous substances. Any of these risks individually or in combination could cause severe injury or loss of life, result in damage to, or destruction of, operating facilities and infrastructure, other property and equipment and the environment, interrupt the Group's operations, result in significant expenses or lost revenue and damage the Group's reputation. For example, in February 2021, a fatal workplace incident involving a subcontractor occurred at an Abu Dhabi Distribution Company PJSC (**ADDC**) construction site in Abu Dhabi. For further details of the Group's health and safety record, see "*Description of the Group — Health, Safety, Security, Environmental Regulations and Compliance*". In April 2024, a rainstorm in the UAE and Oman resulted in record rainfall and flooding. This extreme weather event impacted the operations of SWS Holding's STEP tunnel, causing it to become waterlogged. As a result of the flooding, the STEP tunnel has been operating on a redundancy system until it is cleared to resume normal operations. The impact of this event on the Group remains uncertain at this stage.

The Group's facilities are exposed to the effects of natural disasters and other potentially catastrophic events, such as major accidents, armed conflicts, hostilities and terrorist attacks, as well as breaches of digital security which could result in reduced safety and heightened risk of operational incidents. This risk is increased by the broad geographical scope of the Group's operations and the fact that the Group's operations are commonly large, key infrastructure facilities located in sometimes remote or hazardous locations, or environmentally sensitive areas. The Group may also suffer similar adverse consequences from any such events affecting similar or related facilities or infrastructure in the countries or regions in which it operates, even if the Group's own facilities are not directly affected. In particular, any catastrophic event affecting facilities that are significant to the Group, such as pipelines or transmission infrastructure upon which it depends, could disrupt the Group's operations. In some of the geographic areas in which the Group operates, in particular Iraq, there is an enhanced threat of terrorist activity and other acts of war, or hostility. See also "*— Political and Regulatory Risks — The Group is subject to political conditions in the regions and countries in which it operates and any material increase in regional instability could negatively affect Abu Dhabi's security, attractiveness for foreign investment and capital and ability to engage in international trade and, as a result, its economy and fiscal position*".

There can be no assurance that the Group will be adequately protected or insured against any such events. Any risk event materialising could result in regulatory or legal action, including penalties, fines, losses, increased costs and liabilities, remediation commitments and loss of operating licences. Any such event could also significantly affect the Group's reputation and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain of the Group's businesses are exposed to significant competition and/or a changing market environment.

Both the Group's power and water generation and oil and gas businesses are exposed to significant competition. Future demand for electricity and water is expected to increase in the UAE due to population growth, an expanding economy and climatic factors. According to the UAE Energy Strategy 2050, a sharp increase in power demand throughout the country is expected over the coming decades, with an anticipated average annual increase in consumption of 3.6 per cent.

To meet the rising demand in a sustainable manner, the UAE is focusing on an energy mix combining renewable, nuclear and other clean energy sources to meet the UAE's economic requirements and environmental goals. As part of its Net Zero by 2050 Strategic Initiative, the UAE is targeting an energy mix that comprises 44 per cent. clean energy, 38 per cent. gas, 12 per cent. clean coal and 6 per cent. nuclear. In addition, the Group has announced its own emissions reduction targets in line with the UAE Net Zero by 2050 Strategic Initiative, including interim reduction targets for 2030. Both in the UAE and internationally, the Group currently generates most of its electricity and desalinated water using natural gas-fired, coal generation and renewable energy power generation that comes primarily from solar power. A number of solar energy projects have been planned in the UAE,

including the Group's 60 per cent.-owned Solar PV generation plant in Sweihan (**Sweihan PV**), Abu Dhabi and the Group's 67 per cent. effective interest in the Solar PV generation plant in Al Dhafrah, Abu Dhabi (**Dhafrah PV2**) that achieved commercial operations from June 2023. In addition, the construction of the first nuclear power plant in the UAE commenced in 2013 and the third of four total nuclear reactors became operational and began dispatching to the national grid in February 2023. The nuclear plant is not owned by TAQA. Although the Group has the right to participate in new thermal power and RO water desalination projects in Abu Dhabi until February 2030, no assurance can be given that the Group will participate in all new projects during that period or that the right will be renegotiated or a new arrangement sought for the period subsequent to February 2030. As a result of the foregoing, TAQA's UAE power and water generation subsidiaries may be adversely impacted from competition arising from the renewable and nuclear generation capacity being added to the UAE grid, which could, in particular, limit the chances of those subsidiaries' offtake contracts being extended when they expire. These factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The oil and gas industry is highly competitive across the entire value chain. The Group competes with numerous participants in the search for, and the acquisition of, oil and gas assets, and in the marketing of oil and gas. The Group's competitors include large, established oil and gas companies which may benefit from greater technical, physical and/or financial resources as well as smaller oil and gas companies which may benefit from greater flexibility and ability to react to market developments. The Group also faces competition from other oil generation processes, in particular shale oil. If the Group fails to develop new oil and gas reserves on a cost-effective basis, its oil and gas business could be materially adversely affected.

Any failure by the Group to compete effectively or adapt to changing market conditions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

There can be no assurance that TAQA will be able to implement its strategy in the timeframes envisaged or that the strategy, when implemented, will deliver all of the benefits envisaged.

TAQA may not be able to implement its strategy, and there is no assurance that the strategy, if implemented will deliver all of the desired benefits. TAQA's corporate strategy focuses on growth and optimisation, with four underpinning enablers: capability building, financial discipline, ESG and digital & innovation. TAQA's corporate strategy seeks to:

- ensure sustainable and profitable growth by increasing the generation capacity of the Group across its business lines; and
- facilitate and harness operational efficiencies across the Group's assets through sustainable and reliable digitalisation.

In November 2023, TAQA announced its revised 2030 growth targets, increasing its targets for power and water generation. See also "*— Description of the Group — Strategy*". The Group's scope of activity has in past years expanded to include the transmission and distribution of power and water, generation from renewable resources in the UAE, and more recently to include wastewater and sewerage activities as well. There can be no assurance that the integration of assets acquired in the execution of its strategy, or assets which the Group may acquire in the future, will be completed successfully or that the anticipated synergies will be realised. While the Group has senior management with experience in transmission and distribution activities, not all members of the senior management team are experienced in all of the businesses which the Group conducts.

The Group's ability to develop adequate talent and resources is key to achieving its strategy and there is a risk that TAQA may not be able to identify and hire or develop sufficient talent in the right timescale. Enhanced project development, delivery, operations and maintenance capabilities are also key to enabling TAQA to become a fully-fledged developer and operator and TAQA may not be able to realise its strategic ambitions if the Group is not successful in developing all the competencies and capabilities it needs to deliver its strategy.

In addition, TAQA's strategy to strengthen the implementation of proven digital solutions to enhance productivity and garner efficiencies may not be successful or proceed as swiftly as planned. A slower implementation of the digitalisation programme than currently envisaged may hinder TAQA in achieving its efficiency goals, may involve higher costs than expected and may require more resources than initially planned.

Furthermore, TAQA intends to grow outside the UAE. Investments or acquisitions in new geographic areas require TAQA to become familiar with new markets and competitors and to address new business risks. There can be no assurance that any such risks will not materialise or that any growth outside the UAE will not have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to risks relating to its joint ventures, including conflicts with its joint venture partners and an inability to control the decision-making processes of the joint ventures.

Some of the Group's current and future operations and investments (including the Masdar Joint Ventures) are or will be in jointly controlled entities and associated companies (together referred to as joint ventures). Joint venture partners may (a) have economic or business interests or goals that are inconsistent with those of the Group, (b) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements or (c) experience financial, operational, reputational or other difficulties, any of which may materially adversely impact the success of the relevant investment. TAQA can give no assurance as to the performance of any of the Group's joint venture partners.

Furthermore, TAQA (through the relevant Group joint venture company) may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners, especially if, as is the case with its associated companies, it does not have majority control of the joint venture. Although TAQA will seek to exert a degree of influence over the management and operation of its investments, it may not always be successful. This could result in deadlock, which could lead to increased costs for the relevant joint ventures, delays to the projects they operate and failure to realise the relevant joint venture's business plans. In addition, the Group's relevant joint venture partner could sell its stake to a third party, which may have goals and business plans for the joint venture that are not aligned with those of the Group. The consent of the Group's joint venture partners may also be required for the payment of distributions or dividends or for the sale of those investments, which could prevent the Group from managing its investments in the preferred manner and could hinder or prevent the Group from realising the benefits of its investments, including through the payment of dividends to TAQA. Any inability to receive dividends or distributions from TAQA's joint ventures could restrict the Group's funding and its ability to meet its obligations or pursue its strategy. See also "*— Financial Risks Relating to the Group — TAQA depends on access to cash flows from its subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects*".

Any of the foregoing could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In the event of a winding-up of the Group, the claims of the Noteholders will be structurally subordinated to the claims of creditors of TAQA's subsidiaries, and TAQA's generating subsidiaries may be limited in their ability to pay dividends or make other distributions to TAQA.

As at 31 March 2024 and 31 December 2023, the Group's total borrowings amounted to AED 62,477 million and AED 61,653 million, respectively, of which 47.0 per cent. and 49.0 per cent., respectively, related to the Group's generation subsidiaries, 2.0 per cent. and 0.0 per cent., respectively, related to SWS Holding and the remaining 51.0 per cent. and 51.0 per cent., respectively, relate to debt securities issued by TAQA.

Generally, in the event of a winding-up or insolvency of a subsidiary of TAQA, claims of secured and unsecured creditors of such subsidiary will have priority with respect to the assets and revenue of such subsidiary over the claims of TAQA or creditors of TAQA. Claims in respect of the Notes will therefore be effectively subordinated to creditors of existing and future subsidiaries of TAQA.

In addition, the ability of TAQA's generation subsidiaries to pay dividends or make other distributions or payments to TAQA will be subject to, among other things, the availability of profits or distributable funds, restrictions on the payment of dividends in covenants given in connection with their financial indebtedness and restrictions in applicable laws and regulations, including any restrictions that may be imposed by regulatory authorities. The Terms and Conditions contain no covenants that prevent TAQA's generation subsidiaries from entering into agreements that may restrict their ability to pay dividends or make payments to TAQA, and the majority of TAQA's power generation and water desalination plants have been financed with limited recourse project finance facilities, which contain restrictive covenants, including a prohibition on the payment of dividends in certain circumstances, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources — Term loans*".

Notwithstanding that TAQA is indirectly 90.0 per cent. owned by the government of Abu Dhabi, the Notes are not guaranteed by the government of Abu Dhabi and the government of Abu Dhabi is under no obligation to extend financial support to TAQA.

Although Abu Dhabi government is a 90.0 per cent. indirect shareholder of TAQA, potential investors should note that the Abu Dhabi government does not guarantee the obligations of TAQA in respect of any Notes issued under the Programme and Noteholders therefore do not benefit from any legally enforceable government backing. Although the Abu Dhabi government has in the past provided significant financial support to companies in which it holds ownership interests, including TAQA, it is under no obligation to extend financial support to TAQA in the future and, accordingly, may not do so. TAQA's ability to meet its obligations under the Notes is solely dependent on its ability to fund such amounts from the Group's operations, profit and cash flow or from external borrowings. In addition, any sustained period of low oil prices in the future could materially reduce the likelihood of financial support for the Group from the government of Abu Dhabi.

The Group's industrial facilities and infrastructure may experience equipment failures or may otherwise not operate as planned.

The operation of industrial facilities such as power generation, water desalination, and wastewater treatment plants, as well as significant transmission and distribution facilities and infrastructure, means that the Group's power and water, transmission and distribution and wastewater treatment businesses are exposed to material operating risks. These can include, among other things, unplanned outages leading to a loss of revenue and profit, facilities operating inefficiently or below their designed capacity, unexpectedly high operating and maintenance costs, equipment failures and unforeseen third-party liabilities. In 2021, the Group experienced several significant outages across its operations including outages resulting from damage to certain of the Group's gas and steam turbines in the UAE and the technical failure of a transformer in the UAE which resulted in a fire, which adversely impacted capacity availability and production. In Q1 2024, the Group experienced lower power availability due to the prolonged outage of a steam turbine at the power facility in Takoradi, Ghana, and unplanned outages at the aging power plants of Shuweihat 1 and Umm Al Nar, which are nearing their retirement in 2025 and 2027, respectively.

The continual operation of power and water plants, wastewater and sewerage infrastructure, and its transmission and distribution infrastructure, as well as natural processes such as erosion and corrosion, have an impact on the condition of the equipment and components of the Group's power and water plants and its transmission and distribution infrastructure. The impact of such operation and processes tends to increase as the plant, equipment and infrastructure ages, and as a result, older plant, equipment and infrastructure generally requires greater maintenance, operates less efficiently than more modern plant, equipment and infrastructure and, accordingly, is significantly more expensive to operate. The Group cannot give any assurance that its inspection and maintenance practices, including the proactive repair or replacement of plant, equipment and infrastructure before they fail, will be successful and any failure could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group has, in the past, experienced unplanned outages at its power generation and water desalination facilities and transmission and distribution infrastructure due to equipment failures or as a result of external factors. While the Group seeks to maintain insurance coverage and long-term service agreements with original equipment manufacturers across its assets to hedge against the extent of losses resulting from property damage and business interruption, such outages may, nonetheless, negatively impact the relevant operating subsidiary's net income through lost revenue, penalty payments for capacity unavailability and increased costs and there can be no assurance that the Group's insurance policies will cover such events or will be adequate to recoup the Group's losses or that any reimbursements will be paid in the same financial period in which the Group incurred such losses. In addition, any planned outages that are a part of routine maintenance operations may last longer or cost more than anticipated, adversely affecting the Group's revenue and costs from its power and water businesses. Furthermore, the Group's industrial facilities and infrastructure may require unexpected maintenance outside the scope of the scheduled maintenance programme. If the performance of any plant, equipment or infrastructure is below its expected levels of output or efficiency for any reason, this could materially and adversely affect the return on the Group's investment in that plant, equipment or infrastructure and thereby materially adversely affect the Group's business, financial condition, results of operations and prospects. In an extreme case, failure to operate any generation facility efficiently could result in the loss of the Group's licence to operate that facility.

Unusual weather conditions can also negatively impact the planned operation of certain of the Group's generation facilities thereby negatively affecting the Group's revenue from those facilities. The performance of the Group's renewable assets, Sweihan PV and Dhafrah PV2, as well as certain renewable assets of the Masdar Joint Ventures,

will be affected by the level of solar irradiance, and the performance of the wind farms in which the Group or the Masdar Joint Ventures has interests (including the wind farm in the United States in which the Group holds a 50 per cent. equity interest) is affected by the level of the prevailing winds. In addition, significant "red tide" events, which are caused by the rapid growth of certain algae that release pigments and poisons into the water, may adversely affect desalination capacity at the Group's plants.

The Group is subject to physical and transitional risks associated with climate change, including the increased focus by regulators on its CO_2 emissions, changing stakeholder preferences and potential increased impacts of severe weather events on its operations and infrastructure.

The effects of climate change and global warming, including societal and political response thereto, may have a significant impact on the Group's operations and business. Transitional risks, such as efforts to transition to a low-carbon future have increased the focus by global, regional and national regulators on climate change and greenhouse gas emissions, including CO_2 emissions, which may result in additional policy measures and regulation designed to address the direct and indirect impacts of energy companies on climate change. Such measures could increase or accelerate the need for investment, which may lead to increased costs to the Group.

Investor and stakeholder attitudes to environmental and climate issues may also change, and this may lead to a reduced interest in the Group's business, limited access to funding or reputational consequences for less environmentally conscious energy companies. In addition, the energy transition may not provide considerable or similar returns in certain of the emerging markets in which the Group operates, as compared to its global peers who may have a greater ability to influence production quantities in more liberalised markets and whose fossil fleets are nearing end of life or have become unprofitable due to factors such as wholesale price reductions and regulatory action (including, for example, the imposition of CO_2 taxes).

The Group is also exposed to physical risks associated with climate change. For example, climate change has resulted in more volatile weather conditions, causing flooding, wildfires, and greater frequency and intensity of storms. Such increased extreme weather events and changing climatic conditions may impact the Group's conventional and renewable infrastructure, compromising its distribution networks, damaging or restricting access to or functionality of its other facilities including information technology systems, or the operations of one or more of its third-party suppliers. For instance, significant "red tide" events, which are caused by the rapid growth of certain algae that release pigments and poisons into the water, may adversely affect desalination capacity at the Group's desalination plants. See "*—The Group's businesses are subject to significant inherent operational hazards and may be exposed to the effects of natural disasters and other potentially catastrophic events*." These may lead to changes in how the Group manages, maintains and plans its operations and could increase its costs.

While the Group continues to invest toward meeting its sustainability targets, it may, nevertheless, be perceived either by regulatory authorities or the public to have not met certain sustainability goals or to have met goals that are not aligned to science-based targets. In addition, the significant costs associated with such investments may prevent the Group from pursuing other attractive strategic business opportunities. Accordingly, the occurrence of any of the foregoing risks could limit the Group's operational flexibility, increase costs and therefore could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

Risks Relating to the Group's Power and Water Generation Businesses

The Group's power and water generation businesses represented 21.5 per cent. and 24.6 per cent. of its total revenue and accounted for 33.5 per cent. and 37.9 per cent. of its Adjusted EBITDA in Q1 2024 and FY 2023, respectively.

The non-renewal of, or failure to extend, long-term contracts could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's power generation and water desalination subsidiaries are largely dependent on their ability to produce and sell the power generated and desalinated water produced at their respective facilities. The arrangements typically take the form of off-take agreements, such as power purchase agreements (**PPAs**), water purchase agreements (**WPAs**) or power and water purchase agreements (**PWPAs**), which are long-term in nature (typically with a term of 20 to 30 years). All of the Group's power generation and water desalination facilities currently have long-term arrangements in place with key off-takers of their power and desalinated water in the jurisdictions in which they operate, but there is no guarantee that these arrangements will, at the end of their respective terms, be extended or renewed. For the maturity profile of the Group's PPAs, WPAs and PWPAs, see "*Description of the Group — Generation Business — UAE Operating Power and Water Generation Assets" and "—International*

Power Assets". Prior to the expiry of any PPA, WPA, PWPA or other offtake agreement, TAQA's management will seek to initiate discussions in relation to, and, if successful, will enter into negotiations relating to, the extension or renewal of these contracts.

A particular concern in relation to the Group's ability to negotiate future offtake agreement extensions is that recent advancements in both thermal generation and water desalination technologies have increased the efficiency gap between the Group's older plants and new plants that could be constructed to replace them. The wider this gap is, the more economical it becomes for the off-taker to build new capacity rather than extending any existing off-take contract. Other factors involved in any extension decision include the evolving energy mix, the role of thermal generation (baseload, peak load or moth-balling), additional capacity from nuclear generation and expected growth in energy demand.

To the extent that, in the future, any of the Group's long-term off-take agreements expire and the Group is unable to replace the capacity, whether by extension or investment in new facilities, the Group's business, financial condition, results of operations and prospects could be adversely affected.

The Group is subject to operational risks in relation to its long-term generation off-take agreements.

The Group's long-term off-take agreements only retain their value to the extent that the requisite power and desalinated water capacity can be made available. If for any reason the Group is not able to make available the requisite capacity, including for any of the reasons discussed under "*— Risks Relating to the Group's Business Generally — The Group's industrial facilities and infrastructure may experience equipment failures or may otherwise not operate as planned*", the Group's revenue could be affected and it could be in breach of its obligations under one or more of its agreements, which could result in litigation proceedings being brought against the Group or its relevant subsidiaries. Similarly, such agreements only retain their value to the extent that the off-taker is able to retain its creditworthiness. If the off-taker's creditworthiness materially deteriorates, the off-taker may no longer be able to fulfil its obligations under the agreement, such as paying for the capacity that has been made available or the electricity or desalinated water that has been supplied. See also "*Risks Relating to the Group's Business Generally — Substantially all of TAQA's generation subsidiaries are dependent on a limited number of customers for almost all of their revenue, and they are also dependent on third-party suppliers"*.

The Group's power generation and water desalination facilities are subject to changes in their operating cost structure. For the Group's UAE conventional facilities, the off-taker takes the responsibility of supplying the primary fuel which the facilities should consume to convert such fuel to power and/or desalinated water, at contractually agreed rates of efficiency. Under- or over-consumption of fuel from the agreed rates of efficiency beyond certain tolerance limits results in receipt of either fuel bonus compensation for the former or fuel penalties for the latter. Therefore, if the Group's assets do not perform within the defined efficiency limits, then the Group may become liable for certain penalties, subject to prescribed limits.

In relation to the Group's Jorf Lasfar plant in Morocco and the Neyveli plant in India, the project companies are responsible for purchasing fuel, but pass the cost through to the off-taker based on a formula that is intended to allow a full pass-through of costs.

If the Group is unable to meet its obligations under its off-take agreements, or if these agreements are terminated for any reason without suitable replacement arrangements being put in place, or if there are any adverse changes in the cost structure of the Group's power generation and water desalination facilities, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

Substantially all of TAQA's generation subsidiaries are dependent on a limited number of customers for almost all of their revenue, and they are also dependent on third-party suppliers.

TAQA's UAE power generation and water desalination subsidiaries sell their production to one related party, EWEC, which is a wholly-owned subsidiary of TAQA's majority shareholder, ADPower. EWEC is the Group's most significant customer, accounting for 17.4 per cent. of the Group's total revenue in FY 2023 and 15.8 per cent. in Q1 2024. Generally, TAQA's international power generation subsidiaries also sell their capacity and electricity to one party, which is typically a governmental entity. These concentrations of sales to a single entity expose the Group to risks if contractual disputes arise between the relevant Group entity and the off-taker, or if the off-taker experiences financial or other difficulties, such as has occurred with TAQA's Ghanaian subsidiaries in past periods. For instance, in 2022, the Group recognised a provision of AED 230 million in respect of expected credit losses related to the Group's Ghanaian subsidiary, Takoradi, due to a higher risk of recoverability from its off-taker. The off-taker is related to the government of Ghana and in December 2022, the government of Ghana

defaulted on certain of its international obligations, resulting in a downgrade of its credit rating. The Group has observed some delays in settlement of dues by the off-taker during 2023.

TAQA's UAE power generation and water desalination subsidiaries are dependent on supplies of gas and back-up fuel to operate their facilities. This fuel is supplied by EWEC, under the PPAs or PWPAs it has entered into with each generation subsidiary. EWEC in turn is dependent on the operation of the Dolphin gas pipeline operated by Dolphin Energy Limited (**DEL**), as well as procurement from Abu Dhabi National Oil Company (ADNOC) PJSC (**ADNOC**), to receive the gas which it supplies. As a result, the Group is exposed to any interruptions in gas supply through the Dolphin pipeline and to non-performance by EWEC in relation to its fuel supply obligations under the PPAs and PWPAs. TAQA's international power generation subsidiaries have similar exposures under their contractual documentation with fuel suppliers. For further information on the Group's PPAs, PWPAs and fuel supply agreements, see "*Summary of Material Contracts — Summary of Principal UAE Generation Agreements"* and*"— Summary of Certain International Generation Project Agreements*".

Any interruption to or termination of any of these contracts with one or more of the individually significant customers or suppliers to the Group's power generation and water desalination subsidiaries could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Relating to the Group's Transmission and Distribution Businesses

The Group's transmission and distribution businesses represented 59.8 per cent. and 59.9 per cent. of its total revenue and accounted for 43.8 per cent. and 44.6 per cent. of its Adjusted EBITDA in Q1 2024 and FY 2023, respectively.

The Group's power and water transmission and distribution revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted transmission and distribution revenue may not reflect the Group's actual transmission and distribution costs.

The Group's transmission subsidiary (**TRANSCO**), transmits power and water in Abu Dhabi within the scope of regulated activities. The Group's distribution subsidiaries, ADDC (as defined above) and Al Ain Distribution Company PJSC (**AADC**) (together, the **DisCos**), distribute power and water throughout Abu Dhabi, with AADC being the sole distributor in the eastern regions and ADDC being the sole distributor in the central and western regions. The revenue earned by each of TRANSCO (in relation to its transmission of power and water on behalf of Emirates Water and Electricity Company (**EWEC**) to the DisCos) and the two DisCos (in relation to the distribution of power and water by each of them to customers in the Emirate of Abu Dhabi) is regulated by the Abu Dhabi Department of Energy (the **DoE**).

Under the regulatory asset value (**RAV**) standard, the DoE sets the MAR that TRANSCO and the DisCos (together, the **regulated entities**) may earn in respect of their regulated activities each year. The DoE calculates the MAR for a regulatory control period (the **Regulatory Control Period**), which typically lasts four years. The RC2 has been issued by the DoE, and is expected to last from 2023 through 2026 taking effect retroactively from 1 January 2023. The determination of MAR for each regulated entity is based on numerous criteria, including principally an agreed investment return on its RAV, its weighted average cost of capital (**regulatory WACC**), its operational expenditures and an agreed allowance for depreciation of assets.

Subject to the limits of MAR:

- TRANSCO is entitled to Transmission Use of System (**TUoS**) charges for the transmission of water and electricity from generation and desalination plants to the distribution companies, which are calculated in accordance with the terms of the licence issued to TRANSCO by the DoE and are based on the costs for the provision of shared transmission network services at delivery points to the distribution companies; and
- the DisCos are entitled to tariffs for distribution of power and water within Abu Dhabi as well as connection charges for connections made to the distribution network, which are each set by the DoE. As the permitted tariffs in Abu Dhabi are currently insufficient to generate the MAR for those activities, the difference between the permitted tariffs and the MAR is currently subsidised by the Abu Dhabi government. See "*— The Group currently benefits from other operating revenue from the government of Abu Dhabi reflecting the fact that allowed tariffs for the distribution of power and water to customers in Abu Dhabi result in customer revenues that are below the permitted MAR for those activities*" below.

The establishment of the MAR is generally subject to a consultation period, whereby individual companies submit detailed information (in the form specified by the DoE) in relation to past and estimated future costs. This information is then subject to detailed scrutiny by the DoE and its consultants. The DoE assesses what level of costs the individual operating companies require to undertake their operations over the relevant Regulatory Control Period. The DoE uses these costs, in addition to the depreciation on regulatory RAV and return on RAV using a WACC, as well as other factors, to establish the MAR. As a result of this framework, the Group is subject to the risk that the DoE may not agree with its submissions in establishing the MAR for any relevant Regulatory Control Period and that MAR may differ from the Group's expectations. Ultimately, any final decision regarding the MAR's establishment is agreed with the operating companies before it is implemented, and the applicable licences provide for recourse to arbitration in the event of disagreement.

In addition, due to the structure of the regulatory framework, a regulated entity may not be able to reflect all changes (even if approved by the DoE) in its actual expenses in any Regulatory Control Period due to the periodic or delayed nature of the regulatory review. If operating costs rise and a regulated entity requires additional MAR to compensate the cost, there can be no assurance that the DoE will approve any requested increase in MAR. Moreover, even if the DoE agrees or recognises an increase in a regulated entity's operating costs or other factors affecting the MAR, except in special circumstances existing outside the regulated entity's control, typically any related change in the MAR would not become effective until the next Regulatory Control Period. For example, the capital expenditure allowance is approved for the Regulatory Control Period and is subject to ex-post reconciliation for over/under spend in the next/subsequent Regulatory Control Periods. See also "*— Financial Risks Relating to the Group — The Group has significant ongoing capital expenditure and outstanding borrowings that pose material financing and refinancing risks*" below.

Any decrease in the regulated entities' MAR or adverse changes to the applicable regulatory framework could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group currently benefits from other operating revenue from the government of Abu Dhabi reflecting the fact that allowed tariffs for the distribution of power and water to customers in Abu Dhabi result in customer revenues that are below the permitted MAR for those activities.

The MAR is built by summing up the different cost elements required to deploy and maintain the network for the supply of electricity and water. When the costs reflected into a Kilowatt hour or Imperial Gallons unit cannot be covered entirely by the customers of Abu Dhabi, the government of Abu Dhabi supports the delivery of electricity and water by funding the costs not covered in the public tariff under the form of a subsidy. This subsidy is computed as the difference between the MAR and the total amounts billed to customers.

There can be no assurance that the DoE will approve any increase in the tariffs in the future, even if the Group believes that the increase is justified. Any future reduction in the government subsidy which is not matched by an increase in permitted tariffs could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Even if a subsidy reduction is matched by a tariff increase, such tariff increase could heighten the Group's collection risks and result in increased provisions or write offs in respect of receivables, which, if significant, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses

The Group's crude oil and natural gas exploration, production, transportation and storage businesses represented 14.2 per cent. and 15.6 per cent. of its total revenue and accounted for 15.9 per cent. and 20.4 per cent. of its Adjusted EBITDA in Q1 2024 and FY 2023, respectively.

Volatility of oil and gas prices have, in the past, and could, in the future, impact the Group's revenue, operating income, profitability and cash flow and have in the past, and may in the future, lead to a reduction in the carrying value of the Group's assets, its planned level of spending for exploration and development and the level of its oil and gas reserves.

The Group's business, results of operations, financial condition and future growth depend in significant part on the prices it is able to realise for its crude oil and natural gas production. The Group has entered into a range of sale agreements in relation to its crude oil and natural gas production. The pricing mechanism for all these agreements is generally based either on the spot price or on monthly average prices for the relevant commodity at the time of delivery to the purchaser. As a result, the Group is exposed to volatility in the prices of the crude oil,

natural gas and natural gas liquids it produces and sells. See "*Summary of Material Contracts — Summary of Principal Oil and Gas Agreements*".

Historically, the markets for crude oil and natural gas have been volatile, and those markets are likely to continue to be volatile in the future. For example, according to Bloomberg data, the average price per barrel for West Texas Intermediate crude oil (the most relevant reference price for the Group's North American crude oil production) was U.S.$68.1/bbl in FY 2021, U.S.$94.3/bbl in FY 2022, and U.S.$77.7/bbl in FY 2023. Similarly, the average price per barrel for Brent crude oil (the most relevant reference price for the Group's UK North Sea and Iraq crude oil production) was U.S.$71.0/bbl in FY 2021, U.S.$99.0/bbl in FY 2022, and U.S.$82.6/bbl in FY 2023. The increase in crude oil prices and volatility throughout FY 2022 reflected the effects of the war in Ukraine, including the extensive sanctions levied by the United States, the EU, the UK and others on (amongst others) Russian private and state-owned entities, as well as the risk of potential disruptions to crude oil, energy production and infrastructure related to the war. The decline in prices in FY 2023 principally reflect the effects of the several interest rate hikes among global central banks, inflation and recession concerns, as well as continued and increased geopolitical tensions which increased concerns around crude oil demand.

The average price per mmbtu for Henry Hub natural gas (the most relevant reference price for the Group's Canadian natural gas production) was U.S.$3.7/mmbtu in FY 2021, U.S.$6.5/mmbtu in FY 2022, and U.S.$2.5/mmbtu in FY 2023, according to Sproule data. Additionally, access to market affects regional price differentials, which may result in tightening or widening of basis between Henry Hub and the Group's Canadian natural gas sales price. The average Henry Hub to AECO (benchmark price for the majority of the Group's North America natural gas sales) basis differential was U.S.$-0.8/mmbtu in FY 2021, U.S.$-2.3/mmbtu in FY 2022, and U.S.$0.6/mmbtu in FY 2023. The significant reliance of the EU and the UK on Russian gas, and the reduction, and threat of further reduction, of Russian gas supply to the region in response to sanctions has resulted in gas price fluctuations and increases.

Prices for crude oil and natural gas are based on world supply and demand and are subject to large fluctuations in response to relatively minor changes in demand or supply and a variety of additional factors beyond the control of the Group. These uncertainties and additional factors may include actions taken by OPEC and adherence or non-adherence to agreed production quotas, pandemic diseases, war, such as the wars in Ukraine and Gaza, terrorism, government regulation, social and political conditions in oil and gas producing countries generally, economic conditions, prevailing weather patterns and meteorological phenomena such as storms and hurricanes and the availability of alternative sources of energy. Future oil and gas price movements cannot be predicted with any accuracy. Further information on the Group's production and international oil and gas prices can be found under "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Results of Operations and Financial Condition — Oil and gas sales revenue*".

Similarly, the revenue for services provided in connection with the Group's midstream business (which includes gas storage) is subject to market conditions. The markets for gas storage and similar services are not well developed and are based to some extent on other commodity prices, which have been and may continue to be volatile. As such, it is not possible to predict the actual prices at which the Group may be able to sell services associated with its midstream assets.

Significant changes in oil and gas prices have in past years materially impacted the Group's results of operations both through reduced revenue and as a result of impairment charges and reductions in fair value in respect of the Group's oil and gas assets.

Although oil prices recovered throughout 2021, 2022, and for the first half of 2023, geopolitical tensions and concerns around demand in the second half of 2023 resulted in more price fluctuation and oil prices ended lower than the 2022 year-end prices. If there is any extended decrease or continued volatility in the future, this would be likely to negatively affect the Group's revenue, operating income and cash flow, could also negatively impact its borrowing capacity and may lead to a further reduction in the carrying value of the Group's assets or impairment losses, its planned level of spending for exploration and development and the level of its reserves. No assurance can be given that prices will be sustained at levels that will enable the Group to operate its oil and gas business profitably.

Crude oil and natural gas exploration and development activities are subject to inherent risks both from a commercial and operational perspective and the Group's operational risks are increased by the fact that certain of its oil and gas facilities have exceeded their original designed lives.

The Group's crude oil and natural gas exploration may involve unprofitable efforts, not only from dry wells but also from wells that are producing but do not produce sufficient net revenue to return a profit after drilling, operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

Whether the Group ultimately undertakes an exploration or development project depends upon a number of factors, including the availability and cost of capital, current and projected oil and gas prices, receipt of government approvals, current and projected taxation levels, access to the property, the costs and availability of drilling rigs, completion services and other equipment, supplies and personnel necessary to conduct these operations, the success or failure of activities in similar areas and changes in the estimates for completing the projects. Furthermore, additional information acquired during a project could cause the Group to alter its schedule or determine that the project should no longer be pursued, which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's oil and gas operations are subject to all of the risks incidental to the drilling of crude oil and natural gas wells, laying pipelines, transporting and storing oil and gas and the operation and development of oil and gas properties, including encountering premature decline of reservoirs, invasion of water into producing formations, unexpected formations or pressures, blowouts, explosions, fires, equipment failures and other accidents, uncontrollable flows of oil, gas or well fluids, adverse weather conditions, adverse seismic conditions, chemical reactions in reservoirs, pollution and other environmental risks. The Group's offshore production facilities are also subject to the hazards inherent in offshore drilling, including loss of integrity as a result of the age of the facilities and their exposure to an extreme marine environment, capsizing, sinking, grounding, vessel collision and damage from severe weather conditions.

Furthermore, some of the Group's development and exploration projects are or may be located in environments that are difficult to operate in, or involve or may involve production from challenging reservoirs, which can exacerbate such problems. The climate and topography of some of the regions in which the Group's fields are located may limit access to certain fields and facilities during certain times of the year. For example, in winter, extreme weather could limit access to certain wells, and extreme cold could cause the temporary suspension of operations of wells with a high watercut. Such weather conditions could also limit the Group's exploration operations.

The Group conducts its operations in the UK North Sea and the Netherlands principally using facilities the Group acquired from BP Nederland Energie B.V. in 2007 and from various former owners in the UK. Certain of these facilities are over 30 years old, which exceeds their original designed life, and there has been a reported natural decline in production and decommissioning activity associated with these facilities. The Group may not always be able to anticipate where modernisation efforts are needed to continue operating the installations at their current output levels, or to execute such efforts prior to any failure of the installations. Such failures may require increased levels of capital expenditure to replace these facilities, or result in a higher likelihood of oil spills, operating outages or other hazards.

Any significant decline in operating integrity of any of the Group's installations, particularly those in the UK North Sea and the Netherlands, could lead to production shutdowns, an increase in health and safety risks, increased maintenance costs, financial losses and/or create significant reputational or legal liability, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The cost of materials and services relating to the Group's oil and gas exploration and production activities could increase.

A number of Group companies rely on oil and gas suppliers and contractors to provide materials and services in conducting their exploration and production businesses. Any substantial increase in the worldwide prices of commodities, such as steel, and competitive pressures on oil field suppliers, could result in a material increase in costs for the materials and services required by these companies to conduct their business. In addition, the cost of oil and gas field services and goods has historically been volatile reflecting fluctuations in demand which tends to reduce in periods when oil prices are depressed. The Group expects that this volatility is likely to continue in future periods. Future increases could have an adverse effect on the Group's operating income and cash flow and may require a reduction in the carrying value of the Group's properties, its planned level of spending for exploration and development and the level of its reserves. No assurance can be given that prices for materials and

services will be sustained at levels which will enable the Group to operate profitably. Any significant or sustained increase in such costs could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group could incur significant decommissioning costs in relation to its oil and gas facilities which may be higher than its provisions and may require cash resources beyond those that it generates from its operating activities.

The costs of decommissioning oil and gas production, distribution and storage facilities are generally payable at a time when the assets being decommissioned are no longer generating cash. These decommissioning costs may be significant, depending on the location, size and length of operation of the facility being decommissioned. In addition, the final cost of decommissioning to the Group will be a function of a number of uncertainties, principally the cost itself, where relevant the ability of the Group's partners to pay or otherwise secure payment of their share of the decommissioning costs and, in some jurisdictions, the ability of the Group to obtain tax relief for the decommissioning costs incurred. In relation to its UK North Sea Assets, the Group has already commenced an extended decommissioning plan which it believes is currently unlikely to be fully funded by cash flow from assets as would be normal industry practice.

There can, however, be no assurance that the Group's provisions for its decommissioning costs will prove to be accurate or that the cash flow generated from its assets will be sufficient to meet the costs of decommissioning at the time when required to be incurred. To the extent that the Group is required to raise funds or to use more cash from other operations than it originally anticipated to meet decommissioning costs, its business, results of operations and financial condition could be materially adversely affected.

In addition, when Group companies have acquired facilities from third parties, as part of the consideration for such acquisitions, TAQA has, in most instances, been required to accept the decommissioning liabilities with respect to such facilities and to protect the selling parties from the future decommissioning liabilities. Some of these third parties have the right to require TAQA to secure its obligations with a parent company guarantee, letter of credit or other cash equivalent collateral. In particular, a certain member of the Group has entered into decommissioning deeds for certain but not all of the UK North Sea assets acquired by it pursuant to which it is required to either (a) place monies in trust or procure the issuance of letters of credit in an amount equal to 150 per cent. of its share of the estimated pre-tax net decommissioning costs of the subject fields, (b) procure a guarantee from TAQA or an affiliate with a credit rating of AA- (Standard & Poor's) or Aa3 (Moody's) or better or (c) provide security in such other form as may be agreed by the parties to the deeds. Under these decommissioning deeds, TAQA has relied on its ability to provide a parent company guarantee and maintain the minimum credit rating specified. Although TAQA's credit rating is currently at the specified level, there have been periods in the past where TAQA's credit rating fell below the specified level. If at any point in the future TAQA is required to replace the parent guarantee in its entirety, the amount it would have to place in trust, or procure through the issuance of letters of credit or other cash equivalent collateral, could be material. There is no guarantee that TAQA will be able to secure letters of credit required as collateral to replace the parent guarantee and, if this occurs, TAQA may have to provide the cash equivalent as security. Given the potential size of the decommissioning liabilities, if these third parties were to require TAQA to post security for all or a material portion of these liabilities, TAQA could be required to divert funds or liquidity from other business purposes such that the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

In respect of certain of its 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 to be majority-owned by the Abu Dhabi government. Accordingly, if TAQA ceases to be majority-owned by the Abu Dhabi government, this could significantly increase the cost to it of providing security for its decommissioning obligations, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's exploration and development activities depend on its ability to procure appropriate drilling and related equipment and personnel, and the Group may only have limited control over the nature and timing of exploration and development on certain of its properties.

Oil and gas exploration and development activities depend on the availability of drilling and related equipment and drilling personnel and specialists in the particular areas where such activities will be conducted. Demand for limited equipment such as drilling rigs or access restrictions may affect the availability of such equipment to the Group and may delay its exploration and development activities. In the areas in which the Group operates there is significant demand for drilling rigs and other equipment. Accordingly, any failure by the Group to secure the

necessary equipment or personnel may have a material adverse effect on its business, results of operations and financial condition.

In addition, certain of the Group's oil and gas properties are operated by third parties or may be subject to operating committees, and, as a result, the Group has limited control over the nature and timing of exploration and development of such properties or the manner in which operations are conducted on such properties.

The Group may fail to replace its current oil and gas reserves.

The Group's future crude oil and natural gas production levels, and therefore its cash flow and profits from its oil and gas business, are highly dependent upon the Group's ability to increase its reserves base by drilling new wells. Particularly with regard to its UK North Sea assets, the producing crude oil and natural gas reserves are in decline. While the Group and its joint venture partners are involved in exploration and development, those efforts may not result in the discovery of hydrocarbons or may only discover hydrocarbons that cannot be produced economically under prevailing conditions. In addition, given the capital-intensive nature of exploration and development activities, the Group has in recent years delayed or cancelled a number of projects as a result of the low oil and gas price environment.

To the extent that the Group's cash flow from operations and external sources of financing are insufficient to sustain its drilling programme, its reserve base may be depleted and its reserve life could decline. New reserves from exploration wells or drillings that are exploration in nature are influenced by oil and gas prices, therefore the exploration programme could be affected by prevailing oil and gas pricing. If the Group is unsuccessful in expanding its reserve base through exploration and development and/or through acquisitions, its business, financial condition, results of operations and prospects will be materially adversely affected. The Group's net reserves replacement ratio (which measures the amount of probable and proved reserves attributable to the Group and added to its reserve base during the year, including through acquisitions, relative to the amount of oil and gas produced that is attributable to the Group) was 80 per cent. in FY 2023, 107 per cent. in FY 2022 and 81 per cent. in FY 2021. A reserves replacement ratio of less than 100 per cent. indicates that the resources produced in the year were not fully replaced while a negative reserves replacement ratio indicates the depletion of oil and gas reserves.

Even if the Group is able to obtain the funds it needs to sustain its drilling programme, there can be no assurance that any production will be obtained as a result of these activities, or that if such production is obtained, it will be profitable. As a result, the Group may expend substantial funds without benefit, possibly resulting in significant impairments in its oil and gas operations, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The oil and gas reserves data presented in this Prospectus are estimates that may vary significantly from the actual quantities of oil and gas reserves that may be recovered, which could result in an impairment of these assets.

There are numerous uncertainties inherent in estimating quantities of proved, probable, possible and contingent reserves, including many factors beyond the Group's control. The reserves information set out in this Prospectus are estimates only, which the Group makes on an annual basis. In general, estimates of economically recoverable oil and gas reserves are based on a number of factors and assumptions made as of the date on which the reserves estimates are determined, such as geological and engineering estimates (which have inherent uncertainties), historical production from the assets, the assumed effects of regulation by governmental agencies and estimates of future commodity prices, capital expenditure and operating costs, all of which may vary considerably from actual outcomes. All estimates are, to varying degrees, uncertain, and classifications of reserves are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable oil and gas reserves attributable to any particular group of assets and the classification of such reserves based on risk recovery prepared by different engineers or by the same engineers at different times may vary substantially. In addition, due to the inherent risk in exploration and development activities, there can be no assurance that any of the Group's estimated oil and gas reserves will be converted into commercial production or that the Group will meet its targeted production timelines. The Group's actual production, revenue, taxes and development and operating expenditures with respect to its reserves are likely to vary from such estimates, and such variances could be material.

Estimates with respect to oil and gas reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves, rather than upon actual production history. Subsequent evaluation of the same reserves based upon production history will result in variation, which may be material, in the estimated or actually recovered reserves. In addition, significant reductions in commodity

prices may make the exploitation of certain reserves uneconomic and this too can affect reserves figures from period to period.

The estimates for the Group's proven and probable reserves set out in this Prospectus were evaluated using the Society of Petroleum Engineers' Petroleum Resource Management System and the Canadian Oil and Gas Evaluation Handbook. The Group's annual crude oil and natural gas reserves and resources review process includes an annual external review conducted by appropriately qualified independent reserves auditors. Potential investors should note that the definitions and guidelines prescribed by the U.S. Securities and Exchange Commission or any other regulatory body may provide for a more conservative approach to reserve estimates and therefore result in lower reserve values than the approach currently followed by the Group. There can be no assurance that an assessment of the reserves using the Group's current methodology would be consistent with an assessment using any other methodology.

The management and control of petroleum resources in the Kurdistan region of Iraq is disputed and the Group may not be able to enforce its contractual rights to its resources in that region.

The management and control of petroleum resources in the Kurdistan Region of Iraq is disputed between the Government of Iraq and the Kurdistan Regional Government (the **KRG**). On the assertion that oil and gas matters are constitutionally within the exclusive jurisdiction of Iraqi regions and governorates (rather than the Iraqi federal government), the Kurdistan Region National Assembly passed the Kurdistan Region Oil and Gas Law in 2007 (**KROGL**), which purports to provide a statutory framework for oil and gas production in the Kurdistan Region and is the legal basis for the award of production sharing contracts (**PSC**s) by the KRG. Since 2007, the KRG has entered into over 40 PSCs with international oil companies, including with the Group. The Government of Iraq does not recognise the terms of the PSCs and views the relevant resources as owned by the Iraqi people until title transfers to the purchaser after export. This has contributed to frequent tension and disruptions in the export of petroleum from the Kurdistan Region of Iraq. See also "— *The Group's ability to sell its crude oil and natural gas production may be adversely affected by constraints on pipeline and transport systems or various other transport interruptions.*" On 15 February 2022, the Iraq Federal Supreme Court rendered a judgement with the following conclusions: (a) the KROGL was repealed on the basis it was unconstitutional; (b) the KRG were ordered to hand over oil production from the Kurdistan Region to the Federal Ministry of Oil (the **MOO**); (c) the MOO has the power to follow-up on the nullity of oil contracts to which the KRG is a party; and (d) the MOO were entitled to review those contracts. The KRG continues to assert that this judgement is unlawful and that the Government of Iraq does not have the constitutional power to repeal the KROGL. Although TAQA Atrush's entitlement to all oil produced continues to be delivered to the KRG, there can be no assurance that the Group will be able to enforce its contractual rights in the future. In January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush field in the Kurdistan Region of Iraq. The sale is expected to complete in 2024, subject to fulfilling certain conditions. See also "— *The Group's ability to sell its crude oil and natural gas production may be adversely affected by constraints on pipeline and transport systems or various other transport interruptions.*"

Risks Relating to the Group's Sustainable Water Solutions Businesses

On 21 June 2023, TAQA entered into an agreement for the purchase of the entire share capital of SWS Holding for a consideration of AED 1,724 million. 50 per cent. of the consideration will be paid at completion with the remaining 50 per cent. to be paid one year following completion. As of the date of this Prospectus, this transaction has not legally completed as it remains subject to certain conditions precedent, including receipt by SWS Holding of the DoF's first subsidy payment equivalent to the MAR calculated in accordance with RC2 in respect of FY 2023. The acquisition date in the Q1 2024 Interim Financial Statements is 1 January 2024, being the date the Group gained control over SWS Holding. The acquisition has been accounted for in the Q1 2024 Interim Financial Statements using the pooling of interest method, which reflects the economic substance of the transaction.

The Group's sustainable water solutions businesses, through SWS Holding, represented 4.5 per cent. of its total revenue and accounted for 8.3 per cent. of its Adjusted EBITDA in Q1 2024.

The Group's sustainable water solutions revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted sustainable water solutions revenue may not reflect the Group's actual sustainable water solutions costs.

SWS Holding, the Group's sustainable water solutions business subsidiary, operates and maintains wastewater treatment facilities and manages water collection, treatment, supply, and sewerage services in the UAE, within the scope of regulated activities. SWS Holding, through its subsidiary ADSWSC, has the exclusive mandate of collecting, treating and disposing of water in Abu Dhabi and Al Ain. ADSWSC is also responsible for the sale to

AADC and ADDC of the recycled water it produces, who in turn are responsible for the distribution and supply of recycled water to end-users in Abu Dhabi, in accordance with licences granted by the DoE. In addition to its ownership of ADSWSC, SWS Holding holds a 60 per cent. shareholding in two independent sewage treatment plants (each, an **ISTP**), who supply services to ADSWSC pursuant to long-term sewage treatment agreements (each, an **STA**). Revenue of ADSWSC is regulated by the DoE.

The Group's revenue in this business stream is subject to MAR for all three of its services: sewerage, wastewater treatment and disposal. MAR is calculated under the RAV standard, whereby the DoE sets the MAR that ADSWSC, as a regulated entity, may earn in respect of its regulated activities each year. The DoE calculates the MAR for each Regulatory Control Period. MAR for each regulated entity is based on numerous criteria, including principally an agreed investment return on its RAV, its WACC, its operational expenditures and an agreed allowance for depreciation of assets.

The Group's sustainable water solutions business stream as carried out by ADSWSC is currently subject to RC2, which is expected to last from 2023 through 2026.

Subject to the limits of MAR:

- SWS Holding receives payments for its services in the form of tariffs set by the DoE. The full amount of such tariffs is paid by the DoF. See "*—The Group currently benefits from other operating revenue from the government of Abu Dhabi reflecting the fact that allowed tariffs for sewerage services in Abu Dhabi are paid in full by the DoF.*" below.
- Costs paid by ADSWSC to the ISTPs pursuant to the STAs are treated on a pass-through basis.

For more detail on the method for establishment of the MAR, see "*—The Group's power and water transmission and distribution revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted transmission and distribution revenue may not reflect the Group's actual transmission and distribution costs."* above. As a result of this framework, the Group is subject to the risk that the DoE may not agree with its submissions in establishing the MAR for any relevant Regulatory Control Period and that MAR may differ from the Group's expectations. Ultimately, any final decision regarding the MAR's establishment is agreed with the operating companies before it is implemented, and the applicable licences provide for recourse to arbitration in the event of disagreement.

In addition, due to the structure of the regulatory framework, a regulated entity may not be able to reflect all changes (even if approved by the DoE) in its actual expenses in any Regulatory Control Period due to the periodic or delayed nature of the regulatory review. If operating costs rise and a regulated entity requires additional MAR to compensate the cost, there can be no assurance that the DoE will approve any requested increase in MAR. Moreover, even if the DoE agrees or recognises an increase in a regulated entity's operating costs or other factors affecting the MAR, except in special circumstances existing outside the regulated entity's control, typically any related change in the MAR would not become effective until the next Regulatory Control Period. For example, the capital expenditure allowance is approved for the Regulatory Control Period and is subject to ex-post reconciliation for over/under spend in the next/subsequent Regulatory Control Periods. See also "*—Financial Risks Relating to the Group — The Group has significant ongoing capital expenditure and outstanding borrowings that pose material financing and refinancing risks*" below. In addition, there have in the past occurred and may in the future be delays in receiving a MAR approval or between the approval of a MAR and the regulated entity's full recovery of the associated subsidy from the government, which would require the Group to provide the recoverable capital or operational expenditure in the interim from its cash flows. For example, as of the date of this Prospectus, SWS Holding has yet to receive the DoF's first subsidy payment equivalent to the MAR calculated in accordance with RC2 in respect of FY 2023. While SWS Holding receives payments from the government of Abu Dhabi for services provided, such payments have not reflected the MAR as calculated in accordance with the RC2, and accordingly may not be aligned with SWS Holding's operational expenditure or capital expenditure planning. This may in turn have an adverse impact on SWS Holding's financial condition, results of operations and prospects. Any decrease in the regulated entity's MAR, any delay in the regulated entity's receipt of the subsidies associated with the MAR, or adverse changes to the applicable regulatory framework could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group currently benefits from other operating revenue from the government of Abu Dhabi reflecting the fact that allowed tariffs for sewerage services in Abu Dhabi are paid in full by the DoF.

The MAR is built by summing up the different cost elements required to deploy and maintain the network for the operation and maintenance of wastewater facilities. The government of Abu Dhabi supports the full tariff of water collection, treatment, supply, and sewerage under the form of a subsidy paid to ADSWSC.

There can be no assurance that the DoE will approve any increase in the tariffs in the future, even if the Group believes that the increase is justified. Any future reduction in the government subsidy which is not matched by an increase in permitted tariffs could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Any decrease in the regulated entity's MAR or adverse changes to the applicable regulatory framework could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Financial Risks Relating to the Group

TAQA depends on access to cash flows from its subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects.

To meet its obligations and cash flow requirements and to pursue its strategy, TAQA utilises funding from a combination of distributions from its subsidiaries, associated companies and joint ventures, bank financing, divestments of holdings in certain companies, liquidity from the capital markets and equity contribution from its shareholders. TAQA's subsidiaries, associated companies and joint ventures are separate and distinct legal entities that have no obligation to make any funds available to TAQA or to each other, whether by intercompany loans or payment of dividends. In particular, the ability of TAQA's subsidiaries to pay dividends or make other distributions or payments to TAQA will be subject to, among other things, the availability of profits or distributable funds and restrictions in applicable laws and regulations, including any restrictions that may be imposed by regulatory authorities. In addition, the majority of the Group's power generation, water desalination and wastewater and sewerage treatment plants have been financed with limited recourse project finance facilities, which contain restrictive covenants, including a prohibition on the payment of dividends in certain circumstances. As a result, dividend flows from TAQA's subsidiaries, associated companies and joint ventures could be volatile and some of the Group's businesses have a limited track record of paying dividends, or have never paid dividends. Accordingly, TAQA may not be able to obtain cash from its subsidiaries, associated companies and joint ventures at the times and in the amounts that TAQA requires. Any failure by TAQA to obtain distributions from its businesses could restrict the Group's funding and its ability to meet its obligations or pursue its strategy.

In addition, the Group has a significant amount of indebtedness and certain of its subsidiaries may face funding and liquidity restrictions under the terms of the financing arrangements upon which they depend. As at 31 March 2024 and 31 December 2023, the Group's total borrowings amounted to AED 62,477 million and AED 61,653 million, respectively, of which 47 per cent. and 49 per cent., respectively, related to the Group's generation subsidiaries, 2 per cent. and 0 per cent., respectively, related to SWS Holding and the remaining 51 per cent. and 51 per cent., respectively, related to debt securities issued by TAQA. The Group's financing arrangements contain financial covenants and other ongoing undertakings and requirements, including a requirement to maintain an EBITDA to interest cover ratio of 1.5x. If any of the Group's covenants, undertakings or requirements are not complied with, financing may not be available to the Group, which could create liquidity difficulties for the Group, and the Group could face issues in refinancing its limited-recourse project finance facilities. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*". Any liquidity constraints or lack of financing faced by the Group or its businesses could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

TAQA's credit ratings may change and any ratings downgrade could adversely affect the value of Notes issued under the Programme.

TAQA has a long-term foreign currency debt rating of "AA" with a stable outlook from Fitch and a long-term foreign currency issuer default rating of "Aa3" with a stable outlook from Moody's. In its most recent rating report published on 11 June 2024, Fitch upgraded TAQA's Long-Term Default Rating and senior unsecured rating to AA from AA- following Fitch's reassessment of TAQA's relationship with Abu Dhabi under Fitch's updated Government-Related Entities Rating Criteria. Fitch ratings for TAQA are now equalised with those of Abu Dhabi.

Fitch noted that the following factors could, individually or collectively, lead to a negative rating action or downgrade with respect to TAQA:

- a negative rating action on Abu Dhabi;
- a significant weakening of the links with Abu Dhabi;
- a more aggressive financial policy, higher capital expenditure or debt funded acquisitions and unfavourable regulatory developments, which result in funds from operations net leverage rising above 4.5x and funds from operations interest coverage being below 4.5x on a sustained basis; and
- an increase in oil and gas expansion capital expenditure, leading to a higher contribution to EBITDA on a sustained basis.

In its most recent rating report published on 16 February 2024, Moody's noted that a change in Moody's Abu Dhabi government support assumptions, for instance, as a result of adverse changes in regulation and oversight by the Abu Dhabi government or a significant reduction in Abu Dhabi government ownership and a material deterioration in TAQA's financial profile, or a significant increase of the contribution of unregulated businesses to TAQA's cash flows could lead to a rating downgrade with respect to TAQA.

Any future reduction in either or both of TAQA's ratings could:

- adversely affect the Group's liquidity and competitive position;
- undermine confidence in the Group;
- increase its borrowing costs;
- limit its access to the capital markets; and/or
- limit the range of counterparties willing to enter into transactions with the Group, as many institutions require their counterparties to satisfy minimum ratings requirements.

In addition, to the extent that TAQA has rating dependent obligations in its contractual arrangements, any rating downgrade could trigger these obligations which could be material in amount. Furthermore, a rating downgrade could trigger claims under the provisions of alternate securities for meeting decommissioning liabilities or potentially securing decommissioning costs with equivalent cash amounts, which could have an adverse impact on TAQA's ability to make payments on the Notes.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

TAQA cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant.

The Group has significant ongoing capital expenditure and outstanding borrowings that pose material financing and refinancing risks.

The Group's business plan to exploit and commercialise its assets, including maintaining the integrity of its existing facilities, anticipates significant capital expenditure for a number of years. This capital expenditure is expected to be concentrated on the Group's transmission, distribution and generation businesses with its oil and gas capital expenditure being related to maintenance or licence protection and the possibility of additional development capital expenditure subject to market conditions.

The Group's ability to successfully implement its planned capital expenditure could be significantly impacted by a decline in general economic or business conditions in the markets in which it operates or disruptions in the global credit markets. In addition, the Group's future capital expenditure is likely to require external funding. If sufficient funding is not available to meet the Group's future capital expenditure requirements, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's ability to obtain external financing and the cost of such financing are dependent upon numerous factors including general economic and market conditions in the UAE and internationally, international interest rates, credit availability from banks or other lenders, investor confidence in the Group and the success of the Group's business as well as restrictions contained in its existing debt agreements.

There can be no assurance that external financing or refinancing, either on a short-term or a long-term basis, will be available or, if available, that such financing will be obtainable on terms that are not onerous to the Group. Should the Group be unable to raise funds for its capital expenditures at any time, this could require it to scale back, defer or cancel existing projects which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As at 31 March 2024 and 31 December 2023, the Group had AED 62,477 million and AED 61,653 million, respectively, of outstanding borrowings. The Group's significant level of indebtedness and any increased indebtedness may require a substantial portion of cash flow from operations to be dedicated to the payment of principal, interest and other financing costs in respect of the Group's indebtedness, thereby reducing its ability to use its cash flow to fund its operations, capital expenditure and future business opportunities. This may also limit the Group's ability to raise capital to fund any future capital expenditure or operations, expose the Group to the risk of increased interest rates and/or increased costs to hedge interest rates, limit the Group's ability to adjust to changes in demand for the power and water and oil and gas that it produces and expose the Group to refinancing risk to the extent that the Group is unable to repay its borrowings out of internally generated cash flow. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Disruptions in global credit markets may adversely affect the Group and its ability to secure financing.

The Group anticipates that it will continue to require significant amounts of financing in the future, both to fund its planned capital expenditure (as discussed under "*— The Group has significant ongoing capital expenditure and outstanding borrowings that pose material financing and refinancing risks*" above) and to refinance its existing debt as it matures.

Global credit markets have been and continue to be affected by periods of uncertainty, volatility and disruption, including most recently as a result of rising global inflation and related interest rate increases, the war in Ukraine and effects from the unwinding of monetary policy accommodations implemented during the COVID-19 pandemic. These challenging market conditions have resulted, at times, in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. Any worsening of general global economic conditions or any change in investment markets, including, but not limited to, changes in expectations for international, regional or local growth rates, geopolitical tensions, commodity prices, interest rates, exchange rates and returns from equity, property and other investments, may affect the Group's ability to secure financing on terms similar to those received in the past or at all. Furthermore, a lack of liquidity in the financial markets may also impact the ability of the Group's customers to honour their commitments to the Group or the ability of the Group's contractors to complete its ongoing power and water generation projects or its other existing power and water transmission and distribution projects. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business may be adversely affected if the existing UAE dirham/U.S. dollar peg were to be removed or adjusted.

The Group maintains its accounts, and reports its results, in UAE dirham. As a result, its results of operations are affected by exchange rate fluctuations between the UAE dirham and other currencies, in particular the Canadian dollar, the euro, the Indian rupee, the Moroccan dirham and the British pound sterling. The Group's foreign exchange risk consists of both currency translation risk and currency transaction risk. Each of the Group's operating subsidiaries reports its assets and liabilities and profits and losses in the operating currency of the jurisdiction in which it primarily operates. These amounts, if not reported in UAE dirham, are then translated into UAE dirham for inclusion in the Group's consolidated financial statements at the period average or period-end exchange rates, as the case may be. The translation of these amounts can impact the Group's financial results from period to period and affect their comparability.

A significant portion of the Group's oil and gas revenue and nearly all of the Group's indebtedness is denominated in U.S. dollars. While as at the date of this Prospectus, the UAE dirham remains pegged to the U.S. dollar. However, there can be no assurance that the UAE dirham will not be de-pegged or that the existing peg will not be adjusted in the future. Any such de-pegging or adjustment could have a material adverse effect on the Group's business, results of operations and financial condition. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Disclosures about risk — Market Price Risk — Foreign currency exchange risk"*.

The application of a UAE corporate tax could impact the Group's business, results of operations, financial condition and prospects.

Corporate tax, which is applicable to all taxable income obtained by an entity, is currently enacted in some of the emirates (including Abu Dhabi) through their own decrees and, in practice, is only enforced on foreign companies engaged in upstream petroleum activities and branches of foreign banks. On 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate tax on business profits, and on 9 December 2022, the Federal Decree-Law No. 47 of 2022 (**Corporate Income Tax Law**) was published and released. The Corporate Income Tax Law became effective from the financial years commencing on or after 1 June 2023, and is applicable across all Emirates (i.e., at a UAE federal level) to all business and commercial activities, except for the following persons (subject to certain conditions): government and government controlled entities; persons engaged in the exploitation of UAE natural resources (both extractive and non-extractive); qualifying public benefit entities; charities and public benefit organisations; pension funds or social security funds; and qualifying investment funds.

The Corporate Income Tax Law has increased the Group's deferred tax liabilities and deferred tax assets and could significantly increase the Group's expenses depending on the applicability of any such tax to its operations. The corporate tax rate will be applicable at the following rates: 0 per cent. corporate tax rate on taxable income below AED 375,000, as well as qualifying income of a qualifying free zone person; and 9 per cent. corporate tax rate on taxable income exceeding AED 375,000 and on non-qualifying income of a qualifying free zone person. The corporate tax is applicable to the Group's power and water subsidiaries and although the tax paid is expected to be refunded in accordance with the PWPAs, this mechanism is new and has not been fully tested with respect to all power and water subsidiaries. The corporate tax is also applicable to the Group's transmission and distribution and wastewater and sewerage subsidiaries. Although the tax paid is expected to be refunded by way of an adjustment to operating expenditure allowance on an ex-post basis (in accordance with RC2), this mechanism has not yet been tested and there remains uncertainty as to its implementation. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Income Tax Expense.*"

Furthermore, the applicability of taxation to large multinationals with consolidated revenues above EUR 750 million (i.e. under Pillar Two) and its implication for the Group's revenue is unclear given the information available at this time. As the EU Council reached a unanimous agreement on 15 December 2022 to implement the EU Minimum Tax Directive (requiring EU member states to transpose the rules into domestic law by 31 December 2024), EU jurisdictions (such as Cyprus, Hungary or the Netherlands) and others, such as the UK, will likely implement Pillar Two rules from 2024 onwards. Moreover, the UAE is a member of the BEPS Inclusive Framework and has signed up to the Statement on a Pillar Two Solution to Address the Tax Challenges Arising from the Digitalization of Economy published on 8 October 2021 by the Organisation for Economic Co-operation and Development.

As such, the Group is monitoring the manner in which countries will implement Pillar Two and how that could impact the business. The impact of any changes as a result of Pillar Two on the Group's business is being assessed with the company's tax advisors. Any of the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Political and Regulatory Risks

The Group is subject to political conditions in the regions and countries in which it operates and any material increase in regional instability could negatively affect Abu Dhabi's security, attractiveness for foreign investment and capital and ability to engage in international trade and, as a result, its economy and fiscal position.

TAQA is incorporated in Abu Dhabi and, currently, only a small proportion of the Group's operations and interests are located outside the UAE. While the UAE is seen as a relatively stable country, certain other regions and countries in which the Group operates or has interests, such as India, Ghana and some countries in the Middle East and North Africa (**MENA**) region, are less stable. In particular, since early 2011, there has been political unrest in a range of countries in the MENA region, including Algeria, Bahrain, Egypt, Iraq, Libya, Morocco, Oman, Saudi Arabia, Syria, Tunisia and Yemen. This unrest has ranged from public demonstrations to, in extreme cases such as Syria, Yemen, Libya, Gaza and Iraq, ongoing armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. On 7 October 2023, Hamas launched an armed attack on Israel which has resulted in an ongoing armed conflict in Gaza and included armed exchanges and proxy strikes between Israel and Iran, and between Israel and Hezbollah in Lebanon. In particular, the armed conflicts in Syria, Iraq, Yemen and Israel have the potential to further destabilise the region, further increase uncertainty and have a material negative impact on the regional economy.

Investors should be aware that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the MENA region because of interrelationships within the global financial markets.

Investors should also be aware that investments in the emerging markets in which the Group operates, including India, Iraq, Morocco and Ghana, are subject to substantially greater risks than those in more developed markets. For example, in these jurisdictions in particular there can be no assurance that an unforeseen defect in title, political event, change in law or change in the interpretation of an existing law will not arise to allow a third party to challenge the claim of the Group to one or more of its properties and/or assets or significantly limit its ability to use such properties or assets, or affect the nature of the Group's land or property rights going forward, which could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the main Kurdistan export pipeline, which the Group historically used to export crude production from the Atrush Block in Iraq, was, in the past, attacked within Turkey by armed groups. The resultant pipeline outages caused significant economic losses for the KRG and the international oil companies operating in the Kurdistan Region of Iraq. If similar pipeline outages, whether as a result of attacks or for other reasons, were to recur in the future across any of the Group's operations, this could result in economic loss for the Group. See also "— *The Group's ability to sell its crude oil and natural gas production may be adversely affected by constraints on pipeline and transport systems or various other transport interruptions.*"

In the UAE, the Group depends on the continued operation of the Dolphin pipeline for the gas it needs to power its generation and desalination plants. The UAE is currently involved in discussions with the governments of Saudi Arabia and Qatar relating to a maritime corridor which Qatar has purported to grant to Saudi Arabia, from within Qatar's own maritime waters. This corridor crosses part of the route of the Dolphin gas pipeline between Qatar and the UAE, which the UAE considers to be a breach of pre-existing agreements between Qatar and the UAE.

In recent years, there have been terrorist attacks targeting oil and gas infrastructure in Saudi Arabia. For example, in March 2021, a drone attack on an Aramco refinery in Riyadh took place which caused a fire. Additionally, in March 2022, oil facilities in Jeddah and Jizan were the subject of airborne attacks that were claimed by the Al-Houthi militia. There can be no assurance that similar incidents could not occur elsewhere in the Gulf region. For further detail on the vulnerability of Abu Dhabi's economy to volatility in global oil prices, see "— *Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — Volatility of oil and gas prices have, in the past, and could, in the future, impact the Group's revenue, operating income, profitability and cash flow and have in the past, and may in the future, lead to a reduction in the carrying value of the Group's assets, its planned level of spending for exploration and development and the level of its oil and gas reserves*".

These and any similar developments in the future may contribute to instability in the region and may have a material adverse effect on Abu Dhabi's security, attractiveness for foreign investment and capital, its ability to engage in international trade and, consequently, its economy and financial condition.

The Group's licences may be suspended, terminated or revoked before their expiration and Group companies may be unable to obtain or maintain various permits or authorisations for their operations.

The Group conducts its oil and gas operations under numerous exploration, development and production licences. Its power and water operations are also conducted under numerous licences, where required. Most of these licences can be suspended, terminated or revoked if the relevant Group licensee fails to comply with the licence requirements (including requirements relating to safety and operational reliability), fails to make timely payments of levies and taxes or fails to comply with emissions and other environmental requirements, among other matters. If the Group fails to fulfil the specific terms of any of its licences or if it operates under any licences in a manner that violates applicable law, government regulators could impose fines or suspend or terminate such licences, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, to operate its business as currently contemplated, the Group must obtain permits and authorisations to conduct operations or for the construction of any facilities. These permits and authorisations relate to land allotments, approvals of designs and feasibility studies, environmental impact studies, pilot projects and development plans. The Group may be unable to obtain, in a timely manner or at all, the required permits and authorisations, including for reasons beyond its control. If the Group experiences any material delays in the receipt of any required permits or authorisations, or suspension of such permits or authorisations, it may have to delay its

investment or development programmes, or both, which could materially adversely affect its business, financial condition, results of operations and prospects.

The Group's ability to sell its crude oil and natural gas production may be adversely affected by constraints on pipeline and transport systems or various other transport interruptions.

The marketability of the Group's crude oil and natural gas production depends in part on the availability, proximity and capacity of pipeline transportation and gathering systems owned by third parties. The lack of available transportation capacity in these systems and facilities could result in the shutting-in of producing wells, the delay or discontinuance of development plans for properties, or lower price realisations. Although the Group has some contractual control over the transportation of its production, material changes in these business relationships may occur due to a number of factors which may be outside the Group's control and could materially affect the Group's operations.

Furthermore, while the PSCs entered into by international oil companies (**IOCs**) and the KRG contemplate direct marketing and exports of produced petroleum by the IOCs, in practice all crude oil pipeline exports to date (including all of the Group's crude oil exports in Iraq since the Atrush Block started producing in July 2017) have been marketed by the KRG. Until September 2015, the KRG's marketing of crude oil pipeline exports resulted in most IOCs receiving a fraction of their revenue entitlement under the PSC on an ad hoc basis. Subsequently, the KRG made monthly payments to IOCs based on their contractual entitlements under the relevant PSCs, although four months of payments to IOCs were withheld by KRG in 2019 and 2020 and unilaterally converted into a loan to be repaid from future oil revenues. Between 2021 and 2022, all the outstanding sums were repaid in full. In 2022, however, there were further delays in payments received by KRG. In addition, in September 2022, IOCs were informed that key pricing terms in future payments would be amended due to an increase in the discount on the sales price. On 25 March 2023, the third-party operator of the Kurdistan export pipeline instructed the Group to halt transporting oil produced in the Atrush Block through the pipeline, and, as a result, the Group has stopped production from the Atrush Block. This followed the announcement of an International Court of Arbitration ruling in favour of Iraq against Turkey on the use of the Kurdistan export pipeline. Furthermore, the Ministry of Natural Resources at the KRG informed the Group that, in light of the export suspension, the Atrush Lifting Agreement (as defined in "*Summary of Material Contracts — Atrush Oil and Gas Agreements — Atrush Lifting Agreement*") would be suspended until further notice; this suspension is still ongoing. The duration of the suspension of the Kurdistan export pipeline and the Atrush Lifting Agreement and its impact on the Group's interest in the Atrush Block is not possible to determine as of the date of this Prospectus. See "*Description of the Group — Oil and Gas Business — Kurdistan Region of Iraq — Properties*". The Group would continue to be exposed to the risks associated with its activities in the Kurdistan region of Iraq, including in terms of delayed payments from the KRG as well as amendments of key pricing terms for future payments or that any future export of the Group's petroleum production in the Kurdistan region of Iraq will not be exposed to government intervention in and political disputes around, the export of petroleum from the region. For further information on the Group's operations in the Kurdistan region of Iraq, see "*The management and control of petroleum resources in the Kurdistan region of Iraq is disputed and the Group may not be able to enforce its contractual rights to its resources in that region.*".

If there are substantial capacity constraints on the Group's ability to transport its crude oil and natural gas production over an extended period of time, this could have a material adverse effect on the Group's business, results of operations and financial condition.

Compliance with or any breach of environmental legislation may significantly increase the Group's operating costs.

The Group is subject to environmental laws and regulations in each jurisdiction in which it operates. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation, such as the requirement to monitor ground water at its Takoradi plant in Ghana to detect fuel spills and resultant impacts to adjacent estuarine wetlands, and further social and environmental obligations may be imposed upon the Group through the terms of its commercial contracts and finance documents.

Significant liabilities could be imposed upon the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property purchased by Group companies or non-compliance with environmental laws or regulations. Should the Group fail to comply with these obligations, it may be subject to substantial penalties, including the loss of its operating licences, termination of its commercial contracts, default under its financing contracts and/or criminal penalties, including

fines, in addition to reputational harm. Any of these could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, governmental authorities in the jurisdictions in which the Group operates could increase enforcement activity associated with existing laws and regulations and could impose stricter environmental standards, with higher fines and penalties for violations. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of regulatory authorities, could in the future require the Group to pay material amounts for the installation and operation of systems and equipment for remedial measures, to pay fines for pollution or other breaches of environmental requirements and/or to curtail or cease certain operations. There can be no assurance that such environmental obligations will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Group companies could be found to be in violation of the safety standards and regulations that apply to them.

The Group is subject to safety standards in each jurisdiction in which it operates in accordance with applicable law. These laws and regulations set various standards regulating certain aspects of health, safety and security. A violation of health and safety laws or failure to comply with the instructions of the relevant authorities could lead to, among other things, a temporary shutdown of all, or a portion of, individual facilities and the imposition of costly compliance procedures. If health and safety authorities suspend or shutdown any of the Group's facilities or impose costly compliance measures, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected. In addition, any actual or alleged violation of safety standards may have an adverse effect on the Group's reputation.

The Group's operations are subject to stringent regulation in all the jurisdictions in which it operates and changes in law and regulation may adversely affect the Group.

The Group's operations are subject to stringent regulation in the jurisdictions in which it operates. Applicable regulations include the need to comply with complex and varied legal and regulatory requirements, including with respect to the generation, transmission and distribution of power and desalinated water, prices, taxes, royalties, land tenure, allowable production, the extraction, production, transportation, storage and export of crude oil and natural gas and waste processing, water quality and discharges, and soil and ground pollution.

Consequently, changes in law or regulation or regulatory policy and precedent in the countries in which the Group operates, including changes in tax law, could materially adversely affect the Group. In particular, decisions or rulings concerning, for example:

- the renewal or modification of licences, approvals or agreements relating to land rights;
- any breach of the terms of a licence, approval or regulatory requirement;
- the ability to pass through commodity costs, a decoupling of energy usage and revenue;
- implications of climate change;
- structural changes in regulation; and
- reallocation of risk relating to transportation of the Group's oil and gas products

could each have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Given its breadth of operations, the Group is also subject to a wide range of laws designed to prevent criminal actions such as bribery, corruption, money laundering and unfair competition. Furthermore, the Group must comply with laws relating to data protection across its operations and the acquisition of the DisCos, which together have approximately 1 million unique customers in Abu Dhabi, has materially increased its compliance obligations in this respect. Failure to comply with any of this legislation could involve criminal penalties, material fines and significant reputational damage.

It is also important that the Group maintain good relations with the governments and regulatory authorities of the jurisdictions in which the Group operates. This is particularly key in the emerging markets where there is significant scope for development of the Group's business. Any deterioration in the Group's relations with the governments and regulatory authorities in the jurisdictions in which it operates could adversely affect the Group's ability to develop its business in these jurisdictions.

The laws and regulations in some of the countries in which the Group operates change frequently and unexpectedly and may be subject to inconsistent application or enforcement, potentially causing problems for Group entities. This is a particular threat in countries where changes in law depend on the decisions of authoritarian governments. Changes in law, including delays in amendments to legislation, create uncertainty in relation to the Group's ability to comply with such changed laws or enforce its rights under contracts or licences, create potential restrictions on the Group's scope of operations and increase the Group's costs of doing business in the relevant countries, and may therefore adversely affect the Group's business, financial condition, results of operations and prospects.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering and counter-terrorism financing, and economic and trade sanctions could expose the Group to legal liability and negatively affect its reputation and business, financial condition, results of operations and prospects.

The Group is subject to compliance risks with respect to applicable laws and regulations concerning anti-corruption and anti-bribery, counter-terrorism financing and anti-money laundering, and economic and trade sanctions. Non-compliance with any such laws and regulations could expose the Group to investigations, criminal and/or civil liability, and/or substantial fines, the occurrence of which would have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects. Although the Group has implemented policies with respect to such matters, there can be no assurance that such policies will be effective in preventing the Group from being exposed to violations of such laws and regulations.

In particular, U.S., EU, UK and other jurisdictions' economic or financial sanctions regimes are often broad in scope and have in the past been imposed on companies engaging in certain types of transactions with specified countries, companies or individuals. Neither the Group nor any of its affiliates is currently the target of any economic or financial sanctions administered by the United States, the UK, the EU or any other sanctions authority. In the United States, the U.S. Department of Treasury's Office of Foreign Assets Control of the U.S. Department of Treasury (**OFAC**) administers economic and financial sanctions. Certain of OFAC's regulations restrict the ability of U.S. persons to invest in, or otherwise engage in business with, directly or indirectly, certain individuals, entities, regions, and countries (together, **U.S. Sanctions Targets**). As the Group is not a U.S. Sanctions Target, OFAC regulations do not prohibit U.S. persons from investing in, or otherwise engaging in business with the Group. However, investors investing in the Group may incur the risk of indirect contact with Sanctions Targets to the extent that the Group, directly or indirectly, engages in business with, or operations in, Sanctions Targets.

The war in Ukraine has led to an unprecedented expansion of sanctions programmes by the United States, the EU and the UK, among others, against Russia, Belarus, the Crimea and Sevastopol Regions of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic and the non-government controlled areas of Ukraine in the oblasts of Kherson and Zaporizhzhia. These broad-sweeping sanctions include, inter alia, blocking sanctions against state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication payment system) and certain Russian businesses, in addition to blocking sanctions against various Russian and Belarusian individuals and Russian state institutions (such as the Central Bank of Russia, the Russian National Wealth Fund, and the Russian Ministry of Finance). In 2014, the United States had already imposed sanctions on certain Russian persons and entities, including certain sanctions restrictions, but not blocking (*i.e.,* asset-freezing) sanctions, on PJSC Gazprom (a Russian state-owned oil and gas company). PJSC Gazprom is currently targeted by U.S. sectoral sanctions and, as a result, appears on the Sectoral Sanctions Identification List (**SSI List**) and non-SDN Menu-Based Sanctions List (**NS-MBS List**). Specifically, PJSC Gazprom is targeted by EO 13662 Directive 2, EO 13662 Directive 4, and EO 14024 Directive 3. The U.S. sectoral sanctions targeting PJSC Gazprom prohibit transactions undertaken by a U.S. person or occurring from, through, or within the United States: (a) in debt of longer than 14 days maturity or equity of PJSC Gazprom issued on or after 26 March 2022, or (b) involving the provision, exportation, or re-exportation, directly or indirectly, of goods, services (except for financial services), or technology in support of exploration or production for certain deepwater, Arctic offshore, or shale projects. The Group has business relationships with Gazprom Export LLC (**GE LLC**) (a wholly owned subsidiary of PJSC Gazprom) through the Gas Storage Bergermeer (**GSB**) facility in the Netherlands (in which the Group holds a 60 per cent. stake). Pursuant to OFAC's 50 per cent. rule, GE LLC is targeted by the same U.S. sectoral sanctions as PJSC Gazprom. GE LLC held storage capacity in the GSB facility. In addition, the Group also had relationship with SEFE Marketing & Trading Limited (formerly known as Gazprom Marketing & Trading Limited) (**SM&T**) which held a participating interest in the operating company of GSB. In November 2022, SM&T ceased to hold a participating interest in the operating company of GSB. While GE LLC is targeted by U.S. sectoral sanctions, such sectoral sanctions do not prohibit the business arrangements between the Group and GE LLC because those arrangements do not involve activities

restricted by U.S. sectoral sanctions, including EO 13662 Directive 2, EO 13662 Directive 4, and EO 14024 Directive 3.

PJSC Gazprom and GE LLC have not been expressly designated as EU asset freeze targets. The EU imposes certain restrictions on transactions with, providing specific services to or other activities with, Russian entities, including PJSC Gazprom and GE LLC. TAQA is not engaged in these activities, either as part of its activities at the GSB facility or otherwise. However, on 25 February 2023, the EU introduced a prohibition on providing gas storage capacity in the EU to Russian persons and entities, and as a result, working capacity in GSB is no longer being provided to GE LLC for the duration of such sanctions.

PJSC Gazprom and GE LLC have not been expressly designated as UK asset freeze targets. Although the UK imposes certain restrictions under Chapters 4I and 4L of the Russia (Sanctions) (EU Exit) Regulations 2019/855 on the import of liquefied natural gas, and oil and oil products, from Russia into the UK, TAQA is not engaged in these activities, either as part of its activities at the GSB facility or otherwise. In addition, while the UK has designated as asset freeze targets several individuals connected to certain Russian entities, including PJSC Gazprom and its subsidiaries, as set out above, PJSC Gazprom and GE LLC themselves have not been expressly designated as UK asset freeze targets. The Group is not dealing with those individuals designated as UK asset freeze targets.

Although GE LLC has not been expressly designated by blocking U.S. sanctions or those issued by the EU (other than the one described above) or the UK, the scope of these restrictions could potentially change in the future and these business arrangements could create sanctions risks in the future. See "*Description of the Group — Oil and Gas Business — The Netherlands midstream assets — Bergermeer*" for additional information.

Investment Risks

The Group has a number of ongoing generation and other projects which exposes it to a range of financial, regulatory, construction and other risks.

When undertaking a significant project, including its ongoing UAE power generation and/or water desalination projects which are currently under construction, the Group faces a number of risks, including:

- requirements to make significant capital expenditures without receiving cash flow from the project concerned until future periods;
- possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for such construction and capital improvements may not be available to the Group on suitable terms or at all;
- delays in obtaining, or a failure to obtain, all necessary governmental and regulatory permits, approvals and authorisations;
- failure of the project to achieve agreed technical parameters at completion;
- an inability to complete projects on schedule or within budgeted amounts; and
- the fact that actual results might differ from modelled results due to a number of factors, including errors or erroneous assumptions in the models, such as unanticipated market and economic conditions or heightened competition from third parties, that may result in the Group's investment not being profitable or not generating the originally anticipated level of cash flows.

There can be no assurance that the Group's current or future projects will be completed within the anticipated timeframe or at all, whether as a result of the factors specified above or for any other reason. On one of its recent projects, a dispute between the contractor on a UAE generation project and the off-taker resulted in certain distributions being blocked by the lenders which impacted the Group's cashflows and equity returns from the project.

The Group's ongoing projects are also exposed to a number of construction risks, including the following:

- major design and/or construction changes, whether caused by changes in technological demand, market conditions or other factors;
- an inability to find a suitable contractor either at the commencement of a project or following a default by an appointed contractor;
- default or failure by the Group's contractors to finish projects on time and within budget;

- disruption in service and access to third parties;
- delays arising from shortages and long lead times for the delivery of complex plant and equipment or defective materials;
- shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, project delays, accidents, changes in governmental priorities and other unforeseen circumstances which could result in financial losses; and
- escalating costs of construction materials, manpower and global commodity prices.

Any of these factors could materially delay the completion of a project or materially increase the costs associated with a project, which, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Group companies may have significant liabilities relating to investments and divestments undertaken by them and the acquisitions may give rise to additional significant liabilities.

In connection with an investment in, or divestment of, shareholdings in or assets of a company, the relevant Group company may not always be fully indemnified by the transferor, or may owe obligations to the transferee, as the case may be, in respect of certain liabilities relating to the companies or the assets transferred.

Although TAQA undertakes customary due diligence prior to any acquisition of assets or entities that it believes is consistent with industry best practice, such a process may not necessarily reveal all relevant existing or potential problems, nor will it permit TAQA to become sufficiently familiar with the properties to exhaustively assess their deficiencies and capabilities. TAQA does not inspect every oil and gas or industrial facility it acquires, and even when it inspects a facility it may not discover all structural, subsurface or environmental problems that may exist or arise and which could have an adverse impact on the value of such asset. Structural or environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken. As a result, the entities and assets acquired, including those acquired in the acquisition of SWS Holding or in the historic transaction in 2020 whereby ADPower contributed the majority of its power and water generation and transmission and distribution assets to TAQA (the **2020 Transaction**), could be subject to liabilities of which the relevant Group company or TAQA is unaware and for which it may have only limited or no recourse to the seller or transferor of the assets. For more information on significant liabilities resulting from certain of TAQA's investments and divestments, see note 31(iv) to the FY 2023 Financial Statements.

When selling shareholdings or assets, the relevant Group company will typically be required to give warranties or other protections to the purchaser to mitigate the purchaser's risks associated with the acquisition. In addition, the relevant Group company may be required to assume liabilities accrued prior to the transfer of its assets, including environmental, tax and other liabilities.

If any Group company incurs significant post-acquisition liabilities, or retains significant post-sale liabilities the extent of which were unknown at the time of sale, that it is unsuccessful in mitigating (whether through claims under applicable indemnities, if any, or otherwise), the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

Shareholder-related Risks

The interests of TAQA's majority shareholder may be different from those of its creditors.

ADPower, which is wholly-owned by Abu Dhabi Developmental Holding Company (now known as **ADQ**) which in turn is wholly-owned by the Abu Dhabi government, is the majority shareholder of TAQA, holding 90.0 per cent. of its shares. EWEC, a company wholly-owned by ADPower, is also the primary supplier of fuel to the Group's UAE generation operations and the sole off-taker for their power and desalinated water output. Because of these different roles held by ADPower and EWEC, transactions may be entered into between members of the Group and these companies on terms not determined by market forces and such contracts may, or may not, be beneficial to the Group.

Potential investors should note that ADPower and the Abu Dhabi government have the ability to control the composition of TAQA's board of directors and the outcome of most actions requiring shareholder approval. The interests of ADPower and the Abu Dhabi government may be different from those of TAQA's creditors (including Noteholders).

Any future changes in the Abu Dhabi government's policy on water production, power generation or wastewater and sewerage activities as it applies to the Group's UAE generation subsidiaries, TRANSCO, the DisCos or SWS Holding or any changes in the Abu Dhabi government's geographic investment priorities as they impact the Group's international operations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Abu Dhabi's economy is highly dependent upon its hydrocarbon-related revenue and any sustained period of low oil prices may materially reduce the likelihood of financial support for the Group from the Abu Dhabi government should it be needed in future periods.

Abu Dhabi's economy is highly dependent upon its hydrocarbon-related revenue and has experienced significant variations generally reflecting changes in oil prices. Abu Dhabi's economy has in the past been adversely affected by periods of low international oil prices, including the period between mid-2014 and mid-2016 and for most of 2020.

Low oil prices for much of FY 2020 materially adversely affected Abu Dhabi's fiscal position. Particularly, these prices impacted Abu Dhabi's fiscal balance (which depends almost entirely on revenue from hydrocarbon royalties and taxes and dividends received from ADNOC).

The price of oil continues to fluctuate on a daily basis, most recently increasing significantly on the basis of supply concerns related to the Russian invasion of Ukraine, and there can be no assurance that prices will be sustained at their current levels or that they will not fall, potentially significantly, in the future. Low oil prices may, particularly if they are sustained for an extended period, have a material adverse effect on Abu Dhabi's economy, and may ultimately result in increased fiscal deficits. Any such increase in Abu Dhabi's fiscal deficits may materially reduce the likelihood of financial support for the Group from the Abu Dhabi government should it be needed in future periods and could impact the amount of the other operating revenue provided by related parties (effectively, the subsidy provided by the government in respect of electricity and water prices in Abu Dhabi) which could in turn materially adversely affect the Group's revenue from its distribution business.

Other Operating Risks

The Group may suffer a failure or interruption in or breach of its information systems.

The Group relies on its information systems to conduct its businesses and is dependent on its technology infrastructure for the effective operation of its businesses. The assets acquired as part of the 2020 Transaction have several information technology (**IT**) systems supporting their customers which differ from those used elsewhere in the Group, which could lead to performance issues and increased costs. To address this, the Group initiated an IT transformation programme with the goal of delivering unified IT systems across the Group and thereby improving performance and cost efficiency. Complex IT projects, such as that initiated by the Group, may not be completed on time or within budget and any failure to complete the project as envisaged could negatively affect the Group's performance.

Sophisticated IT systems are vulnerable to a number of challenges and threats, such as software or hardware malfunctions, malicious hacking or other criminal cyber-attacks, breaches of system integrity through phishing attacks, physical damage to vital IT centres and infection by computer virus. IT systems also need regular upgrading to meet the needs of changing business and regulatory requirements and to keep pace with the requirements of existing operations. The Group continues to experience security incidents in relation to its IT systems and there can be no assurance that it will always be successful in preventing loss from these.

Any failure, interruption or breach in security of the Group's IT or information systems could result in failures or interruptions in its risk management, financial accounting, or other important systems and could interfere with the Group's ability to operate certain aspects of its operational businesses. Although the Group has developed business continuity plans, back-up systems and a disaster recovery centre, no assurance can be given that failures or interruptions will not occur or that the Group will be able to adequately address them if they do occur.

The Group's insurance policies may not always be adequate and may not cover all damage and losses.

The Group believes that it takes a conservative approach to managing risk and uses insurance products to mitigate the effects of unexpected events on its operating assets and infrastructure. In addition, its operating subsidiaries are often required by the terms of their commercial contracts and finance documents to procure comprehensive insurance and reinsurance packages. However, there can be no assurance that the Group's insurance will cover all the risks that it is exposed to or that sufficient amounts of insurance and reinsurance will always be available at a reasonable price and on reasonable commercial terms.

In many cases it is not currently possible to procure insurance on a full reinstatement basis against the risk of terrorist attack. Moreover, the capacity of the international reinsurance market may be materially affected by disasters occurring elsewhere in the world to an extent which may restrict or prevent the Group's ability to obtain new policies at acceptable prices or at all.

Even if a loss suffered by the Group is fully insured, the Group's insurance policies are subject to commercially negotiated deductibles, exclusions and limitations, the Group may experience delays in recovering under its insurance policies and is also exposed to the risk that the relevant insurance company may become insolvent or otherwise be unable to make payment in full under the relevant policy or that the policy is invalidated through the Group's failure to comply with the terms of the policy.

In addition, the terms of TAQA's operating subsidiaries' finance documents often impose restrictions on distributions during periods where those companies are not in full compliance with their insurance procurement obligations.

Should an incident occur in relation to which the Group has no insurance coverage or inadequate insurance coverage, the Group could lose some or all of the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, the Group may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Group in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's success and future growth depends on its senior management and industry professionals.

The Group's continued success and its ability to meet its growth targets will depend, in part, on its ability to attract, recruit and retain qualified and experienced technical and management personnel. Group companies are likely to face challenges in recruiting and retaining such personnel as a result of intense competition for personnel with relevant experience, which is in turn due to the relatively small number of available qualified individuals. The geographic location of certain of the Group's operations may also make them less attractive to a large proportion of potential applicants. In addition, TAQA and its UAE generation, transmission and distribution and wastewater and sewerage activities subsidiaries are subject to Emiratisation targets, with which they are broadly in compliance. See "*Description of the Group — Emiratisation*". However, competition for suitable, qualified Emirati employees is intense and recruiting sufficient numbers of Emirati employees to comply with applicable targets may be challenging. An inability to recruit, train or retain necessary personnel could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Furthermore, the Group depends to a large extent on its senior management team, in particular in relation to the transmission and distribution businesses acquired in 2020 and the sustainable water solutions business acquired in 2024, each of which were or are respectively new activities for the Group. The Group does not currently have insurance against costs or losses that may be incurred in the event of the loss or dismissal of key personnel. Any loss in the future of the services of key members of the Group's senior management or staff with institutional knowledge could cause delays in meeting its strategic objectives and could have an adverse effect on its business operations.

Litigation could adversely affect the Group's results of operations and financial condition.

From time to time, Group companies may be subject to litigation arising out of their operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially and adversely impact the Group's business, financial condition, results of operations and prospects. While each relevant Group company assesses the merits of each lawsuit and defends itself accordingly, it may be required to devote significant expenses or resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, Group companies are subject to the risk of litigation or regulatory action by regulators in respect of their activities, including for breaches of applicable tax, environmental, health and safety and other laws and regulations. Any regulatory actions against one or more Group companies could lead to fines, the loss or restriction of operating licences, or other penalties, thereby having a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces foreign exchange risk exposure.

Group companies operate in a number of different jurisdictions and their functional currencies may be UAE dirham, U.S. dollars, euro, Canadian dollars, Moroccan dirham, Indian rupees, Ghanaian cedis, Omani rials, Saudi riyals, Iraqi dinars, pounds sterling or other currencies, depending on the jurisdiction in which they operate. The impact of the businesses of these companies on the Group's financial results will depend on the prevailing rates of exchange between the UAE dirham, the functional currency of the parent company, and the relevant functional currency of the company concerned, and the Group's results of operations will be exposed to the risk of adverse fluctuations in such exchange rates. While the Group seeks to match the currency of the Group's cash flow and liabilities where possible, if significant foreign exchange risk exposure materialises, it may have a material adverse effect on the Group's business, results of operations and financial condition. Certain of the Group's generation companies use derivative instruments to hedge the risk associated with currency fluctuations. However, these hedges may not be effective in all circumstances to eliminate those risks and changes in the fair values of these contracts may negatively impact the Group's income statement and statement of comprehensive income. In addition, to the extent that the Group expands its international operations and derives its revenue in additional currencies, the Group's results of operations will become subject to increased risks relating to exchange rate fluctuations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Disclosures about risk — Market Price Risk — Foreign currency exchange risk*".

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks Related to the Structure of a Particular Issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when TAQA may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

TAQA may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than prevailing rates on comparable fixed rate notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks.

Interest rates and indices, such as EURIBOR, HIBOR and CNH HIBOR, which are deemed to be benchmarks, are the subject of international and national regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulatory reforms, such as the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) or the UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of any such regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

Developments in this area are ongoing and could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Changes to the administration of an interbank offered rate (an **IBOR**) or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market are being developed, outstanding Notes linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Noteholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate).

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the Conditions. Where Secured Overnight Financing Rate (**SOFR**) is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

In the event that a published benchmark, including SOFR, or other relevant reference rate ceases to exist or be published or another Benchmark Event or Benchmark Transition Event, as applicable, occurs. This would trigger certain of the fallback arrangement, although the consequences of such fallbacks being triggered are not necessarily immediately effective under the Conditions. These fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Successor Rate or Alternative Rate or Benchmark Replacement, as applicable and that an Adjustment Spread or Benchmark Replacement Adjustment, respectively may be applied to such Successor Rate or Alternative Rate or Benchmark Replacement, as the case may be, as a result of the replacement of the relevant 'benchmark' or screen rate (as applicable) originally specified with the Successor Rate or Alternative Rate or Benchmark Replacement (as the case may be). Certain Benchmark Amendments or Benchmark Replacement Conforming Changes, in the case of SOFR, to the Conditions may also be made without any requirement for the consent or approval of the Noteholders. In the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments, and any Benchmark Replacement, Benchmark Replacement Adjustment and Benchmark Replacement Conforming Changes, the relevant replacement and adjustment shall be determined by the Independent Adviser (acting in good faith and in a commercially reasonable manner) or in the case of SOFR, the SOFR Benchmark Replacement Agent. Any Adjustment Spread or Benchmark Replacement Adjustment may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread (which may be positive, negative or zero)) or Benchmark Replacement (including the application of any Benchmark Replacement Adjustment) to determine the Rate of Interest will still result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

In certain circumstances, the ultimate fallback for the purposes of calculating the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation, the EU Benchmarks Regulation or any other benchmark regulation reforms in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to risk free rates (including SOFR) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, such as SOFR, as reference rates in the capital markets for sterling or U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. For example, on 2 March 2020, the Federal Reserve Bank of New York, as administrator of SOFR, began publishing the SOFR Compounded Index.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference such risk-free rates issued under this Programme. Furthermore, the Issuer may in the future issue Notes referencing such risk-free rates that differ materially in terms of the interest determination provisions when compared with the provisions for such determination set out in the Conditions. The development of risk-free rates for the international debt capital markets could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the international debt capital markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

The use of risk-free rates as reference rates in the international debt capital markets is relatively recent and may be subject to change and development in terms of the methodology used to calculate such rates, the development of rates based on risk-free rates and the development and adoption of market infrastructure for the issuance and trading of bonds referencing risk-free rates. In particular, investors should be aware that several different methodologies have been used in notes linked to such risk-free rates issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance. In addition, the methodology for determining any overnight rate index used to determine the Rate of Interest in respect of certain Notes could change during the life of such Notes.

Since risk-free rates are relatively new market reference rates, Notes referencing risk-free rates may also have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing such risk-free rates, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SOFR.

Risk-free rates differ from interbank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by being backwards-looking in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank financing. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes.

SOFR is a relatively newly established risk-free rate. Therefore, such risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. For example, since publication of SOFR began, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking SOFR become due and payable or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The interest rate on Notes linked to compounded SOFR will be based on a compounded average of daily SOFR, which is relatively new in the marketplace and may be determined by reference to the SOFR Index, respectively, a relatively new market index

For each Interest Accrual Period, the interest rate on any Floating Rate Notes linked to compounded SOFR is based on a compounded average of daily SOFR (or if Compounded SOFR Index is specified as being applicable, by reference to the relevant index) and not the SOFR rate published on or in respect of a particular date during

such Interest Accrual Period. The SOFR Index measures the cumulative impact of compounding SOFR on a unit of investment over time. The value of the SOFR Index on a particular business day reflects the effect of compounding SOFR on such business day and allows the calculation of compounded daily SOFR averages over custom time periods. For this and other reasons, the interest rate on Notes linked to compounded SOFR during any Interest Accrual Period will not be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Accrual Period is negative, its contribution to the relevant compounded rate will be less than one, resulting in a reduction to such compounded rate used to calculate the interest payable on any Notes linked to compounded SOFR on the interest payment date for such Interest Accrual Period.

Limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. In addition, the Federal Reserve Bank of New York only began publishing the SOFR Index relatively recently. Accordingly, the specific formulas for compounded daily SOFR set out in the Conditions and the use of the SOFR Index may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method that would likely adversely affect the market value of any respective Notes linked to SOFR.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR.

As SOFR is published by the Federal Reserve Bank of New York based on data received from sources other than the Issuer, the Issuer has no control over its determination, calculation or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to or which reference SOFR (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for Noteholders). The Federal Reserve Bank of New York (or its successors) as administrator of SOFR may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, an administrator may alter, discontinue or suspend calculation or dissemination of SOFR, in which case a fallback method of determining the interest rate on the Notes will apply in accordance with the Conditions (see "*—The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks.*"). The Federal Reserve Bank of New York (or its successors) has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR. In addition, the Federal Reserve Bank of New York (or its successors) may withdraw, modify or amend the published SOFR rate or other SOFR date in its sole discretion and without any notice. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading price of such Notes.

The Notes may be redeemed prior to their final maturity date for tax reasons.

In the event that TAQA would be obliged to increase the amounts payable in respect of any Tranche due to certain changes affecting taxation in the UAE or Abu Dhabi or any political subdivision thereof, it may redeem all but not some only of the outstanding Notes of such Tranche in accordance with the Terms and Conditions of the Notes. This redemption feature is likely to limit the market value of Notes at any time when TAQA has the right to redeem them as provided in the Terms and Conditions, as the market value at such time may not rise substantially above the price at which they can be redeemed.

Risks related to Notes denominated in Renminbi

Notes denominated in Renminbi (**RMB Notes**) may be issued under the Programme. RMB Notes contain particular risks for potential investors, including:

Renminbi is not freely convertible; there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes.

Renminbi is not freely convertible as at the date of this Prospectus. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction over the years by the PRC Government of control over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually. Generally, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, or completing specific registrations or filings with, the relevant authorities on

a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although Renminbi was added to the Special Drawing Rights basket of currencies, in addition to the U.S. dollar, euro, Japanese yen and sterling, created by the International Monetary Fund as an international reserve asset in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by The People's Bank of China (the **PBoC**) in 2018, there is no assurance that the PRC Government will liberalise its control over cross-border remittance of Renminbi in the future, or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under any RMB Notes.

In addition, holders of beneficial interests in RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service RMB Notes.

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC has entered into agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions (each, a **RMB Clearing Bank**) in a number of financial centres and cities (the **RMB Clearing Banks**) including, but not limited to, Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (**CIPS**) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The relevant RMB Clearing Banks only have limited access to onshore liquidity support from the PBoC to square open positions of participating banks for limited types of transactions, and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or that the Settlement Agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service RMB Notes, there is no assurance that the Issuer will be able to source Renminbi on satisfactory terms, if at all.

Investment in RMB Notes is subject to exchange rate risks.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. On 11 December 2015, the China Foreign Exchange Trade System (the **CFETS**), a sub-institutional organisation of the PBoC, published the CFETS Renminbi exchange rate index for the first time, which weighs the Renminbi based upon 13 currencies, to guide the market in order to measure the Renminbi exchange rate. Such change, among others such as widening the trading band that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. However, the volatility in the value of the Renminbi against other currencies still exists. All payments of interest

and principal with respect to RMB Notes will be made in Renminbi unless a RMB Currency Event is specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars converted at the Spot Rate. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in RMB Notes is subject to interest rate risks.

The value of Renminbi payments under RMB Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in Renminbi interest rates. If a holder of RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer that is less than the amount invested.

There might be PRC tax consequences with respect to investment in RMB Notes.

In considering whether to invest in RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws, as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of a Noteholder's investment in RMB Notes might be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

Risks Related to the Notes Generally

Set out below is a description of material risks relating to the Notes generally:

There can be no assurance that the use of proceeds will be suitable for the investment criteria of an investor seeking exposure to sustainable assets.

It is TAQA's intention to apply the proceeds from any Green Notes (as defined below) that may be issued wholly or partly for certain Eligible Green Projects (as defined below). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in the Green Notes together with any other investigation such investor deems necessary. In particular no assurance is given by TAQA, the Group, the Arrangers or the Dealers that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

It should be noted that the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a "green" or equivalently-labelled project or investment that may finance such project is evolving. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called "EU Taxonomy" or Regulation (EU) 2020/852 as it forms part of domestic law in the UK by virtue of the EUWA, which is subject to a phased implementation, may provide some definition for such "green", or other similar topics in the European Union or the United Kingdom. From 1 January 2024, the EU Taxonomy mandates comprehensive reporting on six environmental objectives for all relevant entities. However, no assurance is or can be given (whether by TAQA, the Arrangers, the Dealers or any other person) to investors that: (a) any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations or requirements regarding such "green" or other equivalently labelled performance objectives; (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects; or (c) the Green Finance Framework will be aligned with the EU Taxonomy or any other present or future sustainability framework or guidelines.

Further, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was published in the Official Journal of the European Union on 30 November 2023 (the **EU Green Bond Regulation**). The EU Green Bond Regulation,

which entered into force on 20 December 2023 and will apply from 21 December 2024, introduces a voluntary label (the **European Green Bond Standard**) for issuers of "green" use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Taxonomy. Any Green Notes issued under this Programme will not be aligned with such European Green Bond Standard and are intended to comply with the criteria and processes set out in the Green Finance Framework only. It is not clear at this stage the impact which the European Green Bond Standard may have on investor demand for, and pricing of, green use of proceeds bonds that do not meet such standard. It could reduce demand and liquidity for the Green Notes and their price.

At the request of TAQA, Moody's Investors Service, Inc. has issued a second party opinion (the **Second Party Opinion**) in relation to TAQA's Green Finance Framework. The Second Party Opinion is available for viewing on TAQA's website. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion or any other opinion or certification of any third party (whether or not solicited by TAQA) which may be made available in connection with the Green Notes and in particular with any Eligible Green Projects to fulfil any "green" and/or other criteria. For the avoidance of doubt, the Second Party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. The Second Party Opinion is not, nor should be deemed to be, a recommendation by TAQA, the Group, the Arrangers, the Dealers or any other person to buy, sell or hold any such Notes. The Second Party Opinion is only current as of the date that opinion was initially issued. As at the date of this Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of the Second Party Opinion and/or the information contained therein and/or the provider of the Second Party Opinion for the purpose of any investment in the Green Notes.

Neither the Arrangers nor any of the Dealers makes any representation as to the suitability of any Green Notes, including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market, to fulfil any green, environmental or sustainability criteria required by any prospective investors. The Arrangers and the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Projects, any verification of whether the Eligible Green Projects meet such criteria, the monitoring of the use of proceeds of any Green Notes (or amounts equal thereto) or the allocation of the proceeds by TAQA to particular Eligible Green Projects. Investors should refer to the Green Finance Framework which TAQA may publish from time to time, the Second Party Opinion delivered in respect thereof, and any public reporting by or on behalf of TAQA in respect of the application of the proceeds of any issue of Green Notes for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Prospectus and neither the Arrangers nor any of the Dealers makes any representation as to the suitability or contents thereof.

In the event that any such Green Notes are listed or admitted to trading on any dedicated "green" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by TAQA, the Group, the Arrangers, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by TAQA, the Group, the Arrangers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Notes.

While it is the intention of the Group to apply an amount equal to the net proceeds of the Green Notes so specified wholly or partly for Eligible Green Projects in, or substantially in, the manner described in this Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by TAQA. Any such event or failure by TAQA will not constitute an Event of Default under the Green Notes.

Any such event or failure to apply an amount equal to the net proceeds of the Green Notes for any Eligible Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that TAQA is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Green Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of the Green Notes and also potentially the value of any other notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors in the Notes must rely on DTC, Euroclear and Clearstream, Luxembourg procedures.

Notes issued under the Programme will be represented on issue by one or more Global Note Certificates that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC. Except in the circumstances described in each Global Note Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear, Clearstream, Luxembourg and DTC and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note Certificate held through it. While the Notes are represented by a Global Note Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Note Certificates, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Notes. The Issuer and the Group have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note Certificate.

Holders of beneficial interests in a Global Note Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable investors to vote on any matters on a timely basis.

Similarly, upon the occurrence of an event of default under the Notes, unless and until definitive registered Notes are issued in respect of all book-entry interests, if investors own a book-entry interest, investors will be restricted to acting through DTC, Euroclear and/or Clearstream, Luxembourg and if investors are not participants in DTC, Euroclear and/or Clearstream, Luxembourg, through the relevant participant. The Issuer cannot assure prospective investors that the procedures to be implemented through DTC, Euroclear and/or Clearstream, Luxembourg will be adequate to ensure the timely exercise of rights under the Notes on a timely basis or at all. See "*Clearing and Settlement — Book-Entry Ownership*" and "*— Settlement and Transfer of Notes*".

Risks Related to Enforcement

The Notes, the Agency Agreement, the Trust Deed and the Dealer Agreement are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the London Court of International Arbitration in London, England (the **LCIA Rules**) with its seat in London or, subject to the exercise of an option to litigate given to certain parties (other than the Issuer), to the courts of England.

The payments under the Notes are dependent upon the Issuer making payments to investors in the manner contemplated under the Notes. If the Issuer fails to do so, it may be necessary for an investor to bring an action against the Issuer to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time-consuming. Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts. Notwithstanding that an arbitral award may be obtained in a London-seated arbitration or that a judgment may be obtained in the English courts, there is no assurance that the Issuer has, or would at the relevant time have, sufficient assets in the UK against which such arbitral award or judgment could be enforced.

Investors may experience difficulties in enforcing arbitration awards in Abu Dhabi.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the **New York Convention**) entered into force in the UAE on 19 November 2006. Accordingly, it is expected that an arbitral award obtained in a London-seated arbitration should be enforceable in Abu Dhabi in accordance with the terms of the New York Convention. In this regard, it should be noted that recognition and enforcement of an arbitral

award may be refused by the Abu Dhabi courts on the grounds set out in Article V of the New York Convention. However, there is no established track record to demonstrate how the provisions of the New York Convention will be applied by the Abu Dhabi courts in practice and whether Abu Dhabi courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other applicable multilateral or bilateral enforcement treaties). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where enforcement of foreign arbitral awards have been refused.

Federal Decree Law No. 42 of 2022 regarding the Law of Civil Procedure (the **Civil Procedure Law**) also governs the enforcement of foreign arbitral awards in the UAE. Article 223 of the Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE subject to the conditions provided under Article 222 of the Civil Procedure Law. Article 225 of the Civil Procedure Law provides that the rules on enforcement of foreign arbitral awards shall not prejudice the provisions of treaties for the enforcement of foreign judgments, orders and instruments with foreign states, which, by virtue of the operation of Article 223 of the Civil Procedure Law, should also apply in respect of arbitral awards, and accordingly include the New York Convention. However, there is no established track record to demonstrate how the Abu Dhabi courts will apply the Civil Procedure Law alongside the provisions of such treaties in practice.

In addition, Federal Law No. 6 of 2018 (the **UAE Arbitration Law**) provides certain conditions to the enforcement of domestic arbitral awards in the UAE. There is no established track record to demonstrate how the Abu Dhabi courts will apply the UAE Arbitration Law in practice and there is a risk that, notwithstanding the Civil Procedure Law or the terms of applicable enforcement treaties, the Abu Dhabi courts may also apply such conditions to the enforcement of foreign arbitral awards in the UAE.

Accordingly, there is a risk that an arbitral award obtained in a London-seated arbitration will be refused enforcement by the Abu Dhabi courts.

Investors may experience difficulty in enforcement of foreign judgments in Abu Dhabi

A judgment or order of a foreign court may be enforced in the UAE, subject to the conditions provided under Article 222 of the Civil Procedure Law. However, there is no established track record to demonstrate how the Abu Dhabi courts will apply the Civil Procedure Law in practice. The Abu Dhabi courts are unlikely to enforce an English court judgment without re-examining the merits of the claim.

The Abu Dhabi courts may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE. In practice, the UAE courts may seek to interpret English law governed documents as if they were governed by UAE law.

A UAE court may consider the lack of mutuality in the unilateral option to litigate in the Notes, the Agency Agreement, the Trust Deed and the Dealer Agreement as being contrary to public policy in the UAE and, therefore, unenforceable. Moreover, claims may become time-barred or become subject to a counterclaim. This creates further uncertainty with respect to enforcement.

The UAE is a civil law jurisdiction and judicial precedents in Abu Dhabi have no binding effect on subsequent decisions. In addition, there is no formal system of reporting decisions of the Abu Dhabi courts. These factors create greater judicial uncertainty. The enforcement of a foreign judgment or arbitral award may be a lengthy process in the UAE.

The Issuer's waiver of immunity may not be effective under the laws of the UAE.

UAE law provides that public or private assets owned by the UAE or any of the emirates may not be confiscated. Since the Issuer is majority-owned and controlled by the government of Abu Dhabi, there is a risk that the assets of the Issuer may fall within the ambit of government assets and as such cannot be attached or executed upon.

The Issuer has waived its rights in relation to sovereign immunity. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Notes, the

Agency Agreement, the Trust Deed and the Dealer Agreement are valid and binding under the laws of Abu Dhabi and, to the extent applicable therein, the federal laws of the UAE. If the waiver of immunity is not valid and binding, there is a risk that investors may not be able to enforce against the Issuer in the UAE.

The terms and conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. The Terms and Conditions of the Notes also provide that a written resolution signed by the holders of 75 per cent. in nominal amount of the Notes outstanding shall take effect as if it were an Extraordinary Resolution. In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer and the Trustee (as the case may be) will be entitled to rely upon:

- where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding; and
- where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer and/or the Trustee (as the case may be) (a) by accountholders in the clearing systems with entitlements to such global certificate and/or, (b) where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, DTC, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system and, in the case of (b) above, such clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above.

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting (where applicable) and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of TAQA or any previously substituted company, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Furthermore, a

holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks Related to the Market Generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. Furthermore, the ability of the Arrangers, Dealers and other market participants to make a market in the Notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the applicable Notes. If a market for the Notes does develop, it may not be liquid and investments in Notes may trade at a discount to their initial offering price depending on prevailing interest rates, market for similar securities, general economic conditions and TAQA's financial condition. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in even more illiquid or volatile market in such Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

TAQA will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of principal or interest on a Note. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note would not be available at such Note's maturity.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of Fixed Rate Notes, as an equivalent investment issued at the current market interest rate may be more attractive to investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended, the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been

withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment which may impact the value of the Notes and their liquidity in any secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions (as defined below) that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note Certificate(s) evidencing each Series. Either (i) the full text of these Conditions together with the relevant provisions of Part A of the Final Terms or (ii) these Conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the Certificates evidencing such Notes. In the case of Exempt Notes, the final terms (or the relevant provisions thereof) are set out in Part A of the relevant Pricing Supplement. The relevant Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms (or, in the case of Exempt Notes, the relevant Pricing Supplement). Those definitions will be endorsed on the Certificates. References in these Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by an amended and restated Trust Deed (as amended or supplemented as at the date of issue of the first Tranche of the Notes (the **Issue Date**), the **Trust Deed**) dated 13 April 2023 between the Issuer and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates referred to below. An amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the **Agency Agreement**) dated 13 April 2023 has been entered into in relation to the Notes between the Issuer, the Trustee, Citibank N.A., London Branch as initial principal paying and transfer agent and calculation agent and Citibank Europe plc as registrar and paying and transfer agent. The principal paying and transfer agent, the paying and transfer agents, the registrar and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Principal Paying and Transfer Agent**, the **Paying and Transfer Agents** (which expression shall include the Principal Paying and Transfer Agent), the **Registrar** and the **Calculation Agent(s)**.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection during usual business hours at the principal office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England) and at the specified offices of the Paying and Transfer Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying and Transfer Agents and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying and Transfer Agent, as the case may be). If the Notes are to be admitted to trading on the main market of the London Stock Exchange plc (the **London Stock Exchange**) the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If the Notes are neither admitted to trading on a regulated market in the United Kingdom nor offered to the public in the United Kingdom in circumstances where a prospectus is required to be published under the UK Prospectus Regulation (an **Exempt Note**), the applicable pricing supplement (the **Pricing Supplement**) will only be obtainable by a Noteholder holding one or more such Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying and Transfer Agent as to its holding of such Notes and identity. Any reference in these Conditions to "**applicable Final Terms**" shall be deemed to include a reference to applicable Pricing Supplement where relevant. The expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, **Tranche** means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in registered form in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the United Kingdom or offered to the public in the United Kingdom in circumstances which require the publication of a prospectus under the UK Prospectus Regulation, the minimum Specified Denomination shall be (i) €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes); (ii) in the case of any Notes denominated in U.S. dollars, the minimum Specified Denomination shall be

U.S.$200,000; and (iii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Notes are evidenced by registered certificates (**Certificates**) and, save as provided in Condition 2(b), each Certificate shall evidence the entire holding of Notes by the same holder.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the **Register**). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate evidencing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" and "**holder**" (in relation to a Note) means the person in whose name a Note is registered. Capitalised terms have the meanings given to them hereon (the absence of any such meaning indicating that such term is not applicable to the Notes) and any terms defined in the Trust Deed and not in these Conditions shall have the same meaning when used herein except where otherwise indicated.

2 Transfers of Notes

(a) ***Transfer of Notes:*** One or more Notes may be transferred upon the surrender (at the specified office of the Registrar or any Paying and Transfer Agent) of the Certificate evidencing such Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or any Paying and Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes evidenced by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, such approval not to be unreasonably withheld or delayed. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(b) ***Exercise of Options or Partial Redemption in respect of Notes:*** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a redemption of, some only of a holding of Notes evidenced by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Paying and Transfer Agent. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate evidencing the enlarged holding shall only be issued against surrender of the Certificate evidencing the existing holding.

(c) ***Delivery of New Certificates:*** Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate. Delivery of the new Certificate(s) shall be made at the specified office of the relevant Paying and Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder

making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Paying and Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Paying and Transfer Agent or the Registrar (as the case may be).

(d) ***Transfer Free of Charge:*** Transfer of Notes and Certificates and exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Paying and Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).

(e) ***Closed Periods:*** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)).

3 Status

The Notes constitute (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 Covenants

(a) ***Negative Pledge:*** So long as any Note remains outstanding (as defined in the Trust Deed) the Issuer will not and will ensure that none of its Material Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each, a **Security Interest**) other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness or Relevant Sukuk Obligation, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

In these Conditions:

Domestic Subsidiary means:

(i) Emirates CMS Power Company PJSC, Gulf Total Tractebel Power Company PJSC, Arabian Power Company PJSC, Shuweihat CMS International Power Company PJSC, Taweelah Asia Power Company PJSC, Emirates SembCorp Water and Power Company PJSC, Fujairah Asia Power Company PJSC and Ruwais Power Company PJSC; and

(ii) any other Subsidiary which is engaged from time to time in the business of power generation and/or water desalination in the Emirates of Abu Dhabi or Fujairah;

Excluded Subsidiary means any Subsidiary:

(i) which is a single purpose company whose principal assets and business are constituted by the ownership, construction, acquisition, development and/or operation of an asset or group of related assets;

(ii) whose indebtedness for borrowed money in respect of the financing of such ownership, construction, acquisition, development and/or operation of an asset or group of related assets is subject to no recourse (other than any Permitted Recourse) to any member of the Group (other than such Subsidiary or another Excluded Subsidiary) in respect of the repayment thereof; and

(iii) which has been designated as such by the Issuer by written notice to the Trustee,

provided that the Issuer may give written notice to the Trustee at any time that any Excluded Subsidiary is no longer an Excluded Subsidiary, whereupon it shall cease to be an Excluded Subsidiary;

Group means the Issuer and all the Subsidiaries;

Material Subsidiary means, at any time, any Subsidiary (other than an Excluded Subsidiary):

(i) whose total assets exceed 10 per cent. of the consolidated total assets of the Issuer; or

(ii) whose net profit before taxation exceeds 10 per cent. of the consolidated net profit before taxation of the Issuer.

For these purposes:

(1) all calculations shall be determined in accordance with the generally accepted accounting principles used in the preparation of:

(A) the then latest annual audited consolidated financial statements of the relevant Subsidiary (in the case of a Subsidiary preparing consolidated financial statements) or the then latest annual audited financial statements of the relevant Subsidiary (in the case of a Subsidiary preparing non-consolidated financial statements); and

(B) the then latest annual audited consolidated financial statements of the Issuer;

(2) upon a Material Subsidiary transferring all or substantially all of its assets or business to another Subsidiary, the transferor shall cease to be a Material Subsidiary on the effective date of such transfer and thereupon the transferee shall be deemed to be a Material Subsidiary until the date of its next annual audited consolidated financial statements or, as the case may be, annual audited financial statements are prepared after which whether it is or is not a Material Subsidiary shall be determined in accordance with paragraphs (i) and (ii) above; and

(3) subject to paragraph (1) above, if as a result of any transfer, reconstruction, amalgamation, reorganisation, merger or consolidation of a company which, immediately before such transfer, reconstruction, amalgamation, reorganisation, merger or consolidation, satisfied either of the tests set forth in paragraphs (i) and (ii) above, but immediately after such transfer, reconstruction, amalgamation, reorganisation, merger or consolidation does not satisfy either such test, such company shall immediately cease to be a Material Subsidiary;

Permitted Recourse means recourse for any indebtedness that may be incurred in connection with the financing of the ownership, construction, acquisition, development, construction and/or operation of an asset or group of related assets by any member of the Group, so long as the terms of such recourse are restricted such that:

(i) it shall be released following completion of the development or construction of such asset or group of related assets to the satisfaction of the holders of such indebtedness; or

(ii) it is limited to:

(1) an agreed cash amount, and may only be enforced in the event that the development or construction of such asset or group of related assets cannot be completed or is subject to cost overruns or delays;

(2) the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset or group of related assets;

(3) shares, securities or other instruments representing ownership in, or indebtedness of, an Excluded Subsidiary;

(4) an agreement by the relevant member of the Group not to dispose of any or all of such shares, securities or other instruments;

(5) an agreement by the relevant member of the Group to subordinate its rights in respect of such shares, securities or other instruments for the benefit of the holders of indebtedness incurred by an Excluded Subsidiary;

(6) recourse for any indebtedness that may be incurred under a direct agreement entered into by the relevant member of the Group in connection with the project financing of such asset or group of related assets by an Excluded Subsidiary; or

(7) recourse in respect of any policy of insurance (or similar instrument, but for the avoidance of doubt not including any financial guarantee) which may be granted by a member of the Group which is not an Excluded Subsidiary for the benefit of an Excluded Subsidiary;

Permitted Security Interest means a Security Interest:

(i) securing indebtedness outstanding as of the Issue Date;

(ii) securing indebtedness acquired on acquisition of any Material Subsidiary, or on the acquisition of any property or assets, if, in either case, such Security Interest was not created in contemplation of the acquisition; or

(iii) securing any indebtedness incurred in respect of the refinancing of any of the above, so long as such indebtedness is for an amount not materially greater than the principal (and any capitalised interest and fees) of such indebtedness and does not extend to property or assets having, in aggregate, a greater value than those to which the Security Interest being replaced relates;

Project Finance Indebtedness means any present or future indebtedness for borrowed money incurred to finance the ownership, construction, acquisition, development and/or operation of an asset or group of related assets of a member of the Group:

(i) which is incurred by an Excluded Subsidiary; or

(ii) in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has no recourse (other than any Permitted Recourse) to any member of the Group (other than an Excluded Subsidiary) for the repayment thereof;

Relevant Indebtedness means any indebtedness (other than Project Finance Indebtedness) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (otherwise than to constitute or represent advances made by banks and/or other lending financial institutions) which (i) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and (ii) are denominated or confer a right to payment of principal and/or interest in a currency other than the currency of the jurisdiction of incorporation of the Issuer;

Relevant Sukuk Obligation means any undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities issued in compliance with (or intended to be issued in compliance with) the principles of Shari'ah (other than where such trust certificates or other securities form part of any Project Finance Indebtedness), whether or not in return for consideration of any kind, which (i) for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and (ii) are denominated or confer a right to payment of principal and/or profit in a currency other than the currency of the jurisdiction of incorporation of the Issuer; and

Subsidiary means, at any time, any entity whose financial statements at such time are required by law or in accordance with applicable generally accepted accounting principles at such time to be fully consolidated with those of the Issuer.

(b) ***Disposals:*** So long as any Existing Bonds remain outstanding (except as shall have been approved by an Extraordinary Resolution) (1) the Issuer will not and will procure that no Subsidiary will convey, lease, sell, transfer or otherwise dispose of (or agree to do so at any future time) all or any of the shares in any Domestic Subsidiary (or in any holding company of any Domestic Subsidiary) held by the Issuer or such Subsidiary, as the case may be, in each case if, and to the extent that, any such disposal would result in the proportion of the total issued share capital of such Domestic Subsidiary beneficially owned by the Issuer (either directly or indirectly) being less than the proportion so owned by the Issuer on the Existing Bonds Issue Date and (2) the Issuer will procure that none of the Domestic Subsidiaries will convey, lease, sell, transfer or otherwise dispose of (or agree to do so at any future time) all or any part of their assets except (in respect of the restriction in this sub-paragraph (2) only):

(i) sales of inventory (including, without limitation, electricity and desalinated water) in the ordinary course of business;

(ii) sales or transfers between one or more Domestic Subsidiaries;

(iii) sales of equipment which is uneconomic, obsolete or no longer useful in the business of the relevant Domestic Subsidiary; and

(iv) disposals of assets to a bank or other financial institution made in connection with, and solely for the purpose of, any financing to be extended to the debtor on a Shari'ah compliant basis.

In these Conditions, **Existing Bonds** means the U.S.$1,500,000,000 6.5 per cent. Bonds due 2036, issued on 27 October 2006 (the **Existing Bonds Issue Date**) by the Issuer.

(c) ***Certificates:*** The Issuer shall, at the same time as sending the certificate referred to in the next paragraph, and also within 28 days of a request therefor made by the Trustee, provide to the Trustee a certificate of the Issuer signed by a duly authorised officer listing those Subsidiaries which as at the last day of the last financial year of the Issuer, or, as the case may be, as at the date specified in such request, were Material Subsidiaries, Excluded Subsidiaries and any Domestic Subsidiary falling within paragraph (ii) of the definition thereof (and, in the case of any entity which is a Material Subsidiary as a result of satisfying either of the tests set out in paragraphs (i) or (ii) of the definition thereof, the extracted figures used for the purpose of applying such test and the calculation thereof) provided that if no Existing Bonds remain outstanding the certificate need not identify Domestic Subsidiaries. The mathematical accuracy of the calculations in such certificate shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders and the Trustee shall be entitled to rely on such certificate without any further investigation and shall not be liable to any person for so doing.

The Issuer has undertaken in the Trust Deed to deliver to the Trustee, within 30 days of its annual audited financial statements being made available to its members, and also within 30 days of a request therefor made by the Trustee, a certificate of the Issuer signed by a duly authorised officer as to there not having been an Event of Default or Potential Event of Default or a Change of Control (as defined in Condition 5(l)(i) below) or other breach of the Trust Deed since the date of the last such certificate or, if none, the date of the Trust Deed, or if such an event has occurred, giving details of it. The Trustee shall be entitled to rely on such certificate and shall not be obliged to independently monitor compliance by the Issuer with the covenants set forth in this Condition 4, nor be liable to any person for not so doing and need not enquire further as to circumstances existing on the date of such certificate.

5 Interest and other Calculations

(a) ***Interest on Fixed Rate Notes:*** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date (as defined in Condition 5(j)) at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date provided that, if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day. The amount of interest payable shall be determined in accordance with Condition 5(g).

(b) ***Interest on Floating Rate Notes:***

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day (as defined in Condition 5(j)), then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period (as defined in Condition 5(j)) shall be determined in accordance with the provisions below.

(A) Where the Reference Rate is not specified as SOFR Benchmark

(x) Subject to Condition 5(l), where the Reference Rate is specified hereon as being a Reference Rate other than SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as defined in Condition 5(j)) (being either EURIBOR, HIBOR or CNH HIBOR as specified hereon) which appears or appear, as the case may be, on the Relevant Screen Page (as defined in Condition 5(j)) as at either 11.00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or, in the case of CNH HIBOR, 11.15 a.m. (Hong Kong time) or if, at or around

that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then 2.30 p.m. (Hong Kong time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time if the Reference Rate is EURIBOR or Hong Kong time if the Reference Rate is HIBOR or CNH HIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.00 a.m. (Brussels time if the Reference Rate is EURIBOR or Hong Kong time if the Reference Rate is HIBOR or CNH HIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate at approximately 11.00 a.m. (Brussels time if the Reference Rate is EURIBOR or Hong Kong time if the Reference Rate is HIBOR or CNH HIBOR), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if

the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(B) Where the Reference Rate is specified as SOFR Benchmark

Where the Reference Rate is specified hereon as being SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5(h), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The **SOFR Benchmark** will be determined based on Simple SOFR Average, Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 5(m) as further specified hereon):

(x) If Simple SOFR Average (**Simple SOFR Average**) is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be the arithmetic mean of the SOFR reference rates for each day during the period, as calculated by the Calculation Agent, and (i) for each day during the period which is not a U.S. Government Securities Business Day, the SOFR reference rate shall be deemed to be the SOFR reference rate on the immediately preceding U.S. Government Securities Business Day and (ii) where, if applicable and as specified hereon, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date.

(y) If Compounded Daily SOFR (**Compounded Daily SOFR**) is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable hereon to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable hereon:

(1) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

Lookback Days means such number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a **U.S. Government Securities Business Day(i)**); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

SOFR Observation Period means, in respect of any Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date or, as the case may be, the relevant Optional Redemption Date, Put Date or any other date on which Early Redemption of the Notes occurs);

SOFR Observation Shift Days means the number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a **U.S. Government Securities Business Day(i)**); and

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(3) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"**SOFRi**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

Interest Payment Date shall be the number of Interest Payment Delay Days following each Interest Period Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant Optional Redemption Date;

Interest Payment Delay Days means the number of Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_o}$" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a **U.S. Government Securities Business Day(i)**); and

"$\mathbf{n_i}$", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period where SOFR Payment Delay is specified hereon, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall

be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(4) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

"**SOFRi**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i), except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date for such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a **U.S. Government Securities Business Day(i)**); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Conditions 5(b)(iii)(B)(x) and 5(b)(iii)(B)(y):

Bloomberg Screen SOFRRATE Page means the Bloomberg screen designated **SOFRRATE** or any successor page or service;

Reuters Page USDSOFR= means the Reuters page designated **USDSOFR=** or any successor page or service;

SOFR means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government

Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(m) shall apply as specified hereon;

SOFR Rate Cut-Off Date means the date that is a number of U.S. Government Securities Business Days prior to the Interest Payment Date relating to the relevant Interest Accrual Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified hereon; and

SOFR Determination Time means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(z) If Compounded SOFR Index (**Compounded SOFR Index**) is specified as applicable hereon, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

SOFR Index means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

(1) if the value specified above does not appear and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred, the **SOFR Index** shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(iii)(B)(y)(2) **SOFR Observation Shift**, and the term **SOFR Observation Shift Days** shall mean five U.S. Government Securities Business Days; or

(2) if the value specified above does not appear and a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(m) shall apply as specified hereon;

SOFR Index$_{End}$ means, in respect of an Interest Accrual Period, the SOFR Index value on the date falling the number of U.S. Government Securities Business Days specified hereon prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date or, as the case may be, the relevant Optional Redemption Date, Put Date or any other date on which Early Redemption of the Notes occurs);

SOFR Index$_{Start}$ means, in respect of an Interest Accrual Period, the SOFR Index value on the date falling the number of U.S. Government Securities Business Days specified hereon prior to the first day of such Interest Accrual Period;

SOFR Index Determination Time means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

SOFR Observation Period means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date or, as the case may be, the relevant Optional Redemption Date, Put Date or any other date on which Early Redemption of the Notes occurs);

SOFR Observation Shift Days means the number of U.S. Government Securities Business Days as specified hereon; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period;

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(B):

SOFR Administrator's Website means the website of the Federal Reserve Bank of New York (currently, being https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index), or any successor source;

Benchmark Replacement Date has the meaning given to it in Condition 5(m);

Benchmark Transition Event has the meaning given to it in Condition 5(m); and

U.S. Government Securities Business Day means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(c) ***Linear Interpolation:***

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period hereon, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where the Reference Rate is other than SOFR Benchmark), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, where the Reference Rate is other than SOFR Benchmark, the period of time designated in the Reference Rate.

(d) ***Zero Coupon Notes:***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(e) ***Accrual of Interest:***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(f) ***Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:***

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) Unless otherwise stated hereon the Minimum Rate of Interest shall be deemed to be zero.

(iv) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) ***Calculations:*** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction (as defined in Condition 5(j)) for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any other determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Change of Control Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, any Optional Redemption Amount or Change of Control Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying and Transfer Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may

subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) ***Determination or Calculation by Trustee:***

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount and the Issuer fails to appoint a leading bank or investment banking firm under Condition 5(k) below, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(j) ***Definitions:***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Business Day means:

(i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;

(ii) in the case of euro, a day on which the T2 is open (a **T2 Business Day**);

(iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; or

(iv) in the case of a currency and/or one or more Business Centres specified hereon a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres (including in each case if T2 System is specified as a Business Centre hereon, a T2 Business Day);

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **Calculation Period**):

(i) if "Actual/Actual" or "Actual/Actual — ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2\text{-}Y_1)]+[30 \times (M_2\text{-}M_1)]+(D_2\text{-}D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**"is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M^2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2\text{-}Y_1)]+[30 \times (M_2\text{-}M_1)]+(D_2\text{-}D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**"is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vi) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2\text{-}Y_1)]+[30 \times (M_2\text{-}M_1)]+(D_2\text{-}D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(vii) if "Actual/Actual-ICMA" is specified hereon:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

Determination Date means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date;

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

Interest Amount means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part, provided that if the Specified Currency is Renminbi, the Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (with halves being rounded up); and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

Interest Commencement Date means the Issue Date or such other date as may be specified hereon;

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither sterling, euro nor Renminbi or (iii) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (v) (where SOFR Benchmark is specified hereon as the Reference Rate and where Simple SOFR Average is specified as applicable hereon or where SOFR Lag, SOFR Observation Shift or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR or where Compounded SOFR Index is specified as applicable hereon) the second U.S. Government Securities Business Day prior to the last day of each Interest Accrual Period or (vi) (where SOFR Benchmark is specified hereon as the Reference Rate and where SOFR Payment Delay is specified as applicable hereon to determine Compounded Daily SOFR) the Interest Period Date at the end of each Interest Accrual Period, *provided that* the Interest Determination Date with respect to the final Interest Accrual Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date;

Interest Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Period Date means each Interest Payment Date unless otherwise specified hereon;

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer;

Reference Rate means the rate specified as such hereon;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified hereon (or such replacement page, section, caption, column or other part of that service which displays the information);

Specified Currency means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

T2 means the real time gross settlement system operated by the Eurosystem, or any successor system.

(k) ***Calculation Agent:*** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee, such approval not to be unreasonably withheld or delayed) appoint a leading bank or investment

banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(l) ***Benchmark Discontinuation (Where the Reference Rate is not specified as SOFR Benchmark):***

Where the Original Reference Rate is not SOFR Benchmark, in addition and notwithstanding the terms set forth elsewhere in these Conditions, this Condition 5(l) shall apply.

(i) *Independent Adviser*

Notwithstanding the provisions of Condition 5(b), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(l)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(l)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(l) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders, for any determination made by it, pursuant to this Condition 5.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(l)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(l)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(l)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(l)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(l) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(l)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised officers of the Issuer pursuant to Condition 5(l)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(l)(iv), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(l) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Paying Agents a certificate signed by two authorised officers of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(l); and

(B) certifying that the Benchmark Amendments (if any) have been determined by the Independent Adviser in accordance with the provisions of this Condition 5(l) to be necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(l)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 5(l):

Adjustment Spread means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(B) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);

(C) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Independent Adviser determines that no such spread is recognised or acknowledged); or

(D) the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(l)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

Benchmark Amendments has the meaning given to it in Condition 5(l)(iv).

Benchmark Event means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist or be administered; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(E) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is (or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

Independent Adviser means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer under Condition 5(l)(i).

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally-specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term **Original Reference Rate** shall include any such Successor Rate or Alternative Rate).

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(m) ***Benchmark Discontinuation (SOFR):***

Where the Original Reference Rate is SOFR Benchmark, in addition and notwithstanding the terms set forth elsewhere in these Conditions, this Condition 5(m) shall apply.

(i) Benchmark Replacement

If, on or prior to the relevant Reference Time, a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Issuer shall use its reasonable endeavours to appoint a SOFR Benchmark Replacement Agent, as soon as reasonably practicable, to determine the Benchmark Replacement to replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

If (i) the Issuer is unable to appoint a SOFR Benchmark Replacement Agent; or (ii) the SOFR Benchmark Replacement Agent appointed by it fails to determine the Benchmark Replacement in accordance with this Condition 5(m)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(m)(i).

(ii) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the SOFR Benchmark Replacement Agent will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(m). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Issuer, the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the SOFR Benchmark Replacement Agent with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) Decisions and Determinations

Any determination, decision or election that may be made by the SOFR Benchmark Replacement Agent pursuant to this Condition 5(m), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the SOFR Benchmark Replacement Agent, acting in good faith and in a commercially reasonable manner, and (iii) notwithstanding

anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

(iv) Notice

Any Benchmark Replacement, and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 5(m) will be notified promptly by the Issuer to the Trustee, Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement and the Benchmark Replacement Conforming Changes, if any.

(v) Independent Adviser

Notwithstanding the other provisions of this Condition 5(m), in the event the SOFR Benchmark Replacement Agent determines it appropriate, in its sole discretion, to consult with an Independent Adviser in connection with any determination to be made by the SOFR Benchmark Replacement Agent pursuant to this Condition 5(m), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 5(m) shall act in good faith in a commercially reasonable manner but shall have no relationship of agency or trust with the Noteholders and (in the absence of fraud) shall have no liability whatsoever to the SOFR Benchmark Replacement Agent or the Noteholders for any determination made by it or for any advice given to the SOFR Benchmark Replacement Agent in connection with any determination made by the SOFR Benchmark Replacement Agent pursuant to this Condition 5(m) or otherwise in connection with the Notes.

If the SOFR Benchmark Replacement Agent consults with an Independent Adviser as to the occurrence of any SOFR Benchmark Transition Event and/or the related SOFR Benchmark Replacement Date, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud) the SOFR Benchmark Replacement Agent shall have no liability whatsoever to any Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination or otherwise in connection with the Notes.

(vi) The following defined terms shall have the meanings set out below for purpose of this Condition 5(m):

Benchmark means, initially, the relevant SOFR Benchmark specified hereon; *provided that* if the SOFR Benchmark Replacement Agent determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including the daily published component used in the calculation thereof) or the then-current Benchmark, then **Benchmark** means the applicable Benchmark Replacement;

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the SOFR Benchmark Replacement Agent as of the Benchmark Replacement Date:

(A) the sum of:

(x) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including the daily published component used in the calculation thereof); and

(y) the Benchmark Replacement Adjustment;

(B) the sum of:

(x) the ISDA Fallback Rate; and

(y) the Benchmark Replacement Adjustment; or

(C) the sum of:

(x) the alternate rate of interest that has been selected by the SOFR Benchmark Replacement Agent as the replacement for the then-current Benchmark (including the daily published component used in the calculation thereof) giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark (including the daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate notes at such time; and

(y) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the SOFR Benchmark Replacement Agent as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the SOFR Benchmark Replacement Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including the daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the SOFR Benchmark Replacement Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the SOFR Benchmark Replacement Agent decides that adoption of any portion of such market practice is not administratively feasible or if the SOFR Benchmark Replacement Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the SOFR Benchmark Replacement Agent determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (i) or (ii) of the definition of **Benchmark Transition Event**, the later of:

(x) the date of the public statement or publication of information referenced therein; and

(y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of **Benchmark Transition Event**, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time including the 2021 ISDA Definitions (as amended or supplemented from time to time);

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including the daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the SOFR Benchmark Replacement Agent after giving effect to the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SOFR Benchmark Replacement Agent means any person that has been appointed by the Issuer to make the calculations and determinations to be made by the SOFR Benchmark Replacement Agent described in this Condition 5(m), so long as such person is a leading bank or other financial institution or a person with appropriate expertise, in each case that is experienced in such calculations and determinations; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6 Redemption

(a) ***Final Redemption:***

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount specified hereon in the relevant Specified Currency. In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

(b) ***Early Redemption:***

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as provided in sub-paragraph (B) above except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable was the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) ***Redemption for Taxation Reasons:*** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Arab Emirates or the Emirate of Abu Dhabi or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two duly authorised officers of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders.

(d) ***Redemption at the Option of the Issuer:*** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other minimum and maximum notice periods as may be specified hereon), redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together (if applicable) with interest accrued to but excluding the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (if any) to be redeemed specified hereon and no greater than the Maximum Redemption Amount (if any) to be redeemed specified hereon. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall, unless otherwise specified hereon, also specify the nominal amount of Notes drawn and the holder(s) of such Notes, to be redeemed, which shall have been drawn in such place as the Trustee may in its sole discretion, approve and in such manner as it, in its opinion, deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) ***Redemption at the Option of Noteholders:***

(i) If General Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other minimum and maximum notice periods as may be specified hereon) redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together (if applicable) with interest accrued to but excluding the date fixed for redemption or purchase, as the case may be.

(ii) If Change of Control Put Option is specified hereon and if a Change of Control occurs, the Issuer shall, at the option of the holder of any such Note (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d)), redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date at its Change of Control Redemption Amount together (if applicable) with interest accrued to but excluding the Put Date.

Promptly upon the Issuer becoming aware that a Change of Control has occurred the Issuer shall, and, at any time following the occurrence of a Change of Control, the Trustee, if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall, give

notice (a **Change of Control Notice**) to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control.

If 85 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or, as the case may be, purchased, pursuant to this Condition 6(e)(ii), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Put Date), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes at their Change of Control Redemption Amount together (if applicable) with interest accrued to but excluding the date fixed for redemption or purchase, as the case may be.

The Trustee is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control or other such event has occurred.

For the purpose of these Conditions:

(a) a **Change of Control** shall occur if the Emirate of Abu Dhabi, including, without limitation, any agency of its government or any entity controlled by it, at any time ceases to own and control (directly or indirectly) more than 50 per cent. of the economic and voting rights in respect of the Issuer;

(b) **Put Date** shall be the tenth Business Day after the expiry of the Put Period; and

(c) **Put Period** shall be the period of 30 days after a Change of Control Notice is given.

(iii) To exercise any option specified in this Condition 6(e) the holder must deposit the Certificate evidencing such Note(s) with the Registrar or any Paying and Transfer Agent at its specified office, together with a duly completed option exercise notice (**Exercise Notice**) in the form obtainable from any Paying and Transfer Agent or the Registrar (as applicable) within the Notice Period or the Put Period, as applicable. No Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) ***Purchases:*** The Issuer and any Subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

(g) ***Cancellation:*** All Notes purchased by or on behalf of the Issuer or its Subsidiaries may be surrendered for cancellation by surrendering the Certificate evidencing such Notes to the Registrar and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments

(a) ***Notes:***

(i) Payments of principal in respect of the Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Paying and Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on the Notes shall be paid to the person shown on the Register at the close of business on (in the case of Renminbi) the fifth day and (in the case of a currency other than Renminbi) the fifteenth day before the due date for payment thereof (the **Record Date**). Payments of interest on each Note shall be made, in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or

any Paying and Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank. Payments of interest in Renminbi shall be made by transfer to the registered account of the holder.

(iii) For the purposes of Condition 7(a)(ii), **registered account** means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear in the Register at the close of business on the Record Date.

(b) ***Payments subject to Fiscal Laws:*** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) ***Appointment of Agents:*** The Principal Paying and Transfer Agent, the Paying and Transfer Agents, the Registrar and the Calculation Agent initially appointed by the Issuer are set out above. The Principal Paying and Transfer Agent, the Paying and Transfer Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee, such approval not to be unreasonably withheld or delayed, to vary or terminate the appointment of the Principal Paying and Transfer Agent, any other Paying and Transfer Agent, the Registrar or the Calculation Agent(s) and to appoint additional or other Paying and Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying and Transfer Agent, (ii) a Registrar, (iii) one or more Calculation Agent(s) where the Conditions so require and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

Notice of any change of any specified office shall promptly be given to the Noteholders.

(d) ***Non-Business Days:*** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, **business day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in the relevant place of presentation, in such jurisdictions as shall be specified as **Additional Financial Centres** hereon (including if T2 is specified as an Additional Financial Centre hereon, a T2 Business Day) and:

(i) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;

(ii) which (in the case of a payment in euro) is a T2 Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

(e) ***RMB Currency Event:***

If **RMB Currency Event** is specified hereon and notwithstanding any other provision in these Conditions, by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy any payment due under the Notes in Renminbi, the Issuer shall, on giving not less than five and not more than 30 days' irrevocable notice to the Noteholders prior to the due date for the relevant payment (unless this is not possible because the Issuer does not become aware of the Inconvertibility, Non-transferability or Illiquidity until the time at which payment is due to be made, when no such notice shall be required), settle such payment in the Relevant Currency on the due date at the Relevant Currency Equivalent of the relevant Renminbi amount.

In such event, payment of the Relevant Currency Equivalent of the relevant Renminbi amounts due under the Notes shall be made in accordance with Condition 7(a).

In this Condition 7(e):

Governmental Authority means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Hong Kong (including the HKMA);

HKMA means the Hong Kong Monetary Authority;

Illiquidity means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain a sufficient amount of Renminbi in order to satisfy in full its obligation to make any payment due under the Notes;

Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date on which agreement is reached to issue the first Tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

Non-transferability means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date on which agreement is reached to issue the first Tranche of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

Rate Calculation Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and the principal financial centre of the Relevant Currency;

Rate Calculation Date means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions;

Relevant Currency means U.S. dollars or such other currency as may be specified hereon;

Relevant Currency Equivalent means the Renminbi amount converted into the Relevant Currency using the Spot Rate for the relevant Rate Calculation Date; and

Spot Rate, for a Rate Calculation Date, means the spot rate between Renminbi and the Relevant Currency as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date in good faith and in a reasonable commercial manner; and if a spot rate is not readily available, the Calculation Agent may determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the People's Republic of China domestic foreign exchange market.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Arab Emirates or the Emirate of Abu Dhabi therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

(a) ***Other connection:*** To, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the United Arab Emirates or the Emirate of Abu Dhabi therein other than the mere holding of the Note; or

(b) ***Surrendered for payment more than 30 days after the Relevant Date:*** In cases where surrender is required, in respect of which the Certificate is surrendered for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on surrender of such Certificate for payment on the thirtieth day assuming that day to have been a business day (as defined in Condition 7(d) above).

As used in these Conditions, **Relevant Date** in respect of any Note means whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if the full amount payable has not been received by the Principal Paying and Transfer Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts (except as provided in Condition 7(a)), Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5(l)(i) or any amendment or supplement to it, (ii) "**interest**" shall (except as provided in Condition 7(a)) be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

9 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (**Events of Default**) occurs, the Trustee at its discretion may, and if so requested by holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution and subject to being indemnified and/or secured and/or prefunded to its satisfaction shall, give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest:

(a) ***Non-Payment:*** The Issuer fails to pay in the Specified Currency any (i) principal in respect of any of the Notes when due and such failure continues for a period of seven days or (ii) interest on any of the Notes when due and such failure continues for a period of 14 days;

(b) ***Breach of Other Obligations:*** The Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the written opinion of the Trustee capable of remedy, is not in the written opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;

(c) ***Cross-Acceleration:*** (i) any other Borrowed Money Indebtedness of the Issuer or any Material Subsidiary becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Borrowed Money Indebtedness is not paid when due or, as the case may be, within any applicable grace period provided that the aggregate amount of the relevant Borrowed Money Indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.$50,000,000 or its equivalent in another currency (as reasonably determined by the Trustee);

(d) ***Enforcement Proceedings:*** A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or, in the opinion of the Trustee, any material part of the property, assets or revenues of the Issuer or any Material Subsidiary and is not discharged or stayed within 90 days;

(e) ***Security Enforced:*** Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to the Issuer or the relevant Material Subsidiary that such mortgage, charge, pledge, lien or other encumbrance has become enforceable);

(f) ***Insolvency:*** The Issuer or any Material Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or, in the opinion of the Trustee, a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer or any Material Subsidiary;

(g) ***Winding-up:*** An order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Material Subsidiary, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except, in any case, for the purpose of and followed by a transfer, reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the relevant Material Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary;

(h) ***Illegality:*** It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(i) ***Analogous Events:*** Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that (save in the case of paragraphs (a) and (c) and (in so far as they relate to the Issuer) paragraphs (f) and (g)) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

For the purpose of this Condition, **Borrowed Money Indebtedness** means, in relation to any person, any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent, comprising or constituted by:

(i) any liability to repay the principal of or to pay interest on borrowed money or deposits;

(ii) any liability under or pursuant to any:

  (a) letter of credit;

  (b) acceptance credit facility;

  (c) note purchase facility; or

  (d) foreign currency transaction;

(iii) any liability in respect of any purchase price for property or services, payment for which is deferred for a period in excess of 180 days after the later of taking possession or becoming the legal owner thereof; or

(iv) any liability under or pursuant to any guarantee or indemnity in respect of any of the obligations referred to in paragraphs (ii) or (iii) above.

References in Condition 10(c) and (f) to **Borrowed Money Indebtedness** and **debts**, respectively, shall be deemed to include any analogous transaction entered into in compliance with (or intended to be entered into in compliance with) the principles of Shari'ah, whether entered into directly or indirectly by the Issuer or a Material Subsidiary, as the case may be and provided that (i) in the case of an analogous financing the proceeds accrue directly or indirectly for the benefit of the Issuer or a Material Subsidiary,

as the case may be, and (ii) in the case of an analogous guarantee or indemnity, the guarantee or indemnity is given by the Issuer or a Material Subsidiary, as the case may be.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The consent or approval of the Noteholders will not be required for any, or any proposal to effect any, Benchmark Amendments pursuant to Condition 5(l) or Benchmark Replacement pursuant to Condition 5(m).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) ***Modification of the Trust Deed and Waiver:*** The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any modification to effect any Benchmark Amendments (in the circumstances and as set out in Condition 5(l)) or Benchmark Replacement (in the circumstances and as set out in Condition 5(m)), and (iii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) ***Substitution:*** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of certain other entities (being the Issuer's successor in business or any Subsidiary or such Subsidiary's successor in business, subject, in the case of a Subsidiary or such Subsidiary's successor in business, to the Notes being guaranteed by the Issuer to the Trustee's satisfaction and all as further provided in the Trust

Deed) in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) ***Entitlement of the Trustee:*** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

14 Replacement of Notes and Certificates

If a Note or Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying and Transfer Agent and of the Registrar or such other Paying and Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity as may be required by the Issuer. Mutilated or defaced Notes or Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the first weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Dispute Resolution

(a) ***Governing Law:*** The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) ***Dispute Resolution:***

(i) Subject to Condition 18(b)(ii) below, the Trustee and the Issuer have irrevocably agreed in the Trust Deed that any dispute arising out of or connected with the Trust Deed (which includes the Certificates, these Conditions and this Condition 18(b)), including a dispute as to the validity, existence or termination of the Trust Deed or a dispute relating to any non- contractual obligations arising out of the Trust Deed (a **Dispute**) shall be resolved by arbitration in London, England conducted in the English language by three arbitrators, in accordance with the arbitration rules of the London Court of International Arbitration (the **LCIA**) (as amended from time to time, the **Rules**) (with party nomination of arbitrators), which Rules are deemed to be incorporated by reference into this Condition, save that, unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If he is not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, he shall be chosen by the LCIA.

(ii) Notwithstanding Condition 18(b)(i) above, a Dispute may, at the sole option of the Trustee, be resolved by proceedings brought in the courts of England. If the Trustee wishes to exercise this option, it must do so by notice (the **Notice**) to the Issuer and, if a Request for Arbitration (as defined in the Rules) has been served, the Notice must be given within 28 days of such service. If the Trustee gives Notice pursuant to this Condition 18(b)(ii), the Dispute to which such Notice refers shall be determined in accordance with Condition 18(b)(iii) and any arbitration commenced under Condition 18(b)(i) in respect of the Dispute will be terminated. Subject, in the case of the Trustee, to its rights under Clause 9 of the Trust Deed, each of the parties to the terminated arbitration will bear its own costs in relation thereto and termination of the arbitration shall be without prejudice to:

(A) the entitlement of any arbitrator to be paid his proper fees and disbursements; and

(B) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(iii) If a Notice is given pursuant to Condition 18(b)(ii), the Courts of England shall have jurisdiction to settle any Dispute, and the Issuer has waived under the Trust Deed any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Dispute, and has agreed not to claim that any such court is not a convenient or appropriate forum. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take proceedings in respect of a Dispute in any other court of competent jurisdiction nor shall the taking of such proceedings in one or more jurisdictions preclude the taking of such proceedings in any other jurisdiction (whether concurrently or not), in each case to the extent allowed by law.

(c) ***Service of Process:*** The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any legal action or proceedings in England in connection with a Dispute. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) ***Waiver of immunity:*** To the extent that the Issuer may in any jurisdiction claim for itself or its assets immunity from suit, execution, seizure, attachment or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer has in the Trust Deed irrevocably agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

THE GLOBAL NOTE CERTIFICATES

Each Series of Notes will be evidenced on issue by a Regulation S Global Note Certificate (deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg) and/or a Rule 144A Global Note Certificate (deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC).

Beneficial interests in each Regulation S Global Note Certificate may be held only through Euroclear or Clearstream, Luxembourg at any time. See "*Clearing and Settlement — Book-Entry Ownership*". By acquisition of a beneficial interest in a Regulation S Global Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person, and that, if it determines to transfer such beneficial interest prior to the expiration of the 40-day restricted period, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Note Certificate (if applicable). See "*Transfer Restrictions*".

Beneficial interests in each Rule 144A Global Note Certificate may only be held through DTC at any time. See "*Clearing and Settlement — Book-Entry Ownership*". By acquisition of a beneficial interest in a Rule 144A Global Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in each Global Note Certificate will be subject to certain restrictions on transfer set forth therein and in the Trust Deed, and with respect to Rule 144A Notes, as set forth in Rule 144A, and the Notes will bear the legends set forth thereon regarding such restrictions set forth under "*Transfer Restrictions*". A beneficial interest in a Regulation S Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Note Certificate and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in a Rule 144A Global Note Certificate may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that the transfer is being made to a non-U.S. person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note Certificate will, upon transfer, cease to be an interest in such Regulation S Global Note Certificate and become an interest in such Rule 144A Global Note Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Note Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note Certificate will, upon transfer, cease to be an interest in such Rule 144A Global Note Certificate and become an interest in such Regulation S Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Note Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Note Certificates will not be entitled to receive physical delivery of the Individual Certificates. No Notes will be issued in bearer form.

AMENDMENTS TO TERMS AND CONDITIONS OF THE NOTES

Each Global Note Certificate contains provisions that apply to the Notes that they evidence, some of which modify the effect of the Terms and Conditions of the Notes. The following is a summary of those provisions:

Payments

Payments of principal and interest in respect of Notes evidenced by a Global Note Certificate will be made against presentation for endorsement by the Principal Paying and Transfer Agent and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note Certificate to or to the order of the Principal

Paying and Transfer Agent or such other Paying and Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. A record of each payment so made will be entered in the Register and endorsed in the appropriate schedule to the relevant Global Note Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

All payments in respect of Notes evidenced by a Global Note Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Meetings

The holder of each Global Note Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and in any such meeting as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Trustee Powers

In considering the interests of Noteholders while the Global Note Certificates are held through or on behalf of a clearing system, the Trustee, to the extent it considers it appropriate to do so in the circumstances, may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to each Global Note Certificate and may consider such interests as if such accountholders were the holders of any Global Note Certificate.

Cancellation

Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by the Registrar making a notation of such event in the Register, and by reduction in the nominal amount of the applicable Global Note Certificate.

Transfers

Transfers of interests in the Notes in respect of which the applicable Global Note Certificate is issued shall be made in accordance with the Agency Agreement.

Notices

So long as any Notes are evidenced by a Global Note Certificate and such Global Note Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for delivery of the relevant notice to the holder of the Global Note Certificate. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to the relevant clearing system as aforesaid. The Issuer shall also ensure that notices are duly published in a manner that complies with any relevant rules of any stock exchange or other relevant authority on which the Notes are for the time being, or by which they have for the time being been, admitted to trading.

EXCHANGE FOR INDIVIDUAL CERTIFICATES

Exchange

Each Global Note Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Individual Certificates if: (i) a Global Note Certificate is held by or on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar, or (ii) if the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 8 of the Terms and Conditions of the Notes which would not be suffered were the Notes in definitive form and a notice to such effect signed by two duly authorised officers of the Issuer or by any other person(s) empowered by the board of directors of the Issuer to sign on behalf of the Issuer is delivered to the Trustee, by the Issuer giving notice to the Registrar and the Noteholders of its intention to exchange the relevant Global Note Certificate for Individual Certificates on or after the Exchange Date (as defined below) specified in the notice.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note Certificate for Individual Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

Exchange Date means a day falling not later than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the relevant Paying and Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Note Certificate shall be exchangeable in full for Individual Certificates and the Issuer will, free of charge to the Noteholders (but against such indemnity as the Registrar or any relevant Paying and Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholders. A person having an interest in a Global Note Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates and (b) in the case of the Rule 144A Global Note Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A to a QIB. Individual Certificates issued in exchange for an interest in the Rule 144A Global Note Certificate shall bear the legend applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*".

Legends

The holder of an Individual Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Paying and Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Individual Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Rule 144A Individual Certificate, the Issuer will deliver only Rule 144A Individual Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Electronic Consent and Written Resolution

While any Global Note Certificate is registered in the name of any nominee for a clearing system, then:

(a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an **Electronic Consent** as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require a special quorum resolution (as defined in the Trust Deed) to be passed at a meeting), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing system with entitlements to such Global Note Certificate and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, DTC, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the **relevant clearing system**) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic

records provided by the relevant clearing system (including Euroclear's Easyway System or Clearstream, Luxembourg's Xact Web Portal) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

CLEARING AND SETTLEMENT

Custodial and depositary links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of any Notes evidenced by a Global Note Certificate and cross-market transfers of such Notes associated with secondary market trading. See "*— Book-Entry Ownership*" and "*— Settlement and Transfer of Notes*" below.

Investors may hold their interests in a Global Note Certificate directly through DTC, Euroclear or Clearstream, Luxembourg if they are accountholders (**Direct Participants**) or indirectly (**Indirect Participants** and together with Direct Participants, **Participants**) through organisations which are accountholders therein.

EUROCLEAR AND CLEARSTREAM, LUXEMBOURG

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services, including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organization" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in a Rule 144A Global Note Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate nominal amount of the Rule 144A Global Note Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "*Summary of Provisions Relating to the Notes while in Global Form — Exchange for Individual Certificates*", DTC will cause its custodian to surrender the Rule 144A Global Note Certificate for exchange for Rule 144A Individual Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Global Note Certificate registered in the name of, or in the name of a nominee for, DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. dollars in respect of Notes evidenced by a Global Note Certificate registered in the name of, or in the name of a nominee for, DTC will be made or procured to be made by the Principal Paying and Transfer Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Principal Paying and Transfer Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Principal Paying and Transfer Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC Participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such

currency. The Principal Paying and Transfer Agent will convert amounts in such currency into U.S. dollars and deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC Participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

BOOK-ENTRY OWNERSHIP

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Note Certificate evidencing Regulation S Notes will have an International Securities Identification Number (**ISIN**) and a Common Code and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

DTC

Each Rule 144A Global Note Certificate evidencing the Rule 144A Notes will have an ISIN, Common Code and a Committee on Uniform Securities Identification Procedures (**CUSIP**) number and will be deposited with a custodian (the **Custodian**) for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the nominal amount of the Notes held within the DTC System.

The address of DTC is 570 Washington Boulevard, Jersey City, NJ 07310, United States of America.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of a Note evidenced by a Global Note Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of such Global Note Certificate (save in the case of payments other than in U.S. dollars outside DTC, as referred to in "*— DTC — Payments through DTC*" above) and in relation to all other rights arising under such Global Note Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes evidenced by a Global Note Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or account holders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Note Certificate as shown on the records of the relevant common depositary or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Note Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are evidenced by such Global Note Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Note Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

SETTLEMENT AND TRANSFER OF NOTES

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such Note (the **Beneficial Owner**) will in turn be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates evidencing their ownership interests in such Notes, unless and until interests in any Global Note Certificate held within a clearing system are exchanged for Individual Certificates.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note Certificate to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Note Certificate to pledge such interest to persons or entities that do not participate in DTC, or to otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Notes between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC Participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Notes are to be transferred from the account of a DTC Participant holding a beneficial interest in a Rule 144A Global Note Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in a Regulation S Global Note Certificate (subject to the certification procedures provided in the Agency Agreement), the DTC Participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the custodian of a Rule 144A Global Note Certificate will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by such Rule 144A Global Note Certificate of the relevant class and (ii) increase the amount of Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by a Regulation S Global Note Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in a Rule 144A Global Note Certificate (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will transmit appropriate instructions to the custodian of such Rule 144A Global Note Certificate who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC Participant and instruct the Registrar to: (i) decrease the amount of Notes registered in the name of the nominee of the common depositary for Euroclear

and Clearstream, Luxembourg and evidenced by a Regulation S Global Note Certificate; and (ii) increase the amount of Notes registered in the name of Cede & Co. and evidenced by a Rule 144A Global Note Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Note Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Paying and Transfer Agent will have the responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Settlement of Pre-issue Trades

It is expected that delivery of Notes will be made against payment therefor on the Issue Date, which could be more than two business days following the date of pricing. Under Rule 15c6-l under the Exchange Act, trades in the United States secondary market are generally required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the Issue Date will be required, by virtue of the fact the Notes will initially settle beyond T+1, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisers.

USE OF PROCEEDS

The net proceeds (or an amount equal thereto) from the issue of each Tranche of Notes will be applied by the Issuer either wholly or partly (i) for general corporate purposes, including supporting liquidity and the repayment of outstanding debt, including with entities which may be underwriting a particular tranche of Notes issued under the Programme, or their affiliates; and/or (ii) with the intention of financing or refinancing, in whole or in part, Eligible Green Projects (as defined below) (such Tranche of Notes, the **Green Notes**). If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes).

GREEN FINANCE FRAMEWORK

The below is intended as a summary of TAQA's Green Finance Framework only. The Green Finance Framework may be amended or updated from time to time. Investors should refer to the Green Finance Framework (the **Green Finance Framework**) for further information. The Green Finance Framework is made available by TAQA on its website.

TAQA's Green Finance Framework has been developed to align with the Green Bond Principles, 2021 (including the June 2022 Appendix 1) as administered by the International Capital Markets Association (**ICMA**) and the Green Loan Principles, 2023 as administered by the Loan Market Association (**LMA**). Under the Green Finance Framework, TAQA may issue green financing instruments, which includes Green Notes, bonds, sukuks, loans and other debt instruments (**Green Financing Instruments**) where an amount equivalent to the net proceeds is intended be allocated to the financing or refinancing, in whole or in part, one or more, new or existing, assets, capital expenditures, operational expenditures including research & development expenses, and/or equity investments into entities meeting the below eligibility criteria (the **Eligible Green Projects** and together, the **Eligible Green Project Portfolio**):

- Eligible Green Projects include equity participations in entities where at least 90 per cent. of the revenue can be attributed to one or more of the Eligible Green Project Categories (as defined below) (**pure play companies**). Investment in pure play companies where the equity investment is not traceable to the underlying projects in the use of proceeds, will be limited to 5 per cent. of the proceeds allocation.
- The Green Finance Framework sets out certain categories of Eligible Green Projects (the **Eligible Green Project Categories**), which are primarily comprised of renewable energy, sustainable water and wastewater and sewerage activities, energy efficiency, clean transportation and terrestrial and aquatic biodiversity, and certain exclusion criteria such that Eligible Green Projects do not include funding towards any expenditures or projects associated with certain activities (the **Exclusion Criteria**).

In the case of investments made via TAQA's subsidiaries, joint ventures and associates, including joint ventures entered into by its subsidiaries, only the Issuer's net share of the investments will be applicable as an allocation to the Eligible Green Projects.

In the process of considering investments for allocation under the Green Financing Instruments, TAQA intends to discount the portion of the Eligible Green Projects that has been financed and/or refinanced by one or several other issuers (TAQA's subsidiaries and owned entities, including joint ventures entered into by its subsidiaries) under their respective green or sustainable finance frameworks.

A maximum three-year look-back period would apply for refinanced projects and TAQA will endeavour to fully allocate the proceeds within two years from the issuance of each Green Financing Instrument, however some assets such as long-term green infrastructure buildout projects may require longer allocation periods.

While it is TAQA's intention to apply an amount equal to the net proceeds of the Green Notes so specified in whole or in part for Eligible Green Projects in, or substantially in, the manner described in this Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly, there can be no assurance that such proceeds will be totally or partially disbursed for such Eligible Green Projects. See "*Risk Factors — Risks Related to the Notes Generally — There can be no assurance that the use of proceeds will be suitable for the investment criteria of an investor seeking exposure to sustainable assets.*".

Project Selection and Evaluation Process

Projects (new or existing) that comply with the Use of Proceeds as previously described will be considered for the Eligible Green Project Portfolio and the Green Note implementation and allocation procedures.

The Group's Green Finance Taskforce will be responsible for the governance of the Group's Green Finance Framework and implementing the initiatives set out therein. The Green Finance Taskforce intends to meet on a quarterly basis, and as required for specific issuances, and intends to assess the process of evaluation and selection of eligible projects, proceeds allocation and reporting.

Management of Proceeds

The net proceeds of each TAQA's Green Financing Instruments will be managed by the TAQA's Treasury Department and deposited in TAQA's general funding accounts and are intended to be earmarked for allocation towards the Eligible Green Projects using a green finance register (the **Green Finance Register**). The Green Finance Register will outline the details of any Green Financing Instruments, specify a list of Eligible Green Projects and any allocations made in respect of such projects, and include a balance of the amount of unallocated proceeds of such Green Financing Instruments. TAQA will strive to achieve a level of allocation to the Eligible Green Project Portfolio that matches or exceeds the balance of net proceeds of its outstanding Green Financing Instruments. If any allocated Eligible Green Projects are removed from the Green Financing Register, TAQA will strive to substitute those projects with replacement Eligible Green Projects. Replacement of the Eligible Green Project(s) will be done on a best effort basis, as soon as possible and within a reasonable period of time. Any proceeds temporarily unallocated are intended to be invested according to the Group Treasury Policy. TAQA will not invest any temporary unallocated proceeds in instruments that directly support GHG intensive activities (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high carbon assets) nor any of the sectors included in the Exclusion Criteria of the Framework.

Reporting

On an annual basis, TAQA intends to publish an allocation report and an impact report on its Eligible Green Projects, to be updated annually until full allocation of the net proceeds of any Green Financing Instruments issued, or until such Green Financing Instruments are no longer outstanding. Furthermore, additional reports are intended to be published on a timely basis in case of material developments.

Second Party Opinion

TAQA has appointed Moody's Investors Service, Inc. to provide the Second Party Opinion on its Green Finance Framework. The Second Party Opinion and the Green Finance Framework are available to holders of Green Notes on TAQA's website.

Verification

TAQA intends to engage a third-party reviewer to provide an annual assessment on the alignment of the allocation of funds with the Green Finance Framework's criteria.

Information contained in TAQA's website is not and should not be deemed as part of this Prospectus or any other documents incorporated by reference herein and therein.

Neither the Second Party Opinion nor the Green Finance Framework is, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

CAPITALISATION

The table below shows the Group's capitalisation and indebtedness as at 31 March 2024. This table should be read together with the Financial Statements incorporated by reference in this Prospectus.

	As at 31 March 2024
	(AED million)
Debt:	
Short-term debt[(1)]	6,101
Long-term debt[(2)]	56,376
Total debt	**62,477**
Equity:	
Share capital	112,434
Other reserves[(3)]	(52,786)
Retained earnings	30,143
Foreign currency translation reserve	(95)
Cumulative change in the fair value of derivatives in cash flow hedges	4,030
Cumulative change in fair value of investments	1,304
Non-controlling interests, including loans	6,684
Total equity	**101,714**
Total capitalisation[(4)]	**158,090**

Notes:

(1) Includes interest bearing loans and borrowings with a maturity of less than 12 months.

(2) Represents interest bearing loans and borrowings with a maturity of more than 12 months.

(3) This represents a combination of the merger reserve which was AED (56,443) million as at 31 March 2024 and the statutory reserve which was AED 3,657 million as at 31 March 2024.

(4) Total equity plus long-term debt.

As at the date of this Prospectus, except as indicated below, there has been no material change in the capitalisation of the Group since 31 March 2024. On 2 May 2024, the Group's AED 705 million bond (EUR 180 million) matured and was repaid in full, and on 6 May 2024, the Group's AED 2,754 million bond (US $750 million) matured and was repaid in full. See Note 21 to the Q1 2024 Interim Financial Statements.

SELECTED FINANCIAL AND OTHER INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and should also be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Presentation of Financial and Other Information".

The selected financial information in this section is derived from the Financial Statements. This comprises financial information relating to TAQA and its consolidated subsidiaries for Q1 2024, Q1 2023, FY 2023, FY 2022 and FY 2021. See "Presentation of Financial and Other Information" for additional information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS DATA

The table below shows the Group's consolidated statement of profit or loss data for each of the periods indicated.

	Q1		FY		
	2024	**2023[2,3]**	**2023[3]**	**2022[1,3]**	**2021**
	(*AED million*)				
Continuing Operations					
Revenue					
Revenue from generation of power and water	2,937	3,141	12,715	13,823	12,337
Revenue from transmission and distribution of power and water	8,174	7,499	30,954	26,091	25,928
Revenue from oil and gas	1,947	2,349	8,048	10,137	7,029
Revenue from sustainable water solutions	620	-	-	-	-
	13,678	**12,989**	**51,717**	**50,051**	**45,294**
Cost of Sales					
Operating expenses	(7,773)	(7,340)	(29,973)	(27,494)	(23,901)
Depreciation, depletion and amortisation	(2,444)	(2,223)	(9,212)	(9,473)	(11,111)
	(10,217)	**(9,563)**	**(39,185)**	**(36,967)**	**(35,012)**
Gross profit	**3,461**	**3,426**	**12,532**	**13,084**	**10,282**
General and administrative expenses	(561)	(511)	(2,334)	(2,134)	(2,254)
Finance costs	(757)	(692)	(2,872)	(2,966)	(3,070)
Net foreign exchange gain/(loss)	42	(41)	(55)	(169)	(79)
Interest income	175	77	498	172	123
Dividend income from an investment	-	-	298	-	-
Gain on recognition of an investment	-	10,784	10,784	-	-
Other Income	90	66	389	84	1,116
Share of results of associates and joint ventures	135	82	191	321	313
Profit before tax from continuing operations	**2,585**	**13,191**	**19,431**	**8,392**	**6,431**
Income tax expense	(469)	(1,686)	**(2,629)**	(1,013)	(682)
Profit for the period/year from continuing operations	**2,116**	**11,505**	**16,802**	**7,379**	**5,749**
Discontinued Operations					
Profit after tax from discontinued operations[1,2]	**19**	**60**	**18**	**744**	**246**
Profit for the period/year	**2,135**	**11,565**	**16,820**	**8,123**	**5,995**
Attributable to:					
Equity holders of the parent	2,116	11,635	16,647	8,030	5,960
Non-controlling interest	19	(70)	173	93	35
Profit for the period/year	**2,135**	**11,565**	**16,820**	**8,123**	**5,995**

Notes:

(1) While as at 31 December 2022, the upstream assets in the Netherlands contained within the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified as at 31 December 2023. As such, the comparative amounts for the discontinued operations in the consolidated statement of profit or loss for FY 2022 were reclassified to reflect the classification of the upstream assets in the Netherlands contained with the Oil & Gas operating segment in the consolidated statement of profit or loss for FY 2023. See "*Presentation of Financial and Other Information*" for additional information.

(2) While as at 31 December 2023 and 31 March 2024, TAQA Atrush contained within the Oil & Gas operating segment was classified as a disposal group held-for-sale and as a discontinued operation. Comparative amounts for discontinued operations in the consolidated profit or loss for prior year/period are represented to reflect the classification in the consolidated profit and loss for the current year/period. See "*Presentation of Financial and Other Information*" for additional information.

(3) Certain comparative figures have been reclassified wherever necessary, as to conform to the presentation adopted in the 31 March 2024 interim condensed consolidated financial statements and the FY 2023 Financial Statements. These reclassifications do not materially change the presentation of the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

The table below shows the Group's consolidated statement of financial position data as at the end of each of the periods indicated.

	Q1	FY		
	2024	2023[1]	2022[1]	2021
	(*AED million*)			
Assets				
Non-current assets				
Property, plant and equipment	134,233	115,876	117,470	122,397
Operating financial assets	7,406	7,573	7,917	9,047
Intangible assets	15,275	15,597	16,708	17,974
Investments in and loans to associates and joint ventures	9,294	8,209	6,515	1,683
Investment carried at fair value through other comprehensive income	12,088	11,858	-	-
Deferred tax assets	5,993	6,098	6,678	5,598
Derivative financial instruments	463	354	511	72
Other assets	1,054	1,054	889	924
Total non-current assets	**185,806**	**166,619**	**156,688**	**157,695**
Current assets				
Inventories	3,301	3,202	3,402	3,518
Amounts due from related parties	4,085	1,904	1,760	1,946
Operating financial assets	1,179	1,213	1,253	1,275
Accounts receivable, prepayments and other receivables	6,110	5,927	7,333	6,534
Income tax prepaid	704	527	424	446
Derivative financial instruments	244	229	106	11
Cash and bank balances	10,676	14,077	10,422	8,772
Total current assets	**26,299**	**27,079**	**24,700**	**22,502**
Assets classified as held-for-sale	**900**	**942**	**234**	**—**
Total assets	**213,005**	**194,640**	**181,622**	**180,197**
Equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital	112,434	112,434	112,434	112,434
Merger reserve	(56,443)	(56,443)	(56,443)	(56,443)
Statutory reserve	3,657	3,445	1,780	977
Retained earnings	30,143	18,168	9,002	7,284
Foreign currency translation reserve	(95)	(51)	(117)	6
Cumulative changes in fair value of derivatives in cash flow hedges	4,030	3,996	3,871	1,646
Cumulative changes in fair value of investments	1,304	1,074	-	-
	95,030	**82,623**	**70,527**	**65,904**
Non-controlling interests	6,573	6,361	7,297	6,943
Loans from non-controlling interest shareholders in subsidiaries	111	111	165	355
Total non-controlling interests, including loans	**6,684**	**6,472**	**7,462**	**7,298**
Total equity	**101,714**	**89,095**	**77,989**	**73,202**
Non-current liabilities				
Interest bearing loans and borrowings	56,376	55,442	50,484	61,369
Islamic loans	-	-	-	92
Deferred tax liabilities	2,405	2,417	1,330	1,304
Asset retirement obligations	13,096	13,471	13,989	16,873
Derivative financial instruments	192	342	434	2,719
Other liabilities	3,486	2,547	1,853	1,249
Total non-current liabilities	**75,555**	**74,219**	**68,090**	**83,606**
Current liabilities				
Accounts payable, accruals and other liabilities	22,871	19,205	18,047	16,228

	Q1	FY		
	2024	2023[1]	2022[1]	2021
	(*AED million*)			
Interest bearing loans and borrowings	6,101	6,211	11,129	2,843
Islamic loans	-	-	92	661
Amounts due to related parties	5,255	4,588	4,129	2,208
Bank overdrafts	5	3	37	31
Income tax payable	1,028	906	1,098	543
Derivative financial instruments	170	67	193	875
Total current liabilities	**35,430**	**30,980**	**34,725**	**23,389**
Liabilities directly associated with assets classified as held for sale	**306**	**346**	**818**	**-**
Total liabilities	**111,291**	**105,545**	**103,633**	**106,995**
Total equity and liabilities	**213,005**	**194,640**	**181,622**	**180,197**

Note:
(1) Certain comparative figures have been reclassified wherever necessary, as to conform to the presentation adopted in the 31 March 2024 and 31 December 2023 condensed consolidated financial statements. These reclassifications do not materially change the presentation of the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS DATA

The table below summarises the Group's consolidated statement of cash flows data for each of the periods indicated.

	Q1		FY		
	2024	2023[2,3]	2023	2022[1,2]	2021
	(*AED million*)				
Operating activities					
Profit before tax from continuing operations	2,585	13,191	19,431	8,392	6,431
Profit before tax from discontinued operations	19	60	18	744	260
Profit before tax	2,604	13,251	19,449	9,136	6,691
Adjustments for:					
Depreciation, depletion and amortisation	2,459	2,253	9,253	9,579	11,119
Finance costs	757	693	2,873	2,967	3,094
Share of results of associates and joint ventures	(135)	(82)	(191)	(321)	(313)
Intangible assets derecognised	-	-	-	179	-
Other movements	(30)	(35)	572	239	31
Gain on sale of land, oil and gas and other assets	-	-	(11)	(128)	(256)
Gain on recognition of an investment	-	(10,784)	(10,784)	-	-
Interest income	(175)	(77)	(498)	(172)	(123)
Asset retirement obligation relief deed income	-	-	(26)	367	(486)
Dividend income from an investment	-	-	(298)	-	-
Revenue from operating financial assets	(331)	(356)	(1,565)	(1,401)	(1,576)
Working capital changes					
Inventories	(83)	(42)	233	266	(234)
Accounts receivables and prepayments	1,204	74	883	(606)	(33)
Amounts due from related parties	(1,101)	(99)	(144)	186	663
Amounts due to related parties	(1,219)	902	459	1,921	5
Accounts payable, accruals and other liabilities	(1,331)	599	453	666	579
Income tax paid	(366)	(567)	(1,567)	(1,915)	(268)
Asset retirement obligation payments	(303)	(208)	(1,002)	(1,047)	(586)
Cash received from operating financial assets	466	499	2,029	1,963	1,986
Net cash generated from operating activities	**2,416**	**6,021**	**20,118**	**21,879**	**20,293**
Investing activities					
Purchases of property, plant and equipment	(1,742)	(1,072)	(5,086)	(4,012)	(3,851)
Investment in a joint venture	-	-	-	(3,747)	-
Purchase of share in a subsidiary	-	(204)	(204)	-	-
(Advances to)/receipts from associates and joint ventures	(1,098)	(567)	(1,419)	(437)	1,068
Interest received	175	77	498	172	123
Proceeds from sale of non-core assets	-	-	-	197	86
Other movements	60	24	(277)	(209)	99
Dividend income from an investment	-	-	298	-	-
Transfer of entities under common control – cash and cash equivalents in acquired entities	463	-	-	-	-
Net cash used in investing activities	**(2,142)**	**(1,742)**	**(6,190)**	**(8,036)**	**(2,475)**
Financing activities					
Interest bearing loans and borrowings received	284	2,843	11,999	6,892	5,504
Repayments of interest bearing loans and borrowings	(740)	(4,680)	(12,127)	(8,534)	(15,587)
Repayments of Islamic loans	-	(46)	(92)	(655)	(173)
Payments of lease liabilities	(70)	(32)	(193)	(98)	(139)
Payment of derivatives	-	-	-	(361)	-
Interest paid	(662)	(709)	(2,930)	(2,957)	(3,360)
Dividend paid to non-controlling interest shareholders	(193)	(138)	(900)	(919)	(697)
Dividend paid to shareholders	(2,249)	(3,714)	(5,907)	(5,509)	(2,980)
Repayment of loans to non-controlling interest shareholders	-	(22)	(54)	(190)	(78)
Net cash used in financing activities	**(3,630)**	**(6,498)**	**(10,204)**	**(12,331)**	**(17,510)**
Net (decrease)/increase in cash and cash equivalents	**(3,356)**	**(2,219)**	**3,724**	**1,512**	**308**
Net foreign exchange difference	(56)	12	8	132	(20)
Cash and cash equivalents as at 1 January	13,878	10,123	10,123	8,422	8,321
Restricted cash movement	1	(3)	23	57	(187)
Cash and cash equivalents at the end of the period	**10,467**	**7,913**	**13,878**	**10,123**	**8,422**

Notes:

(1) While as at 31 December 2022, the upstream assets in the Netherlands contained within the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified as at 31 December 2023. As such, the comparative amounts for the discontinued operations in the consolidated statement of cash flows for FY 2022 were reclassified to continuing operations. See "*Presentation of Financial and Other Information*" for additional information.

(2) As at 31 December 2023 and 31 March 2024, TAQA Atrush contained within the Oil & Gas operating segment was classified as a disposal group held-for-sale and as a discontinued operation. Comparative amounts for discontinued operations in the consolidated

statement of cash flows for prior year/period are represented to reflect the classification in the consolidated profit and loss for the current year/period. See "*Presentation of Financial and Other Information*" for additional information.

(3) Certain comparative figures have been reclassified wherever necessary, as to conform to the presentation adopted in the 31 March 2024 and 31 December 2023 condensed consolidated financial statements. These reclassifications do not materially change the presentation of the condensed consolidated financial statements.

NON-IFRS FINANCIAL MEASURES

The tables below present certain non-IFRS financial measures for each of the periods indicated. These non-IFRS financial measures are not liquidity or performance measures under IFRS, but are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited. These non-IFRS financial measures should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. Moreover, these measures may be defined or calculated differently by other companies, and, as a result, they may not be comparable to measures used by other companies under the same or similar names. For further information, including definitions of these measures, see "*Presentation of Financial and Other Information — Certain non-IFRS financial information*".

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
	(AED million, unless otherwise stated)				
Adjusted EBITDA[(1)]	5,516	5,220	19,601	20,744	19,452
Gross margin[(2)] (%)	25.3	26.4	24.2	26.1	22.7
Return on equity[(3)] (%)	8.9	58.8	20.1	11.4	9.0
Net debt[(4)]	52,010	51,858	47,775	51,582	56,543
Net debt/total capital[(4)] (%)	33.8	37.6	34.9	39.8	43.6
Adjusted EBITDA/net interest[(5)] (x)	9.5	8.5	8.3	7.4	6.6
Net debt/Adjusted EBITDA[(4)] (x)	2.4	2.5	2.4	2.5	2.9
Free cash flow[(6)]	274	4,279	13,928	13,843	17,818
Free cash flow to Adjusted EBITDA (%)[(7)]	5.0	82.0	71.1	66.7	91.6

Notes:

(1) The table below sets forth the reconciliation of profit for the year to Adjusted EBITDA for the periods presented:

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
			(AED million)		
Profit for the year	2,135	11,565	16,820	8,123	5,995
Income tax expense	469	1,686	2,629	1,013	682
Other income	(53)	(66)	(389)	(84)	(1,116)
Interest income	(175)	(77)	(498)	(172)	(123)
Dividend income from an investment	-	-	(298)		
Net foreign exchange (loss) gains	(42)	41	55	169	79
Finance costs	757	692	2,872	2,966	3,070
Gain on recognition of an investment	-	(10,784)	(10,784)	-	-
Profit after tax from discontinued operations	(19)	(60)	(18)	(744)	(246)
Depreciation, depletion and amortisation	2,444	2,223	9,212	9,473	11,111
Adjusted EBITDA	**5,516**	**5,220**	**19,601**	**20,744**	**19,452**

(2) The table below sets forth the calculation of gross margin for the periods presented:

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
	(AED million, unless otherwise indicated)				
Gross profit	3,461	3,426	12,532	13,084	10,282
Divided by:					
Revenue from continuing operations	13,678	12,989	51,717	50,051	45,294
Gross margin (%)	**25.3**	**26.4**	**24.2**	**26.1**	**22.7**

(3) The table below sets forth the calculation of return on equity for the periods presented:

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
	(AED million, unless otherwise indicated)				

Loss or profit attributable to equity holders of the parent	2,116	11,635	16,647	8,030	5,960
Divided by:					
Closing equity attributable to equity holders of the parent	95,030	79,143	82,623	70,527	65,904
Return on equity (%)	**8.9**	**58.8**	**20.1**	**11.4**	**9.0**

(4) The table below sets forth the calculation of net debt, net debt/total capital and net debt/Adjusted EBITDA for the periods presented:

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
	(AED million, unless otherwise indicated)				
Interest bearing loans and borrowings	62,477	59,725	61,653	61,613	64,212
Islamic loans	-	46	-	92	753
Less: cash and cash equivalents	(10,467)	(7,913)	(13,878)	(10,123)	(8,422)
Net debt	**52,010**	**51,858**	**47,775**	**51,582**	**56,543**
Net debt divided by:					
Net debt	52,010	51,858	47,775	51,582	56,543
Total equity	101,714	86,125	89,095	77,989	73,202
Total capital	153,724	137,983	136,870	129,571	129,745
Net debt/total capital (%)	**33.8**	**37.6**	**34.9**	**39.8**	**43.6**
Net debt divided by:					
Adjusted EBITDA	5,516	5,220	19,601	20,744	19,452
Net debt/Adjusted EBITDA (x)	**2.4**	**2.5**	**2.4**	**2.5**	**2.9**

(5) Net interest comprises finance costs less interest income.

(6) The table below sets forth the calculation of free cash flow for the periods presented:

	Q1		FY		
	2024	**2023**	**2023**	**2022**	**2021**
	(AED million, unless otherwise indicated)				
Net cash generated from operating activities	2,416	6,021	20,118	21,879	20,293
Net cash generated from (used in) investing activities	(2,142)	(1,742)	(6,190)	(8,036)	(2,475)
Free cash flow	**274**	**4,279**	**13,928**	**13,843**	**17,818**

(7) Reflects free cash flow divided by Adjusted EBITDA. For reconciliations of these items, see notes 1 and 6 above.

CERTAIN OPERATING DATA

The table below shows certain of TAQA's operational data for the periods indicated on a gross basis and net basis, including generation from minority owned assets and Masdar, except as otherwise noted. For a further breakdown of TAQA's operational data, including contribution from Masdar, please see "*Generation Business — UAE Operating Power and Water Generation Assets*".

	Q1	FY		
	2024	**2023**	**2022[1]**	**2021**
Total gross electrical generation capacity (GW)	44.06	34.3	23.7	20.0
Gross conventional generation capacity (GW)	21.42	21.4	18.0	18.9
Gross renewable generation capacity (GW)	22.64	12.9	5.7	1.1
Total net electrical generation capacity (GW)	18.56	18.9	13.0	12.9
Net conventional generation capacity (GW)	12.98	13	11.5	12.2
Net renewable generation capacity (GW)	5.58	5.9	1.5	0.7
Total gross power generation (*TWh*)[2]	14.2	84	86.6	93.3
Net generation from conventional sources (TWh)	13.8	75	84.4	91.3
Net generation from renewable sources (TWh)	0.4	2.3	2.2	2.0
Total gross water desalination capacity (MIGD)	1,250	1,250	960[3]	860
Net water desalination capacity (MIGD)	686	686	536	532
Regulatory asset base (*AED million*)	78,150	76,919	75,173	77,389
Electrical networks (*thousand km*)	N/A	92.5	89.5	87.6
Power transmission system availability (*%*)	98.2	98.5	99.3	99.0
Water pipelines (*thousand km*)	N/A	19.6	18.2	18.0
Water transmission system availability (*%*)	98.5	97.8	97.8	97.8
Net oil and gas production[4] (*mboepd*)	106.9	107.8	123.8	122.4
Net 2P reserves[4] (*mmboe*)	285.1	285.1	314.9	311.9

Notes:

(1) Figures representing capacity for 2022 reflect the completion of the Masdar transaction on 8 December 2022.

(2) Excluding generation from minority owned assets and Masdar.

(3) Includes 100 MIGD of Group 1 commissioning at Taweelah RO.

(4) Includes contribution from the Group's upstream oil and gas business in the Netherlands, which had been classified as a disposal group held-for-sale and as discontinued operations in the Group's FY 2022 Financial Statements, but as at 31 December 2023, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified. See "*Presentation of Financial and Other Information*" for additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Capitalisation", "Selected Financial and Other Information" and the Financial Statements.

The discussion of the Group's financial condition and results of operations is based upon the Financial Statements that have been prepared in accordance with IFRS. This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this document, particularly under the headings "Presentation of Financial and Other Information — Information Regarding Forward-Looking Statements" and "Risk Factors".

See "Presentation of Financial and Other Information" for a discussion of the source of the numbers presented in this section and certain other relevant information.

OVERVIEW

TAQA is a leading integrated power and utilities company headquartered in Abu Dhabi, with operations in 11 countries (excluding operations conducted through Masdar) where it also has an oil and gas business, and one of the largest listed integrated utility companies in the EMEA region in terms of market capitalisation and RAV as at 31 March 2024.

The Group's power and water business is vertically-integrated across the utilities value chain, especially in Abu Dhabi, and also operates internationally. This business of the Group has a predominantly regulated or contracted business profile, largely derived from its generation, transmission and distribution assets, which the Group believes helps to ensure stable and predictable cash flows.

In FY 2023, the Group's revenue was AED 51,717 million and it reported a profit for the year of AED 16,820 million. In Q1 2024, the Group's revenue was AED 13,678 million and it reported a profit for the three-month period of AED 2,135 million.

The Group organises its business across four business lines as described below:

- **Generation**: The Group's generation business engages in the ownership, development, acquisition, operation and maintenance of power generation and water desalination facilities.

  In the UAE, the Group owns majority interests in 10 operational gas-fired power generation and water desalination facilities, one renewable power generation and, in multiple remote areas, utilities production units operated through a wholly owned subsidiary. The Group also owns minority interests in the largest desalination plant and the largest solar PV plant in the UAE. Three of its assets in the UAE (comprising one gas fired power generation facility and two water desalination plants) are currently under construction with expected commercial operations to commence between 2025 and 2026. The Group owns majority interests in, and operates power generation facilities in, each of Morocco, India and Ghana. The Group also owns a 50 per cent. interest in a wind farm in the United States. The Group also owns a minority interest in a company which owns and operates an aluminium smelter and related power generation plant in Oman and in a company that owns a co-generation facility in Saudi Arabia. In addition, TAQA has signed project documents with a foreign developer for development, operations and maintenance (on a build, own, operate and transfer (**BOOT**) basis) of two co-generation projects located in the eastern province of Saudi Arabia for Saudi Aramco, where one is currently under construction and expected to be completed in the third quarter of 2025, while the other is expected to achieve financial close in Q3 2024. Furthermore, TAQA is currently exploring various other efficient thermal power, water desalination and co-generation opportunities.

  As at 31 December 2023, the Group's generation facilities (excluding the 1 GW power generation plant at Sohar Aluminium in Oman but including the Group's minority interest in the Jubail power plant in Saudi Arabia and its 50 per cent. interest in the Lakefield wind farm) had a gross power generation capacity of 17.7 GW (or 10.5 net GW) in the UAE and 3.1 GW (or 2.5 net GW) in operations outside the UAE, 9.8 GW Gross (or 1.4 net GW) in renewables through Masdar and a gross desalinated water production capacity of 1,060 MIGD (or 572 net MIGD).

In FY 2023, the Group's revenue from external customers derived from its generation business was AED 12,715 million, or 24.6 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its generation business was AED 7,419 million (representing an Adjusted EBITDA margin of 58.3 per cent.), or 37.9 per cent. of its total Adjusted EBITDA in FY 2023. In Q1 2024, the Group's revenue from external customers derived from its generation business was AED 2,937 million, or 21.5 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its generation business was AED 1,849 million (representing an Adjusted EBITDA margin of 63.0 per cent.), or 33.5 per cent. of its total Adjusted EBITDA.

- **Transmission and Distribution**: The Group's transmission and distribution business is the largest of the Group's three businesses.

  The Group owns 100 per cent. of TRANSCO, a power and water transmission company which transmits power and water across the whole of Abu Dhabi and to FEWA and SEWA, which serve five of the remaining six emirates in the UAE. It also owns 100 per cent. of each of ADDC and AADC, the sole power and water distribution companies for Abu Dhabi covering the west and central regions (including Abu Dhabi) and the eastern region (including Al Ain), respectively.

  In FY 2023, the Group's revenue from external customers derived from its power and water transmission and distribution business was AED 30,954 million, or 59.9 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its transmission and distribution business was AED 8,751 million (representing an Adjusted EBITDA margin of 28.3 per cent), or 44.6 per cent. of its total Adjusted EBITDA in FY 2023. In Q1 2024, the Group's revenue from external customers derived from its power and water transmission and distribution business was AED 8,174 million, or 59.8 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its transmission and distribution business was AED 2,418 million (representing an Adjusted EBITDA margin of 29.6 per cent), or 43.8 per cent. of its total Adjusted EBITDA.

- **Oil and Gas**: The Group is engaged in upstream and midstream oil and gas businesses with its principal operations in Canada, the UK North Sea and the Netherlands. The Group's upstream oil and gas business includes exploration, development and production of crude oil, natural gas and natural gas liquids. The Group's midstream oil and gas business comprises gas storage, oil and gas processing and transport. In FY 2023, the oil and gas business generated revenue from external customers and continuing operations of AED 8,048 million, or 15.6 per cent. of the Group's total revenue, and its Adjusted EBITDA from its oil and gas business continuing operations was AED 4,009 million (representing an Adjusted EBITDA margin of 49.8 per cent), or 20.4 per cent. of the Group's total Adjusted EBITDA in FY 2023. In Q1 2024, the oil and gas business generated revenue from external customers and continuing operations of AED 1,947 million, or 14.2 per cent. of the Group's total revenue, and its Adjusted EBITDA from its oil and gas business continuing operations was AED 876 million (representing an Adjusted EBITDA margin of 45.0 per cent), or 15.9 per cent. of the Group's total Adjusted EBITDA. In FY 2023, the Group's aggregate daily average crude oil, natural gas liquids and natural gas production was 36.1 mboe/d, 10.9 mboe/d and 364.7 mmcf/d, respectively, and 107.8 mboe/d in total. In January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush field in the Kurdistan Region of Iraq. The sale is expected to complete in 2024, subject to fulfilling certain conditions.

- **Sustainable Water Solutions**: The Group is engaged in overseeing the operation and maintenance of wastewater facilities, as well as managing wastewater and sewerage activities in the UAE through its wastewater and sewerage subsidiary, SWS Holding. This is a new segment for TAQA that corresponds with the binding agreement to purchase the entire share capital of SWS Holding. The acquisition date in the Q1 2024 Interim Financial Statements was 1 January 2024, being the date the Group gained control over SWS Holding. From the date of acquisition, SWS Holding contributed AED 620 million of revenue, or 4.5 per cent. of the Group's total revenue, and its Adjusted EBITDA was AED 457 million (representing an Adjusted EBITDA margin of 73.7 per cent.), or 8.3 per cent. of the Group's total Adjusted EBITDA in Q1 2024.

On 21 June 2023, TAQA entered into an agreement for the purchase of the entire share capital of SWS Holding for a consideration of AED 1,724 million. 50 per cent. of the consideration will be paid at completion with the remaining 50 per cent. to be paid one year following completion. TAQA will make an additional payment of AED 523 million linked to net profits generated by Abu Dhabi Sewerage Services Company PJSC (**ADSSC**) during FY 2023. As of the date of this Prospectus, this transaction has not legally completed as it remains subject to

certain conditions precedent, including receipt by SWS Holding of the DoF's first subsidy payment equivalent to the MAR calculated in accordance with RC2 in respect of FY 2023. See "*Risk Factors — The Group's sustainable water solutions revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted sustainable water solutions revenue may not reflect the Group's actual sustainable water solutions costs.*" The acquisition date in the Q1 2024 Interim Financial Statements is 1 January 2024, being the date the Group gained control over SWS Holding. The acquisition has been accounted for in the Q1 2024 Interim Financial Statements using the pooling of interest method, which reflects the economic substance of the transaction.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions. As at 31 December 2023, the assets in Iraq contained within the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation.

In October 2022, the Group entered into an agreement with Waldorf Energy Netherlands BV to sell 100 per cent. of its ownership in the upstream Oil and Gas business in the Netherlands. As at 31 December 2022, the upstream assets in the Netherlands contained with the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation. On 28 March 2023, the Group announced that as completion of the sale did not occur in accordance with its terms, it has terminated the agreement. TAQA remains committed to its business in the Netherlands and will continue to contribute actively to the security of gas through its upstream and gas storage activities. Consequently, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale, and its assets and liabilities have been reclassified as at 31 December 2023. Comparative amounts for the discontinued operations in the consolidated statement of profit or loss for FY 2022 are reclassified to reflect the classification in the consolidated statement of profit or loss for FY 2023.

KEY FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Group's results of operations have been, and are expected to continue to be, affected by a number of factors, many of which are beyond its control. This section discusses the key factors that the Group believes had a material effect on its results of operations and financial condition during the periods under review, as well as those that are reasonably likely to have a material effect on its results of operations and financial condition in the future.

Power and water sales revenue

In Q1 2024 and FY 2023, revenue from the generation of power and water accounted for 21.5 per cent. and 24.6 per cent., respectively, of the Group's total revenue.

The Group's revenue from the generation of power and water is derived principally from the sale of power and desalinated water capacity under its PWPAs, PPAs and WPAs and, accordingly, is affected by its ability to make available power generation and water desalination capacity.

Each of the Group's 13 UAE generation subsidiaries has entered into a PWPA, PPA or WPA with EWEC. Under these offtake agreements, each operating subsidiary undertakes to make available, and EWEC undertakes to purchase, for the duration of the agreement, the available net capacity of the plants owned by the respective operating subsidiaries in accordance with the terms and conditions set out in the relevant agreement. Under each offtake agreement, the tariff has been structured such that revenue of each UAE generation subsidiary is expected to exceed its operating, maintenance and capital expenses by a margin intended to allow for debt service and to provide the owners of the plant with an agreed rate of return on their investment.

Payments under the offtake agreements consist, broadly, of capacity payments and payments for operating and maintenance expenses that are passed through to EWEC. EWEC is obliged to supply natural gas (which is the primary source fuel) free of cost to each UAE generation subsidiary. In addition, the offtake agreements contain a mechanism whereby the cost of procuring back-up fuel in the case where EWEC has failed to supply sufficient natural gas is passed on to EWEC. Capacity payments are determined and invoiced monthly. Capacity payments are increased or decreased to the extent that an operating subsidiary achieves power or water availability ratings which are above or below contracted targets. The effect of these adjustments is amplified during the summer period (defined as the period from 1 April to 31 October in each year) by a multiplication factor. Capacity payments are also calculated by reference to, among other things, a plant's thermal, or energy conversion, efficiency. Revenue broadly increases to the extent that the plant is able to achieve contracted availability with less than the corresponding contracted amount of fuel.

As a result of the number of factors that determine the calculation of the tariff in respect of any particular month, there is no strict correlation between the annualised figures for power and water availability and the actual amount

of revenue of an operating subsidiary. For example, reduced availability during the winter period will have less impact on annual revenue than if the same reduced availability had occurred during summer. Moreover, as reduced availability will also, in some circumstances, lead to a reduction in operating and maintenance expenses, the impact on an operating subsidiary's operating profit caused by reduced availability may be partially offset by a reduction in operating costs.

TAQA's generation subsidiaries in Morocco, Ghana and India have each entered into a long-term PPA with a government-controlled entity in their respective jurisdictions of operation. These entities are the Office National de l'Electricité et de l'Eau Potable (**ONEE**) in the case of Jorf Lasfar in Morocco, the Volta River Authority in the case of Takoradi in Ghana and Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) in the case of Neyveli in India. Under their respective PPAs, each subsidiary undertakes to make available, and the respective off-takers undertake to purchase, for the duration of the PPA, the available net capacity of the plants in accordance with the terms and conditions set out in the relevant PPA. Under each PPA, the tariff has been structured such that expected revenue exceeds costs by a margin intended to allow for debt service and to provide the owners of the plants with an agreed rate of return on their investment.

These PPAs provide for capacity payments and for payments for fixed and variable and operating maintenance costs which are passed through to the respective off-takers. Capacity payments are affected by adjustments to capital costs and are increased or decreased to the extent that an operating subsidiary achieves availability ratings which are above or below contracted targets and energy payments.

The Group's revenue from electricity and water production is principally affected by net available capacity made available to the off-taker. Tariffs for power and water generation are set in the PWPAs, PPAs and WPAs entered into by each of the Group's generation subsidiaries.

The table below shows the Group's power generation and water desalination production, as well as the average commercial availability of its plants for the periods indicated.

	Q1		FY		
	2024	**2023**	**2023**	**2022[1]**	**2021**
UAE generation plants					
Power generation (GW).....	17,646	16,062	17,646	16,062	16,822
Water desalination (MIG).....	1,060	960	1,060	960	913
Power commercial availability (%)	96.8	98.0	97.1	97.6	96.2
Water commercial availability (%).....	99.7	100.0	99.7	99.4	99.2
International generation plants					
Power generation (GW).....	3,104	3,104	3,104	3,104	3,936
Power commercial availability (%)	85.3	95.9	90.5	91.6	89.7
Total Combined Portfolio					
Power generation (GW).....	28,984[2]	25,157[2]	28,770[2]	19,166	19,998
Power and Water commercial availability (%).....	97.4	98.8	97.9	98.1	96.9

Notes:
(1) The figures presented for FY 2022 are excluding Masdar Operational Capacity of 4,514 MW.
(2) Including Masdar operational capacity data of 8710 MW for Q1 2023, 9818 MW for Q1 2024 and 9604 MW for 2023 (the aforementioned Masdar data excludes the operational capacity of Dhafrah PV2 which is common between TAQA and Masdar)

Generation global power and water commercial availability for Q1 2024 decreased to 97.4 per cent. from 98.8 per cent. in Q1 2023. This was mainly driven by the lower power availability where international power portfolio experienced lower availability of 85.3 per cent. in Q1 2024 compared to 95.9 per cent. in Q1 2023 because of the prolonged outage of a steam turbine at the TAQA's power facility in Takoradi, Ghana. Further domestic power portfolio also observed lower availability of 96.8 per cent. in Q1 2024 compared to 98.0 per cent. in Q1 2023 due to unplanned outages at aging power plants of Shuweihat 1 and Umm Al Nar, which are now nearing their retirement in 2025 and 2027, respectively.

Generation global power and water commercial availability in FY 2023 decreased marginally to 97.9 per cent. from 98.1 per cent. in FY 2022. This was mainly driven by the lower availability in the Group's power portfolio, principally its international portfolio which observed lower availability in FY 2023 of 90.5 per cent. compared to 91.6 per cent. in FY 2022. For example, the Group's Neyveli India asset declared lower availability due to stockouts of lignite fuel. Further, the domestic power portfolio also experienced lower availability in FY 2023 of 97.1 per cent. compared to 97.6 per cent. in FY 2022 due to higher forced outages observed at Shuweihat 3 and

Umm Al Nar, resulting from technical failures. The water portfolio, however, continues to demonstrate strong and sustained performance, having achieved availability of 99.7 per cent. in FY 2023 compared to 99.4 per cent. in FY 2022.

In FY 2022, the Group's generation portfolio continued to demonstrate strong operational performance. The power generation facilities achieved weighted average (by capacity) commercial availability of 96.7 per cent., which is an improvement over FY 2021 of 1.4 per cent. The water generation facilities sustained their strong performance achieving commercial availability of 99.4 per cent., almost on par with FY 2021, with the latter improving slightly during FY 2022 by 0.2 per cent. The improvement was mainly driven by the recovery of two of TAQA's plants from major outages, at Shuweihat 3 (1.6 GW CCGT in UAE) and Takoradi (330 MW CCGT in Ghana). Certain of TAQA's older plants faced technical difficulties that are expected in late life assets and are being addressed, including Umm Al Nar, Taweelah B and Shuweihat 1. An extensive operations and management transformation was carried out at the Takoradi Ghana power plant in 2022 and 2023, resulting in availability of more than 80 per cent. for the first time since its upgrade in 2014. Power production from the UAE fleet decreased by approximately 10 per cent. during FY 2022, primarily due to the increase in power from Barakah Nuclear Plant. In addition, the Taweelah A2 plant was decommissioned in 2022. The decrease in production did not impact the Group's revenue, as this is related to availability, which remained strong during the year. Overall production of the Group's international fleet was slightly higher in FY 2022 compared to FY 2021, mainly due to higher production volumes in India. The quantity of desalinated water produced by the existing operational fleet reduced, as water from Taweelah RO, which is under construction, started producing early generation desalinated water and dispatching it to the network. With the majority of the Group's power and water generation fleet operating under long-term take or pay agreements, the key driver of financial performance, therefore, is availability which remained strong during the year.

Revenue from transmission and distribution of power and water

In Q1 2024 and FY 2023, revenue from the transmission and distribution of power and water accounted for 59.8 per cent. and 59.9 per cent. of the Group's total revenue, respectively.

The Group earns revenue from the transmission of power and water from the generators of the power and producers of the water to distribution networks in the UAE, including the distribution networks owned and operated by TAQA's subsidiaries ADDC and AADC, and those owned and operated by SEWA and FEWA. ADDC and AADC in turn distribute the power and water to end-customers in the Emirate of Abu Dhabi.

Transmission revenue, which is recorded by TAQA's wholly-owned subsidiary, TRANSCO, is generated from licensed and unlicensed activities. Licensed activities are the transmission of power and water within the Emirate of Abu Dhabi, which is sold to ADDC and AADC, the two distribution companies in Abu Dhabi. In the Group's Financial Statements, this revenue has been eliminated as intra-group transactions. Unlicensed activities are the transmission of power and water to SEWA and FEWA, which are charged by TRANSCO to EWEC, and recorded in the Financial Statements.

Revenue from licensed activities comprises TUoS charges, which are calculated in accordance with the formula set out in the licence granted to TRANSCO by the DoE. TUoS charges comprise the costs for the provision of shared transmission network services to the delivery points to ADDC and AADC, and are set for a given regulatory period. The TUoS charges are calculated by reference to the RAV at the start of each regulatory period based on the initial RAV, adjusted to reflect budgeted and allowed capital expenditure and regulatory depreciation, as well as a regulatory WACC that is defined for the entire regulatory period by the DoE. The RAV is then used to calculate the required revenue component of the TUoS, which comprises depreciation, operating expenses and the regulatory WACC. The RC2 covers the period from 2023 to 2026.

Revenue from unlicensed activities comprises the service charges for the transmission of water and electricity from TRANSCO transmission infrastructure to FEWA and SEWA and is charged to EWEC on behalf of FEWA and SEWA, and are calculated by reference to the costs associated with the operation of the dedicated assets.

The Group also earns distribution revenue from supply and distribution of power and water in the Emirate of Abu Dhabi. This revenue is equal to the MAR, calculated in accordance with the formula set out in the licence granted to each of AADC and ADDC by the DoE. This formula comprises a fixed term, variable term, performance incentives, other pass-through costs and a correction factor. The required revenue component of the TUoS calculated in respect of the transmission asset base determines the fixed and variable term components of the MAR. The MAR calculated in accordance with this formula is the cap on distribution revenue generated by the Group. End-customers pay AADC and ADDC for consumed and billed electricity and water at applicable tariffs, and the Government subsidises the gap between the MAR and the amounts billed to customers.

The Group also generates distribution revenue from distribution connections and the installation of meters and related equipment and pre-paid water cards.

Oil and gas sales revenue

In Q1 2024 and FY 2023, oil and gas sales revenue accounted for 14.2 per cent. and 15.6 per cent. of the Group's total revenue, respectively.

The Group's revenue from the sale of crude oil and natural gas produced by it is principally affected by changes in the prices it is able to achieve, which in turn principally depend upon prevailing market reference prices at the time of sale and, to a lesser extent, changes in its production volumes. Prevailing market reference prices are driven principally by changes in international supply and by demand for crude oil and natural gas products.

Crude oil and natural gas prices have been volatile in the periods under review and have fluctuated in response to changes in many factors over which the Group has no control. These factors include, but are not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions;
- other actions taken by major crude oil and gas producing or consuming countries;
- prices and availability of alternative fuels;
- global economic and political conditions;
- prices and availability of new technologies; and
- global weather and environmental conditions.

The price trends for both Brent crude oil (which is the industry reference price for the Group's UK North sea crude oil and natural gas liquids production and its Netherlands crude oil production) and West Texas Intermediate (**WTI**) crude oil (which is the industry reference price for the Group's North American crude oil and natural gas liquids production) between 1 January 2021 and 31 March 2024 and the price trend for Henry Hub natural gas (which is an industry reference price for North American natural gas production) and AECO spot prices (by reference to which a large proportion of the Group's gas sales are priced) over the same period have been highly volatile. For example:

- Brent crude oil reached a low of U.S.$54.6/bbl on 31 January 2021 and a high of U.S.$120.1 on 30 June 2022, with an average price of U.S.$83.2/bbl and U.S.$81.4/bbl for Q1 2024 and Q1 2023, respectively, and U.S.$82.6/bbl, U.S.$99.0/bbl and U.S.$71.0/bbl for FY 2023, FY 2022 and FY 2021, respectively.
- WTI crude oil reached a low of U.S.$52.1/bbl on 31 January 2021 and a high of U.S.$114.6/bbl on 30 June 2022, with an average price of U.S.$77.1/bbl and U.S.$76.1/bbl for Q1 2024 and Q1 2023, respectively, and U.S.$77.7/bbl, U.S.$94.3/bbl and U.S.$68.1/bbl for FY 2023, FY 2022 and FY 2021, respectively.
- Henry Hub natural gas reached a low of U.S.$1.5/mmbtu on 29 March 2024 and a high of U.S.$8.8/mmbtu on 31 August 2022, with an average price of U.S.$2.1/mmbtu and U.S.$2.7/mmbtu for Q1 2024 and Q1 2023, respectively, and U.S.$2.5/mmbtu, U.S.$6.5/mmbtu and U.S.$3.7/mmbtu for FY 2023, FY 2022 and FY 2021, respectively.
- AECO spot prices reached a low of U.S.$1.3/mmbtu on 29 March 2024 and a high of U.S.$5.7/mmbtu on 30 June 2022, with an average price of U.S.$1.6/mmbtu and U.S.$2.4/mmbtu for Q1 2024 and Q1 2023, respectively, and U.S.$2.0/mmbtu, U.S.$4.0/mmbtu and U.S.$2.8/mmbtu for FY 2023, FY 2022 and FY 2021, respectively.

Average realised prices

The table below shows TAQA's average realised prices for crude oil, natural gas liquids and natural gas for each of the periods indicated. The averages are calculated by dividing the gross realised revenue in U.S. dollars by the corresponding sales volume in each period and total amounts reflect the weighted average thereof.

	Q1		FY		
	2024	2023	2023	2022	2021
	(*U.S.$/boe, unless otherwise indicated*)				
Crude oil[(1)]					
North America average	60.3	59.8	63.7	64.9	53.6
Europe average	84.6	80.9	81.1	94.1	70.1
Iraq average	30.2	65.6	58.0	85.9	54.7
Total crude oil average	71.7	74.0	75.0	86.6	70.2
Natural gas liquids[(1)]					
North America average	43.2	46.8	44.8	59.6	42.4
Europe average	10.2	55.7	47.2	84.8	63.7
Total natural gas liquids average	40.9	47.5	45.0	61.2	47.7
Natural gas (*U.S.$/mmbtu*)[(1)]					
North America average	2.3	4.2	3.4	4.6	3.1
Europe average	9.5	22.4	17.5	27.8	16.4
Total natural gas average	3.2	7.0	5.4	8.4	5.2
Overall average realised price	39.9	54.8	48.3	66.3	49.4

Note:

(1) Includes average realised prices from North America, Europe, and Iraq from both continuing and discontinued operations in all periods. See "*Presentation of Financial and Other Information*" for additional information.

TAQA's realised prices for its crude oil and gas production are principally related to industry reference prices, including the WTI price and the Brent price as well as AECO spot prices and AECO index levels and Eastern Canada (Dawn), Henry Hub, Chicago and Southern California for its North American natural gas production, National Balancing Point (**NBP**) prices for its UK North Sea natural gas production and NIP prices for its Netherlands natural gas production, see "*Summary of Material Contracts — Gas Sales and Gas Storage Agreements (the Netherlands)*" for a description of NIP prices. The realised price for its North American crude oil is generally lower than the benchmark WTI price due to adjustments for the quality of the crude oil and inherent transportation costs.

The table below shows average industry reference prices for crude oil, natural gas liquids and natural gas for each of the periods indicated.

	Q1		FY		
	2024	2023	2023	2022	2021
	(*U.S.$/boe, unless otherwise indicated*)				
Crude oil (*U.S.$/bbl*)					
Brent	83.2	81.4	82.6	99.0	71.0
WTI	77.1	76.1	77.7	94.3	68.1
Natural gas (*U.S.$/mmbtu*)					
Henry Hub	2.1	2.7	2.5	6.5	3.7
AECO	1.6	2.4	2.0	4.0	2.8

Source: Bloomberg

Netback Analysis

The table below shows the average operating netback (being the gross average realised price less any royalties and operating costs for the relevant company's total production of crude oil, natural gas liquids and natural gas) per barrel of oil equivalent for each of North America and Europe for each of the periods indicated.

	Q1		FY		
	2024	2023	2023	2022	2021
			(*U.S.$/boe)*		
North America[(1)]					
Gross average realised price	25.3	33.1	29.7	37.4	27.0

	Q1		FY		
	2024	2023	2023	2022	2021
			(*U.S.$/boe*)		
Royalties	(2.9)	(5.0)	(3.4)	(6.5)	(3.1)
Net average realised sales price	22.4	28.1	26.3	30.9	23.9
Operating costs[2]	6.5	7.2	7.0	6.6	6.8
North America operating netback	15.9	21.0	19.3	24.3	17.1
Europe[1]					
Gross average realised price	75.0	94.9	86.0	111.3	75.1
Royalties[3]	(0.01)	(1.6)	(0.02)	(0.02)	(0.2)
Net average realised sales price	75.0	93.3	86.0	111.3	75.0
Operating costs[2]	42.3	41.7	49.6	40.7	35.2
Europe operating netback	32.7	51.7	36.4	70.6	39.8

Notes:
(1) Includes contribution from Europe and North America from continuing and discontinued operations in all periods. See "*Presentation of Financial and Other Information*" for additional information.
(2) Operating costs are non-IFRS measures calculated consistently with the definition for management reporting purposes and exclude general and administrative costs.
(3) No oil and gas royalties are levied in the UK, and only limited royalties are levied in the Netherlands. However, both jurisdictions levy specific oil and gas-related taxes, which are accounted for as a tax expense.

In FY 2022, the commodity price environment remained high, with a positive impact on the Group's revenue. The Group's average realised oil price increased to U.S.$86.6/bbl in FY 2022 compared to U.S.$70.2/bbl in FY 2021. Similarly, average realised gas prices increased to U.S.$8.4/mmbtu in FY 2022, from U.S.$5.2/mmbtu in FY 2021. Average production for the year from continuing and discontinued operations increased from 122.4 mboe/d in FY 2021 to 123.8 mboe/d in FY 2022.

In FY 2023, the commodity price environment was more challenging, with a negative impact on the Group's revenue. The Group's average realised oil price decreased to U.S.$75.0/bbl in FY 2023 compared to U.S.$86.6/bbl in FY 2022. Similarly, average realised gas prices decreased to U.S.$5.4/mmbtu in FY 2023, from U.S.$8.4/mmbtu in FY 2022. Average production for the year from continuing and discontinued operations decreased from 123.8 mboe/d in FY 2022 to 110.0 mboe/d in FY 2023.

In Q1 2024, the commodity price environment remained challenging, with a negative impact on the Group's revenue. The Group's average realised oil price decreased to U.S.$71.7/bbl in Q1 2024 compared to U.S.$74.0/bbl in Q1 2023. Similarly, average realised gas prices decreased to U.S.$3.2/mmbtu in Q1 2024, from U.S.$7.0/mmbtu in Q1 2023. Average production for the year from continuing and discontinued operations decreased to 111.4 mboe/d in Q1 2024 compared to 119.9 mboe/d in Q1 2023, mainly due to the natural decline of production from the late-life UK assets. The table below shows TAQA's average daily production of crude oil, natural gas liquids and natural gas for the periods indicated.

	Q1 2024	Q1 2023	FY 2023	FY 2022	FY 2021
Crude oil[1]					
North America	11.9	10.2	10.3	11.0	10.5
Europe	22.9	29.3	25.8	32.2	33.3
Iraq	4.6	6.9	2.2	8.2	8.8
Total crude oil	**39.4**	**46.4**	**38.3**	**51.4**	**52.5**
Natural gas liquids[1]					
North America	10.2	10.5	10.2	9.9	9.9
Europe	0.7	1.0	0.7	0.7	0.6
Total natural gas liquids	**10.9**	**11.5**	**10.9**	**10.6**	**10.5**
Natural gas (*mmcf/d*)[1,2]					
North America (*mmcf/d*)	313.8	315	312.6	309.8	311.8
Europe (*mmcf/d*)	52.9	56.9	52.2	61.4	44.6
Total natural gas (*mmcf/d*)	366.7	371.9	364.8	**371.3**	**356.4**
Total production	**111.4**	**119.9**	**110.0**	**123.8**	**122.4**

Notes:

(1) Includes working interest production from North America and Europe, and entitlement volumes from Iraq from both continuing and discontinued operations in all periods. See "*Presentation of Financial and Other Information*" for additional information.

(2) Figures can be converted into barrels of oil equivalent by dividing by six.

Exchange Rates

The Group is exposed to currency transaction risks and currency translation risks in respect of its operations conducted in currencies other than the UAE dirham, its functional and reporting currency. The Group is subject to currency transaction risks when its revenue and costs are denominated in different currencies. Its exposure to risk of changes in foreign exchange rates relates primarily to the operating activities (when revenue or expense are denominated in a different currency from the functional currencies of the subsidiaries), carrying values of assets and liabilities in Canadian Dollars, Euros, Moroccan Dirhams and Indian rupees and the Group's net investment in foreign subsidiaries. For example, the revenue of the Group's oil and gas sales is primarily denominated in U.S. dollars, whereas part of its oil and gas expenses are denominated in euro, Canadian dollars and British pounds sterling. In the Group's power and water operations outside the UAE, currency mismatches may arise if financing is denominated in a currency other than that of the revenue generated by the plant, as is currently the case in Morocco. In addition, financing for the operations of a Group company may be in a currency other than that company's functional currency, depending on market prices at the time. TAQA attempts to hedge against currency transaction risk primarily by matching revenue and costs in the same currency and, to a lesser extent, by entering into hedging transactions.

In addition, the Group is subject to currency translation risk in that the results of each of its operating companies are reported in the operating currency of the jurisdiction in which that company primarily operates. These amounts, if not reported in UAE dirham, are then translated into UAE dirhams for inclusion in the Group's consolidated financial statements.

Seasonality of Operations

The Group's operations experience a degree of seasonality, driven principally by climatic conditions in its different regions of operations. Due to higher electricity demand in the summer period in the UAE, higher revenue and operating profits are usually recorded for UAE generation subsidiaries and the DisCos 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, Europe and the UK in the winter period, higher revenue and operating profits are usually recorded from oil and gas operations in the first and fourth quarters of the year compared to the second and third quarters of the year.

Impairment of plant, property and equipment

The Group's impairment testing for property, plant and equipment (**PP&E**) is most sensitive to certain key assumptions, namely: reserve and resource volumes, cash flows relating to gas storage, future cash flows beyond the term of the current PWPAs, PPAs or WPAs, inflation rates, discount rates, foreign exchange rates and commodity prices used in the cash flow models. For further information, see notes 12 and 14 to the FY 2023 Financial Statements.

No impairment losses were recorded during FY 2021, FY 2022 or FY 2023. See also "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — Volatility of oil and gas prices have, in the past, and could, in the future, impact the Group's revenue, operating income, profitability and cash flow and have in the past, and may in the future, lead to a reduction in the carrying value of the Group's assets, its planned level of spending for exploration and development and the level of its oil and gas reserves*".

RECENT DEVELOPMENTS

On 21 June 2023, TAQA entered into an agreement for the purchase of the entire share capital of SWS Holding for a consideration of AED 1,724 million. 50 per cent. of the consideration will be paid at completion and the remaining 50 per cent. to be paid one year after completion. TAQA will make an additional payment of AED 523 million linked to net profits generated by ADSSC during FY 2023. As of the date of this Prospectus, this transaction has not legally completed as it remains subject to certain conditions precedent, including receipt by SWS Holding of the DoF's first subsidy payment equivalent to the MAR calculated in accordance with RC2 in respect of FY 2023. See "*Risk Factors — The Group's sustainable water solutions revenue is determined by a regulatory asset value standard administered by its regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted sustainable water solutions revenue may not reflect the Group's actual sustainable*

water solutions costs." The acquisition date in the Q1 2024 Interim Financial Statements is 1 January 2024, being the date the Group gained control over SWS Holding. The acquisition has been accounted for in the Q1 2024 Interim Financial Statements using the pooling of interest method, which reflects the economic substance of the transaction. SWS Holding was established in May 2023 with an aim to deliver sustainable water solutions through a focus on resource recovery and water circularity intended to benefit industries and communities. SWS Holding owns ADSWSC, the main entity behind all wastewater and sewerage activities in the Emirate of Abu Dhabi.

The Group has elected to consolidate the assets and liabilities of acquired entities from the date of acquisition without restating and presenting the prior period. The components of equity of the transferred entity are added to retained earnings and non-controlling interests within the Group's equity.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions. As at 31 March 2024 and 31 December 2023, the assets in Iraq contained within the Oil & Gas operating segment were classified as a disposal group held-for-sale and as a discontinued operation. See Note 18 to the Q1 2024 Interim Financial Statements and Note 35 to the FY 2023 Consolidated Financial Statements for more detail about the presentation of the discontinued operations.

In connection with the Group's Annual General Assembly held on 14 March 2024, the Group's shareholders approved a final cash dividend of 2.0 fils/share for FY 2023, comprised of 1.3 fils/share for Q4 2023 and a 0.7 fils/share variable dividend, bringing the total dividends in respect of FY 2023 to 4.0 fils/share (or, in aggregate, AED 4,442 million). The Board of Directors approved interim dividends of AED 731 million, being AED 0.007 per share on 12 May 2023, 11 August 2023, and 11 November 2023. The dividend policy remains the same as that declared by the Group's Annual General Assembly held on 15 March 2023 for the period of 2023 through 2025, based on a combination of fixed dividends from the Group's utilities business and variable dividends from the Group's oil and gas business.

DESCRIPTION OF CERTAIN STATEMENT OF PROFIT OR LOSS ITEMS

Revenue

The Group generates revenue from its four business streams: (i) generation, which principally generates revenue from the sale of power and water and from fuel revenue, which represents reimbursements from off-takers in the power and water subsidiaries at market prices for fuel consumed in power generation in accordance with the terms of the PWPAs and the PPAs; (ii) transmission and distribution, which principally generates revenue from the transmission of power and water both to the DisCos (referred to as the licensed activities) and to the FEWA and SEWA (referred to as the unlicensed activities) and the TUoS and connection charges made in respect of those activities; (iii) oil and gas, which principally generates revenue from the sale of oil and gas as well as gas storage revenue and other operating revenue, comprising primarily net processing income, tariff income and gas trading; and (iv) sustainable water solutions, which principally generates revenue from the operation and maintenance of wastewater facilities and by managing water collection, treatment, supply, and sewerage services in the UAE.

Cost of Sales

The Group's cost of sales comprises operating expenses and depreciation, depletion and amortisation (**DD&A**). Key operating expenses include repairs, maintenance and consumables used, bulk supply tariff, fuel expenses, salaries and related expenses and charges by operating and maintenance contractors.

General and administrative expenses

The Group's general and administrative expenses principally reflect salaries and related expenses, professional fees and business development expenses, IT and communications expenses, corporate social contributions among other expenses, less costs recoveries from joint venture partners.

Finance costs

The Group's finance costs principally represents finance costs on TAQA's borrowings and associated interest rate swaps. Finance costs also includes accretion expenses on asset retirement obligations and interest on lease liabilities.

Share of results of associates and joint ventures

The Group's share of results of associates and joint ventures principally represents results from investments in the Group's associated companies and joint ventures, which are accounted for under the equity method. Associated companies are those companies in which the Group exercises significant influence but which it does not control or jointly control. The Group's associated companies and ownership interest as at 31 December 2023 were principally comprised of Massar Solutions PJSC at 49 per cent., Jubail Energy Company at 25 per cent., Sohar Aluminium Company LLC at 40 per cent., Abu Dhabi Offshore Power Infra Limited LLC at 30 per cent. and Mirfa Seawater Treatment and Supply Local Holding MSTS at 50 per cent. The Group's joint venture companies and ownership interest as at 31 December 2023 were principally comprised of LWP Lessee LLC at 50 per cent., Taweelah RO Holding Company LLC at 33 per cent., Fujairah Energy Holding Company LLC at 67 per cent., Dhafrah Solar Energy Holding Company at 67 per cent., Tanajib Cogeneration Holding Company Limited at 49 per cent. and Abu Dhabi Future Energy Company PJSC at 43 per cent. During the period ended 31 March 2024, SWS Holding was transferred under the common control of the Group. On 21 June 2022, TAQA, ADNOC and Mubadala Investment Company (**Mubadala**) entered into binding agreements for TAQA and ADNOC to purchase stakes in Masdar from Mubadala. The partnership creates a global clean energy powerhouse that consolidates the renewable energy efforts of TAQA, Mubadala and ADNOC under the Masdar brand. The transaction closed on 1 December 2022 and has been accounted for as a joint venture as all shareholders have joint control over the decision making of the company.

RESULTS OF OPERATIONS

COMPARISON OF RESULTS OF OPERATIONS FOR Q1 2024 AND Q1 2023

For the purposes of the comparison of results of operations for Q1 2024 and Q1 2023, the Group's oil and gas assets in Iraq have been classified as a disposal group held-for-sale and as discontinued operations. On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in the Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions.

The table below sets out the Group's revenue for each of Q1 2024 and Q1 2023.

	Q1 2024	Q1 2023
	(AED million)	
Revenue		
Revenue from generation of power and water	**2,937**	**3,141**
of which:		
Operating lease revenue	1,394	1,422
Revenue from operating financial assets	331	356
Energy payments and other related revenue	426	395
Fuel revenue	672	918
Others	114	50
Revenue from transmission and distribution of power and water	**8,174**	**7,499**
of which:		
TUoS charges for unlicensed activities	261	271
Revenue from supply and distribution of power and water	2,993	2,912
Distribution connection and meter installation fees	73	76
Water coupons	21	18
Other operating revenue	4,826	4,222
Revenue from oil and gas	**1,947**	**2,349**
of which:		
Gross oil and gas revenue	1,740	2,207

	Q1 2024	Q1 2023
	(AED million)	
Less: royalties	(73)	(136)
	1,667	2,071
Gas storage revenue	233	143
Net processing income	49	50
Oil and gas net revenue in discontinued operations	(46)	(150)
Others	44	235
Revenue from sustainable water solutions		
Sewerage services	**620**	-
Total revenue	**13,678**	**12,989**

The Group's total revenue was AED 13,678 million in Q1 2024 compared to AED 12,989 million in Q1 2023, an increase of AED 689 million. This increase was primarily due to transmission and distribution pass-through bulk supply tariffs and the inclusion of revenue from SWS Holding partially offset by a decline in oil and gas continuing operations revenue, as described below.

Generation

The Group's generation business stream principally generates revenue from the sale of power and water and from fuel revenue, which represents reimbursements from off-takers in the power and water subsidiaries at market prices for fuel consumed in power generation in accordance with the terms of the PWPAs and the PPAs. The Group's revenue from the generation of power and water was AED 2,937 million in Q1 2024 compared to AED 3,141 million in Q1 2023, a decrease of AED 204 million. The decrease was due to AED 313 million lower pass-through fuel revenue in Morocco, which was also reflected as a decrease in operating expenses. The decrease in revenue in Q1 2024 compared to Q1 2023 was partially offset by higher commercial availability in India, due to improvement in fuel supply constraints, which contributed AED 60 million of additional revenue and the recovery of AED 27 million UAE corporate tax from contractual change in law provisions within the Group's UAE PWPAs.

Transmission and Distribution

The Group's transmission and distribution business stream principally generates revenue from the transmission of power and water both to the DisCos (referred to as the licensed activities) and to the FEWA and SEWA (referred to as the unlicensed activities) and the TUoS and connection charges made in respect of those activities. The Group's revenue from transmission and distribution of power and water was AED 8,174 million in Q1 2024 compared to AED 7,499 million in Q1 2023, an increase of AED 675 million. This increase was primarily due to an increase in revenues of AED 374 million in pass-through bulk supply tariffs and an AED 113 million recovery of corporate tax, both through the RC2 set by the DoE, and AED 82 million from the supply and distribution of power and water to customers.

Oil and Gas

The Group's oil and gas business stream principally generates revenue from the sale of oil and gas, as well as gas storage revenue and other operating revenue (which comprises primarily net processing income, tariff income and gas trading). The Group's oil and gas sales revenue from continuing operations was AED 1,947 million in Q1 2024 compared to AED 2,349 million in Q1 2023, a decrease of AED 402 million. Average realised oil prices declined to U.S.$71.7/bbl in Q1 2024 compared to U.S.$74.0/bbl in Q1 2023. Similarly, average realised gas prices decreased to U.S.$3.2/mmbtu in Q1 2024 from U.S.$7.0/mmbtu in Q1 2023. TAQA's production from continuing operations also decreased to 106.9 mboe/d in Q1 2024 representing a 5.4 per cent. drop compared to Q1 2023.

Sustainable Water Solutions

The Group's sustainable water solutions business stream, through SWS Holding, principally generates revenue from the operation and maintenance of wastewater facilities and by managing water collection, treatment, supply, and sewerage services in the UAE. Revenue is subject to MAR for sewerage services, calculated in accordance with the applicable formula as defined in the License and Regulatory Control mechanisms document issued by the DoE in the RC2. The Group's sustainable water solutions revenue was AED 620 million in Q1 2024, the first quarter of its consolidation reflecting the acquisition date of 1 January 2024, being the date on which the Group gained control over SWS Holding.

SWS Holding has been accounted for using the pooling of interest method, which reflects the economic substance of the transaction and TAQA has elected to consolidate the assets and liabilities of the acquired entities from the date of acquisition without restating and presenting the prior period.

Cost of Sales

The table below shows the Group's cost of sales for each of Q1 2024 and Q1 2023.

	Q1 2024	Q1 2023
	(AED million)	
Operating expenses	**(7,773)**	**(7,340)**
of which:		
Salaries and related expenses	(575)	(456)
Repairs, maintenance and consumables used	(676)	(678)
Bulk supply tariff	(4,930)	(4,555)
Fuel expenses	(691)	(1,016)
Charges by operating and maintenance contractors	(279)	(253)
Oil and gas operating costs	(436)	(235)
Transportation costs	(85)	(79)
Insurance costs	(48)	(44)
Expected credit loss movements	12	19
Operating expenses in discontinued operations	8	51
Others	(73)	(94)
Depreciation, depletion and amortisation	(2,459)	(2,253)
Depreciation, depletion and amortisation in discontinued operations	15	30
Total cost of sales	**(10,217)**	**(9,563)**

The Group's total cost of sales was AED 10,217 million in Q1 2024 compared to AED 9,563 million in Q1 2023, an increase of AED 654 million.

Generation

The Group's cost of sales in the generation business stream principally comprises fuel expenses (which are substantially matched by fuel revenue), other operating expenses and DD&A costs. Other operating expenses in the generation business stream include repairs, maintenance and consumables used, charges by operation and maintenance contractors and staff costs. In Q1 2024, the generation business stream's cost of sales amounted to AED 1,156 million, compared to AED 1,440 million in Q1 2023. A decline in coal prices resulted in AED 313 million lower fuel costs in Morocco which was partly offset by higher fuel consumption in India which increased costs by AED 44 million in Q1 2024.

The generation business stream's DD&A expenses were AED 1,107 million in Q1 2024, compared to AED 1,116 million in Q1 2023.

Transmission and Distribution

The Group's cost of sales in the transmission and distribution business stream principally comprises bulk supply tariff, staff costs, repairs, maintenance and consumables. In Q1 2024, the transmission and distribution business stream's cost of sales amounted to AED 5,475 million, compared to AED 5,047 million in Q1 2023, primarily due to higher pass-through bulk supply tariffs.

The transmission and distribution business stream's DD&A expenses were AED 902 million in Q1 2024, compared to AED 908 million in Q1 2023.

Oil and Gas

The Group's cost of sales in the oil and gas business stream principally comprises operating expenses and DD&A costs. Operating expenses include staff costs, repairs, maintenance and consumables used, gas storage expenses and fuel expenses. In Q1 2024, the oil and gas business stream's cost of sales from continuing operations amounted

to AED 1,021 million, compared to AED 863 million in Q1 2023, primarily due to an increase in the hydrocarbon overlift position within the Group's UK operations.

The oil and gas business stream's DD&A expenses from continuing operations were AED 214 million in Q1 2024, compared to AED 206 million in Q1 2023.

Sustainable Water Solutions

The Group's cost of sales in the sustainable water solutions business stream principally comprises staff costs, repairs, maintenance and consumables and charges by operation and maintenance contractors. In Q1 2024, the sustainable solutions business stream's cost of sales amounted to AED 128 million, compared to nil in Q1 2023, due to the acquisition of SWS Holding on 1 January 2024 and no prior period restatement.

The sustainable water solutions business stream's DD&A expenses were AED 221 million in Q1 2024, compared to nil in Q1 2023, due to the acquisition of SWS Holding on 1 January 2024 and no prior period restatement.

Gross Profit

Reflecting the above factors, the Group's gross profit was AED 3,461 million in Q1 2024, compared to a gross profit of AED 3,426 million in Q1 2023, an increase of AED 35 million. The Group's gross profit margin was 25.3 per cent. in Q1 2024 and 26.4 per cent. in Q1 2023.

Other Operating Income and Expense Items

The table below sets out the Group's principal other income and expense items for each of Q1 2024 and Q1 2023.

	Q1 2024	Q1 2023
	(AED million)	
General and administrative expenses	(561)	(511)
Finance costs	(757)	(692)
Net foreign exchange gain (loss)	42	(41)
Interest income	175	77
Gain on recognition of an investment	-	10,784
Other income	90	66
Share of results of associates and joint ventures	135	82
Total	**(876)**	**9,765**

The Group's general and administrative expenses were AED 561 million in Q1 2024 compared to AED 511 million in Q1 2023, an increase of AED 50 million. This increase was primarily due to the inclusion of SWS Holding in the current period.

The Group's finance costs were AED 757 million in Q1 2024 compared to AED 692 million in Q1 2023, an increase of AED 65 million. This increase was primarily due to the inclusion of SWS Holding in the current period.

The Group recognised a net foreign exchange gain in Q1 2024 amounting to AED 42 million, compared to a net foreign exchange loss of AED 41 million in Q1 2023. The gain in Q1 2024 was mainly due to a revaluation of a EUR liability.

The Group's interest income was AED 175 million in Q1 2024 compared to AED 77 million in Q1 2023, primarily due to higher cash and cash equivalents.

The Group's gain on recognition of an investment in Q1 2023 of AED 10,784 million was due to the acquisition of a 5 per cent. holding of the total issued share capital of ADNOC Gas plc. The shareholding was received from ADNOC for no consideration in recognition of the long-standing partnership between the two companies. The AED 10,784 million gain reflects the market value of the stock at the closing price of the first day's trading.

The Group recognised other income in Q1 2024 of AED 90 million compared to AED 66 million in Q1 2023, an increase of AED 24 million. This increase was primarily due to a settlement for historic legal claims against the Engineering, Procurement and Construction (**EPC**) contractors responsible for a hydro power project in India, an investment formerly held by TAQA.

The Group's share of results of associates and joint ventures was AED 135 million in Q1 2024 compared to AED 82 million in Q1 2023 driven by higher returns from the Group's investment in Masdar.

Income Tax Expense

The table below shows the breakdown of the Group's total income tax expense for each of Q1 2024 and Q1 2023.

	Q1 2024	Q1 2023
	(AED million)	
Current income tax	(364)	(422)
Deferred income tax	(105)	(1,264)
Total income tax expense	**(469)**	**(1,686)**

The Group recognised an income tax charge of AED 469 million in Q1 2024, comprising AED 364 million of current income tax expense and AED 105 million of deferred income tax expense, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 18 per cent. The Group recognised an income tax charge of AED 1,686 million in Q1 2023, comprising AED 422 million of current income tax expense and AED 1,264 million of deferred income tax expense, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 38 per cent. The Group's current income tax expense recognised in Q1 2024 was AED 58 million lower than Q1 2023 due to a decline in oil and gas upstream profits in Europe partially offset by higher profits in Morocco and the inclusion of current income tax on the UAE assets. The deferred income tax expense in Q1 2023 included an AED 1,198 million charge relating to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation adjustments (**PPA Adjustments**) attributable to certain UAE-based Group entities. While the PPA Adjustments related to a corporate transaction completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA Adjustments are attributed should be subject to UAE CT in the future.

Profit for the Period

Reflecting the above factors and taking into account discontinued operations profit after tax of AED 19 million in Q1 2024 and AED 60 million in Q1 2023, the Group recorded a profit for the period of AED 2,135 million in Q1 2024 compared to a profit for the period of AED 11,565 million in Q1 2023. For additional information on the presentation of discontinued operations, see "*Presentation of Financial and Other Information*".

COMPARISON OF RESULTS OF OPERATIONS FOR FY 2023 AND FY 2022

For the purposes of the comparison of results of operations for FY 2023 and FY 2022, the Group's oil and gas assets in Iraq have been classified as a disposal group held-for-sale and as discontinued operations. On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in the Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions. See "*Presentation of Financial and Other Information*".

Revenue

The table below sets out the Group's revenue for each of FY 2023 and FY 2022.

	FY 2023	FY 2022
	(AED million)	
Revenue		
Revenue from generation of power and water	**12,715**	**13,823**
of which:		
Operating lease revenue	5,911	5,786
Revenue from operating financial assets	1,565	1,401
Sale of power	-	833
Energy payments and other related revenue	1,693	1,633
Fuel revenue	2,969	3,774
Others	577	396

	FY 2023	FY 2022
	(AED million)	
Revenue from transmission and distribution of power and water	**30,954**	**26,091**
of which:		
TUoS charges for unlicensed activities	1,078	976
Revenue from supply and distribution of power and water	15,017	13,765
Distribution connection and meter installation fees	285	291
Water coupons	81	82
Other operating revenue	14,493	10,977
Revenue from oil and gas	**8,048**	**10,137**
of which:		
Gross oil and gas revenue	7,035	11,094
Less: royalties	(334)	(631)
	6,701	10,463
Gas storage revenue	1,076	318
Net processing income	195	229
Oil and gas net revenue in discontinued operations	(174)	(880)
Others	250	7
Total revenue	**51,717**	**50,051**

The Group's total revenue was AED 51,717 million in FY 2023 compared to AED 50,051 million in FY 2022, an increase of AED 1,666 million. This increase was primarily due to higher Transmission and Distribution pass-through bulk supply tariffs partially offset by a decline in Oil & Gas revenue, as described below.

Generation

The Group's generation business stream principally generates revenue from the sale of power and water and from fuel revenue, which represents reimbursements from off-takers in the power and water subsidiaries at market prices for fuel consumed in power generation in accordance with the terms of the PWPAs and the PPAs. The Group's revenue from the generation of power and water was AED 12,715 million in FY 2023 compared to AED 13,823 million in FY 2022, a decrease of AED 1,108 million. This decrease was primarily due to the end of the Red Oak tolling agreement in the United States in the third quarter of 2022, which contributed AED 833 million in 2022 and AED 805 million lower pass-through fuel costs. This was partially offset by higher revenues generated by the UAE power generation fleet.

Transmission and Distribution

The Group's transmission and distribution business stream principally generates revenue from the transmission of power and water both to the DisCos (referred to as the licensed activities) and to the FEWA and SEWA (referred to as the unlicensed activities) and the TUoS and connection charges made in respect of those activities. The Group's revenue from transmission and distribution of power and water was AED 30,954 million in FY 2023 compared to AED 26,091 million in FY 2022, an increase of AED 4,863 million. This increase was primarily due to higher revenues of AED 3,862 million in pass-through bulk supply tariffs and improved terms associated with RC2.

Oil and Gas

The Group's oil and gas business stream principally generates revenue from the sale of oil and gas, as well as gas storage revenue and other operating revenue (which comprises primarily net processing income, tariff income and gas trading). The Group's oil and gas sales revenue from continuing operations was AED 8,048 million in FY 2023 compared to AED 10,137 million in FY 2022, a decrease of AED 2,089 million. The average realised oil price declined to U.S.$75.0/bbl in FY 2023 compared to U.S.$86.6/bbl in FY 2022. Similarly, average realised gas prices decreased to U.S.$5.4/mmbtu in FY 2023 from $8.4/mmbtu in FY 2022. Average production from

continuing operations decreased to 107.8 mboe/d in FY 2023 from 115.6 mboe/d in FY 2022 due to the natural decline of production from the Group's late-life UK assets.

Cost of Sales

The table below shows the Group's cost of sales for each of FY 2023 and FY 2022.

	FY 2023	FY 2022
	(AED million)	
Operating expenses	(29,973)	(27,494)
of which:		
Salaries and related expenses	(1,866)	(1,798)
Repairs, maintenance and consumables used	(3,158)	(3,075)
Bulk supply tariff	(18,851)	(15,102)
Fuel expenses	(3,309)	(4,419)
Charges by operating and maintenance contractors	(887)	(1,106)
Oil and gas operating costs	(650)	(995)
Transportation costs	(453)	(368)
Insurance costs	(189)	(174)
Expected credit loss movements	(430)	(164)
Operating expenses in discontinued operations	81	(5)
Others	(261)	(288)
Depreciation, depletion and amortisation	(9,253)	(9,579)
Depreciation, depletion and amortisation in discontinued operations	41	106
Total cost of sales	**(39,185)**	**(36,967)**

The Group's total cost of sales was AED 39,185 million in FY 2023 compared to AED 36,967 million in FY 2022, an increase of AED 2,218 million.

Generation

The Group's cost of sales in the generation business stream principally comprises fuel expenses (which are substantially matched by fuel revenue), other operating expenses and DD&A costs. Other operating expenses in the generation business stream include repairs, maintenance and consumables used, charges by operation and maintenance contractors and staff costs. In FY 2023, the generation business stream's cost of sales amounted to AED 5,180 million, compared to AED 6,756 million in FY 2022, primarily due to the ending of the Red Oak tolling agreement in the United States in the third quarter of 2022 which contributed AED 780 million to the cost of sales in 2022, AED 501 million lower fuel costs, and AED 416 million in provisions recognised in 2022 at the international assets in relation to expected credit loss exposure and project costs, partially offset by higher maintenance costs.

The generation business stream's DD&A expenses were AED 4,515 million in FY 2023, compared to AED 4,606 million in FY 2022.

Transmission and Distribution

The Group's cost of sales in the transmission and distribution business stream principally comprises bulk supply tariff, staff costs, repairs, maintenance and consumables as well as tanker hire costs. In FY 2023, the transmission and distribution business stream's cost of sales amounted to AED 20,949 million, compared to AED 17,013 million in FY 2022, primarily due to higher pass-through bulk supply tariffs.

The transmission and distribution business stream's DD&A expenses were AED 3,624 million in FY 2023, compared to AED 3,952 million in FY 2022. The decrease of AED 328 million was due to useful life revisions following a detailed technical asset review.

Oil and Gas

The Group's cost of sales in the oil and gas business stream principally comprises operating expenses and DD&A costs. Operating expenses include staff costs, repairs, maintenance and consumables used, gas storage expenses and fuel expenses. In FY 2023, the oil and gas business stream's cost of sales from continuing operations amounted to AED 3,862 million, largely in line with AED 3,748 million in FY 2022.

The oil and gas business stream's DD&A expenses from continuing operations were AED 1,102 million in FY 2023, compared to AED 943 million in FY 2022. The increase of AED 159 million was primarily due to the increase of depreciable assets base due to capital expenditure and a revision to the asset retirement obligation during the year.

Gross Profit

Reflecting the above factors, the Group's gross profit was AED 12,532 million in FY 2023, compared to a gross profit of AED 13,084 million in FY 2022, a decrease of AED 552 million. The Group's gross profit margin was 24.2 per cent. in FY 2023 and 26.1 per cent. in FY 2022.

Other Operating Income and Expense Items

The table below sets out the Group's principal other income and expense items for each of FY 2023 and FY 2022.

	FY 2023	FY 2022
	(AED million)	
General and administrative expenses	(2,334)	(2,134)
Finance costs	(2,872)	(2,966)
Net foreign exchange loss	(55)	(169)
Interest income	498	172
Gain on recognition of an investment	10,784	-
Dividend income from an investment	298	-
Other income	389	84
Share of results of associates and joint ventures	191	321
Total	**6,954**	**(4,692)**

The Group's general and administrative expenses were AED 2,334 million in FY 2023 compared to AED 2,134 million in FY 2022, an increase of AED 200 million. This increase was primarily due to higher professional fees and business development expenses.

The Group's finance costs were AED 2,872 million in FY 2023 compared to AED 2,966 million in FY 2022, a decrease of AED 94 million. A decrease of AED 541 million was due to movement of the interest expense on interest rate swaps which was partially offset by higher finance costs relating to bonds, global medium term notes and interest bearing loans and borrowings of AED 481 million.

The Group recognised a net foreign exchange loss in FY 2023 amounting to AED 55 million, compared to a net foreign exchange loss of AED 169 million in FY 2022.

The Group's interest income was AED 498 million in FY 2023 compared to AED 172 million in FY 2022, primarily due to higher interest rates and increased deposits.

The Group's gain on recognition of an investment in FY 2023 of AED 10,784 million was due to the acquisition of a 5 per cent. holding of the total issued share capital of ADNOC Gas plc. The shareholding was received from ADNOC for no consideration in recognition of the long standing partnership between the two companies. The AED 10,784 million gain reflects the market value of the stock at the closing price of the first day's trading.

The Group's dividend income from an investment in FY 2023 reflected the AED 298 million dividend received in respect of its holding of ADNOC Gas plc shares.

The Group recognised other income in FY 2023 amounting to AED 389 million in FY 2023 compared to AED 84 million in FY 2022, an increase of AED 305 million. This increase was primarily due to one-off expenses in FY 2022 relating to the write down of the decommissioning relief deed assets, which resulted in the recognition of deferred tax credits.

The Group's share of results of associates and joint ventures was AED 191 million in FY 2023 compared to AED 321 million in FY 2022 mainly due to lower aluminium prices decreasing the contribution from the Group's investment in Sohar Aluminium by AED 212 million. This was partially offset by an AED 31 million contribution from Dhafrah PV2 which achieved commercial operation during 2023.

Income Tax (Expense)/Credit

The table below shows the breakdown of the Group's total income tax expense for each of FY 2023 and FY 2022.

	FY 2023	FY 2022
	(AED million)	
Current income tax	(1,016)	(2,059)
Deferred income tax	(1,613)	1,046
Total income tax (expense)/credit	**(2,629)**	**(1,013)**

The Group recognised an income tax charge of AED 2,629 million in FY 2023, comprising AED 1,016 million of current income tax expense and AED 1,613 million of deferred income tax expense, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 52 per cent. The Group recognised an income tax charge of AED 1,013 million in FY 2022, comprising AED 2,059 million of current income tax expense and AED 1,046 million of deferred income tax credit, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 30 per cent. The deferred income tax expense for FY 2023 included an AED 1,198 million charge relating to the initial recognition of a deferred tax liability in respect of PPA Adjustments attributable to certain UAE-based Group entities. While the PPA Adjustments related to a corporate transaction completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA Adjustments are attributed should be subject to UAE CT in the future. Tax expenses were also higher by AED 810 million in the Oil and Gas segment due to the impact of the Energy Profit Levy in the UK which came into effect in May 2022 at 25 per cent. and was further increased to 35 per cent. at the start of 2023, with deferred tax credits being recognised in 2022 and attributable to the Group's UK and North American assets.

Profit for the Year

Reflecting the above factors and taking into account discontinued operations profit after tax of AED 18 million in FY 2023 and AED 744 million in FY 2022, the Group recorded a profit for the year of AED 16,820 million in FY 2023 compared to a profit for the year of AED 8,123 million in FY 2022. For additional information on the presentation of discontinued operations, see "*Presentation of Financial and Other Information*".

COMPARISON OF RESULTS OF OPERATIONS FOR FY 2022 AND FY 2021

For the purposes of the comparison of results of operations for FY 2022 and FY 2021, the Group's upstream oil and gas assets in the Netherlands have been classified as a disposal group held-for-sale and as discontinued operations. Subsequently, it was confirmed that the completion did not occur in accordance with its terms and the agreement was terminated on 28 March 2023. Consequently, TAQA Energy's B.V.'s upstream oil and business is no longer treated as held-for-sale under IFRS 5 and its assets and liabilities have been appropriately reclassified for FY 2023 vs FY 2022 reporting. See "*Presentation of Financial and Other Information*" for additional information.

Revenue

The table below sets out the Group's revenue for each of FY 2022 and FY 2021.

	FY 2022	FY 2021
	(AED million)	
Revenue		
Revenue from generation of power and water	**13,823**	**12,337**
of which:		
Operating lease revenue	5,786	6,191
Revenue from operating financial assets	1,401	1,576
Sale of power	833	518

	FY 2022	FY 2021
	(AED million)	
Energy payments and other related revenue	1,633	1,662
Fuel revenue	3,774	1,913
Others	396	477
Revenue from transmission and distribution of power and water	**26,091**	**25,928**
of which:		
TUoS charges for unlicensed activities	976	1,046
Revenue from supply and distribution of power and water	13,765	13,186
Distribution connection and meter installation fees	291	388
Water coupons	82	90
Other operating revenue	10,977	11,218
Revenue from oil and gas	**10,053**	**7,029**
of which:		
Gross oil and gas revenue	11,094	7,270
Less: royalties	(631)	(306)
	10,463	6,964
Gas storage revenue	318	207
Net processing income	229	198
Oil and gas net revenue in discontinued operations	(964)	(396)
Others	7	56
Total revenue	**49,967**	**45,294**

The Group's total revenue was AED 49,967 million in FY 2022 compared to AED 45,294 million in FY 2021, an increase of AED 4,673 million. This increase was primarily due to higher commodity prices within the oil and gas segment and the fuel revenue in the Group's generation subsidiary in Morocco, as described below.

Generation

The Group's revenue from the generation of power and water was AED 13,823 million in FY 2022 compared to AED 12,337 million in FY 2021, an increase of AED 1,486 million. This increase was primarily due to higher pass-through coal fuel revenues of AED 1,924 million in Morocco, partially offset by lower revenues from the Group's domestic fleet of AED 502 million mostly due to decommissioning of the Taweelah A2 plant and lower technical availability in other assets, reflecting planned and unplanned maintenance.

Transmission and Distribution

The Group's revenue from transmission and distribution of power and water was AED 26,091 million in FY 2022 compared to AED 25,928 million in FY 2021, an increase of AED 163 million. This increase was primarily due to higher pass-through bulk supply tariffs of AED 655 million, partially offset by a one-off recognition of capital expenditure allowances in relation to Regulatory Control Period in 2021 of AED 419 million and lower transmission use of system charges of AED 70 million.

Oil and Gas

The Group's oil and gas sales revenue was AED 10,053 million in FY 2022 compared to AED 7,029 million in FY 2021, an increase of AED 3,024 million. This increase was primarily due to higher average realised oil price of U.S.$86.6/bbl and gas price of U.S.$8.4/mmbtu in FY 2022 compared with U.S.$70.2/bbl and U.S.$5.2/mmbtu respectively in FY 2021. Production in FY 2022 also increased by 1.4 mboe/d to 123.8 mboe/d compared to FY 2021.

Cost of Sales

The table below shows the Group's cost of sales for each of FY 2022 and FY 2021.

	FY 2022	FY 2021
	(AED million)	
Operating expenses	(27,369)	(23,901)
of which:		

	FY 2022	FY 2021
	(AED million)	
Salaries and related expenses	(1,798)	(1,914)
Repairs, maintenance and consumables used	(3,075)	(3,013)
Bulk supply tariff	(15,102)	(14,447)
Fuel expenses	(4,419)	(2,179)
Charges by operating and maintenance contractors	(1,106)	(1,177)
Oil and gas operating costs	(995)	(828)
Transportation costs	(368)	(325)
Insurance costs	(174)	(154)
Expected credit loss movements	(164)	339
Operating expenses in discontinued operations	120	105
Others	(288)	(308)
Depreciation, depletion and amortisation	(9,579)	(11,119)
Depreciation, depletion and amortisation in discontinued operations	30	8
Total cost of sales	**(36,918)**	**(35,012)**

The Group's total cost of sales was AED 36,918 million in FY 2022 compared to AED 35,012 million in FY 2021, an increase of AED 1,906 million.

Generation

In FY 2022, the generation business stream's cost of sales amounted to AED 6,756 million, compared to AED 4,675 million in FY 2021, primarily due to increased costs related to the Group's international assets, including higher fuel pass through costs of AED 1,880 million in Morocco.

The generation business stream's DD&A expenses were AED 4,606 million in FY 2022, compared to AED 4,828 million in FY 2021, primarily reflecting the decommissioning of the Taweelah A2 plant and the PWPA ending in October 2021.

Transmission and Distribution

In FY 2022, the transmission and distribution business stream's cost of sales amounted to AED 17,013 million, compared to AED 16,278 million in FY 2021, primarily due to higher bulk supply tariff pass through costs.

The transmission and distribution business stream's DD&A expenses were AED 3,952 million in FY 2022, compared to AED 4,120 million in FY 2021.

Oil and Gas

In FY 2022, the oil and gas business stream's cost of sales amounted to AED 3,623 million, compared to AED 2,972 million in FY 2021, primarily due to higher fuel and emissions trading costs.

The oil and gas business stream's DD&A expenses were AED 1,019 million in FY 2022, compared to AED 2,194 million in FY 2021. The decrease of AED 1,175 million was primarily due to a one-off asset retirement obligation revision in the Group's European oil and gas assets in 2021 due to a partner default.

Gross Profit

Reflecting the above factors, the Group's gross profit was AED 13,049 million in FY 2022, compared to a gross profit of AED 10,282 million in FY 2021, an increase of AED 2,767 million. The Group's gross profit margin was 26.1 per cent. in FY 2022 and 22.7 per cent. in FY 2021.

Other Operating Income and Expense Items

The table below sets out the Group's principal other income and expense items for each of FY 2022 and FY 2021.

	FY 2022	FY 2021
	(AED million)	
General and administrative expenses	(2,166)	(2,254)
Finance costs	(2,949)	(3,070)
Net foreign exchange loss	(173)	(79)

	FY 2022	FY 2021
	(AED million)	
Interest income	172	123
Other income	84	1,116
Share of results of associates and joint ventures	321	313
Total	**(4,711)**	**(3,851)**

The Group's general and administrative expenses were AED 2,166 million in FY 2022 compared to AED 2,254 million in FY 2021, a decrease of AED 88 million. This decrease was primarily due to lower professional fees, business development expenses and other general expenses in FY 2022.

The Group's finance costs were AED 2,949 million in FY 2022 compared to AED 3,070 million in FY 2021, a decrease of AED 121 million. This decrease was primarily due to lower expenses on interest rate swaps of AED 251 million, partially offset by higher finance costs relating to interest bearing loans and borrowings.

The Group recognised a net foreign exchange loss in FY 2022 amounting to AED 173 million, compared to a net foreign exchange loss of AED 79 million in FY 2021, primarily due to losses on operating financial assets in the international generation business.

The Group's interest income was AED 172 million in FY 2022 compared to AED 123 million in FY 2021, primarily due to higher interest rates.

The Group recognised other income in FY 2022 of AED 84 million in FY 2022 compared to AED 1,116 million in FY 2021, a decrease of AED 1,032 million. This decrease was primarily due to one-off income recorded in FY 2021 which related to a partner default in Europe and tax relief recognised on additional asset retirement obligations. Further in FY 2022, this asset retirement obligation relief deed was reduced due to a higher tax capacity in the UK. Gain on sale of land, oil and gas and other assets was lower in FY 2022 due to a gain in FY 2021 on the sale of non-core assets in Canada.

The Group's share of results of associates and joint ventures was AED 321 million in FY 2022 compared to AED 313 million in FY 2021.

Income Tax (Expense)/Credit

The table below shows the breakdown of the Group's total income tax expense for each of FY 2022 and FY 2021.

	FY 2022	FY 2021
	(AED million)	
Current income tax	(2,059)	(606)
Deferred income tax	1,046	(90)
Income tax expense in discontinued operations	556	14
Total income tax (expense)/credit	**(457)**	**(682)**

The Group recognised an income tax charge of AED 457 million in FY 2022, comprising AED 2,059 million of current income tax expense and AED 1,046 million of deferred income tax credit, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 30 per cent. The Group recognised an income tax expense of AED 682 million in FY 2021, comprising AED 606 million of current income tax expense and AED 90 million of deferred income tax expense, resulting in an effective tax rate (being the weighted average of the statutory rates applicable to it) of 28 per cent. The Group's total income tax expense for FY 2022 and FY 2021 were adjusted for discontinued operations. The Group's total income tax expense recognised in FY 2022 was driven by higher current income tax due to higher taxable profits and windfall taxes in Europe. This was partially offset by deferred income tax credits from the Group's European and North American assets relating to greater tax relief capacity on future decommissioning spending and improved future taxable profits forecasts, respectively.

Profit for the Year

Reflecting the above factors and taking into account discontinued operations profit after tax of AED 242 million in FY 2022 and AED 246 million in FY 2021, the Group recorded a profit for the year of AED 8,123 million in FY 2022 compared to a profit for the year of AED 5,995 million in FY 2021. For additional information on the presentation of discontinued operations, see "*Presentation of Financial and Other Information*".

LIQUIDITY AND CAPITAL RESOURCES

TAQA is a holding company and has no operations of its own. TAQA depends upon the earnings and cash flow of the power generation and water desalination plants, the power and water transmission and distribution networks, sewerage services and the upstream and midstream oil and gas facilities owned by its subsidiaries and the ability of those subsidiaries to pay dividends or repatriate funds to TAQA. The Group's sources of funds include funds generated from operations, funds from external borrowing (including project financing) and the proceeds of asset sales.

The Group's cash requirements arise primarily from the capital-intensive nature of its power generation and water desalination operations, its power and water transmission and distribution operations, its sustainable water solutions operations, its oil and gas exploration and production activities and the operation of its gas storage facilities.

The Group's total available liquidity as at 31 March 2024 was AED 23,966 million, an increase of AED 5,262 million on the position as at 31 March 2023. Total available liquidity was made up of AED 13,499 million of available credit facilities and AED 10,467 million of net cash and cash equivalents.

The Group's total available liquidity as at 31 December 2023 was AED 27,462 million, an increase of AED 3,794 million on the position at the end of 2022. Total available liquidity was made up of AED 13,584 million of available credit facilities and AED 13,878 million of net cash and cash equivalents.

Cash flows

The following table sets forth a summary of the Group's cash flow statement for the periods indicated.

	Q1 2024	Q1 2023	FY 2023	FY 2022	FY 2021
			(*AED million*)		
Net cash generated from operating activities	2,416	6,021	20,118	21,879	20,293
Net cash generated from/(used in) investing activities	(2,142)	(1,742)	(6,190)	(8,036)	(2,475)
Net cash used in financing activities	(3,630)	(6,498)	(10,204)	(12,331)	(17,510)
Net increase in cash and cash equivalents	**(3,356)**	**(2,219)**	**3,724**	**1,512**	**308**
Net foreign exchange difference	(56)	12	8	132	(20)
Cash and cash equivalents at 1 January	13,878	10,123	10,123	8,422	8,321
Restricted cash	1	(3)	23	57	(187)
Cash and cash equivalents at period end	**10,467**	**7,913**	**13,878**	**10,123**	**8,422**

Notes: For the full consolidated statement of cash flows, see "*Selected Financial and Other Information — Consolidated Statement of Cash Flows Data*".

(1) See "*Presentation of Financial and Other Information*" for additional information.

Net cash generated from operating activities

The Group's net cash generated from operating activities was AED 2,416 million and AED 6,021 million in Q1 2024 and Q1 2023, respectively, and AED 20,118 million, AED 21,879 million and AED 20,293 million in FY 2023, FY 2022 and FY 2021, respectively.

The Group's net cash generated from operations before working capital changes principally reflects its profit before tax adjusted to add back depreciation, depletion and amortisation and finance costs and in 2023 to deduct the gain on recognition of an investment, in FY 2021, to deduct gain on sale of non-core assets and asset relief deed income.

The Group's net cash generated from operations before working capital changes amounted to AED 5,149 million in Q1 2024 and AED 4,863 million in Q1 2023.

The Group's net cash generated from operations before working capital changes amounted to AED 18,774 million, AED 20,445 million in FY 2022 and AED 18,181 million in FY 2021. The decrease in FY 2023 from FY 2022 principally reflects lower profit before tax in the oil and gas segment. The increase in FY 2022 from FY 2021 principally reflects higher profits before tax in the oil and gas segment.

The Group's principal working capital changes in Q1 2024 and Q1 2023 were an AED 2,733 million outflow and an AED 1,158 inflow, respectively, mainly due to movements in amounts due to related parties and accounts payable, accruals and other liabilities.

The Group's principal working capital changes in FY 2023 and FY 2022 were an AED 1,344 million inflow and an AED 1,434 million inflow, respectively.

The Group's principal working capital changes in FY 2022 and FY 2021 were an AED 1,434 million inflow and an AED 2,112 million inflow, respectively. The decrease was primarily due to higher taxes paid and accounts receivable and prepayments, partially offset by an increase in amounts due to related parties.

Net cash generated used in investing activities

The Group's net cash used in investing activities in Q1 2024 was AED 2,142 million, principally reflecting an outflow of AED 1,098 million mainly due to a loan provided to Masdar, purchase of PP&E of AED 1,742 million, partially offset by the transfer of AED 463 million of cash and cash equivalents in the SWS Holding acquisition.

The Group's net cash used in investing activities in FY 2023 was AED 6,190 million, principally being the purchase of property, plant, and equipment of AED 5,086 million, an advance to Masdar of AED 1,424 million, and an advance to Mira Seawater Treatment and Supply Local Holding MSTS LLC of AED 304 million. The outflows were partially offset by interest received of AED 498 million.

The Group's net cash used in investing activities in FY 2022 was AED 8,036 million, principally reflecting an outflow of AED 3,747 million in respect of the Group's investment in Masdar, purchase of PP&E of AED 4,012 million and an advance to Abu Dhabi Offshore Power Infra Limited LLC of AED 797 million.

The Group's net cash used in investing activities in FY 2021 was AED 2,475 million, principally reflecting an outflow of AED 3,851 million in respect of the purchases of PP&E, partially offset by receipts from associates and joint ventures relating to dividends and a loan repayment from Sohar Aluminium Company LLC.

Net cash used in financing activities

The Group's net cash used in financing activities in Q1 2024 was AED 3,630 million, principally reflecting net repayment on borrowings of AED 456 million, interest paid of AED 662 million, and dividends paid to shareholders and non-controlling interest shareholders totalling AED 2,442 million.

The Group's net cash used in financing activities in FY 2023 was AED 10,204 million, principally reflecting net repayment on borrowings of AED 220 million, interest paid of AED 2,930 million, and dividends paid to shareholders and non-controlling interest shareholders totalling AED 6,807 million.

The Group's net cash used in financing activities in FY 2022 was AED 12,331 million, principally reflecting net repayment on borrowings of AED 2,297 million, interest paid of AED 2,957 million, derivatives paid of AED 361 million and dividends paid to shareholders and non-controlling interest shareholders totalling AED 6,428 million.

The Group's net cash used in financing activities in FY 2021 was AED 17,510 million, principally reflecting net repayment on borrowing of AED 10,256 million, interest paid of AED 3,360 million and dividends paid to shareholders and non-controlling interest shareholders totalling AED 3,677 million.

Capital Commitments

Capital expenditure

The capital expenditure commitments under the Group's ongoing operations are expected to be financed with cash flows generated from operations. As at 31 December 2023, the total authorised capital expenditure contracted, but not provided for in relation to ongoing operations, amounted to AED 5,185 million.

The following sets forth the Group's capital expenditures, by business, for the periods indicated.

	Q1 2024	Q1 2023	FY 2023	FY 2022	FY 2021
			(*AED million*)		
Generation	557	35	215	179	229
Transmission and distribution	725	657	3,632	2,577	3,489
Oil and gas	270	358	1,239	1,018	1,010
Sustainable Water Solutions	131	-	-	-	-
Corporate	-	-	-	11	8
Total	**1,683**	**1,050**	**5,086**	**3,785**	**4,736**

Note: Capital expenditure refers to additions to PP&E, excluding right of use assets.

Each of TAQA's subsidiaries operating power generation, water desalination and sewage treatment plants in the UAE and most of TAQA's subsidiaries operating the international power generation plants have entered into limited recourse project finance arrangements, although in the case of some subsidiaries the financing has been fully repaid. Operating budget capital expenditure for these subsidiaries is non-contractual and discretionary.

Other significant commitments and entitlements

In Canada, the Group has entered into contractual commitments, mainly pipeline usage and commitments, under which it was committed to spend AED 722 million as at 31 March 2024 (AED 756 million as at 31 December 2023).

The Group's associates and joint ventures had capital commitments of AED 1,235 million as at 31 March 2024 (AED 930 million as at 31 December 2023).

The Group's existing assets in the generation business are contracted on a long-term basis and the payment flows under the contracts are generally stable in nature. Factors such as technology changes, competition, inflation and commodity prices do not typically affect the payment flows as fuel costs are typically passed through to the off-taker under the contracts and many of the contacts also have a degree of change in law protection. The Group, as a lessor, had future minimum receipts under non-cancellable operating leases of AED 52,201 million as at 31 December 2023. These operating leases have remaining maturities ranging from one to 20 years.

For further details, see note 31 to the FY 2023 Financial Statements.

Capital Resources

As at 31 March 2024, the Group had AED 62,477 million of outstanding borrowings. As at 31 March 2024, the Group's debt portfolio had approximately 98 per cent. of the Group's debt at a fixed interest rate and a weighted average interest rate of all debt of 4.7 per cent.

As at 31 December 2023, the Group had AED 61,653 million of outstanding borrowings. As at 31 December 2023, the Group's debt portfolio had approximately 99 per cent. of the Group's debt at a fixed interest rate and a weighted average interest rate of all debt of 4.6 per cent.

As at 31 December 2023, bonds and loans comprised 65 per cent. and 35 per cent., respectively, of the Group's outstanding borrowings. The majority of the Group's outstanding bonds were issued by TAQA (representing 79 per cent. of the Group's outstanding bonds), with the remaining 21 per cent. issued by subsidiaries. The majority of such bond issuances were denominated in US dollars (96 per cent.), with the remainder being bonds being denominated in EUR and MAD (2 per cent. in each case).

The Group's interest-bearing loans and borrowings as at 31 December 2023 comprised:

- AED 21,572 million in conventional term loans. These loans are denominated in U.S. dollars and Moroccan dirham (in the case of the loans to the Jorf Lasfar project companies). The majority of the loans to the UAE power and water generation subsidiaries, and the loan to Takoradi International Company (**TICO**) bear interest at a floating rate determined by reference to a margin over SOFR or an alternative term benchmark. The remaining international loans bear interest at fixed rates or rates that incorporate a cap and collar arrangement. The floating rate loans entered into by the UAE subsidiaries have margins to SOFR that range between 0.8 per cent. and 2.9 per cent. The floating rate loan entered into by TICO have margins to SOFR or an alternative benchmark that range between 4.3 per cent. and 4.4 per cent. The Morocco fixed rate loan has an effective interest rate of 5.8 per cent. Long term debt issued in 2023 in Morocco carries a floating interest rate and incorporates a cap and collar arrangement designed to mitigate exposure to interest rate risk. The initial interest rate, which is fixed annually within defined interest rate boundaries, is set at 4.8 per cent. For further details, see note 25 to the FY 2023 Financial Statements;
- AED 31,669 million in debt securities outstanding issued by TAQA itself. These securities are denominated in U.S. dollars (except for one issuance denominated in euro) and all series bear interest at a fixed rate. The weighted average interest rate of these debt securities was 4.3 per cent. as at 31 December 2023; and

AED 8,412 million in bonds outstanding issued by four of its subsidiaries. The bonds bear interest at fixed rates of 3.6 per cent., 3.8 per cent, 4.8 per cent. and 6.2 per cent. and mature between February 2029 and January 2049, and are solely the obligation of these subsidiaries and not guaranteed by TAQA.

As at 31 March 2024, the Group also had AED 5 million in bank overdrafts.

As at 31 March 2024, the Group had a U.S.$3.5 billion revolving credit facility that was undrawn as at such date.

On 2 May 2024, the Group's AED 705 million bond (EUR 180 million) matured and was repaid in full, and on 6 May 2024, the Group's AED 2,754 million bond (US $750 million) matured and was repaid in full.

Term loans

Term loans, which are shown at amortised cost, have been incurred by the following subsidiaries. Each of these loans is described in more detail in note 25 to the FY 2023 Financial Statements.

Subsidiary	**Amortised cost as at 31 December 2023**
	(AED million)
UAE power and water generation subsidiaries	
Gulf Tractebel Power Company PJSC	1,537
Arabian Power Company PJSC	-
Taweelah Asia Power Company PJSC	1,089
Emirates Sembcorp Water and Power Company PJSC	1,490
Fujairah Asia Power Company PJSC	4,129
Ruwais Power Company PJSC	3,203
Sweihan PV Power Company PJSC	-
Shuweihat Asia Power Company PJSC	2,712
Mirfa International Power and Water Company PJSC	3,714
Mirfa 2 RO Water Desalination Company LLC	425
	18,299
International power generation subsidiaries	
TAQA Morocco S.C.A. (formerly Jorf Lasfar Energy Company S.C.A.)	472
Jorf Lasfar Energy Company 5&6 S.A,	2,375
Takoradi International Company	426
	3,273
Total	**21,572**

UAE Power and Water Generation Subsidiaries

Most of TAQA's UAE power generation and water desalination subsidiaries (except for three where the financing has been repaid) and certain of its international power generation subsidiaries are financed by limited recourse project finance conventional loan facilities and, in the case of four subsidiaries, bonds. The conventional loan facilities are subject to inter-creditor arrangements. The facilities to which the UAE generation subsidiaries are party all have substantially similar terms including a right and, in some circumstances, an obligation to prepay the loan in whole or in part. For example, certain insurance proceeds, compensation payments and asset disposal proceeds received by a UAE generation subsidiary are required to be used to prepay these facilities.

Each project financing restricts the ability of the UAE generation subsidiary to make distributions to its shareholders (including repayments of subordinated loans). The restrictions on making distributions include, without limitation, the achievement of a minimum debt service coverage ratio, the achievement of a minimum loan life coverage ratio and no default or potential event of default occurring under the relevant facility agreement, see "*Risk Factors — Financial Risks Relating to the Group — TAQA depends on access to cash flows from its subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects*".

Under each project financing, the UAE generation subsidiary is obliged to open and operate certain onshore and offshore bank accounts. Amounts in the offshore operating accounts must be applied, broadly, in the following order of priority: project costs; operating and maintenance and other capital costs as they fall due; debt service; transfers to the maintenance reserve account; transfers to the debt service reserve account; and distributions to shareholders.

In addition, each project financing imposes a number of positive and negative covenants on the UAE generation subsidiary, including (in most cases) restrictions on creating liens; selling or otherwise disposing of assets; incurring additional debt; changing the general scope of business; entering into mergers or acquisitions or making investments; and amending project agreements.

The project financings are secured by security interests over substantially all the assets of the relevant UAE generation subsidiary and over its shares and other ownership interests.

The events of default under the project financings include (in most cases) a failure to make due payments; misrepresentation; non-compliance with covenants; cross default; insolvency and analogous events; change of control; illegality; termination or breach of certain finance and project documents; loss or material amendment of certain licences; expropriation; non-compliance with minimum debt service coverage ratio and loan life coverage ratio; destruction or abandonment of the project; and any other event or circumstance which has a material adverse effect. In most cases, if an event of default occurs, the facility agent may, and must if so instructed by the majority lenders, accelerate the loan. In most cases, no individual lender can take any independent action to enforce the security for the loan or initiate any other creditor's process without the consent of the majority lenders. As at 31 December 2022, Fujairah Asia Power Company PJSC (**FAPCO**) was in breach of a loan covenant. This covenant breach was a result of a delay in the restructuring of the international shareholder interests in FAPCO. This has been resolved and the debt as at 31 December 2023 is split between current and non-current liabilities in the statement of financial position. There have been no other events of default under any other loans to date.

International Power Generation Subsidiaries

In January 2013, JLEC 5&6 closed a multi-tranche project financing of the expansion. All tranches are governed by a common terms agreement (as used in this paragraph, the Common Terms Agreement) which restricts the ability of JLEC 5&6 to make distributions to shareholders based on factors such as repayment history and a prescribed order of priority for payments. JLEC 5&6 has made a series of positive and negative undertakings under the Common Terms Agreement, ranging from performance of a designated hedging strategy related to both interest rate and foreign exchange rate risk to limitations on other borrowings, loans and guarantees. The Common Terms Agreement subjects the financing to certain customary events of default, such as insolvency and nationalisation, and includes a cross-default clause linked to other financing agreements.

On 26 May 2023, JLEC 5&6 drew down a bridge loan of AED 1,224 million (MAD 3,300 million) to repay the maturing senior loan on 31 May 2023. The bridge loan has since been repaid and long term debt of AED 2,350 million (MAD 6,600 million) was issued in its place with a maturity of 19 years. The debt carries a floating interest rate and incorporates a cap and collar arrangement designed to mitigate exposure to interest rate risk. The initial interest rate, which is fixed annually within defined interest rate boundaries, is set at 4.8 per cent. per annum.

On 7 September 2020, TAQA Morocco completed a Bond issuance subscribed by institutional investors of MAD 2.7 billion at a fixed rate coupon of 3.8 per cent. and with a maturity date of March 2038. The bond issuance was used to refinance existing bank debt.

TICO entered into third-party financing arrangements which closed in November 2012. There are multiple tranches of financing. Although each tranche of financing is subject to certain conditions, all tranches are governed by a common terms agreement (as used in this paragraph, the **Common Terms Agreement**), which restricts the ability of TICO to make distributions to shareholders based on factors such as repayment history and a prescribed order of priority for payments. TICO has made a series of positive and negative undertakings under the Common Terms Agreement, ranging from performance of a designated hedging strategy to limitations on other borrowings, loans and guarantees. The Common Terms Agreement subjects the financing to certain customary events of default, such as insolvency and nationalisation, and includes a cross-default clause linked to other financing agreements.

Debt securities issued

As at 31 December 2023, TAQA had outstanding 11 series of U.S. dollar-denominated fixed rate notes issued under the Programme in an aggregate face amount of U.S.$7,250 million and one series of euro-denominated fixed rate notes with a face amount of €180 million. In addition, at the same date, the Group had U.S.$1,500 million in aggregate face amount of one series of directly issued bonds outstanding, U.S.$1,925.8 million in face amount of bonds issued by Ruwais Power Company, Sweihan PV Power Company PJSC, and Emirates Sembcorp Water & Power Company, all subsidiaries of TAQA, and MAD 2.7 billion in face amount of bonds issued by TAQA Morocco.

The table below summarises the maturity profile of these securities as at 31 December 2023:

Repayment Date	Amount Outstanding as at 31 December 2023
	(AED million)
May 2024[1]	738
May 2024[2]	2,749
April 2025	2,873
June 2026	1,860
June 2026	2,016
April 2028	2,743
January 2029	1,817
February 2029 to August 2035	1,578
April 2030	4,224
April 2033	3,655
August 2036	3,627
October 2036	4,222
March 2038	745
January 2049	2,462
October 2049	2,029
April 2051	2,743
Total	**40,081**

Notes:
(1) On 2 May 2024, the Group's AED 705 million bond (EUR 180 million) matured and was repaid in full.
(2) On 6 May 2024, the Group's AED 2,754 million bond (US $750 million) matured and was repaid in full.

Revolving credit facility

In September 2022, TAQA refinanced its U.S.$3.5 billion multi-currency revolving credit facility with a syndicate of 20 banks. TAQA's original U.S.$3.5 billion facility was signed in December 2019 and was due to expire in December 2024. The refinancing extends the maturity from 2024 to September 2027. Drawings under the new facility bear interest at floating rates determined by reference to SOFR plus a margin. As at 31 December 2023 and 31 March 2024, the Group had no drawings outstanding under this facility.

Repayment Profile

Principal amounts repayable by TAQA and its subsidiaries (before purchase price allocation fair value adjustments and deducting prepaid finance costs) under the conventional loans identified above outstanding as at 31 December 2023 were as follows:

	As at 31 December 2023
	(AED million)
Within 1 year	6,076[1]
Between 1 and 2 years	5,151
Between 2 and 3 years	5,989
Between 3 and 4 years	2,383
Between 4 and 5 years	5,040
After 5 years	36,618
Total	**61,257**

Note:
(1) Includes principal amount of AED 3,487 million bonds outstanding as at 31 December 2023, which were repaid on their respective maturity dates. See Note 21 to the Q1 2024 Interim Financial Statements.

Loans from related parties

As at 31 December 2023, the Group had AED 17 million outstanding in non-current loans from related parties, see note 30 to the FY 2023 Financial Statements.

CONTINGENT LIABILITIES

In addition to its obligations under guarantees and letters of credit entered into in the ordinary course of business, the Group is subject to claims lodged by contractors and consultants relating to its ongoing and completed projects, arising from extension of time and work performed but not paid, and a contingent liability under a bank guarantee in relation to Dutch decommissioning arrangements.

Furthermore, TAQA is subject to potentially significant additional costs in respect of its UK North Sea assets, see "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — The Group could incur significant decommissioning costs in relation to its oil and gas facilities which may be higher than its provisions and may require cash resources beyond those that it generates from its operating activities*". TAQA Bratani Ltd. has entered into decommissioning deeds and other agreements for certain 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. As at 31 December 2023, 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.

For further information, see note 31(iv) to the FY 2023 Financial Statements.

MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, at the end of the reporting period. These estimates and judgements are subject to change based on experience and new information. The financial statement areas that required significant estimates, judgements and assumptions in the preparation of the FY 2023 Financial Statements are summarised in note 2.3 to the FY 2023 Financial Statements.

DISCLOSURES ABOUT RISK

The Group is exposed to a range of different risks, including:

- commodity risk, principally arising from changes in prices for crude oil and natural gas;
- exploration and production risk in relation to its crude oil and natural gas exploration and production activities;
- financial risks arising from changes in foreign currency exchange rates and other market price risks;
- credit risk insofar as its subsidiaries provide water and electricity to a single customer; and
- liquidity risk in connection with the Group's terms of sale.

The following summarises certain aspects of the Group's financial risk management objectives and policies. For additional information, see note 34 to the FY 2023 Financial Statements.

Commodity Price Risk

A significant part of the Group's operating results and financial condition depends on prevailing prices of crude oil, natural gas and natural gas liquids. Historically, these prices have fluctuated widely for many reasons, including:

- global and regional supply and demand, and expectations regarding future supply and demand, for crude oil, natural gas and natural gas liquids;
- weather conditions and natural disasters;
- access to pipelines, railways and other means of transporting crude oil, natural gas and natural gas liquids;
- prices and availability of alternative fuels and sources of energy;
- the ability of the members of OPEC, and of other crude oil producing nations, to set and maintain specified levels of production and prices;

- political, economic and military developments in oil producing regions, particularly the Middle East;
- governmental regulations and actions, including export restrictions and taxes; and
- global and regional economic conditions.

Some of the Group's crude oil, natural gas and natural gas liquids are sold at prices which are either spot prices or are based on monthly average prices. Market prices for export sales of these products are subject to volatile trading patterns in the commodity futures markets. Average selling prices can differ from quoted market prices due to the effects of uneven volume distributions during the period, quality differentials, different delivery terms compared to quoted benchmarks, different conditions in local markets and other factors.

The Group also enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognised and measured at cost when the transactions occur. In 2024, the Group implemented a commodity risk hedging programme in respect of its oil and gas operations in Canada.

World crude oil and natural gas prices have experienced significant volatility during the period under review. See "*Key Factors Affecting Results of Operations and Financial Condition — Oil and gas sales revenue*" above.

Exploration and Production Risk

Exploration for new crude oil and natural gas resources is an integral part of the Group's business and is a high risk endeavour. Exploration projects search for reserves of crude oil and natural gas below the earth's surface and, despite the advanced technology used, it remains difficult to understand petroleum geology at such depths. Whilst considerable geological uncertainty prevails, the acquisition of sufficient data and detailed geological analyses can reduce this uncertainty and exploration risk to acceptable levels. Factors which the Group takes into account when exploring for crude oil and natural gas resources are the probability of success, the potential size of the reserves and the costs involved in exploring and developing the reserves. To minimise the risks associated with these factors, the Group seeks to develop the capability of its exploration teams through knowledge management and exploration and production databases shared within the Group which institutionalise best practice and lessons learned. In addition, the Group uses a peer review process and consensus building to recommend exploration projects for approval. In order to balance reserve growth and risk tolerance, the exploration portfolio is regularly reviewed.

Production risk tends to be associated with ageing production equipment and human error, see "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — Crude oil and natural gas exploration and development activities are subject to inherent risks both from a commercial and operational perspective and the Group's operational risks are increased by the fact that certain of its oil and gas facilities have exceeded their original designed lives*". To address this risk, the Group emphasises risk management at all stages of the production process. Automatic detection and emergency shutdown processes are in place to prevent losses during equipment failures. The Group uses standardised work procedures and operation manuals, together with training programmes, to encourage the adoption of best practices and risk management procedures by its employees. In addition, stringent operational safety assessments are carried out by outside agencies to ensure high standards.

Market Price Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Group's principal market price risks are currency risk and interest rate risk.

Foreign currency exchange risk

The Group conducts operations in 11 countries (excluding operations conducted through Masdar) and reports its consolidated financial statements in UAE dirham. As a result, its results of operations are affected by exchange rate fluctuations between the UAE dirham and other currencies, in particular the Canadian dollar, the euro, the Indian rupee, the Moroccan dirham and the pound sterling. The Group's foreign exchange risk consists of both currency translation risk and currency transaction risk. Each of the Group's operating subsidiaries reports its assets and liabilities and profits and losses in the operating currency of the jurisdiction in which it primarily operates. These amounts, if not reported in UAE dirham, are then translated into UAE dirham for inclusion in the Group's consolidated financial statements at the period average or period-end exchange rates, as the case may be. The translation of these amounts can impact the Group's financial results from period to period and affect their comparability.

A significant portion of the Group's oil and gas revenue is denominated in U.S. dollars. However, because the UAE dirham has been pegged to the U.S. dollar, at a fixed exchange rate of AED 3.6725 = U.S.$1.00 since 22 November 1980, balances in U.S. dollars are not considered to represent significant currency risk. There is, however, no guarantee that the UAE dirham will remain pegged to the U.S. dollar or that it will remain pegged at the same fixed rate of exchange. The Group's UAE and non-UAE generation companies use forward currency contracts to hedge the risk associated with currency fluctuations. With respect to currency derivatives, the Group's policy is to measure these instruments at their fair value, using the spot rate at the year-end as the basis for the fair value measurement with resulting gains or losses being reported within gains less losses arising from dealing in foreign currencies in the consolidated income statement.

As a result of the Group's investments in the Netherlands and Morocco (whose currency is pegged to a basket of currencies comprised predominantly of the euro), it is exposed to currency risk as a result of movements in euro and UAE dirham exchange rates. TAQA seeks to mitigate the effect of the Group's structural currency exposure by borrowing in euro. As a result of its investments in Canada, the Group's balance sheet can also be affected by movements in the Canadian dollar and UAE dirham exchange rates. The Group also has transactional currency exposure mainly in U.S. dollars, sterling, euro and Canadian dollars. It is the Group's policy to have all forward currency contracts in the same currency as the hedged items and not to enter into forward contracts until a firm commitment is in place. It is also the Group's policy to synchronise the terms of the hedge derivatives with the terms of the hedged item to maximise hedge effectiveness.

Based on a sensitivity analysis in note 34(ii) to the FY 2023 Financial Statements, in FY 2023, a 5 per cent. increase in the exchange rate between the dirham and the Canadian dollar, the Euro, the Moroccan dirham, the Indian rupee, and the pound sterling, respectively, with all other variables held constant, would have increased the Group's profit before tax by AED 129 million and (principally through the Group's euro-denominated borrowings) increased its equity by AED 105 million, with a 5 per cent. decrease in the exchange rate having an equal but opposite effect.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations and short-term deposits with floating interest rates. It is the Group's policy to manage its interest costs using a mix of fixed and variable rate debts. To manage this, Group companies enter into interest rate swaps, in which the relevant Group company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated to hedge underlying debt obligations. As at 31 December 2023, after taking into account the effect of interest rate swaps, approximately 99 per cent. of the Group's borrowings are at a fixed rate of interest.

Based on a sensitivity analysis in note 34(i) to the FY 2023 Financial Statements, as at 31 December 2023, an increase in interest rates of 15 basis points (assuming all other variables remained constant) would have reduced the Group's profit in FY 2023 by AED 4 million and increased its equity by AED 33 million. An equivalent decrease in interest rates would have had an equal but opposite effect.

Group companies borrow to support their general corporate purposes including capital expenditure, acquisition financings and working capital needs. Upward fluctuations in interest rates increase the cost of new debt and the interest cost of outstanding variable rate borrowings. Fluctuations in interest rates can also lead to significant fluctuations in the fair value of the Group's debt obligations.

In 2023, the Group transitioned the majority of its term loans to SOFR. The additional fixed spread added was in the range of 0.26 basis points to 0.43 basis points. No other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in IFRS 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate. The remaining term loans in transition are not expected to have materially different contract terms than those already transitioned within the Group.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other form of credit insurance. The Group's two largest customers account for approximately 47 per cent. of outstanding trade receivables and amounts due from related parties as at 31 December 2023. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. All impairment considerations for trade and other receivables are performed using the expected credit loss model. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 19 in the FY 2023 Financial Statements. The Group does not hold collateral as security.

Operating financial assets

The operating financial assets relating to the Group's international generation subsidiaries sell their products to one party, which is typically a governmental entity. These subsidiaries seek to limit their credit risk with respect to a single customer by monitoring outstanding receivables. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at 31 December 2023 is the carrying amounts as disclosed in note 13 in the FY 2023 Financial Statements.

Other financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury in accordance with the Group's policy. Investments of surplus funds are made only with reputable banks and financial institutions. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at 31 December 2023 is the carrying amounts as disclosed in note 20 of the FY 2023 Financial Statements except for derivative financial instruments. The Group's maximum exposure for derivative instruments is disclosed in note 32 of the FY 2023 Financial Statements.

Liquidity Risk

Liquidity risk arises when the maturity of assets and liabilities do not match. TAQA's subsidiaries seek to limit their liquidity risk by monitoring their current financial position in conjunction with their cash flow forecasts on a regular basis to ensure funds are available to meet their commitments for liabilities as they fall due. The generation subsidiaries' terms of sale require amounts to be paid within 30 days of the date of sale. The DisCos bill their customers on a monthly basis. Trade payables are normally settled within 30 days of the date of purchase. In addition to liquidity provided from operating cash flow, the Group has available liquidity through its undrawn revolving credit facilities.

The Group monitors its risk of a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (for example accounts receivable and other assets) and projected cash flow from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and bonds. As at 31 December 2023, 10 per cent. of the Group's debt will mature in less than one year based on the carrying value of borrowings reflected in the FY 2023 Financial Statements.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. There are no regulatory imposed requirements on the level of share capital which the Group has not met. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. On 15 March 2023, TAQA Group's shareholders approved a new dividend policy for 2023-2025. The policy includes a quarterly dividend payment based on a combination of fixed and variable dividends. The variable dividend component will be paid annually and be based on a discretionary percentage of annual net profit from the Oil and Gas business.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Within net debt, the Group includes interest bearing loans and borrowings, Islamic loans, less cash and cash equivalents. Equity includes total equity including non-controlling interests.

As at 31 March 2024 and 31 December 2023, the Group's gearing ratios were 34 per cent. and 35 per cent., respectively.

DESCRIPTION OF THE GROUP

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations". Where stated, financial information in this section of this Prospectus has been extracted from the Financial Statements.

OVERVIEW

TAQA is a leading integrated power and utilities company headquartered in Abu Dhabi, with operations in 11 countries (excluding operations conducted through Masdar) where it also has an oil and gas business, and one of the largest listed integrated utility companies in the EMEA region in terms of market capitalisation and RAV as at 31 March 2024.

The Group's power and water business is vertically-integrated across the utilities value chain, especially in Abu Dhabi, and also operates internationally. This business of the Group has a predominantly regulated or contracted business profile, largely derived from its generation, transmission and distribution assets, which the Group believes helps to ensure stable and predictable cash flows.

In FY 2023, the Group's revenue was AED 51,717 million and it reported a profit for the year of AED 16,820 million. In Q1 2024, the Group's revenue was AED 13,678 million and it reported a profit for the three-month period of AED 2,135 million.

The Group organises its business across four business lines as described below:

- **Generation**: The Group's generation business engages in the ownership, development, acquisition, operation and maintenance of power generation and water desalination facilities.

  In the UAE, the Group owns majority interests in 10 operational gas-fired power generation and water desalination facilities, one renewable power generation and, in multiple remote areas, utilities production units operated through a wholly owned subsidiary. The Group also owns minority interests in the largest desalination plant and the largest solar PV plant in the UAE. Three of its assets in the UAE (comprising one gas fired power generation facility and two water desalination plants) are currently under construction with expected commercial operations to commence between 2025 and 2026. The Group owns majority interests in, and operates power generation facilities in, each of Morocco, India and Ghana. The Group also owns a 50 per cent. interest in a wind farm in the United States. The Group also owns a minority interest in a company which owns and operates an aluminium smelter and related power generation plant in Oman and in a company that owns a co-generation facility in Saudi Arabia. In addition, TAQA has signed project documents with a foreign developer for development, operations and maintenance (on a BOOT basis) of two co-generation projects located in the eastern province of Saudi Arabia for Saudi Aramco, where one is currently under construction and expected to be completed in the third quarter of 2025, while the other is expected to achieve financial close in Q3 2024. Furthermore, TAQA is currently exploring various other efficient thermal power, water desalination and co-generation opportunities.

  As at 31 December 2023, the Group's generation facilities (excluding the 1 GW power generation plant at Sohar Aluminium in Oman but including the Group's minority interest in the Jubail power plant in Saudi Arabia and its 50 per cent. interest in the Lakefield wind farm) had a gross power generation capacity of 17.7 GW (or 10.5 net GW) in the UAE and 3.1 GW (or 2.5 net GW) in operations outside the UAE, 9.8 GW Gross (or 1.4 net GW) in renewables through Masdar and a gross desalinated water production capacity of 1,060 MIGD (or 572 net MIGD).

  In FY 2023, the Group's revenue from external customers derived from its generation business was AED 12,715 million, or 24.6 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its generation business was AED 7,419 million (representing an Adjusted EBITDA margin of 58.3 per cent.), or 37.9 per cent. of its total Adjusted EBITDA in FY 2023. In Q1 2024, the Group's revenue from external customers derived from its generation business was AED 2,937 million, or 21.5 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its generation business was AED 1,849 million (representing an Adjusted EBITDA margin of 63.0 per cent.), or 33.5 per cent. of its total Adjusted EBITDA.

- **Transmission and Distribution**: The Group's transmission and distribution business is the largest of the Group's three businesses.

The Group owns 100 per cent. of TRANSCO, a power and water transmission company which transmits power and water across the whole of Abu Dhabi and to FEWA and SEWA, which serve five of the remaining six emirates in the UAE. It also owns 100 per cent. of each of ADDC and AADC, the sole power and water distribution companies for Abu Dhabi covering the west and central regions (including Abu Dhabi) and the eastern region (including Al Ain), respectively.

In FY 2023, the Group's revenue from external customers derived from its power and water transmission and distribution business was AED 30,954 million, or 59.9 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its transmission and distribution business was AED 8,751 million (representing an Adjusted EBITDA margin of 28.3 per cent), or 44.6 per cent. of its total Adjusted EBITDA in FY 2023. In Q1 2024, the Group's revenue from external customers derived from its power and water transmission and distribution business was AED 8,174 million, or 59.8 per cent. of its total revenue from external customers, and its Adjusted EBITDA from its transmission and distribution business was AED 2,418 million (representing an Adjusted EBITDA margin of 29.6 per cent), or 43.8 per cent. of its total Adjusted EBITDA.

- **Oil and Gas**: The Group is engaged in upstream and midstream oil and gas businesses with its principal operations in Canada, the UK North Sea and the Netherlands. The Group's upstream oil and gas business includes exploration, development and production of crude oil, natural gas and natural gas liquids. The Group's midstream oil and gas business comprises gas storage, oil and gas processing and transport. In FY 2023, the oil and gas business generated revenue from external customers and continuing operations of AED 8,048 million, or 15.6 per cent. of the Group's total revenue, and its Adjusted EBITDA from its oil and gas business continuing operations was AED 4,009 million (representing an Adjusted EBITDA margin of 49.8 per cent), or 20.4 per cent. of the Group's total Adjusted EBITDA in FY 2023. In Q1 2024, the oil and gas business generated revenue from external customers and continuing operations of AED 1,947 million, or 14.2 per cent. of the Group's total revenue, and its Adjusted EBITDA from its oil and gas business continuing operations was AED 876 million (representing an Adjusted EBITDA margin of 45.0 per cent), or 15.9 per cent. of the Group's total Adjusted EBITDA. In FY 2023, the Group's aggregate daily average crude oil, natural gas liquids and natural gas production was 36.1 mboe/d, 10.9 mboe/d and 364.7 mmcf/d, respectively, and 107.8 mboe/d in total. In January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush field in the Kurdistan Region of Iraq. The sale is expected to complete in 2024, subject to fulfilling certain conditions.
- **Sustainable Water Solutions**: The Group is engaged in overseeing the operation and maintenance of wastewater facilities, as well as managing wastewater and sewerage activities in the UAE through its wastewater and sewerage subsidiary, SWS Holding. This is a new segment for TAQA that corresponds with the binding agreement to purchase the entire share capital of SWS Holding. The acquisition date in the Q1 2024 Interim Financial Statements was 1 January 2024, being the date the Group gained control over SWS Holding. From the date of acquisition, SWS Holding contributed AED 620 million of revenue, or 4.5 per cent. of the Group's total revenue, and its Adjusted EBITDA was AED 457 million (representing an Adjusted EBITDA margin of 73.7 per cent.), or 8.3 per cent. of the Group's total Adjusted EBITDA in Q1 2024.

HISTORY

In March 1998, ADWEA was established by the government of Abu Dhabi to implement a major water and electricity sector restructuring, refurbishment and expansion programme in the Emirate of Abu Dhabi. To achieve these goals, ADWEA undertook a partial privatisation programme in relation to a number of its generation assets with a view to reducing power and water costs and increasing fuel efficiency through market competition. Pursuant to this process ADWEA divested 40 per cent. of its interest in each of its generation facilities to consortia formed by international developers such as Marubeni, GDF Suez and International Power. ADWEA subsequently transferred 90 per cent. of its remaining interest in each facility to TAQA as such facility neared completion.

TAQA was established in June 2005 pursuant to the provisions of Emiri Decree (16) of 2005 as a public joint stock company. In August 2005, TAQA's shares were listed on the Abu Dhabi Securities Exchange (the **ADX**).

In 2006, TAQA commenced a process of diversification, transforming the Group through acquisitions from being solely a power generation and water desalination business in the UAE into an internationally operating energy

group that was also active in the upstream (oil and gas exploration and production) and midstream (oil and gas storage and transmission) sectors of the energy industry.

Between 2007 and 2012, TAQA completed a number of acquisitions in the MENA region, India, North America, Europe and elsewhere. Since then, TAQA's primary focus has been on developing its asset base. Due to the sharp decline in international oil prices in the second half of 2014, TAQA undertook a transformation programme in 2015 and 2016 which streamlined the Group's operating model and enhanced corporate and business unit accountability as well as operational efficiencies and safety.

Effective 31 December 2016, TAQA entered into a framework agreement (the **Framework Agreement**) with ADWEA, its then majority shareholder, pursuant to which ADWEA granted TAQA a 99-year leasehold right over certain plots of land in the UAE at a nominal amount. At the date of the transfer, TAQA recorded the fair value of leasehold land amounting to AED 18,682 million, under property plant and equipment, with a corresponding amount recorded as an equity contribution from ADWEA. TAQA's Board issued a resolution to transfer equity contributions amounting to AED 18,682 million to accumulated losses, which was approved at the shareholders' Annual General Meeting held in April 2017.

In 2018, the government of Abu Dhabi issued Law No. 2 of 2018, pursuant to which ADQ was established as a public joint stock company wholly-owned by the Emirate of Abu Dhabi with a mandate to monitor and guide certain government companies in Abu Dhabi, to enable them to achieve excellence in productivity, efficiency and quality.

In February 2018, the Abu Dhabi government established the DoE as a replacement and legal successor to ADWEA and the Regulatory & Services Bureau for the Water and Electricity Sector. Pursuant to the law establishing the DoE, all assets, rights and obligations of ADWEA became those of the DoE in its capacity as ADWEA's legal successor and, as a result, all shares of TAQA held by ADWEA became owned by the DoE. In 2019, the DoE's 75.1 per cent. shareholding in TAQA and the land leased to TAQA were transferred to ADPower, which was wholly-owned by ADQ.

In July 2020, as part of the transaction approved in April 2020 by the shareholders of ADPower and TAQA, in which ADPower contributed the majority of its power and water generation, transmission and distribution assets, including TRANSCO, the two DisCos and additional generation assets, to TAQA by way of a reverse merger for accounting purposes, the lease transaction under the Framework Agreement was terminated and TAQA became a 98.6 per cent. owned subsidiary of ADPower. Accordingly, upon closing of the transaction, Abu Dhabi, through ADQ and ADPower, indirectly owned 98.6 per cent. of TAQA's share capital.

In August 2020, a new strategic direction was announced for TAQA, outlining six strategic imperatives. This also included the role of the "new" TAQA as Abu Dhabi's low carbon power and water champion.

In November 2020 and in accordance with TAQA's articles of association, the Board approved a resolution allowing foreign ownership of up to 49 per cent. in TAQA.

In December 2020, shareholders approved a new progressive dividend policy for the 2020-2022 period. The policy introduced quarterly dividend payments, making TAQA the first UAE-listed company to pay dividends on a quarterly basis.

In March 2021 the Group announced its 2030 strategy focusing on the Group becoming a low carbon power and water champion in the UAE and internationally by way of scaling its renewable energy portfolio and deploying highly efficient RO technology for desalination in order to reduce its exposure to hydrocarbons and overall energy consumption.

In July 2022, TAQA completed a strategic review of its Oil & Gas business and concluded that the vast majority of the portfolio would be retained.

In October 2022, the Group announced its ESG strategy and included interim greenhouse gas emissions reduction goals as a credible step towards achieving its net-zero ambitions by 2050. Under the strategy, TAQA committed to targets including a 25 per cent. reduction of scope 1 and 2 emissions by 2030 across the Group, and a 33 per cent. reduction of UAE portfolio emissions by 2030 compared to the 2019 baseline. The broader ESG strategy is built around six core topics: climate change, water and effluents, occupational health and safety, diversity and equal opportunity, local community engagement and corporate governance. TAQA aims to achieve both quantitative and qualitative ambitions across these focus areas through several new and existing initiatives.

On 8 December 2022, the Group announced the completion of the Masdar transaction, under which the Group, Mubadala and ADNOC became shareholders in Abu Dhabi Future Energy Company PJSC (Masdar) – Abu Dhabi's flagship clean energy company. The Masdar Joint Ventures sees the Group, Mubadala and ADNOC combining their efforts to rapidly grow Masdar on a global scale under an expanded mandate covering renewable power, green hydrogen and other enabling clean energy technologies. For additional information, see "— *Generation Business — UAE Operating Power and Water Generation Assets — Joint Ventures and Strategic Partnerships — Masdar Joint Ventures*."

In 2022, ADPower sold shares representing approximately 8.6 per cent. of TAQA's total issued share capital, resulting in ADPower holding approximately 90.0 per cent. of TAQA's share capital, with the remaining 8.6 per cent. being held by other investors.

In March 2023, shareholders approved a new dividend policy for 2023-2025 period, based on a combination of a fixed utilities dividend and a variable component from TAQA's Oil & Gas business.

On 21 June 2023, TAQA entered into an agreement for the purchase of the entire share capital of SWS Holding. The establishment of SWS Holding was announced in May 2023 with an aim to deliver sustainable water solutions through a focus on resource recovery and water circularity intending to benefit industries and communities. The newly created SWS Holding took ownership of ADSWSC, formerly known as ADSSC, the main entity responsible for all wastewater and sewerage activities in the Emirate of Abu Dhabi.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of TAQA's interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions.

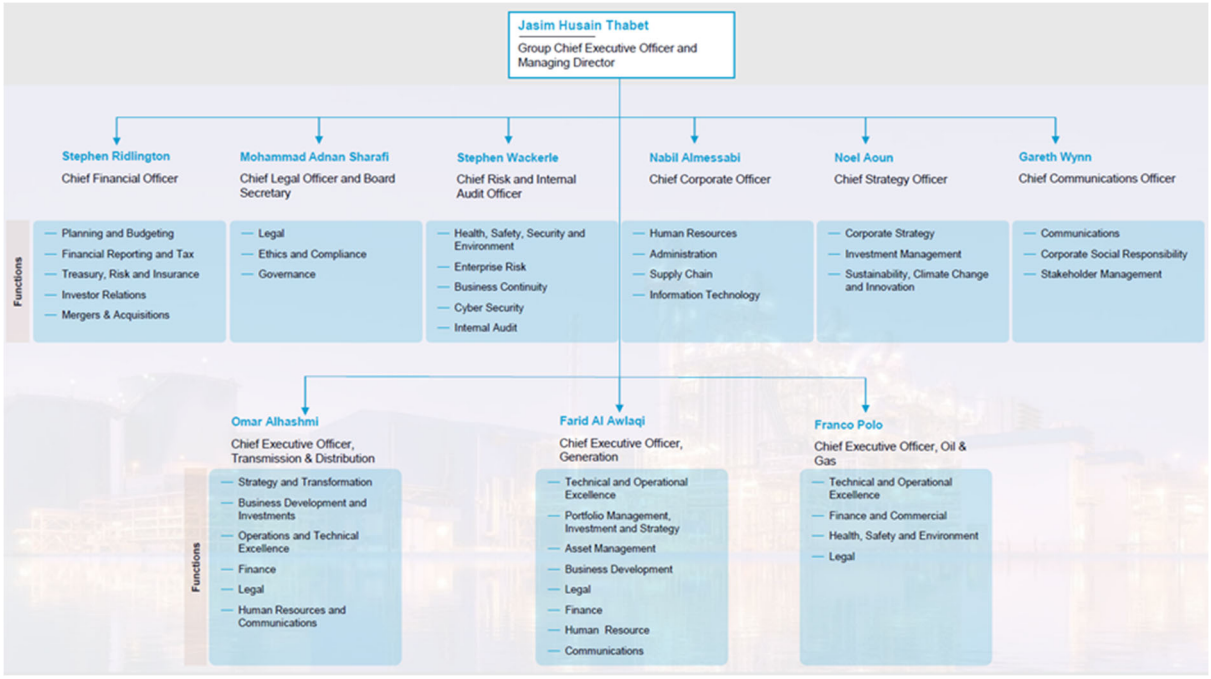
CORPORATE, ORGANISATIONAL AND REPORTING STRUCTURES

The following table sets forth a list of the Group's significant operating subsidiaries, joint ventures and associates and the Group's effective ownership in them as at 31 March 2024:

	Effective ownership (%)	Country of incorporation	Principal activities
FOREIGN SUBSIDIARIES			
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
DOMESTIC SUBSIDIARIES			
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	
Mirfa International Power and Water Company PJSC (MIPCO)	60%	UAE	
Gulf Total Tractebel Power Company PJSC (GTTPC)	60%	UAE	
Sweihan PV Power Company PJSC	60%	UAE	
Shuweihat Asia Power Company PJSC (SAPCO)	60%	UAE	
Arabian Power Company PJSC (APC)	60%	UAE	
Shuweihat CMS International Power Company PJSC (SCIPCO)	60%	UAE	Generation of electricity and the production of desalinated water
Taweelah Asia Power Company PJSC (TAPCO)	70%	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	60%	UAE	Operating & maintenance
Shuweihat Shared Facilities Company LLC	52%	UAE	Operating & maintenance
Abu Dhabi Sustainable Water Solutions Company PJSC	100%	UAE	
Al Wathba Veolia Besix Waste Water Company PJSC	60%	UAE	Sustainable water solutions
Al Etihad Biwater Waste Water Company PJSC	60%	UAE	
ASSOCIATES			
Massar Solutions PJSC	49%	UAE	Lease management
Abu Dhabi Offshore Power Infra Limited LLC	30%	UAE	Transmission of electricity
Jubail Energy Company LLC	25%	KSA	Generation of electricity
Mirfa Seawater Treatment and Supply Local Holding MSTS Company	50%	UAE	Seawater Treatment
Sohar Aluminium Company LLC	40%	Oman	Aluminium smelter
JOINT VENTURES			
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
Tanajib Cogeneration Holding Company Limited	49%	UAE	Generation of electricity
Abu Dhabi Future Energy Company PJSC (Masdar)	43%	UAE	Renewable energy
Abu Dhabi Offshore Power Transmission Company Limited	50%	UAE	Power Transmission

The chart below depicts the Group's business organisation and general reporting lines.

(*Operational reporting lines are under review and accordingly, not presented in the below*)



STRENGTHS

TAQA believes that its key strengths are:

National Champion and One of the Largest Listed Integrated Utility companies in Europe, the Middle East and Africa

The government of Abu Dhabi indirectly owns 90.03 per cent. of TAQA's share capital, and the Group benefits significantly from the strong support, oversight and strategic direction of the Abu Dhabi government.

As at 31 March 2024, the Group was one of the five largest integrated utilities in the EMEA region by market capitalisation and one of the largest integrated utilities in the EMEA region in terms of its RAV. Based on market capitalisation as at 31 March 2024, TAQA was one of the five largest listed entities on the ADX and in the UAE and one of the ten largest listed non-financial institutions in the GCC. As at 31 March 2024, the Group's generation facilities (excluding the 1,000 MW power generation plant at Sohar Aluminium in Oman and Masdar, but including the Group's minority interest in the Jubail power plant in Saudi Arabia, and its 50 per cent. in the Lakefield wind farm) had a gross power generation capacity of 17.7 GW (or 10.5 net GW) in the UAE and 3.1 GW (or 2.5 net GW) in operations outside the UAE, and 9.8 GW (or net 1.40 net GW) in renewables through Masdar and a gross desalinated water production capacity of 1,060 MIGD (or 572 net MIGD). Based on operational and under construction capacities, the Group had a total of 44.99 GW of gross power generation capacity as at 31 March 2024 (including Masdar generation capacity and excluding the 1GW power generation plant at Sohar Aluminium in Oman). The Group's total assets amounted to AED 213 billion (U.S.$58 billion) as at 31 March 2024.

Vertically Integrated Across the Utilities Value Chain, Benefitting from Exclusivity Rights over Strategic Power and Water Infrastructure Assets

In the UAE, the Group operates across the power and water value chain with:

- eleven operating gas-fired and two renewable generation plants, with gross power generation and water desalination capacities of 17.7 GW and 1,060 MIGD (or 10.5 net GW and 572 net MIGD) as at 31 March 2024, respectively. It also has minority interests in one gas-fired power generation plant and two RO water desalination plants under construction, with a combined power generation capacity of 2.50 GW (or 1.00 net GW) and a water desalination capacity of 190 MIGD (or 114 net MIGD). All of the plants sell, or will sell once commissioned, their power and water production under long-term agreements with EWEC, with compensation based primarily on the availability of generation and desalination capacity

or, in the case of the solar power generation plant, on the amount of energy produced. In 2023, the Group supplied most of the power and nearly all of the desalinated water to Abu Dhabi's power and water grids;

- 10,975 km of electricity transmission networks and 3,529 km of water transmission pipelines, which transmitted 59,283 GWh of power and 249,206 MIG of water in 2023, respectively; and
- 12,800 kilometres of an extensive sewer network, 42 treatment plants and 250 pump stations, which contributed to a volume of 340.6 million m^3 of wastewater collected for the year ended 31 December 2023.

Within the UAE, the Group has exclusive rights to a minimum of 40 per cent. shareholding in all EWEC power and water generation projects in the Emirate of Abu Dhabi initiated until 2030. Following the Masdar acquisition, TAQA offers its ownership interests in Abu Dhabi renewable power projects to Masdar. TRANSCO is the sole transmission company in Abu Dhabi and also supplies FEWA and SEWA which serve five of the remaining six emirates in the UAE and interconnects to both Saudi Arabia and Oman across the GCC grid. The Group's two distribution subsidiaries, ADDC and AADC, are the sole distributors of water and power in Abu Dhabi.

With effect from 1 January 2024, the Group's sustainable water solutions subsidiary, SWS Holding, has the exclusive mandate of collecting, treating and disposing of wastewater in Abu Dhabi and Al Ain.

Outside of the UAE, the Group has 3.10 GW of gross power generation capacity (or 2.53 net GW) as at 31 March 2024 (excluding the generation capacity of Masdar, the power generation plant at Sohar Aluminium in Oman but including the Group's interest in the Jubail power plant in Saudi Arabia and the Lakefield wind farm), most of which is contracted. This includes facilities in four countries and the Group's Moroccan generation subsidiary, which is listed on the Casablanca Stock Exchange and which contributes to up to 35 per cent. of Morocco's electricity demands. In addition, the Group owns oil and gas assets in the United Kingdom, the Netherlands and Canada which had net production of 107.8 mboepd in 2023, aggregate gas storage capacity of 4.10 bcm and 2P net reserves of 285 million boe as at 31 December 2023. Reflecting the above, in FY 2023, 75 per cent. of the Group's revenue was derived from the UAE, with Europe, Africa and North America generating 11 per cent. 9 per cent. and 5 per cent. of the Group's revenue, respectively. For the avoidance of doubt, these figures do not reflect data from TAQA Atrush, which was classified as a disposal group held-for-sale and as a discontinued operation as at 31 December 2023 and 31 March 2024.

Highly Predictable and Secure Cash Flow Profile

In Q1 2024, 64.3 per cent. of the Group's revenue was derived from its regulated power and water transmission and distribution and sustainable water solutions businesses in the UAE and a further 21.5 per cent. of the Group's revenue was derived from its contracted power and water generation businesses in the UAE and internationally. In Q1 2024, 52.1 per cent. of the Group's Adjusted EBITDA was derived from its regulated power and water transmission and distribution and sustainable water solutions businesses in the UAE and 33.5 per cent. of its Adjusted EBITDA was derived from its contracted power and water generation businesses in the UAE and internationally. In Q1 2024, the Group had a free cash flow to Adjusted EBITDA ratio of 5.0 per cent.

There is a single regulatory framework in place in Abu Dhabi for the Group's four regulated entities (TRANSCO, the two DisCos and SWS Holding) which the Group believes helps to ensure stable and predictable cash flows.

Long-standing, Transparent and Internationally-aligned Regulatory Framework

The DoE regulates and supervises the energy, water, wastewater and sewerage sectors in Abu Dhabi and its regulatory policies are aligned with the Abu Dhabi government's objectives of guaranteeing supply to customers in line with global levels of service. A stable energy, water, wastewater and sewerage regulatory framework has been in place in Abu Dhabi since 1999 with Regulatory Control Periods typically lasting four years, and the RC2 is expected to last from 2023 to 2026.

Energy, water, wastewater and sewerage regulation in Abu Dhabi is based on a RAV framework with transparent and publicly available regulatory guidelines. The framework is adjusted for each regulatory period with parameters set following a stable methodology that is adopted internationally, including in particular the regulatory weighted average cost of capital, calculated in accordance with a widely used methodology. There has been no major change in the form of the regulatory framework in Abu Dhabi since the current framework was introduced in 1999. The MAR calculation is dominated by a fixed component, and a variable element linked to an output-based revenue driver, which varies from company to company, and then according to sector. In relation to energy and water, the MAR is collected from end users based on Abu Dhabi government-set tariffs with the difference between the MAR and the total amount billed to customers provided by the government of Abu Dhabi

in the form of a subsidy. In relation to wastewater and sewerage, the MAR is provided by the government of Abu Dhabi in the form of a subsidy.

TAQA believes that constant dialogue with the regulator and maintaining a positive relationship with the DoE helps to ensure a continuing optimal regulatory environment in Abu Dhabi.

Strong Abu Dhabi Ties and Fully Aligned with Abu Dhabi Economic Vision 2030 and Other National Initiatives

TAQA believes that the Group is a key asset for Abu Dhabi. It is currently the largest investment in ADQ's portfolio in terms of total assets, it supplies most of the power and nearly all of the desalinated water to Abu Dhabi's power and water grids and it is 90.0 per cent. indirectly owned by the Emirate of Abu Dhabi. TAQA's Board members include executives of ADQ.

The Group contributes to all four of the key goals set in the Abu Dhabi Economic Vision 2030. For example, in terms of economic development, it is a key enabler in the diversification of Abu Dhabi's economy away from its reliance on oil and gas and a key contributor to the economy. In terms of environmental development, renewables comprised approximately 48.2 per cent. of the Group's gross installed generation capacity at the end of Q1 2024. In terms of human capital development, TAQA has one of the highest Emiratisation rates among UAE-listed companies and, in terms of social development, the Group seeks to improve living standards in the local communities in which it operates including in Abu Dhabi through social investments with a meaningful impact. In addition, in October 2022, the Group announced its environmental, social, and governance (**ESG**) strategy to ensure it is aligned with the UAE Net Zero by 2050 strategic initiative. In 2023, the Group updated its ESG strategy, with enhanced targets, to account for the additional opportunities gained from its acquired interest in Masdar.

Positioned to Capture Infrastructure Growth in Abu Dhabi and Grow Outside the Emirate, in particular in Renewables

TAQA believes that the Group is optimally placed to capture potential growth opportunities in the UAE, including playing a key role in delivering the UAE's Energy Strategy 2050. In particular, the Group's interest in Masdar is considered a key stepping stone towards fulfilling the Group's renewable energy strategy with respect to clean energy. Through Masdar, the Group is able to leverage several advantages that it believes are key to unlocking growth domestically and internationally (in particular with respect to renewables): (i) access to capital (exhibited by the three shareholders of Masdar—Mubadala, ADNOC and TAQA); (ii) global footprint (which the Group has the opportunity to scale); and (iii) government support. The Group also intends to continue upgrading its existing power and water transmission and distribution infrastructure as well as expanding it to accommodate growing demand.

In addition, the Group through its four main business lines has a strong competitive and existing presence in certain markets, in particular in the UAE, which has positioned it well for growth through the execution of projects that fit the Group's core competencies, including principally contracted or regulated power and water generation and transmission and distribution opportunities with attractive risk-adjusted returns. The recent acquisition of SWS Holding is an example of this strength, whereby the Group was well-positioned through its existing transmission and distribution businesses and the established regulatory framework to complete the water value chain by adding wastewater treatment, disposal and recycling on top of its already-existing water generation and distribution operations.

Internationally, the Group intends to focus on projects with substantial size that fit the Group's core competencies, principally contracted or regulated power and water generation opportunities with attractive risk-adjusted returns in markets where it has a strong competitive advantage or an existing presence.

STRATEGY

The 2020 Transaction was driven by the strategic objective of consolidating Abu Dhabi's power and water assets to create one of the largest integrated utility companies in the EMEA region and position TAQA as one of the leading global utility companies. Following this combination, TAQA further enhanced its ability to capture growth opportunities in the UAE, including playing a key role in delivering on the UAE's national energy strategy, as well as possessing a more robust capital structure to support selective international growth while paying sustainable dividends to shareholders.

TAQA's purpose is to power a thriving future by efficiently providing sustainable and reliable energy and water to unleash the unlimited potential of people and places.

TAQA's vision is to be a sustainable energy champion and power and water partner of choice for business, government and society. As Abu Dhabi's integrated utilities leader, TAQA aims to build an inspiring tomorrow for its people, its partners and its shareholders. TAQA is positioned at the forefront of the technological innovation needed to deliver the UAE's ambitious energy and environmental goals. Its mission is to innovatively develop, generate, transmit and distribute energy and water efficiently and affordably to the communities and industries that rely on TAQA to thrive. TAQA seeks to leverage its scale, agility and financial strength to be a leading representative of Abu Dhabi's vision of progress, collaboration and a sustainable future.

In March 2021, TAQA announced its 2030 vision for sustainable and profitable growth which unveiled its ambition to become a low carbon power and water champion for Abu Dhabi. TAQA's 2030 Corporate Strategy focuses on two key factors: growth and optimisation, with four underpinning enablers: capability building, financial discipline, ESG and digital & innovation.

- **Growth:** In November 2023, TAQA announced its revised 2030 growth targets. According to these new targets, TAQA aims to (i) increase gross power generation capacity to 150 GW by 2030 (on a standalone basis, to increase TAQA power generation capacity to 50 GW and Masdar's clean generation capacity to 100 GW, both by 2030); (ii) expand renewable energy to comprise more than 65 per cent. of TAQA's power generation portfolio by 2030; (iii) expand highly efficient RO technologies to make up at least two-thirds of its desalination capacity and increase the Group's water generation capacity to 1,300 MIGD by 2030; and (iv) invest AED 75 billion by 2030 towards power and water capacity expansion and UAE-based transmission and distribution networks.
- **Optimisation:** TAQA aims to: (i) achieve operational improvements and smart grid readiness via digitalisation; (ii) reduce exposure to hydrocarbons; and (iii) explore operational efficiencies across assets.

TAQA's ESG strategy is integrated within TAQA's corporate strategy as a key enabler of its corporate goals and ambitions. The ESG strategy is built around six core topics within each of the environment, social and governance pillars: climate change, water and effluents, occupational health and safety, diversity and equal opportunity, local community engagement, and governance. TAQA aims to achieve both quantitative and qualitative ambitions across these focus areas through several new and existing initiatives.

As of the date of this Prospectus, the ESG strategy includes the following ambitions:

- Achieving net-zero scope 1 and 2 GHG emissions by 2050 and **r**eduction of scope 1 and 2 GHG emissions across the Group by 25 per cent. and in the UAE by 33 per cent. by 2030, compared to the 2019 base year (interim goals);
- Enhancement of climate change resilience through reducing risks and increasing adaptive capacity;
- Reduction in energy consumption for water production by expanding efficient RO technology to make up two-thirds of the Group's desalination capacity by 2030;
- Increasing transparency of health, and safety reporting (with a focus on targeting prevention of incidents through a shift in safety culture and approach);
- Focusing on four areas for diversity: gender, age, nationality and people of determination;
- Increasing the proportion of women in management positions to 30 per cent. by 2030;
- Focusing Group CSR efforts on education equality and environment;
- Increasing CSR spend above current levels both nationally and globally; and
- Continuing adoption of governance best practices beyond local regulations and requirements.

In 2023, TAQA continued to improve its ESG performance in accordance with its ESG strategy. The acquisition of Masdar boosted the share of renewables in TAQA's generation portfolio to 45 per cent. Scope 1 and 2 Greenhouse Gas (GHG) emissions decreased by 11 per cent. in 2023 as compared to 2022 and by 19 per cent. as compared to the base year, 2019. Community investment increased to AED 66.7 million in 2023, i.e. by nearly fourfold compared to AED 17.0 million in 2022. TAQA also implemented initiatives to bolster diversity and inclusion, such as refining recruitment processes, upskilling efforts, and establishing a strategic women's network.

The Group's 2030 ESG targets are integrated within TAQA's short and long-term corporate strategy and impact variable compensation schemes for all employees (including the Group CEO and the Executive Management team).

Future results may differ from these targets, and there can be no assurance that such targets will be achieved by the stated deadlines. See *"Information Regarding Forward-Looking Statements*".

TAQA's strategy to achieve its vision and purpose comprises the following pillars:

Integrated, Efficient and Digital

While TAQA's core mandate is to provide sustainable, efficient and reliable power and water in Abu Dhabi and beyond, one of its priorities is to capture synergies across the Group's assets and strengthen the implementation of proven digital solutions to enhance productivity and garner efficiencies. Sharing best practices and capturing synergies across the Group's combined power and water generation assets is expected to lead to improved efficiencies and overall performance levels that match those of leading global utilities. Additionally, the Group also plans to enhance its capabilities in operations, delivery and maintenance as well as on project development to meet its aim of expanding across the entire generation value chain.

Within the Group's network companies, which include the transmission and distribution elements of its integrated value chain in the UAE, TAQA intends to focus on excellence, optimisation and digitisation across the value chain and on capturing operational synergies to create significant additional value.

Finally, with the recent acquisition of SWS Holding, the Group intends to build upon its existing water desalination and distribution operations with the addition of wastewater and sewerage activities, to complete the water value chain and contribute to circularity.

Key Role in Delivering the Transition to Clean Energy in the UAE

TAQA intends to play a key role in delivering the UAE's strategy to transition the power and water sector to a cleaner and more energy-efficient future, creating value for stakeholders in Abu Dhabi and beyond. The UAE has been at the forefront of renewable energy generation, particularly in developing efficient, largescale solar power plants. This position is expected to be further enhanced in line with the UAE's Energy Strategy 2050, which anticipates a significant increase in new renewable power capacity as well as the deployment of highly efficient RO water desalination plants. TAQA's strategy targets expanded use of efficient RO technology to make up two-thirds of its desalination capacity and achieving 1300 MIGD of desalination capacity by 2030 (thereby targeting a reduction in energy consumption), and a focus on renewable energy, particularly solar PV, to comprise more than 65 per cent. of its power generation portfolio by 2030, in line with its targets in 2023.

TAQA aims to leverage the benefits generated from its participation in the Masdar Partnership as well as its exclusivity rights granted in 2020, which allow the Group to participate in all power generation and water desalination projects tendered in Abu Dhabi up to February 2030 with a minimum of 40 per cent. equity stake in EWEC generation projects in the UAE (in which TAQA has agreed to offer its ownership interests in future Abu Dhabi renewable power projects to Masdar). As a result, TAQA expects that by 2030 more than 65 per cent. of the Group's power generation capacity will be derived from renewable energy sources, particularly solar power, and more than two thirds of its water desalination capacity will be produced through RO technology. In addition, TAQA also has exclusive rights over transmission in Abu Dhabi and Northern Emirates and distribution in Abu Dhabi, which it will continue to leverage as part of its optimisation and growth strategies.

Value-added Growth in the UAE and Internationally

While TAQA intends to focus on pursuing growth in its home market of the UAE, the Group is well-positioned to grow opportunities internationally, in particular in renewables. The Group's strategy targets a significant increase in gross power capacity, including increasing its UAE gross power capacity from 30 GW currently to 150 GW of which 100 GW will be for renewables through Masdar. On a standalone basis, TAQA's target will be increasing its gross power capacity to 50 GW by 2030. TAQA intends to apply a disciplined investment strategy, focusing on contracted generation opportunities with attractive risk-adjusted returns. TAQA expects to concentrate on markets where the Group has strong institutional knowledge to appropriately evaluate investment and country risks, and that offer opportunities of a scale that is suited to the Group's requirements and core competencies.

With regard to its combined cycle gas turbines (**CCGT**) and T&D business, the Group has developed a detailed top-down approach to identify attractive market opportunities organically and inorganically via applying specific filtering criteria, including but not limited to: (i) opportunity size, whereby the Group would only target markets where growth potential within solar PV, wind and CCGT would be greater than 10GW by 2030, (ii) regulatory framework, whereby the Group would only target markets with a stable regulatory framework that supports long-term capacity PPAs, and (iii) markets that have investment-grade credit ratings. Additionally, the Group would

also opportunistically consider markets where the Group has an existing platform or strong relationships with the relevant government bodies. Amongst the four main regions targeted for growth using these criteria are (i) GCC, (ii) Middle East & Africa, (iii) Commonwealth of Independent States (CIS), and (iv) wider Asia Pacific region and Europe and North America. The Group's diversification strategy aims to ensure the selection a portfolio of opportunities that maximises return while minimising risk.

TAQA's strategy targets an investment of around AED 75 billion by 2030 towards power and water capacity expansion and UAE based transmission and distribution networks. This target includes the previously committed spend of AED 40 billion between 2021 and 2030 to grow TAQA's UAE transmission and distribution networks. Given the anticipated growth within the generation and transmission and distribution businesses, the Group's existing international oil and gas assets are likely to form a smaller share of its substantial portfolio over time. This is expected to significantly increase the Group's resilience to commodity price volatility and enhance the stability and predictability of its cash flows. Nevertheless, TAQA intends to continue to pursue top quartile operational performance in the oil and gas business, improve operating efficiencies to maximise value.

TAQA is also focused on enhancing its operations and maintenance capabilities, with the intention to grow as not only a developer and owner but also an active operator. As an example, in 2023, TAQA acquired an additional 10 per cent. ownership stake in the Taweelah B IWPP facility, thereby increasing TAQA's overall ownership stake to 70 per cent. Moreover, TAQA also acquired a 25 per cent. ownership stake in Asia Gulf Power Service Company Limited, the O&M contractor for Taweelah B IWPP, underlining TAQA's strategic priorities of expanding its O&M capabilities across its fleet and strategically advancing the company's position to have greater control over the performance of its assets. In addition, TAQA acquired a 40 per cent. ownership stake in the O&M company for each of Mirfa RO 2 and Shuweihat 4.

Financial Strength and Capital Market Access

The Group benefits from a robust financial profile, backed by a healthy capital structure and a high share of predictable cash flows from regulated and long-term contracted assets. In Q1 2024 and FY 2023, nearly 86 per cent. and 85 per cent., respectively of the Group's revenue was generated from long-term off-take contracts or through return-regulated network assets (including SWS Holding from January 1, 2024).

TAQA is focused on maintaining healthy access to the global capital markets and bank financing through continual evaluation and optimisation of debt and equity levels. TAQA also follows a disciplined value-creation strategy to minimise the cost of capital and maximise returns to its shareholders with an ultimate goal of achieving an optimal structure to maximise benefits for all stakeholders. The Group's improved financial profile allows TAQA to provide shareholder returns through both sustainable dividend distributions and significant growth initiatives. TAQA's dividend policy seeks to balance funding growth and rewarding shareholders while maintaining an investment grade credit rating on a standalone basis to maximise value (a key target for the Group). The Group's current dividend policy approved in March 2023 is based on a combination of fixed dividends to be paid quarterly in respect of the Transmission and Distribution and Generation segments, which are expected to be 3.50 fils/share in respect of FY 2024 and 3.75 fils/share in respect of FY 2025, and a variable dividend based on a discretionary percentage of annual net profit from the Oil & Gas segment, paid quarterly.

OVERVIEW OF THE GROUP'S BUSINESS LINES

The Group organises its business across four principal business lines:

- **Generation**, reflecting the Group's power and water generation in the UAE and power generation internationally which, in Q1 2024 and FY 2023, accounted for 21.5 per cent. and 24.6 per cent. of the Group's revenue and accounted for 33.5 per cent. and 37.9 of its Adjusted EBITDA, respectively;
- **Transmission and Distribution**, reflecting the Group's power and water transmission and distribution in the UAE, principally Abu Dhabi, which, in Q1 2024 and FY 2023, accounted for 59.8 per cent. and 59.9 per cent. of the Group's revenue and accounted for 43.8 per cent. and 44.6 per cent. of its Adjusted EBITDA, respectively;
- **Oil and Gas**, reflecting the Group's upstream and midstream oil and gas activities in Canada and Europe from continuing operations which, in Q1 2024 and FY 2023, accounted for 14.2 per cent. and 15.6 per cent. of the Group's revenue and accounted for 15.9 per cent. and 20.5 per cent. of its Adjusted EBITDA, respectively. In January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc for the sale of TAQA's interest in the Atrush field in the Kurdistan Region of Iraq. The sale is subject to obtaining applicable regulatory approvals, but is expected to complete in 2024; and

- **Sustainable Water Solutions**, reflecting the Group's sustainable water solutions activities including the operation and maintenance of wastewater facilities and management of water collection, treatment, supply, and sewerage services in the UAE, which in Q1 2024 accounted for 4.5 per cent. of the Group's revenue and 8.3 per cent. of its Adjusted EBITDA.

Each of these business lines is described below.

GENERATION BUSINESS

In the UAE, TAQA has ownership interests in eleven operating gas-fired power and water co-generation, two renewable and one water desalination facilities in the emirates of Abu Dhabi and Fujairah, which, in FY 2023, supplied most of the power and nearly all of the desalinated water to Abu Dhabi's power and water grids in addition to varying levels of power and water supply to the other emirates. Each of these generation facilities is partially owned by various leading international energy companies. As at 31 March 2024, the Group's UAE power and water facilities had 17.7 GW of gross power generation capacity (or 10.49 net GW) and 1,060 MIGD (or 572 net MIGD) of gross water desalination capacity.

In addition, TAQA has three plants under construction in the UAE, which are expected to add 2.4 GW of combined cycle gas power and 190 MIGD of water desalination, capacity to its generation fleet.

Internationally, TAQA also undertakes power generation activities through its subsidiaries in Morocco, India and Ghana and owns a 50 per cent. interest in the Lakefield wind farm in Minnesota (United States), a 40 per cent. interest in a company which operates an aluminium smelter and associated power generation facility in Oman, and a 25 per cent. interest in co-generation company in Saudi Arabia. As at 31 March 2024, these entities (excluding the facility in Oman) had, on a combined basis, approximately 3.1 GW of gross power generation capacity. TAQA has a power, water and steam co-generation project under construction and located in the eastern province of Saudi Arabia which is expected to supply utilities to Saudi Aramco under a 20 year off-take contract to be completed by August 2025. TAQA has an ownership interest of 29.4 and 40.0 per cent. in the project and its operating entity, respectively. In addition, TAQA has entered into project agreements for another similar co-generation project, but with a smaller capacity, which is expected to achieve financial close and commence construction activities in 2024.

TAQA is currently exploring various other thermal power, water desalination and co-generation opportunities directly while renewables, green hydrogen and other enabling green technology related opportunities will be approached through the newly acquired Masdar platform. See "*—Generation Business — UAE Operating Power and Water Generation Assets — Joint Ventures and Strategic Partnerships — Masdar Joint Ventures*."

Contractual Nature of the Power and Water Generation Business

Almost all of the power generation and/or water desalination facilities in which TAQA currently has an equity interest sell electricity and/or desalinated water to their customers, which are generally state-controlled, under long-term contracted price take-or-pay PPAs or, in the case of most of the UAE facilities, under long-term contracted take-or-pay PWPAs, see "*Summary of Material Contracts — Summary of Certain International Generation Project Agreements"* and "*— Summary of Principal UAE Generation Agreements*". The exceptions are the smelter in Oman, where the power generation facility serves as captive capacity and is part of the smelter, small scale power generation, and water desalination units under the ownership of AMPC, which operate under direct commercial arrangement with ADDC and AADC on short-term rolling contracts.

The take-or-pay pricing of PPAs and PWPAs provides stable cash flow and income over a contractually agreed, long-term timeframe, allowing for limited recourse financing to be used for the development of power generation and water desalination assets. There are generally two components of the Group's PPAs and PWPAs in respect of the contract price, which is commonly referred to as the tariff: (i) a "capacity charge" based on availability of the generation and/or desalination capacity of the facility, which is structured to allow the owner of the facility to recover all of the facility's fixed obligations, such as debt principal and interest payment, normal operating and maintenance costs and the agreed return on equity; and (ii) an "energy charge" based on actual production by the facilities which covers the project company's variable costs, such as certain maintenance costs and fuel costs where fuel is procured by the generators.

Fuel supply for the Group's international facilities is generally provided for under fuel supply agreements (**FSAs**) or in the relevant PPA and, for the Group's UAE facilities fuel is provided by the off-taker under the relevant PPA or PWPA. Fuel costs under the FSAs in Morocco and India are included as part of the energy charge portion of the tariff with adjustment mechanism that largely minimises their exposure to changes in fuel costs.

In addition, PPAs, PWPAs and related agreements provide protection against certain risks to which the project company might be exposed. For example, the tariff component related to operating and maintenance expenditures in all of the operational UAE plants is indexed to the UAE consumer price index for local costs and the US producer price index for foreign costs to protect against inflationary movements.

As a result, the Group's generation business is fundamentally a long-term contracted business with historically stable and predictable cash flow and earnings.

UAE Operating Power and Water Generation Assets

TAQA owns interests in 12 operating UAE power generation and water desalination plants, including two operating renewable solar PV farms. The remaining interest in each of the plants is held by various international partners.

The plants (or the project companies that own the plants) sell all their power and water production (or electricity generation and water desalination capacity) under PPAs, WPAs or PWPAs to EWEC, under which their compensation is based primarily on the availability of generation and desalination capacity, except for the Group's Sweihan PV and Dhafrah PV2, for which compensation is based on the amount of energy produced rather than the availability of generation capacity.

Each plant is managed, operated and maintained by international partners (with the exception of Taweelah B, where the Group holds a 25 per cent. interest in the operator, and Sweihan PV, which is operated and managed by the inhouse O&M team and Dhafrah PV2 which is currently under EPC O&M and after two years is expected to transition to inhouse O&M). Further, for all new EWEC projects, TAQA will have 40 per cent. ownership interest in the operator. For instance, TAQA acquired a 40 per cent. ownership stake in the O&M company for each of Mirfa RO 2 and Shuweihat 4.

All of the plants have been financed with limited recourse project finance facilities, which contain certain covenant packages, including a prohibition on the payment of dividends in certain circumstances, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources —Term loans*".

The table below presents certain power generation and water desalination operational information for TAQA, Masdar and together as of 31 March 2024 further details of which are provided in the text below.

	TAQA		**Masdar**			**TAQA Total**	
	Gross	**Net**	**Gross**	**Net**	**Net to TAQA**	**Gross**	**Net**
Operational							
Power Generation – Conventional (GW)	18.03	11.72	–	–	–	18.03	11.72
Power Generation – Renewables (GW)	2.73	1.30	9.73	3.24	1.39	10.88[(1)]	2.7
Power Generation – Total (GW)	**20.75**	**13.02**	**9.73**	**3.24**	**1.39**	**28.91**	**14.42**
Water Desalination (MIGD)	**1060**	**572**	**–**	**–**	**–**	**1060**	**572**
Under Construction							
Power Generation – Conventional (GW)	3.40	1.26	–	–	–	3.40	1.26
Power Generation – Renewables (GW)			11.76	6.71	2.88	11.76	2.88
Power Generation – Total (GW)	3.40	1.26	11.76	6.71	2.88	15.16	4.14
Water Desalination (MIGD)	190	114	–	–	–	190	114
Operational + Under Construction							
Power Generation – Conventional (GW)	21.42	12.98	0.00	0.00	0.00	21.42	12.98
Power Generation – Renewables (GW)	2.73	1.30	21.49	9.94	4.28	22.64[(1)]	5.58
Power Generation – Total (GW)	24.15	14.28	21.49	9.96	4.28	44.06	18.56
Water Desalination (MIGD)	1250	686	–	–	–	1250	686

Note:

(1) This total has been normalised to account for TAQA and Masdar's joint ownership in Dhafrah PV2 (40 per cent. and 20 per cent, respectively, with the remainder owned by foreign partners) so as to avoid duplication in Dhafrah PV2 generation data in calculating this total.

The table below sets out the key aspects of the Group's UAE power and water facilities as at 31 March 2024, all of which are build, own and operate (**BOO**) facilities.

Facility	Interest[1]	Holding	Partners	Gross / (Net) Power Capacity	Gross / (Net) Water Desalination Capacity	Commercial Operations Date	Expiry[2]
	(%)			(*MW*)	(*MIGD*)		
Taweelah A1	60	Gulf Total Tractebel Power Company	Engie (20%) TOTAL (20%)	1,671 (1,003)	84 (50)	2009	2029
Taweelah B	70[4]	Taweelah Asia Power Company	Marubeni Corporation (14%) Powertek Berhad (10%) Kyuden International Corporation (6%)	2,220 (1,554)	162 (113)	2008	2028
Shuweihat S1	60	Shuweihat CMS International Power Company	Engie (20%) Sumitomo Corporation (20%)	1,615 (969)	101 (61)	2005	2025
Shuweihat S2	60	Ruwais Power Company	Engie (20%) Marubeni Corporation (10%) Osaka (10%)	1,627 (976)	101 (61)	2011	2036
Shuweihat 3	60	Shuweihat Asia Power Company	Sumitomo (20.4%) KEPCO (19.6%)	1,647 (988)	—	2014	2039
Umm al Naar	60	Arabian Power Company	Engie (20%) JERA (20%)	1,670 (1,002)	96 (58)	2007	2027
Fujairah F1	60	Emirates SembCorp Water & Power Company	Sembcorp Gulf (40%)	861 (517)	131 (79)	2009	2035
Fujairah F2	60	Fujairah Asia Power Company	Engie (20%) Marubeni Corporation (20%)	2,114 (1,268)	132 (79)	2011	2031
Al Mirfa	60	Mirfa International Power and Water Company	Sojitz (20%) Engie (20%)	1,702 (1,021)	53 (32)	2017	2042
Sweihan PV	60	Sweihan Energy Holding Company	Marubeni (20%) Jinko Solar (20%)	935[3] (561)	—	2019	2049
Dhafrah PV 2	40	Dhafrah PV2 Energy Company	EDF (20%) Jinko Solar (20%) Masdar (20%)	1,584 (634)	- -	2023	2053
Taweelah RO	20	Taweelah RO Desalination Company	ACWA (40%) Mubadala (20%)	- -	200 (40)	2024	2054
Total				**17,646** **(10,493)**	**1,060** **(572)**		

Notes:
(1) Reflects TAQA's ownership interest in the facility.
(2) Reflects the scheduled PPA/PWPA expiration date.
(3) This is on an alternate current basis; on a direct current (**dc**) basis, the gross power capacity is 1177 MWac (net 706 MWac).
(4) As at 31 March 2024, TAQA's interest in Taweelah B was 70 per cent.

The table below shows the power commercial availability of each of the UAE generation facilities for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
		(%)		
Taweelah A1	100	99.7	99.7	96.0
Taweelah B	94.6	97.5	92.8	94.5
Taweelah RO[1]	98.5	-	-	-
Shuweihat S1	93.2	98.0	99.2	99.8
Shuweihat S2	100	99.8	99.9	99.9
Shuweihat S3	100	94.4	99.1	91.7
Umm al Naar	86.4	92.5	95.8	97.0
Fujairah F1	100	99.9	99.9	99.7
Fujairah F2	100	95.4	95.3	99.6
Al Mirfa	96.0	97.0	98.5	87.0
Sweihan PV	99.9	99.9	99.9	99.9

Note:
(1) Taweelah RO achieved commercial operations which was certified by EWEC on 7 March 2024.

All of the Group's conventional UAE power and water facilities use natural gas as their primary fuel, with the natural gas being supplied by EWEC. The cost of natural gas is not charged to the plants, however, fuel penalty or bonus mechanisms, which are defined in the PPA or PWPA, are owed or due to the plants depending upon the actual efficiency of the plants' fuel consumption. Back-up fuel is contractually required to be maintained by the plants on a "pass-through" basis, therefore the plants directly purchase such backup fuel (in the form of fuel oil purchased from ADNOC) and then pass the cost to the off-taker. Each plant must maintain a seven-day backup fuel oil storage capacity (with the exception of two plants that must maintain larger storage capacities) EWEC

determines the fuel type to be consumed for production by each of the UAE facilities. During periods of low natural gas availability, a plant may be required to use back-up fuel oil for its operations. Such usage is permissible over extended periods, but extensive use over a long period may lead to higher maintenance costs and increased maintenance requirements.

The Dolphin pipeline, operated by DEL, commenced operations in May 2007. The pipeline has a design capacity of 3,200 mmcf/d of natural gas. EWEC is the principal UAE customer for the gas transported from Qatar through the Dolphin pipeline and, as a result, problems related to gas shortages experienced by the UAE generation subsidiaries in the period before the pipeline was built were reduced significantly once the pipeline became fully operational. However, demand for natural gas in the UAE continues to increase and EWEC, as the Group's sole gas procurer in the UAE, continues to face competing priorities and has, in the past, not always been able to make natural gas available to the Group in the quantities required to operate its facilities. In such instances, the UAE conventional generation subsidiaries must rely on back-up fuel to operate their plants.

The Group's Sweihan PV and Dhafrah PV2 are currently TAQA's only operational renewable generation facilities in the UAE, other than the renewables assets operated by the Masdar Joint Ventures as described in "*—Joint Ventures and Strategic Partnerships — Masdar Joint Ventures*" below.

UAE Power and Water Generation Assets under Construction

TAQA has three UAE generation plants under construction. A description of each of these plants is set forth below.

Fujairah F3

TAQA has a 40 per cent. ownership interest in Fujairah Power Company, the project company that is constructing the Fujairah F3 gas-fired plant. Mubadala is the local partner with 20 per cent. ownership interest while foreign partners are Marubeni (20.4 per cent.) and Hokuriku Electric Power Company (19.6 per cent.). The plant is expected to have a gross power capacity of 2,457 MW when completed. The plant is expected to commence commercial operations (PCOD) in 2025, with a 25-year PPA (as further described below).

Mirfa RO 2 Project

TAQA has 60 per cent. ownership interest in the project company of Mirfa RO 2 Projects and 40 per cent. ownership interest in its Operator entity, while the foreign partner Engie has 40 per cent. ownership interest in the Project Company and 60 per cent. ownership interest in the operator entity. The project closed in May 2023 and since then has been under construction. The plant is expected to have gross water desalination capacity of 120 MIGD and expected to achieve PCOD by early 2026.

Shuweihat 4 RO Project

TAQA has 60 per cent. ownership interest in the project company of Shuweihat 4 RO Project and 40 per cent. ownership interest in its Operator entity, while the foreign partner GSInima has 40 per cent. ownership interest in the Project Company and 60 per cent. ownership interest in the operator entity. The project closed in December 2023 and since then has been under construction. The plant is expected to have gross water desalination capacity of 70 MIGD and expected to achieve PCOD by 2026.

The Group's three plants under construction (or the project companies that own the plants) are expected to sell all their power and water production under long-term PPAs or WPAs, as the case may be, with EWEC. The tariff-based compensation arrangements for these projects are similar to those for the majority of the Group's other UAE generation facilities.

The Group is included with 40 per cent. ownership interest in the operating entity of latest EWEC projects and will therefore play a role in the management, operations and maintenance of these plants in partnership with the international JV partner.

Each plant is financed with limited recourse project finance facilities, which contain certain covenant packages, including a prohibition on the payment of dividends in certain circumstances, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources — Term loans*".

The arrangements for fuel supply are expected to be the same as those for the Group's existing conventional generation plants as described above.

Joint Ventures and Strategic Partnerships

Masdar Joint Ventures

On 21 June 2022, the Group, ADNOC and Mubadala entered into binding agreements for the Group and ADNOC to purchase stakes in Masdar from Mubadala. The transaction closed in December 2022, and upon completion the Group acquired a 43 per cent. stake in Masdar's renewables business (with Mubadala and ADNOC holding 33 per cent. and 24 per cent., respectively) and a 24 per cent. effective stake in Masdar's new green hydrogen joint venture (with ADNOC holding a 43 per cent. stake and Mubadala holding a 33 per cent. stake). In connection with the transaction, the Group paid approximately U.S.$1.0 billion for its stake in Masdar. Following the Masdar acquisition, TAQA offers all its ownership interests in Abu Dhabi renewable power projects to Masdar.

The agreements envisage the parties contributing and consolidating their existing project pipeline and resources in renewable energy and green hydrogen under a single Masdar brand, which leverages on the support and strength of all three shareholders to achieve the strategic positioning of Abu Dhabi in renewable energy and its derivatives in both domestic and international markets.

As at 31 March 2024, the Masdar renewables business segment had a combined capacity of 22.4 GW of renewable energy spread across solar PV, solar CSP, on-shore and offshore wind and waste-to-energy, where operational and under construction projects represented 9.8 GW (net 1.40 GW for TAQA) and 5.4 GW (net 1.3 GW for TAQA), respectively, as at 31 March 2024. The Group's share of renewables was approximately 48 per cent. of its gross installed capacity as at 31 March 2024.

The following table sets forth a summary of Masdar's key projects (including operational and under construction) as at 31 March 2024:

Project	Technology	Location	Ownership (%)	Gross (MW)	Net (MW)	Operational Year
London Array	Offshore Wind	UK	20	630	126	2012
Shams	Solar PV	UAE	51	100	51	2013
Tafila	Onshore Wind	Jordan	50	117	59	2015
Dudgeon	Offshore Wind	UK	35	402	141	2017
Hywind	Offshore Wind	UK	25	30	8	2017
DEWA 3	Solar PV	UAE	24	800	192	2018
Dumat Al Jandal	Onshore Wind	KSA	49	400	196	2022
Cibuk	Onshore Wind	Serbia	60	158	95	2019
Baynouna	Solar PV	Jordan	70	200	140	2020
Krnovo	Onshore Wind	Montenegro	49	72	35	2017
Sterling	Onshore Wind	USA	50	30	15	2017
Rocksprings	Onshore Wind	USA	50	149	75	2017
Infinity Platform[(1)]	Solar PV	Africa	49	1,237	412	—
Nur Navoi	Solar PV	Uzbekistan	100	100	100	2021
Maverick 1	Solar PV	USA	50	125	63	2020
Maverick 4	Solar PV	USA	50	100	50	2020
Desert Harvest 1	Solar PV	USA	50	80	40	2020
Desert Harvest 2	Solar PV + BESS	USA	50	105	53	2020
Coyote	Onshore Wind	USA	50	243	122	2021
Las Majadas	Onshore Wind	USA	50	273	137	2021
Grajewo	Onshore Wind	Poland	51	14	7	2022
Mlawa	Onshore Wind	Poland	51	37	19	2022
Sharjah WtE	WtE	UAE	50	30	15	2023
Jeddah South	Solar PV	Saudi Arabia	36	300	108	2023
Cirata Floating	Solar PV	Indonesia	49	145	71	2023
Al Dhafrah PV	Solar PV	UAE	20	1,640	328	2023
Garadagh	Solar PV	Azerbaijan	100	230	230	2024
Pertamina Geothermal	Geothermal	Indonesia	15	1,877	282	2023
Big Beau	Solar PV & BESS	USA	50	168	84	2022
Masdar Operational Capacity				**9,792**	**3,250**	
Zarafshan	Onshore Wind	Uzbekistan	100	500	500	2025
East Rockingham	WtE	Australia	36.7	29	11	2023
Jizzakh	Solar PV	Uzbekistan	100	220	220	2025
Bukhara	Solar PV	Asia & Africa	100	313	313	2025
Samarkand	Solar PV	Uzbekistan	100	220	220	2025
Sherbad	Solar PV	Uzbekistan	100	457	457	2026
Amaala	Solar PV	KSA	43	418	180	2025
Baltic Eagle Offshore	Offshore Wind	Germany	49	476	233	2024
DEWA IV	Solar PV	UAE	40	1,800	720	2025
Al Henikiyah	Solar PV	KSA	36	1,100	396	2025
Arlington - Welkin Road	BESS	UK	90	20	18	2024

Arlington - Royle Barn Road.....	BESS	UK	90	35	32	2024
Masdar Under Construction Capacity				**5,588**	**3,299**	—
Noor Midelt[2]	Solar PV	Morocco	30	400	120	—
Avg-1 PV Tender[2]	Solar PV	Armenia	85	200	170	—
Guzar[2].....	Solar PV+ BESS	Uzbekistan	100	375	375	2025
Al Ajban[2].....	Solar PV	UAE	60	1,500	900	2026
Terra-Gen Projects[3].....	Solar PV + BESS	USA	50	3,699	1850	—
Masdar Committed Projects Capacity				**6,174**	**3,415**	
Masdar Total Capacity				**21,554**	**9,964**	

Source: Masdar
Notes:
*This list is non-exhaustive and only representative of countries and key projects
(1) Masdar's ownership in the Infinity Platform is 49 per cent. The net capacity is calculated based on Masdar's indirect ownership of assets through this platform, which are either wholly owned or in joint venture with other partners with varying levels of ownership interest.
(2) Projects have been awarded and PPAs have been signed.
(3) A binding sale and purchase agreement has been signed to acquire 50 per cent. take in Terra-Gen. Only Terra-Gen's 25 operational and two under construction projects are counted as committed.

International Power Assets

TAQA owns controlling interests in power generation facilities in Morocco, India and Ghana and has a 50 per cent. interest in a windfarm in Minnesota, United States with one other joint venture partner and owns minority interests in an aluminium smelter and related power generation facility in Oman and a co-generation plant in Saudi Arabia.

The table below sets out the key aspects of the Group's interests in international power facilities as at 31 December 2023 that are operated by or through its subsidiaries.

Facility	Location	Interest[1]	Partners	Gross (Net) Power Capacity	Fuel	Off-taker	Expiry[2]	Ownership Type
		(%)		(MW)				
Jorf Lasfar 1- 4..	Morocco	85.8	Minorities	1,356 (1166)	Coal	ONEE	2044	BOT[3]
Jorf Lasfar 5&6.	Morocco	90.6	Minorities	700 (637)	Coal	ONEE	2044	BOOT[4]
Neyveli.....	India	100.0	—	250 (250)	Lignite	TANGEDCO	2032	BOOT
Takoradi	Ghana	90.0	VRA	342 (308)	Tri-fuel	VRA	2040	BOO[5]
Lakefield	U.S.	50.0	Marubeni	206 (103)	Wind Farm	Indianapolis Power & Light Co.	2031	Lease
Jubail.....	KSA	25.0	National Power Company	250 (63)	Natural Gas	SADAF Petrochem	2025	BOOT

Notes:
(1) Reflects TAQA's interest in the facility.
(2) Reflects scheduled PPA expiration.
(3) Build, operate and transfer
(4) Build, own, operate and transfer.
(5) Build, own and operate.

TAQA Morocco

The Jorf Lasfar power plant is a coal-fired plant comprising two 330 MW generation units (units 1 and 2), two 348 MW generation units (units 3 and 4) and two 350 MW generation units (units 5 and 6) located on the Atlantic coast of Morocco. The Jorf Lasfar plant is a major power supplier in the Moroccan market, satisfying up to 35 per cent. of the country's base-load electricity demand in 2022. The Jorf Lasfar facility is owned, operated and maintained by TAQA North Africa.

Under the Jorf Lasfar PPAs, which expire in 2044, all power generation capacity and power generation is sold to ONEE, Morocco's state-owned off-taker. The plant has coal-handling facilities that manage logistics for the landing of coal deliveries received by ship at a neighbouring, purpose-built port. The plant maintains sufficient coal reserves to operate all six units for approximately 35 days without receiving any further shipments of coal. Fuel costs are quasi "pass- through" to ONEE as part of the tariff under the Jorf Lasfar PPA.

The table below shows the power availability (as a percentage of contracted capacity) for the Jorf Lasfar generation facility for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
		(%)		
Jorf Lasfar (units 1 through 4).....	92.1	94.2	92.3	94.7
Jorf Lasfar (units 5 and 6)	96.1	92.6	97.0	89.1

Neyveli (India)

TAQA Neyveli Power Company Pvt Ltd. (**TNPCL**), a 100.0 per cent. owned indirect subsidiary of TAQA, was established in November 1993 to develop, own and operate a 250 MW lignite-fired power plant near an open-cast lignite mine located in Neyveli, Tamil Nadu, India. The facility was developed and constructed by TNPCL and commenced full commercial operations on 15 December 2002. TNPCL sells the entire capacity of the Neyveli plant to TANGEDCO, the local state government-owned utility, under a PPA, which expires in 2032. TNPCL is also responsible for the operation and maintenance of the plant and related facilities.

Fuel (lignite) is supplied by Neyveli Lignite Corporation (**NLC**) under a 30-year fuel supply agreement, with the cost being "pass-through" to TANGEDCO as part of the tariff, see "*Risk Factors — Risks Relating to the Group's Power and Water Generation Businesses — Substantially all of TAQA's generation subsidiaries are dependent on a limited number of customers for almost all of their revenue, and they are also dependent on third-party suppliers*". The power generation facility has a lignite storage capacity of 75,000 metric tonnes with an average lignite stock on hand of 30,000 metric tonnes. In addition, NLC is required to maintain a stock of at least 50,000 metric tonnes at the mine.

The table below shows the power availability (as a percentage of contracted capacity) for the Neyveli generation facility for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021[(1)]
		(%)		
Neyveli	87.8	68.3	81.8	85.0

Note:
(1) In FY 2021 there was an unplanned outage related to repair and maintenance works of the steam turbine that was completed in Q1 2022.

Takoradi (Ghana)

The Group operates a 342 MW combined-cycle tri-fuel compatible (natural gas, fuel oil or distillate/light crude) power plant located at Takoradi, 220km west of Accra, Ghana. TAQA has a 90 per cent. ownership interest in TICO, with the remaining 10 per cent. owned by the Volta River Authority (the **VRA**), which is a state-owned entity. All power produced from the Takoradi facility is sold under a PPA which expires in 2040. The facility commenced commercial operations in 2000. Fuel for the plant is supplied to TICO by the VRA at cost, with these costs being "pass-through" to the VRA as part of the tariff.

The table below shows the power availability (as a percentage of contracted capacity) for the Takoradi generation facility for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
		(%)		
Takoradi	36.4	88.8	84.9	76.3

Note: Takoradi experienced an unplanned steam turbine outage in December 2023 due to technical issues. The repair work is being conducted by the OEM and the insurance cover for the property damage and business interruption has been confirmed. The repairs are expected to be completed by December 2024.

Lakefield – United States of America

The Group holds a 50 per cent. interest in LWP Lessee, which has leased a 205.5 MW operating wind farm located in Lakefield, Minnesota (USA) under a long-term lease agreement, and sells the entire output generated by the wind farm to the Indianapolis Power & Light Company under the terms of a 20-year power purchase agreement expiring in 2031. A US subsidiary of Marubeni Corporation holds the remaining 50 per cent. interest in LWP Lessee.

Jubail — Saudi Arabia

TAQA holds a 25 per cent. interest in the Jubail power plant in Saudi Arabia. National Power Company, a joint venture established by Al-Zamil & Brothers Co. and Elseif Co., holds the remaining 75 per cent. interest in the plant. The Jubail plant is a co-generation facility which has a generation capacity of 250 MW and steam production capacity of 510 tonnes per hour, under the terms of an energy supply agreement ending in 2025. The plant is operated on a BOOT basis with an asset hand-back obligation, for which the Group has already provisioned.

Tanajib Project – Saudi Arabia

On 15 September 2021, TAQA and Marubeni Corporation signed a Water and Electricity Conversion Agreement with Saudi Aramco to develop a greenfield industrial steam, water and electricity co-generation project located in the Eastern Province of Saudi Arabia. Construction of the plant is ongoing and expected to be completed in the third quarter of 2025. Once completed, the plant is expected to provide 940 MW net installed power capacity, 1,084 tons per hour of gross steam capacity and 5.3 MIGD water desalination capacity to Saudi Aramco over a 20-year take or pay off-take contract. TAQA has an ownership interest of 29.4 per cent. and 40.0 per cent. in the project and its operating entity, respectively.

Talimarjan – Uzbekistan

On 10 September 2022, the Group, in partnership with Mubadala, signed agreements to invest in the privatisation of gas-fired generation plants in the Talimarjan power complex of Uzbekistan. The binding agreements anticipate TAQA and Mubadala each acquiring a 40 per cent. ownership interest in and assume the operations and maintenance activities of such power plants. The completion of the transaction is expected in Q4 2024 but remains subject to the satisfaction of certain conditions precedent including obtaining any applicable regulatory and other approvals.

TRANSMISSION AND DISTRIBUTION BUSINESS

Transmission of Power

All power produced by the Group is transmitted in the UAE through the Group's high-tension high voltage transmission grid, which is owned and operated by TRANSCO, a wholly-owned subsidiary of TAQA. Power is carried through a network of transmission lines connected to substations across Abu Dhabi and to SEWA and FEWA which transmit and supply the power and water in Sharjah and the Northern Emirates, respectively. The transmission assets were acquired by the Group from ADPower on 1 July 2020.

The Group's transmission network had approximately 92,535 km of power lines as at 31 December 2023. The transmission network comprises both underground and overhead cables rated from 132 kV to 400 kV. The transmission network consisted of 9,414 km of overhead lines and 1,259 km of underground lines as at 31 December 2023. The Group's transmission lines are all connected to substations which contain transformers and which typically transform the voltage carried from higher to lower levels or vice versa.

The table below shows the classification of the Group's transmission lines and the related number of substations and transformers as at 31 December 2023.

Voltage of transmission lines	No. of substations	No. of transformers	Capacity (MVA)	Length of transmission lines (km)
400 kV	32	80	39,325	5,874
220 kV	49	125	15,370	3,573
132 kV	84	288	17,540	1,226
Other lines	—	—	—	302
Total	**165**	**493**	**72,235**	**10,975**

Transmission system performance is monitored through a number of key performance indicators (**KPI**s) including:

- transmission network unavailability;
- unsupplied energy; and
- transmission system losses.

Transmission network unavailability

System unavailability is defined as the ratio of the unavailable circuit hours to the total system circuit hours. The total unavailability increased to 0.7 per cent. in 2023 from 0.6 per cent. in 2022. The main drivers of the increased unavailability in 2023 were due to additional projects & maintenance related activities that led to increased number of outages hours in 2023. Overall system availability (calculated as 1-unavailability) has been above 99 per cent. since 2016.

Unsupplied energy

The impact of loss of supply resulting from transmission incidents is quantified in terms of unsupplied energy which is calculated by taking into account the size and duration of the demand lost, expressed in MWh. In 2023, service level increased to 12.99 MWh from 16.21 MWh lost in 2022 due to two loss of supply incidents.

Energy transmission system losses

Energy loss in the transmission system is mainly due to heat dissipation as a result of electricity flow in the different parts of the network: overhead lines, cables and transformers. System losses are measured as the difference between the total energy input to the transmission system and total energy output from the transmission system. Transmission losses increased to 2.03 per cent. in 2023 from 1.76 per cent. in 2022. The average system losses for the five-year period from 2019-2023 were 2.05 per cent.

TRANSCO's future growth is expected to increasingly be driven by new investments enabling the energy transition into new production, including nuclear, renewables and RO, which will result in more power to be transmitted and through integration with the Dubai Electricity and Water Agency and the GCC Interconnection Authority and by connecting Emirates Global Aluminium's power intensive facilities in Abu Dhabi directly to the transmission network. Aside from meeting the requirements of transmission users, TRANSCO is also increasingly focusing on realising value from its existing assets, for example by upskilling the workforce, using advanced analytics for predictive maintenance and enhanced processes, for example the ISO55001 physical assets managements framework maturity.

The Load Despatch Centre (**LDC**), which as of 1 January 2022 is owned by EWEC, determines the despatch of electricity across the grid. The operation of the transmission and distribution networks is monitored through a system control centre which utilises a Supervisory Control and Data Acquisition (**SCADA**) system to ensure that a reliable and continuous supply of power is provided to the recipients at the correct frequency and voltage. Under the SCADA system, real-time data is collected by remote terminal units (**RTU**s) and is transmitted to a primary computer at the control centre which processes the data and transmits appropriate commands to the field equipment. This enables the system operator to minimise power outages and interruptions. Following the transfer of the system operator responsibilities and the LDC assets to EWEC as of 1 January 2022 as envisaged under the 2020 Transaction, TRANSCO is responsible as a transmission owner for network planning and development, in-field operation and maintenance of the network assets.

The Group's transmission lines and substations are regularly checked and maintained by its engineers to minimise network losses. The six emirates to which the Group transmits power are fully interconnected through the transmission network. The Group's power grid also connects to Saudi Arabia and Oman.

Strategic Projects

Project to Power and Decarbonise ADNOC's Offshore Operations

In December 2021, the Group announced a strategic project with ADNOC to significantly decarbonise ADNOC's offshore production operations, further strengthening the Group's and ADNOC's position in driving and leading sustainability efforts and supporting the UAE's Energy Strategy 2050. The project involves the development and operation of a state-of-the-art high-voltage, direct current (**HVDC-VSC**) subsea transmission system in the MENA region that will power ADNOC's offshore production operations with cleaner and more efficient energy, delivered through the Group's onshore transmission grid. This project closed on 23 September 2022 and the total cost for this project was $3.8 billion. The project will be funded through a special purpose vehicle that will be jointly owned by the Group and ADNOC (each holding a 30 per cent.) and a consortium comprised of Korea Electric Power Corporation (**KEPCO**), Japan's Kyushu Electric Power Co. and Électricité de France. Led by KEPCO, the consortium will hold a combined 40 per cent. stake in the project on a BOOT basis. The consortium will develop and operate the transmission system alongside the Group and ADNOC, with the full project being returned to ADNOC after 35 years of operation. The plant's expected PCOD is in the second quarter of 2025 and will be outside of the transmission regulatory framework.

Project for Sustainable Water Supply to ADNOC's Onshore Operations

In May 2023, ADNOC and TAQA announced a U.S.$2.2 billion (AED 8.1 billion) project to provide sustainable water supply to ADNOC's onshore operations, reinforcing ADNOC and TAQA's position as responsible energy leaders and underscoring their efforts to drive sustainable initiatives that deliver long-term value. The project is intended to develop a centralised world-class seawater treatment facility and transportation network for operations at the Bab and Bu Hasa fields in Abu Dhabi. This project will replace the current high-salinity, deep aquifer water

systems at the fields, thereby reducing water injection related energy consumption by up to 30 per cent. The project is designed to be connected to the grid and to receive 100 per cent. of its power from clean energy sources.

This project closed in September 2023 and ADNOC and TAQA will jointly hold a 51 per cent. majority stake (25.5 per cent. each) in the Project Company and the remaining 49 per cent. stake has been awarded to a consortium comprised of Orascom Construction and Metito (the **Consortium**). The project is being financed in part by a group of nine local and international banks, with the remaining project costs to be funded by the project sponsors in accordance with their equity share in the project. The Consortium will develop the project on a BOOT basis, with the full project being transferred to ADNOC after 30 years of operation.

Project for Renewable Energy Generation and Cross-Border Export

In April 2023, TAQA invested £25 million in Xlinks First Limited's (**Xlinks**) Morocco-UK Power Project intended to lay the world's longest HVDC-VSC subsea cables between the UK and Morocco, passing Portugal, Spain and France. This project is aimed at addressing the growing demand for firm power capacity by supplying the UK with 3.6 GW of renewable energy-sourced electricity. In collaboration with Xlinks, TAQA aims to construct the world's longest high-voltage direct current (HVDC) subsea cables between the UK and Morocco as part of the Morocco – UK Power Project. This initiative represents a significant stride towards long-distance renewable energy generation and cross-border export projects on a global scale.

Transmission of Water

TRANSCO is also the sole water transmission licensee in the Emirate of Abu Dhabi. It transports large volumes of water from the Group's water desalination companies to the two distribution companies, namely AADC and ADDC. In 2023, the Group's 19,588 km water transmission system carried a peak of 814.85 MIGD of desalinated water through mains pipelines. These pipelines range in size from 100 mm to 1,600 mm in diameter and are made predominantly of cement-lined ductile iron and carbon steel and partly glass-reinforced plastic. The drinking water transmission system comprises 48 pumping stations with a transmission capacity of 3,439 MIGD, 97 reservoirs with a total capacity of 420 MIG, and 13 receiving stations containing 23 reservoirs with a total capacity of 213.5 MIG. Unlike the power network operations, the water network is not operated centrally and remotely in full. Local SCADA systems support operations of different manned pumping stations.

The total quantity of water leaving the network amounted to 249,206 MIG in FY 2023, 254,663 MIG in FY 2022 and 262,436 MIG in FY 2021.

The performance of the water transmission system is monitored through the following KPIs:

- water transmission losses;
- security of supply; and
- system availability.

Water transmission losses

This indicator seeks to identify, monitor and reduce water losses, including both real losses (physical losses) and operational losses (metering inaccuracies). Water transmission loss is measured as the net difference between dispatched water from all producers, including wells, at the defined entry points and the water delivered to the DisCos at the defined exit points. This method also takes into consideration the change in TRANSCO's reservoir water levels. The tolerance threshold for losses is 2 per cent. In FY 2023, FY 2022 and FY 2021, TRANSCO recorded losses of 2.34 per cent., 1.81 per cent., and 2.07 per cent., respectively.

Security of supply

The security of supply indicator investigates any supply shortfalls in meeting the scheduled drinking water quantities. This indicator measures reliability and efficiency, as well as flexibility in reacting to unforeseen demand events. It measures TRANSCO's system ability to cope with unexpected situations that can impact water supply. Scheduled water demands by the DisCos may not be fully met by TRANSCO due to two principal reasons: unpredictable demand events and supply interruptions.

Supply interruptions result from incidents or constraints within the production, transmission and distribution systems. In FY 2023, there were 5 interruptions by TRANSCO causing 18.13 MIG to be unsupplied, while in FY 2022, there were four interruptions by TRANSCO causing 4.95 MIG to be unsupplied and in FY 2021, there was one interruption by TRANSCO causing 4.13 MIG to be unsupplied.

System availability

This indicator determines the main transmission system components (pumps, transmission lines and storage tanks) that are either operational or in stand-by mode. Components that do not meet this definition are classed as unavailable. Transmission system availability was 97.8 per cent. in FY 2023, 97.8 per cent. in FY 2022 and 97.4 per cent. in FY 2021.

Distribution of Power

The Group's distribution business is responsible for the low voltage (33kV, 22 kV and 11 kV) power lines that distribute power from the transmission system to homes and businesses. The distribution assets were acquired by the Group from ADPower on 1 July 2020. The table below shows the number of customer connections and certain asset statistics for each of the two DisCos as at the end of the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
ADDC				
Number of connected customers	450,654	445,982	435,296	418,919
Number of primary substations	327	325	310	303
Number of distribution substations.....	22,466	22,216	21,276	20,847
Length of power lines (*km*).....	51,563	51,034	49,641	47,833
AADC				
Number of connected customers	166,653	165,898	163,241	160,551
Number of primary substations	181	181	176	177
Number of distribution substations.....	17,945	17,412	16,324	16,676
Length of power lines (*km*).....	30,564	30,525	28,699	29,250

The peak demand load of ADDC grew by 9.1 per cent. to 7,431 MW in FY 2023, from 6,811 MW in FY 2022, which was in turn an increase of 3.0 per cent. from 6,614 MW in FY 2021. The peak demand load of AADC grew by 5.8 per cent. to 2,744 MW in FY 2023 from 2,593 MW in FY 2022, which was in turn an increase of 2.2 per cent. from 2,500 MW in FY 2021.

The performance of the distribution system in terms of efficiency and quality is monitored through customer interruptions and system losses KPIs.

Customer interruptions

SAIDI, the System Average Interruption Duration Index, is calculated as the sum of customer minutes lost experienced during the year due to interruptions in the network divided by the number of customers. It gives an indication of the average duration of interruption experienced by a customer over the year.

SAIFI, the System Average Interruption Frequency Index, is calculated as the sum of the number of customers affected by interruptions during the year divided by the number of customers. It gives an indication of the average number of interruptions experienced by a customer over the year.

While these two KPIs measure averages over the year, any major interruptions that have a large contribution to SAIDI and SAIFI are reportable under the Incident Reporting Regulations and investigated.

The table below shows the SAIDI and SAIFI figures for each DisCo for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
SAIDI				
ADDC (*minutes per customer*).....	10.44	68.6	84.1	81.4
AADC (*minutes per customer*).....	12.70	74.43	81.8	80.2
SAIFI				
ADDC (*interruptions per customer*)	0.13	0.80	0.86	0.93
AADC (*interruptions per customer*)	0.12	0.80	0.89	0.80

In FY 2023, SAIDI figures for ADDC decreased by 19 per cent. from the FY 2022 figures due to increase of planned maintenance related outages. The FY 2022 SAIDI figures for ADDC had improved considerably as compared to those for FY 2021 due to the significant reduction in maintenance activities linked with the completion of the overhead headline performance improvement programme in addition to enhanced planning capabilities.

In FY 2023, SAIDI figures for AADC decreased by 9 per cent. from FY 2022 due to increase of planned maintenance related outages. The FY 2022 SAIDI figures for AADC improved considerably as compared to those for FY 2021 as a result of anterior network replacement activities thus increasing network reliability and performance. The SAIFI figures for AADC decreased in FY 2023.

Electricity losses

Electricity losses are measured by the difference between the units entering the system and those leaving it. In the case of distribution, the measurement is distorted by the billing and meter-reading cycle of both DisCos' customers and, therefore, show significant year-on-year variations. Losses for ADDC decreased to 4.4 per cent. in 2023 from 6.0 per cent. in 2022 and 5.4 per cent. in 2021, in proportion to growth of the Group's networks, due to the continuous improvement on the network attained in connection with ADDC loss reduction initiatives in addition to the minimal impact of the pandemic during 2022. Losses for AADC decreased to 6.0 per cent. in 2023 from 7.4 per cent. in 2022 and 7.5 per cent. in 2021 due to natural increases in consumption of active customers, improved meter readings and improvements in billing processes.

Distribution of Water

The Group's distribution systems distribute water from the transmission system to the end users. The total length of the distribution system operated by AADC and ADDC is 19,588 km and is predominantly composed of cement-lined ductile iron pipelines ranging in diameter from 80 mm to 1,200 mm, with high density polyethylene pipelines also increasingly being employed. The network comprises a total of 40 pumping stations with an overall capacity of 99 MIGD and 79 reservoirs with total capacity of 81 MIG.

The table below shows the number of customers and certain asset statistics for each of the two DisCos as at the end of the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
ADDC				
Number of water customers.....	371,129	366,090	355,610	341,162
Number of pumping stations	34	34	33	35
Capacity of pumping stations (*MIGD*)	52.48	52.48	34	54.8
Length of pipelines (*km*).....	9,637	9,612	9,535	9,434
Number of reservoirs.....	67	67	68	71
Capacity of reservoirs (*MIGD*).....	54.82	54.82	37	37.58
AADC				
Number of water customers.....	103,192	102,477	99,696	96,807
Number of pumping stations	6	6	7	7
Capacity of pumping stations (*MIGD*)	47	47	51	51
Length of pipelines (*km*).....	5,221	5,205	5,286	5,088
Number of reservoirs.....	12	12	16	16
Capacity of reservoirs (*MIGD*).....	26	26	29	29

In FY 2023, the average daily water supplied by TRANSCO to ADDC for distribution was 170,354 MIG and to AADC for distribution was 50,486 MIG, based on weekly averages. In FY 2023, the total water supplied by the DisCos was 225,286 MIG compared to 210,905 MIG in FY 2022 and 207,201 MIG in FY 2021.

Metering, Tariffs and Charges in the Distribution Business

Metering

The distribution business is also responsible for metering customers' consumption, billing and collection of payments alongside a range of other customer service functions. Both DisCos have been early adopters of smart meter technology within the region. These smart meters, combined with strong communication infrastructure, provide more accurate and automated meter readings on a timely basis. Benefits of this technology include enabling time-of-use tariffs, ensuring prompt and accurate billing, while providing valuable insights based on hourly consumption profiles for purposes ranging from demand forecasting to influencing customer behaviour and encouraging energy and water efficiency. Currently, the two DisCos are undertaking a project to upgrade the communications infrastructure used to connect these smart meters, in partnership with a local telecommunications provider. This project aims to provide the DisCos with a highly scalable AMI (Automated Meter Infrastructure)-As-A-Service platform which will remain up-to-date with future developments in the telecommunications industry. The Group is targeting 100 per cent. connectivity to customer meters by the end of 2024.

Consumption tariffs

Prices for the supply of water and electricity are set, and the process of customer price setting is managed, by the Government and regulated by the DoE.

The process of customer price setting by the DoE starts with the calculation of cost-reflective tariffs, which are set to recover the full cost of distribution and supply, including a reasonable rate of return for the DisCos. The cost-reflective tariffs also reflect the costs to serve different categories of customers, such as residential, commercial and industrial. The tariffs are determined based on forecasts of future costs and demand provided by the DisCos. The Government has chosen to subsidise consumption by certain customer categories, and in these cases the end user tariff is set at a lower level than the fully cost-reflective tariff. In other cases, the cost-reflective tariff is passed directly through to end customers.

The DisCos bill their customers on a monthly basis, while the other operating revenue is invoiced directly to the DoF (under the subsidy arrangements described above). End user prices are set on a per unit basis. Customers are charged a unit rate per kilowatt-hour for electricity and per cubic meter for water. There is a small number of customers who are not connected to the distribution network (less than 1 per cent. for each DisCo) and these are supplied by tankers and are charged a fixed monthly amount for their water consumption.

Connection charges

The DisCos are permitted to charge for new connections for electricity and water supply and their charges in this respect are subject to the regulator's approval.

Customers in the Distribution Business

The table below shows the number of power and water customers for each DisCo in 2023.

	ADDC	AADC	Total
Power customers	445,982	165,898	611,880
Water customers	366,090	102,477	468,567
Total	**812,072**	**268,375**	**1,080,447**

In 2023, the Group supplied 64,835 GWh of power and 225,286 MIG of water to its customers, an increase of respectively 9.8 per cent. (for power) and 7 per cent. (for water) consumption compared to 2022.

The table below shows the distribution of power and water sales across the Group's customer segments for the periods indicated. The Group divides its power and water customers into five categories: residential; commercial; industrial; governmental; and agricultural.

	Q1 2024	FY 2023	FY 2022	FY 2021
Power (*GWh*)				
Residential	1,956	15,480	14,699	14,533
Commercial	4,513	23,577	20,864	19,906
Industrial	4,169	18,300	18,265	16,489
Governmental	726	3,647	3,500	3,474
Agricultural	699	3,830	1,955	1,991
Total	**12,062**	**64,835**	**59,283**	**56,393**
Water (*MIG*)				
Residential	22,608	99,231	98,707	99,841
Commercial	10,685	36,363	36,349	34,525
Industrial	1,435	6,180	33,188	27,001
Governmental	7,240	30,180	12,827	13,506
Agricultural	11,580	53,332	29,834	32,328
Total	**53,549**	**225,286**	**210,905**	**207,201**

Network Plan in the Power and Water Transmission and Distribution Business

In January 2023, the Group completed the laying of approximately 150 km of pipeline delivering approximately 85 million MIGD of recycled water to 4,000 farms across Abu Dhabi, Dubai and Al Ain. In partnership with the Abu Dhabi Environment Agency, the Group is also preparing to expand its network in the vicinity of LIWA to

supply the equivalent of 128 million MIGD of desalinated water. The project aims to lay a total of 2,121 km of transmission and distribution pipeline to connect a newly built RO plant from Mirfa to approximately 7,600 farms across LIWA. The Group also plans to develop a new power and water distribution network to connect to Al Yasar Island in the Western Region of Abu Dhabi and to continue to upgrade and replace its existing network, mainly in the Central Region of Abu Dhabi.

OIL AND GAS BUSINESS

The Group is engaged in upstream and midstream oil and gas businesses in Canada, the UK North Sea, the Netherlands and the Kurdistan Region of Iraq. The Group's upstream business includes exploration, development and production of crude oil, natural gas and natural gas liquids, and its midstream business comprises gas storage facilities, processing plants, pipeline interests and associated assets.

Upstream Exploration and Production

The Group's Canadian operations are located in the western provinces of Alberta, British Columbia, Saskatchewan and Manitoba. The Group's European operations consist of assets in the UK North Sea and the Netherlands (both onshore and offshore). The Group's Iraqi operations consist of an operating interest in the Atrush Block in the Kurdistan Region of Iraq. On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of TAQA's interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions.

The Group's exploration and production strategy is focused on optimising the return from its existing asset base. The Group continues to invest in improving and enhancing infrastructure, creating safer facilities with more facility uptime, as well as greater operational and cost efficiency.

Another important element of the Group's upstream strategy is the use of optimised drilling and completion technologies, as well as disciplined and focused exploration techniques, which enable it to develop and produce crude oil and natural gas more efficiently.

Exploration and development activities

The Group is involved in both exploration (the search for crude oil and natural gas) and development (the bringing into production of wells). The Group's exploration operations include aerial surveys, geological and geophysical studies (such as seismic surveys), drilling of wildcat wells, core testing and well logging.

Seismic surveys involve recording and measuring the rate of transmission of shock waves through the earth with a seismograph. Upon striking rock formations, the waves are reflected back to the seismograph. The time lapse is a measure of the depth of the formation. The rate at which waves are transmitted varies with the medium through which they pass. Seismic surveys may either be three-dimensional or two-dimensional surveys, the former type generally giving a better and more detailed picture and the latter a better overall picture.

Analysis of the data produced allows the Group to formulate a picture of the underground strata to enable it to form a view as to whether there are any leads or prospects. "**Leads**" are preliminary interpretations of geological and geophysical information that may or may not lead to prospects, and "**prospects**" are geological structures likely to be conducive to the production of crude oil and natural gas. The actual existence of oil and gas must be confirmed, usually by the drilling of a wildcat well. If the wildcat well confirms the prospect (that is, is considered "successful"), the Group may then drill a delineation (or appraisal) well to acquire more detailed data on the reservoir formation. Once hydrocarbons are proven to be present in commercially recoverable quantities, or the delineation well is successful, development wells may be drilled to prepare for production. An area is considered to be developed when it has a well on it capable of producing oil or gas in paying quantities.

Reserves and production

The Group evaluates and categorises its hydrocarbon reserves in accordance with the Society of Petroleum Engineer's Petroleum Resources Management System (**SPE-PRMS**), as per the Group's Reserves and Resources Policy. As per SPE-PRMS:

- **proved** reserves are quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods and government regulations; and

- **probable** reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves.

The summation of the proved and the probable reserves represents the best estimate reserves where it is equally likely that the actual remaining quantities recovered will be greater than or less than the estimated proved plus probable reserves or **2P**. Proved and probable reserves include developed and undeveloped reserves categories. The Group's annual oil and gas reserves and resources review process includes an external audit process conducted by appropriately qualified parties.

Reserves information may be reported on a gross, net (or working interest) or entitlement basis. The Group's Canadian and European reserves are reported in this document on a net basis. The Group's Kurdistan Region of Iraq operations are governed by a PSC. In PSC regimes, contracts of various types replace conventional tax-royalty systems, and in these cases reserves are reported on an entitlement basis, which means that the reserves are estimated based on a formula specified in the contract terms incorporating project costs, project profits, and carried tax treatments.

The Group's total net proved and probable reserves of crude oil, natural gas liquids and natural gas as at 31 December 2023 were 285.1 mmboe. The Group's overall reserves replacement ratios (including acquisitions) in FY 2023, FY 2022 and FY 2021 were 80 per cent., 107 per cent. and 81 per cent., respectively. The Group's reserves replacement ratio is the ratio of additions to 2P reserves in a period divided by production in that period. A reserves replacement ratio of less than 100 per cent. indicates declining reserves. See "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — The Group may fail to replace its current oil and gas reserves*".

Canada — properties

The Group's Canadian oil and gas business is focused on conventional oil and gas production in the Western Canadian sedimentary basin, creating efficiencies in development while at the same time strengthening existing operating capabilities. As at 31 December 2023, the Group had approximately 0.663 million net producing acres with approximately a further 0.813 million net acres of non-producing land. TAQA's strategy is to realise the full potential of this land base through focused, efficient execution of exploration and development of selected core areas coupled with a phased exit from non-core areas and assets. In 2021, the Group in Canada completed a series of non-core asset dispositions for a combined consideration of U.S.$20 million and a U.S.$140 million reduction in asset retirement obligations associated with approximately 6,000 gross wellbores.

Crude oil and natural gas leases held by the Group in Canada have been acquired by public auction from the Crown (the provinces of Alberta, British Columbia, Saskatchewan and Manitoba) or acquired from private freehold owners by direct negotiation. Crown leases, which comprise the majority of the leases held by the Group in Canada, typically have terms of five years and then revert back to the Crown. If a lease is proven productive at the end of its five-year term (for example, by drilling, mapping or producing), the lease continues beyond its five-year term until the holder can no longer prove that the lease is capable of producing oil and gas or is lost through rental or royalty payment default or by voluntary surrender.

The Group manages its leases to ensure that all properties are reviewed for development potential and either drilled or sold or are attempted to be farmed out in advance of the expiry dates of the leases. Economic conditions required to develop the leases are based on meeting internal rates of return.

Canada — reserves and production

As at 31 December 2023, the Group had net proven plus probable reserves in Canada of 270 mmboe consisting of 1,084 bcf of natural gas and 89 mmbbls of oil and natural gas liquids.

The table below gives details of the Group's net reserves in Canada as at 31 December 2023.

	Crude oil	**Natural gas liquids**	**Natural gas**	**Barrels of oil equivalent**
	(mmbbls)	*(mmbbls)*	*(bcf)*[1]	*(mmboe)*
Proved reserves	32	21	642	160
Probable reserves	24	12	442	110
Total reserves	56	33	1084	270

Notes:
(1) Figures can be converted into barrels of oil equivalent by dividing by six.

The Group's Canadian reserves replacement ratios in FY 2023, FY 2022, and FY 2021 were 125 per cent., 145 per cent. and 129 per cent., respectively.

In 2023, the Canadian properties produced on average net 72.62 mboe/d of crude oil, natural gas liquids and natural gas, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Results of Operations and Financial Condition — Oil and gas sales revenue*".

The Group has entered into a range of sale agreements in relation to its Canadian crude oil and natural gas production. The pricing mechanism for these agreements is generally based on the spot price for the relevant commodity at the time of delivery to the purchaser. The majority of natural gas is sold on an annual term, and on an index basis. For FY 2023, the Group's Canadian operations have forward sold approximately 35 per cent. of its oil and gas sales prices through fixed price contracts with their principal off-takers. Produced gas is delivered onto four pipeline systems (NGTL, TCPL, Mainline, Alliance and Westcoast) and is sold at the respective market centre price index. Under the Group's market diversification strategy, approximately 65 per cent. of the Group's Canadian gas is sold into the Alberta AECO gas market. The balance of the Group's Canadian gas flows to other market hubs including Eastern Canada (Dawn), Henry Hub, Chicago and Southern California.

Most of the Group's Canadian crude oil production is sold on the basis of 30-day evergreen contracts based on the price of crude oil set by the oil industry's exchange traded monthly weighted average indices. The Group's natural gas liquid production is marketed on a one or multi-year term and participates also in differentials to benchmark pricing. Realised prices are further adjusted for quality, transportation, and/or processing fees.

In addition to its Canadian oil and gas reserves, in FY 2023 the Group's largest operated and non-operated working interest gas production facilities in Canada were:

Facility	Location	Capacity	Throughput
		(Net, *mmcf/d*)	
Sunchild Gas Plant	Alberta	130	115
East Crossfield Sour Gas Facility	Alberta	39	8
Sundre Gas Facility with Liquids Recovery	Alberta	35	25
Bearberry Gas Facility	Alberta	50	17
Whitecourt Gas Facility	Alberta	27	3
Valhalla Gas Facility	Alberta	19	30
Ferrier Gas Facility	Alberta	13	15
Sand Creek Gas Facility	Alberta	18	17

Capacity reflects the Group capacity in the facility and is stated as design capacity. Throughput reflects the amount of gas that passes through the particular facility and does not include any third-party gas flowing through the facility. Some of these facilities are shut-in for economic reasons or flows have been consolidated at other nearby plants. Capital deployment in these areas in recent years has been limited to maintenance and base management capital, which translates to low throughput.

Europe — properties

In Europe, the Group's areas of exploration and production are the UK North Sea (offshore) as well as the Netherlands (onshore and offshore). The Group's licences in relation to its UK North Sea Assets have varying terms depending on the type of interest held. Typically, the Group is responsible for a portion (based on its licence equity share) of the decommissioning costs in relation to platforms, pipelines, sites and wells, see "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — The Group could incur significant decommissioning costs in relation to its oil and gas facilities which may be higher than its provisions and may require cash resources beyond those that it generates from its operating activities*".

The table below shows the working interest in the Group's European crude oil and natural gas assets as at 31 March 2024 and identifies the operator of each asset.

Asset	Oil/Gas	TAQA Working Interest[1]	Operator
UK North Sea		(%)	
North Cormorant	Oil	100	TAQA Bratani
Cormorant Alpha	Oil	100	TAQA Bratani
Eider	Oil	100	TAQA Bratani
Tern	Oil	100	TAQA Bratani
Pelican	Oil	100	TAQA Bratani
Kestrel	Oil	100	TAQA Bratani
Hudson	Oil	100[3]	TAQA Bratani
Otter	Oil	100	TAQA Bratani
Falcon	Oil	100	TAQA Bratani
Cormorant East	Oil	60	TAQA Bratani
Brent System Pipeline	Oil	16	TAQA Bratani
Sullom Voe Terminal	Oil	25	Enquest
Cladhan	Oil	100[3]	TAQA Bratani
Brae — Block 16/7a	Oil	76.2	TAQA Bratani
East Brae	Oil/Gas	79.3	TAQA Bratani
Braemar	Oil/Gas	87.8	TAQA Bratani
Harding	Oil	70	TAQA Bratani
Maclure	Oil/Gas	37.0	Total E&P
Devenick	Oil/Gas	88.7[2]	TAQA Bratani
SAGE Pipeline	Gas	38.1	SAGE North Sea Limited (Ancala)
SAGE Terminal	Gas	38.1	SAGE North Sea Limited (Ancala)
Netherlands onshore			
PARA (Groet Oost) Onshore	Gas	80	TAQA Energy
PARA (Middelie) Onshore	Gas	14-60[4]	TAQA Energy
Bergen onshore	Gas	36	TAQA Energy
Westbeemster	Gas	8	NAM
Netherlands North Sea			
P/15 and P/18 offshore	Gas	18-75[4]	TAQA Energy
Rijn Field	Oil	38.3	TAQA Energy
Q16 Maas	Gas	9.8	ONE-Dyas
M7	Gas	5	ONE-Dyas
F3FB	Gas	23.4	Neptune Energy
G14	Gas	2-4[4]	Neptune Energy
A/B	Gas	3.9	Petrogas
Q1 Block	Gas	9–12[4]	Wintershall
P11	Gas	30	ONE-Dyas
Q13-Amstel	Oil	10	ONE-Dyas
Discovery appraisal			
F17	Oil	5	Wintershall

Notes:

(1) Rounded to one decimal place where appropriate.

(2) Following partner withdrawal from the Revenue Sharing agreement, TAQA operational and revenue equity is per above, but for decommissioning expenditure the equity drops down to 17.7 per cent.

(3) The equity relates to operational and revenues following partner withdrawal through to cessation of production. A new decommissioning agreement covers decommissioning phase where the TAQA interest reverts back to the previous share of 26.7 per cent. on Hudson and 64.5 per cent. on Cladhan.

(4) Certain of TAQA's working interests in this table are presented in ranges, rather than an absolute figure. This is due to variances in the operational arrangements with JV partners for certain wells within larger oil fields.

Europe — reserves and production

The UK North Sea properties had net proven plus probable reserves of 11.2 mmboe as at 31 December 2023, consisting of 9.5 mmbbls of crude oil and natural gas liquids, and 10.7 bcf of natural gas. The Netherlands' net proven plus probable reserves were 4.0 mmboe as at 31 December 2023, consisting of 20.2 bcf of natural gas and 0.6 mmbbls of crude oil and natural gas liquids.

The table below gives details of the Group's net reserves in the UK North Sea and the Netherlands as at 31 December 2023.

	Crude oil	Natural gas liquids	Natural gas	Barrels of oil equivalent
	(mmbbls)	*(mmbbls)*	*(bcf)*	*(mmboe)*
UK North Sea				
Proved reserves	7.2	0.2	9.2	8.9
Probable reserves	2.0	0/1	1.5	2.3
Total UK North Sea reserves	9.2	0.3	10.7	11.2
The Netherlands				
Proved reserves	0.3	0.1	12.0	2.4
Probable reserves	0.2	0.1	8.2	1.5
Total Netherlands reserves	0.5	0.2	20.2	4.1

The Group's UK 2P net reserves replacement ratios (including acquisitions) in FY 2023, FY 2022 and FY 2021 were 13 per cent., 77 per cent. and 131 per cent., respectively. The Group's net reserves replacement ratios in the Netherlands FY 2023, FY in 2022 and FY 2021 were 15 per cent., 84 per cent. and 49 per cent., respectively. In FY 2023, the Group's UK properties produced on average net 32.3 mboe/d and its properties in the Netherlands produced on average net 2.9 mboe/d.

Approximately 82 per cent. of the Group's UK North Sea production is crude oil, with the balance being natural gas liquids and natural gas. In the Netherlands, approximately 85 per cent. of the Group's production is natural gas, with the remainder being crude oil.

The Group has five main annual sale agreements in place in relation to its UK North Sea production, four of which relate to crude oil production with a pricing mechanism related to the average monthly Platts' price for Brent crude and Forties crude, and one relates to its natural gas production. The Group's UK natural gas production is mainly sold at a price based on the daily average National Balancing Point for each day's production. The Group's Netherlands' crude oil production is partly sold under an agreement where the price is based on monthly average Brent prices and partly sold under an agreement where the price is based on Brent spot. The Group's Netherlands natural gas production is mainly sold at a price based on the normalised index price (**NIP**), which is calculated from the month's average Title Transfer Facility (**TTF**) pricing (spot market), a virtual trading point for Natural gas in the Netherlands.

The P18 platform and seven related wells are part of the TAQA operated P15-P18 assets on the Netherlands continental shelf, approximately 20km off the coast of The Hague. These assets will be transferred to the Porthos consortium, which consists of state participations from Gasunie NV, EBN BV, and the Port of Rotterdam Authority, for the development of a Carbon Capture & Storage Project. TAQA will not participate in the Porthos project but will provide services during construction and the early years of operation. The P18 licence owners will be compensated for any reserves that are left in the ground at the time of transfer, which will occur before the first injection of CO2. The Porthos project reached the Final Investment Decision in October 2023, and the injection of CO2 is expected to begin by early 2026.

Kurdistan Region of Iraq — Properties

The Group has a 47.4 per cent. working interest in the Atrush Block in the Kurdistan Republic of Iraq and its operator.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of TAQA's interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions.

The Atrush Block covers roughly 270 km^2 and is located in the Taurus Mountains approximately 90 km northwest of the city of Erbil. Partners in the venture are General Exploration Partners Inc., and the KRG. The interests in the block are governed by a PSC which was originally executed in 2007.

Midstream Oil and Gas Storage, Processing and Transport

The Group's midstream business consists of gas storage and oil and gas processing and transport (pipeline interests) assets in Europe and North America.

The Netherlands midstream assets

PGI Alkmaar

PGI Alkmaar is a peak shaving natural gas storage facility operated by the Group, with a working volume of 0.5 bcm. The Group has a 36 per cent. interest in the facility, with the other stakeholders being EBN B.V. (**EBN**), an entity controlled by the Dutch government which has a 40 per cent. interest in the facility, and RockRose (NL) CS1 B.V. and Dana Petroleum Netherlands B.V., each of which has a 12 per cent. interest in the facility. PGI Alkmaar was the first peak shaver in The Netherlands designed and built specifically to provide security of supply using stored natural gas. PGI Alkmaar is designed to meet peak demand in the west of the Netherlands during winter and to meet emergency natural gas supply requirements in the event of network interruptions.

All of the cushion gas in the PGI Alkmaar facility is owned by EBN. The Group has a long-term peak shaving contract with GasTerra, which has been extended until April 2025, with an annual option for GasTerra to end the contract on three years' notice. GasTerra operates on the European energy market and has a significant share of the Dutch gas market. The Dutch government has a 50 per cent. stake in GasTerra directly and through EBN.

Bergermeer

The GSB facility, in which the Group holds a 60 per cent. stake, is a storage facility formed from the conversion by the Group and its partner, EBN B.V., of the nearly depleted Bergermeer gas field into one of northwest Europe's largest open access underground gas storage facilities, with a working volume of 4.3 bcm (or 48.1 TWh). Bergermeer is critical for continued gas supply in the Netherlands.

The Group is the operator of the GSB facility, which has a potential service life of 40-50 years. The GSB facility is an open access natural gas storage facility, which means that the majority of the storage capacity is made available to the market through negotiated third-party access rights.

Full commercial operation at the GSB project commenced in April 2015. The pricing of capacity sold in the GSB facility is principally subject to the spread between the summer period and winter period TTF gas prices. In 2023, GSB has been declared as critical energy infrastructure by the government of Netherlands.

GE LLC has delivered a defined amount of cushion gas for injection into the Bergermeer reservoir in exchange for capacity rights. Cushion gas is critical to ensure that the reservoir has the optimal pressure to perform commercial storage operations. On 25 February 2023, the EU introduced restrictions prohibiting the provision of gas storage capacity in the EU to certain Russian persons and entities, including GE. See also —"*Risk Factors — Political and Regulatory Risks — Non-compliance with anti-corruption, anti-bribery, anti-money laundering and counter-terrorism financing, and economic and trade sanctions could expose the Group to legal liability and negatively affect its reputation and business, financial condition, results of operations and prospects*".

To comply with the EU minimum fill levels of gas storage, the Dutch government has appointed EBN (state participation in GSB) as the designated party to ensure that the mandatory fill levels are met. EBN has engaged TAQA through a Filling Services Agreement to provide services to EBN for the filling of the gas storage to the required level. The contract between EBN and TAQA in 2022 was for one year but has been extended for Storage Years 2023 and 2024, currently ending April 2025.

UK North Sea terminals and the Brent system

The Group has an interest in two non-operated terminal facilities in the UK North Sea comprising: (i) a 24.7 per cent. interest in the Sullom Voe oil terminal (operated by Enquest); and (ii) a 38.1 per cent. interest in the SAGE gas plant (operated by Ancala).

The Sullom Voe oil terminal is a 1,000-acre site that contains 16 storage tanks with 9.6 mmbbls of total capacity. It also connects to three oil pipelines flowing from the northern North Sea — the Brent system, Ninian and Clair — and to two gas pipelines. The site has a throughput design capacity of 1.4 mmbbls/d.

The SAGE gas plant is currently capable of handling approximately 17 per cent. of the UK's gas demand and has a throughput capacity of 1,150 mscf/d.

The Group is the operator of the Brent pipeline system, in which the Group has a 16 per cent. interest. The Brent pipeline system is responsible for transporting around 21,000 bbls/d of oil from 11 North Sea fields, to the Sullom Voe oil terminal. The pipeline is due to cease operations during the second half of 2024 as the remaining user fields production ceases.

SUSTAINABLE WATER SOLUTIONS

The Group operates its wastewater and sewerage business through its wholly-owned subsidiary SWS Holding. SWS Holding is a leading company specialising in sustainable water solutions, which include the collection, treatment, disposal and reuse of wastewater from residential, commercial and industrial customers in the Emirate of Abu Dhabi and Al Ain. For FY 2023, SWS Holding collected 340.6 million m^3 wastewater volumes through its sewer network of 12,800 kms, and the 42 treatment plants and 250 pump stations which it operates.

The Group's main asset base in this business line is broadly categorised into the following activities, which correspond to licensed activities:

- Wastewater Collection;
- Wastewater Treatment; and
- Recycled Water Disposal.

Wastewater Collection

The Group operates and maintains a wastewater collection network and collects a wide range of wastewater from households, industrial and service sector customers.

Wastewater Treatment

Once collected, the wastewater flow is treated across 42 treatment plants. Over 90 per cent. of the wastewater is treated in one of the five major plants; Al Wathba 1, Al Wathba 2 and Mafraq, which serve Abu Dhabi, and Al Saad and Allhamah, which serve Al Ain. These plants are owned and operated, on a BOOT basis, by SWS Al Wathba Veolia Besix Wasterwater Company P.J.S.C. and Al Etihad Biwater Company PJSC, each of which is 60 per cent. indirectly owned by SWS Holding. ADSWSC is the sole off-taker for the capacity made available by these plants pursuant to long-term sewage treatment agreements, costs for which it is in turn reimbursed on a pass-through basis by the DisCos.

The Group's overall wastewater treatment capacity is approximately 1.3 million cubic metres per day and reached an utilisation rate above 70 per cent. for the year ended 31 December 2023. SWS has engaged in discussions to build a third Independent Sewerage Treatment Plant in Abu Dhabi to cater to population growth and the city expansion. Any such decision to proceed with further ISTPs would be subject to agreement with the DoE.

Recycled Water

The treated water, which is considered a bio-product obtained from the Group's treatment plants is then recycled and is currently principally used mainly for landscaping and irrigation purposes or sold to ADDC and AADC.

Bio-solids

The bio-solids derived from the Group's treatment plants (the **Bio-solids**) are then sent to approved landfill areas. The Group is currently working on a Bio-solids strategy that aims to achieve a full reuse of the Bio-solids generated from the five major sewage treatment plants, with the intention to reduce disposal of the Bio-solids in landfills.

Strategic Tunnel Enhancement Program (STEP)

STEP is a unique sustainable solution completed in 2018 to accommodate the projected demands in the Emirate of Abu Dhabi for flow and distribution management from the island, mainland and neighbouring islands. The tunnel is considered to be one of the longest descending waste tunnels in the world and the programme consists of three main elements:

- 41 km of deep sewer tunnel which became fully operational in 2021;
- 45 km of smaller diameter link sewers to transport the wastewater to the Group's treatment plants; and
- a main pumping station with maximum capacity is situated at the end of the deep tunnel. The link sewers are designed to relieve the existing main collector system and eliminate the need for up to 35 existing pumping stations, which are nearing capacity and require extensive maintenance.

The treated sewage effluent is then returned to metropolitan area for irrigation purposes.

OTHER INVESTMENTS

Sohar Aluminium — Oman

TAQA owns 40 per cent. of Sohar Aluminium, a company established in Oman. Sohar Aluminium owns and operates an aluminium smelter in Oman that currently produces approximately 395,000 tonnes of aluminium per year. Sohar Aluminium also owns and operates a captive 1,000 MW power generation facility with the output from the facility dedicated to the smelter and the option to exchange unused capacity held in reserve with the operator of the Omani electrical distribution grid subject to dispatch request and requirement for aluminium production.

Massar Solutions – United Arab Emirates

TAQA holds a 49 per cent. ownership interest in Massar Solutions. The remaining 51 per cent. ownership interest and management responsibility in respect of Massar Solutions are owned by Abu Dhabi Investment Company (Invest AD). Massar Solutions is engaged in providing support services such as vehicle leasing and maintenance, heating and air conditioning, and equipment leasing to electricity generation and water desalination plants and other businesses in the UAE.

ADNOC Gas – United Arab Emirates

TAQA owns 5 per cent. of ADNOC Gas, a company established in UAE and listed on the Abu Dhabi Securities Exchange. ADNOC Gas is a large-scale integrated gas processing company operating across the gas value chain. The company markets its products to end-customers in over 20 countries and supplies approximately 60 per cent. of the UAE's sales gas (methane) needs. It has a nameplate gas processing capacity of 10 bscfd (accessed directly and indirectly) and liquid processing capacity of 29 mtpa.

HEALTH, SAFETY, SECURITY, ENVIRONMENTAL REGULATIONS AND COMPLIANCE

TAQA is committed to health, safety, security and environmental (**HSSE**) performance. TAQA strives to achieve its goals of no harm to people, provide a safe and secure workplace, and demonstrate respect for the natural environment by minimising its operational impacts.

Through TAQA's worldwide network of HSSE staff, TAQA assures the application of consistent HSSE management oversight, cohesive policies, key processes, and performance reporting during the acquisition, integration/optimisation, project design/construction, and operational phases of TAQA's business.

Ensuring the health, safety and security of its employees and environmental compliance are operational priorities for the Group. The Group has dedicated HSSE personnel, both at its headquarters in Abu Dhabi and throughout businesses it operates through the subsidiaries controlled by it. This principle applies where TAQA's HSSE Policy and HSSE Management System, the Commitment to Operational Excellence, is implemented in assets operated by TAQA. Applying relevant TAQA standards, policies, procedures and requirements occurs in those assets where TAQA exercises operational control. Where assets are operated by others or where TAQA is in joint venture, TAQA influences and monitors the operator through the board and other formal mechanisms to comply with laws and regulations and maintain standards, policies, procedures and requirements equivalent to TAQA's. Specific elements of the Group's commitment to HSSE include:

- ensuring compliance with all applicable HSSE related laws and regulations through specific HSSE policies, procedures and guidelines, including those tailored for specific business units;
- adoption of, and compliance with, international and industry standards and best practices;
- building and enhancing an HSSE compliance culture where all Group personnel from managers to workers are committed to, and accountable for, compliance with the Group's HSSE policies and procedures;
- empowering employees to identify, investigate and resolve underlying causes of HSSE incidents and near misses;
- providing sufficient resources, training, equipment and controls to ensure a safe and secure working environment;
- seeking opportunities to mitigate the Group's impact on the environments in which it operates, including energy and resources conservation in its operations;
- ensuring the security of the Group's assets, business activities, employees and other stakeholders;

- conducting regular audits and assessments to evaluate compliance with global HSSE standards, processes and regulatory requirements;
- supporting the development and acquisition activities of the Group through participation in due diligence and post-transaction integration/optimisation activities regarding HSSE matters; and
- communicating openly with all stakeholders regarding the Group's HSSE performance.

TAQA strives for continuous improvement by regularly tracking and reviewing HSSE-related information on fines, notices, violations, environmental expenditure, reserves for remediation and other relevant matters.

The Group monitors a number of lagging HSSE KPIs, including recordable injury rates per 1 million man hours and reportable spills (determined in accordance with local regulations).

Additionally, an enhanced suite of leading indicators is also used to ensure TAQA continues to take appropriate proactive action to prevent incidents from occurring.

The table below shows these KPIs for the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
Recordable injury rate (*per 1 million man hours*)				
Generation	0.00	0.78	0.00	0.41
Transmission and distribution	0.09	0.27	0.20	0.12
Oil and gas	0.95	1.38	1.79	1.90
Group	0.25	0.54	0.53	0.55
Reportable spills (*number*)				
Generation	0	1	1	2
Transmission and distribution	0	0	–	–
Oil and gas	2	19	27	35
Group	2	20	28	37
Lost time injury (*number*)				
Generation	0	3	–	2
Transmission and distribution	1	11	4	2
Oil and gas	0	4	11	7
Group	1	18	15	11

The following summarises significant recent HSSE performance affecting the Group:

- No fatalities occurred in 2023 and TAQA delivered a similar HSSE performance with the Group Recordable Injury Rate (RIR) of 0.54 at the end of 2023 compared to the RIR of 0.53 for 2022. The total number of Recordable Injuries increased from 27 to 31 in 2023, and included an increase in Lost Time Injuries (most severe category of non-fatal injuries) from 15 to 18. The increase in manhour activity (i.e., increase of 12 per cent. to 57.38 million manhours) observed from 2022 to 2023 influenced the injury rate, due to the increased proportion of higher intensity work.
- Regarding process safety performance, five incidents occurred in 2023 that could have resulted in fatal accidents. All incidents were fully investigated, and corrective actions implemented mainly in relation to improved work control practices to prevent reoccurrence. Fire incidents increased from 9 in 2022 to 12 fires in 2023 (all minor), and 20 uncontained spills were reported in 2023, which is lower than the 28 reported in 2022. Total volume released decreased from 18,257 litres to 17,498 litres, with a 5,000-litre crude oil spill reported in Canada in Q2 2023 largely accounting for the recorded increase.

In 2024, TAQA intends to leverage the momentum gained during 2023 to deliver further progress on its HSSE goal of preventing adverse incidents. Key activities include:

- Continued development and implementation of new HSSE standards across the Group, following the issuing of 17 new safety and environmental standards in 2023;
- Implementing a Protective Security Management Framework, ensuring a common process is followed for identifying, assessing and managing Protective Security risks to TAQA's personnel, operations, and assets.
- Implementation of the environmental strategy and roadmap intended to enhance TAQA's environment management system, which is executed through the alignment of the Corporate HSSE system (COE

Commitment to Operational Excellence), additional Group environmental standards and attainment of further ISO14001 accreditations;

- Embedding of previously deployed enhancements, including tools, to GHG emissions measurement and reporting;
- Execution of enhanced communications and engagements that include dedicated health, safety and environment events across the Group's global businesses and the increased sharing of alerts and learnings from previous incidents;
- Delivery of the 2024 HSSE continual improvement plans for each operated asset within the Group's Generation business and the implementation of improvement opportunities identified during the independent HSSE review conducted across the Oil and Gas business in 2023. In addition, the next phases of the Group's HSE transformation initiative for the Transmission and Distribution segment will continue during the year;
- Continuing to embed the transformation programme that was agreed with the Group's UAE IWPPs (non-operated assets), where the Group works closely with its external partners to drive improvement in risk management and HSSE performance in line with existing governance arrangements; and
- Enhancing the existing suite of both leading and lagging HSSE KPIs reported across the Group, with additional or modified safety and environmental metrics introduced in support of continuous improvement efforts, ensuring alignment with established sustainability reporting standards.

Greenhouse Gas Emissions Monitoring and Reduction

TAQA is committed to playing an active role in the UAE's emissions reduction journey, including the national net-zero by 2050 strategic initiative. In line with the UAE's 2050 Net Zero Strategy, TAQA announced in 2020 its commitment to Net Zero by 2050. In 2022, TAQA made public its interim 2030 scope 1 and scope 2 Greenhouse Gas (GHG) emissions reduction targets within the UAE and globally. TAQA is committed to a 25 per cent. reduction of scope 1 and 2 emissions by 2030 across the Group, incorporating a 33 per cent. reduction of UAE portfolio emissions compared to a 2019 base year. This places TAQA as one of the first energy majors in the region to set an ambitious absolute reduction target compared to the usual practice in the region of establishing targets based on intensity or against business-as-usual scenarios.

TAQA GHG emissions reporting tool captures activity data on scope 1 and scope 2 emissions (i.e. the direct emissions from its primary production, generation or distribution activities and emissions associated with the electricity it purchases).

TAQA's total scope 1 and 2 GHG emissions in 2022 amounted to 57.19 million tons of CO2-equivalent, a decline of over 8 per cent. compared to 2021. The GHG emissions have been consolidated as per GHG Protocol's financial control approach. The GHG intensity based on revenue is 4,187 tons of CO2-equivalent per USD million, a decline of over 17 per cent. compared to 2021. The below table provides a breakdown of TAQA's GHG emissions across the business lines for the periods indicated:

	Q1 2024	**2023**	**2022**	**2021**
		(*million tCO2e unless otherwise indicated*)		
Scope 1 and 2	**13.89**	**49.23**	**57.19**	**62.45**
Generation UAE	6.20	32.25	38.43	43.07
Generation International	7.17	15.10	16.50	17.14
Transmission & Distribution	0.02	0.08	0.06	0.08
Oil & Gas	0.49	1.80	2.19	2.16
Scope 1	**13.82**	**48.98**	**57.00**	**62.27**
Generation UAE	6.20	32.25	38.43	43.07
Generation International	7.13	14.99	16.42	17.03
Transmission & Distribution	0.02	0.08	0.06	0.08
Oil & Gas	0.47	1.67	2.09	2.09
Scope 2	**0.07**	**0.25**	**0.19**	**0.18**
Generation UAE	0	0	0	0
Generation International	0.04	0.12	0.09	0.11
Transmission & Distribution	0	0	0	0
Oil & Gas	0.03	0.13	0.10	0.07
GHG emissions intensity (Scope 1 & 2)				
Revenue (Group) (*tCO2e / U.S.$ million*)	-	3,494	4,101	4,951
Global Generation including water (*tCO2e / MWh*)	-	0.564	0.564	0.578
Global Generation excluding water (*tCO2e / MWh*)	-	0.4633	0.44	0.460
International Generation (*tCO2e / MWh*)	-	0.756	0.769	0.859

	Q1 2024	2023	2022	2021
		(*million tCO2e unless otherwise indicated*)		
UAE Generation including water (*tCO2e / MWh*).....	-	0.504	0.510	0.513
Global Generation excluding water (*tCO2e / MWh*)	-	0.372	0.381	0.369
Oil and Gas (*tCO2e / mboe*).....	-	44.77	49.77	45.18

Note: Scope 1 and 2 GHG emissions have obtained limited assurance for the years 2019 to 2023. GHG intensity for global generation (excluding water) and GHG intensity for oil & gas production have also obtained limited assurance for 2023. Restatements have been made to certain prior year figures following results of quality checks. The Group is of the view that these changes are insignificant. Emissions data from operations conducted pursuant to the Red Oak tolling agreement which ended in Q3 2022 is excluded from the portfolio for previous years i.e. 2019 to 2022.

Among the four business segments, TAQA's Generation activities account for the highest share of GHG emissions, at 96 per cent. of the Group's total scope 1 and 2 emissions in 2023.

TAQA's GHG emissions reduced by 11 per cent. in 2023 compared to 2022 and by 19 per cent. compared to base year 2019. The largest contribution to the reductions is attributed to the UAE Generation, which reduced its emissions by 14 per cent. in 2023 compared to 2022 and 25 per cent. compared to base year 2019. International Generation emissions reduced by about 4 per cent. and 8 per cent. in 2023 when compared to 2022 and base year 2019, respectively. Oil and Gas emissions have also reduced by 20 per cent. and 13 per cent. in 2023 when compared to 2022 and base year 2019, respectively. The import of energy and the associated scope 2 emissions are insignificant for TAQA.

The following provides additional detail regarding GHG emissions for each of the Group's business lines:

- **Generation (UAE)**: The key contributing factors to the Group's reduction in UAE Generation emissions have been the increasing share of nuclear and solar energy in the system, which in turn have resulted in decreasing the production from TAQA's gas-fired plants. While the share of clean energy (nuclear and solar) in the grid increased from 0.3 per cent. in 2019 to 38.3 per cent. in 2023, the share of gas-based generation reduced from 99.7 per cent. to 61.7 per cent. during the same period. The reduction in gas usage during the same period was 23 per cent. which has led to a reduction of nearly 25 per cent. in GHG emissions during the same period.

  The remaining 2 per cent. reduction out of the total 25 per cent. reduction was due to the decoupling of water from electricity production associated with the increase in RO technology in the system in recent years.

  The solar energy from TAQA's solar plants Noor PV1 and Dhafrah PV2 generated a total of 6,079 GWh of electricity in 2023, representing 6 per cent. of total energy generated as of 31 December 2023. This is an increase from 2,119 GWh generated in 2022, representing 2.24 per cent. of total energy generated as of 31 December 2022.

- **Generation (International)**: Overall production of the Group's international fleet is consistent year on year, registering a slight decrease of 1.5 per cent. in 2023 from 2022 This was mainly due to lower production of units 5 and 6 in TAQA Morocco's power asset, which was placed under shutdown due to planned maintenance. Improved asset management and maintenance practices and programs are leading to an improvement in energy efficiency and GHG intensity of international generation assets.

  The waste heat recovery plant in Ghana continues to contribute to emission reduction. The project added two heat recovery steam generators and a steam turbine to the approximately 224 MW single cycle power production facility. This is providing an additional 118 MW of generation capacity, thereby increasing the total installed capacity to 342 MW. The two unfired heat recovery steam generators are designed and sized to utilise almost all the exhaust gases from the combustion turbine. Annual emission reduction on average is approximately 350,000 tCO2e.

  The share of coal in TAQA's gross generation capacity has reduced from 11 per cent. in 2021 to just 5.9 per cent. in 2022 and 2023. The share of coal revenue out of the total group revenue is only 3 per cent., without considering fuel pass through.

- **Transmission and Distribution**: The Transmission and Distribution business segment accounts for only less than 0.2 per cent. of the Group's total scope 1 and 2 emissions. The Group continues adopting air insulated switchgears instead of gas insulated switchgears in primary substations and grid stations. Measures are also progressing in relation to reduction of fuel use in transportation and increase in use of hybrid and electric vehicles.

One of the emission reduction priorities for TAQA is to reduce electricity and water losses through its extensive transmission and distribution grids which reduce the need for increased generation and emissions to counter for the losses. T&D entities also played a great role in advancing TAQA's demand side management agenda.

- **Oil and Gas**: The scope 1 and 2 GHG emissions reduced in line with the reduction in production, mainly in Iraq and the decommissioning plan in the UK. Canada continued its improvement in GHG intensity, with vented volumes reducing in 2023.

  Between 2019 and 2022, TAQA North undertook the challenge of replacing approximately 1,750 high vent rate methane driven pneumatic devices with modern, highly efficient low vent rate alternatives. This was an immense effort that required gathering data on the existing equipment (more than 150,000 kilometres were travelled over the course of the three-year project), sourcing alternatives, securing funding and completing the installations. This initiative reduces TAQA North's GHG emissions by approximately 80,000 tCO2e annually making it one of the largest contributors to TAQA North's 28 per cent. reduction in GHG emissions when compared to its 2019 baseline.

  To replace the devices and receive carbon offset credits, data including make, model, vent rate and other installation details had to be collected from sites across a geographic area comparable to that of the UK. In total, more than 1,000 sites were surveyed, and 10,000 pieces of equipment inventoried. Specialised mobile IT applications were also built to gather and capture the field data in-house. Work plan prioritisation strategies were created, and the devices were systematically replaced and commissioned over three years.

  The conversion from sulphur recovery to acid gas injection project done at the East Crossfield Gas Plant and the non-core disposition transactions completed in earlier years continue to contribute roughly around 150,000 tCO2 reduction annually in Canada. In Netherlands, TAQA is actively involved in developing technology to support the energy transition. In 2023, the Porthos consortium successfully reached the FID on a pioneering CO2 capture and storage project, with TAQA providing storage services. This milestone follows meticulous preparations and is now advancing to the next phase where CO2 will be stored in a depleted offshore gas field.

INFORMATION TECHNOLOGY

In order to align with the business objective to become a digital utility, the Group has initiated an IT transformation programme which aims to substantially enhance the IT landscape across TAQA, starting with the Transmission and Distribution business line. The IT transformation programme is expected to improve overall IT performance, resiliency, security, cost efficiency and support business growth through the adoption of cloud computing, Robotic Process Automation (RPA), advanced IT service management practices and tools along with the deployment of advanced analytics and Artificial Intelligence (AI) tools.

As part of the IT transformation programme, the Group has appointed a leading technology company as its principal partner. This partnership has allowed the Group to commence technical, process and organisational changes, including streamlining its IT function, as well as consolidating and simplifying its technology supplier base. The Group made significant progress on its IT transformation programme during FY 2022. The partnership project commenced in March 2022 and was 70 per cent. complete as at 31 December 2023. Advancements thus far have included migrating 90 per cent. of all TAQA's T&D IT systems to multiple UAE-based cloud environments, establishing new integration and new data platforms, and beginning the implementation of Oracle Fusion Cloud. The Group expects to complete this programme in Q4 2024.

INFORMATION SECURITY

As a part of delivering continuous security improvements, the Group has launched several security programs during 2023, ranging from the enhancement of monitoring abilities using a SOC (Security Operations Centre), incident response processes, security of critical IT systems, cloud infrastructures and networks, and vulnerability patching and compliance with security standards. The Group has achieved substantial progress in its endeavours to improve information security, which has aligned strategically with the implementation of security by design in the IT transformation programme. The Group maintains its own self-hosted SOC during normal business hours, with extended monitoring coverage provided by an outsourced capable SOC managed services partner so that monitoring can occur 24 hours a day, seven days a week, in accordance with DoE security mandates.

INSURANCE

TAQA has various insurance programs that cover the Issuer and its subsidiaries. TAQA has an insurance strategy in place based on the risks and risk appetite of the Group, and the strategy is revisited annually to assess if it remains fit for purpose. TAQA's insurance function oversees its Oil & Gas program, Transmission & Distribution programme as well as its Directors & Officers programme. In the case of the Group's UAE generation assets, each subsidiary has arranged for insurance coverage in accordance with the terms of the finance documents for the relevant project. The PWPA and financing agreements for each UAE generation subsidiary and the PPA, prudent operations and financing agreements for each non-UAE generation subsidiary require insurance such as third-party liability, physical damage, and business interruption insurance.

TAQA's policy is to arrange insurance in respect of its other operations as required and in accordance with international industry practice and standards.

Transmission and Distribution

For the UAE transmission and distribution assets through subsidiaries TRANSCO, ADDC, AADC and AMPC, a comprehensive property damage and business interruption programme has been implemented. In addition, local covers such as third-party liability, money and financial guarantees is managed by the TAQA insurance function.

Oil & Gas

A global reinsurance programme covers all of the Oil & Gas assets across all locations (UK, The Netherlands, Iraq and Canada). The programme has a number of sections and covered amongst other aspects in an energy insurance package consisting of policies such as property damage, loss of production income, third-party liability and operators extra expense.

Directors & Officers

This policy insures TAQA's Directors and Officers against claims and legal liability. The cover has remained constant in recent years, although pricing has increased substantially due to both market conditions and the growth of the Group.

TAQA has a fully owned insurance subsidiary, TAQA Insurance Limited (TIL), which is domiciled in ADGM. TIL consolidates insurable risk across the Group to simplify procurement and gain from economies of scale. TIL has the benefit of a parent company guarantee from TAQA up to an aggregate limit of U.S.$25 million and U.S.$10 million for the Transmission and Distribution assets, which is consistent with the amount of risk retained by TIL. TIL is managed by a board of directors and has an underwriting and claims committee, which review TIL's business and strategy. There has been only one minor claim under the Oil & Gas program, which occurred in 2013.

LITIGATION

From time to time, the Group may be involved in, or threatened with, legal or other proceedings in the ordinary course of business. The Group is not aware of any legal or other proceedings that would individually or in the aggregate be expected to have a material adverse effect on the Group's results of operations or financial condition.

EMIRATISATION

While TAQA meets current requirements with respect to the employment of UAE nationals in its headquarters office, it is committed to continuing to increase the number of UAE nationals working across all areas of the business, and at all levels of the Group. The Group's UAE nationals workforce comprises 51 per cent. of its total workforce in the UAE as at 31 December 2023, compared to 49 per cent. as at 31 December 2022. As TAQA focuses on executing the Group's growth strategy over the next years, the Group is investing in developing the capabilities of UAE nationals through several talent management programmes including leadership development, succession planning and individual development plans for middle managers. Additionally, the hiring of UAE nationals will continue to be prioritised for vacant positions.

In respect of the UAE generation subsidiaries, each PWPA includes provisions for the training of UAE nationals by the relevant subsidiary to ensure that certain minimum percentages of UAE nationals employed by each subsidiary are met throughout the term of such PWPA. The Group's UAE generation subsidiaries are broadly in compliance with this requirement. However, UAE nationals with the requisite skills and experience are in short supply and high demand, and TAQA and the UAE generation subsidiaries' success in attracting UAE nationals to work at its more remote sites has been limited to date.

EMPLOYEES AND PENSIONS

As at 31 March 2024, the Group had 7,909 permanent employees worldwide.

The table below presents a breakdown of TAQA's permanent employees at the end of the periods indicated.

	Q1 2024	FY 2023	FY 2022	FY 2021
		(*Number of employees*)		
TAQA	294	316	299	219
Umm al Naar[(1)]	104	103	120	131
Shuweihat S1[(1)]	94	94	101	116
Shuweihat S2[(1)]	119	119	117	118
Taweelah A1[(1)]	121	120	128	138
Taweelah A2[(1)]	3	3	—*	9
Taweelah B[(1)]	171	177	183	190
Al Dhafrah PV2	8	—	—	—
Fujairah 1[(1)]	110	109	106	108
Fujairah 2[(1)]	123	123	126	113
AMPC	61	60	61	69
Sweihan PV[(1)]	30	28	11	8
Mirfa[(1)]	110	113	113	114
Shuweihat 3[(1)]	80	80	80	84
AADC	1,569	1,577	1,558	1,565
ADDC	1,874	1,872	1,877	1,836
ADES	10	10	8	8
TRANSCO	1,112	1,114	1,005	1,100
Jorf Lasfar	444	455	475	495
Neyveli	131	133	132	134
Takoradi	97	98	93	78
TAQA Atrush	93	96	172	157
TAQA Bratani	696	672	810	810
TAQA Energy	132	126	123	122
TAQA North	323	323	298	313
Total	**7,909**	**7,921**	**7,996**	**8,035**

Note:

(1) Principally comprises employees from the respective operation and maintenance companies which TAQA counts as TAQA employees even though the operating and maintenance companies are also owned by other partners.

TAQA undertakes initiatives to motivate employees to contribute to its success through bonus programmes. Group employees are eligible to receive an annual bonus, which is calculated as a percentage of their base salary, based on the achievement of their annual performance targets and the Group's performance.

In accordance with the laws of the UAE, TAQA provides end of service benefits to non-UAE national employees. Under UAE law, the entitlement to these benefits is based upon the employee's length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Group believes that its relationship with its employees is good.

REGULATION

The following summarises the regulatory regime applicable to TAQA's UAE generation, transmission and distribution subsidiaries.

Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi

Law No. (2) of 1998, concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi, as amended (**Law No. 2**), established the Regulation and Supervision Bureau (the **Bureau**) to undertake the licensing, regulation and supervision of all companies that carry on any generation, production, transmission, storage, desalination, provision, distribution or supply of water and electricity in the Emirate of Abu Dhabi. Law No. 2 sets out the statutory rules that apply to the water and power industries in the Emirate of Abu Dhabi and also provides for the introduction of a licensing framework for the water and power industry in the Emirate of Abu Dhabi.

Law No. 2 authorised the Bureau to review plans pertaining to the provision of water and power in the Emirate of Abu Dhabi, to issue licences relating to the operations that are the subject of the plans, and to supervise such plans and control their implementation in accordance with the provisions of Law No. 2. The duties of the Bureau included consumer protection as to the tariff and water and electricity supply terms and conditions.

In February 2018, Law No. (11) of 2018 (**Law No. 11**) was published establishing the DoE. Pursuant to Law No. 11, the Bureau's functions, duties and responsibilities were transferred to the DoE. The DoE is responsible for strategic plans for the entire energy sector in Abu Dhabi. It regulates the energy sector in all respects and licenses all institutions, entities and companies carrying out licensable activities in the energy sector. It also proposes fees and tariffs and submits them to the Executive Council for approval.

Sector overview

The Abu Dhabi water and electricity sector is generally structured on a 'single buyer' model, in which all production capacity (power or water) is purchased centrally by the Emirates Water & Electricity Company (**EWEC**).

Water and electricity are then sold to distribution and supply companies on the basis of an annually adjusted BST for onward sale to the final customers. The two DisCos (AADC and ADDC) also pay TRANSCO connection and TUoS for using its transmission system to transport water and electricity from the production plants to the distribution systems.

The DoE approves, on an annual basis, the bulk supply tariff and a TUoS tariff being imposed to ensure that TRANSCO and the DisCos receive certain returns through the applied price control system. The DoE also proposes the level of tariffs (which then require subsequent Executive Council approval) at which power and water are sold by the DisCos to their customers.

Licensing

Law No.2 provides that carrying out generation, transmission or distribution activities require a licence from the DoE. Each of TAQA's UAE generation, transmission and distribution subsidiaries has applied for, and been granted, licences by the DoE.

SWS Holding is operating through a licence obtained from the DoE for its activities of sewerage, wastewater, treatment and disposal. The performance is strictly monitored by the DoE and a technical consultant.

Environmental regulation

Abu Dhabi's Environmental Agency is the governmental body charged with introducing and monitoring environmental standards with respect to, among other things, water and air quality, water treatment and disposal. TAQA's UAE generation subsidiaries are further governed through a set of environmental standards applied to international project financing through their respective financing arrangements, including, in some cases, the Equator Principles which have been adopted by certain leading international financing institutions.

TAQA's UAE generation subsidiaries have a legal obligation to remove the power generation and water desalination plants at the end of the plants' useful lives, or before if the UAE generation subsidiary becomes unable to continue its operations to that date, and to restore the land. The UAE generation subsidiary must at its sole cost and expense dismantle, demobilise, safeguard and transport the assets, eliminate soil and ground water contamination, fill all excavations and return the surface to the grade of the designated area.

MANAGEMENT

Board of Directors

TAQA's Board of Directors (the **Board**) comprises eleven directors with a broad range of backgrounds, expertise and commercial experience that complements effective management and informed decision making. Each Director is appointed for a term of three years or remainder thereof, and at the end of that period, the Board may be reconstituted. Board members may serve any number of consecutive terms, subject to re-election by the shareholders.

The principal duties of the Board are to provide TAQA's strategic leadership, to determine the fundamental management policies of TAQA and to oversee the performance of TAQA's business. The Board is the principal decision-making body for all matters that are significant to TAQA, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues, save for those which are specifically reserved to the general meeting of the shareholders by law or by the Articles of Association.

The key responsibilities of the Board include:

- determining TAQA's strategy, budget and structure;
- approving the fundamental policies of TAQA;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new shares and any restructuring of TAQA;
- appointing executive management;
- determining the remuneration policies of TAQA and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

The Board is comprised of indviduals who have technical skills and experience that serve the interests of TAQA. The Board meets on a periodic basis pursuant to a formal schedule. The members of the Board are appointed by the general meeting of TAQA's shareholders. At the general meeting of TAQA's shareholders held on 15 March 2023, eleven members were appointed to the Board for a term of three years.

In line with the applicable regulations, the members of the Board periodically disclose their outside interests. Furthermore, at the beginning of each Board meeting, each Board member is called upon to declare their interests, if any, to avoid conflict of interest. The Board takes into account and prioritises TAQA's and its shareholders' interests in case a conflict of interest arises. Save for the roles in other companies identified below, TAQA is not aware of any potential conflicts of interest between the duties to TAQA of each member of the Board and their private interests or other duties.

As of the date of this Prospectus, the eleven members of the Board are as set out below.

Name	Position	Year appointed[1]	Nationality	Year of birth
His Excellency Mohamed Hassan Alsuwaidi.....	Chairman	2020[3]	UAE	1982
Khalifa Sultan Al Suwaidi.....	Vice Chairman	2023[4]	UAE	1977
Mansour Mohamed AlMulla.....	Director	2021	UAE	1979
Hamad Abdulla Al Hammadi.....	Director	2021	UAE	1984
Jasim Husain Thabet[2]	Director	2019	UAE	1978
AbdulAziz Abdulla Al Hajri	Director	2023	UAE	1963
Iman Abdulghafoor Al Qasim.....	Director	2023	UAE	1980
Mouza Saeed Al Romaithi	Director	2023	UAE	1987
Dr. Klaus-Dieter Maubach	Director	2023	German	1962
Christopher Geoffrey Finlayson.....	Director	2023	British	1956
Samia Toufic Bouazza	Director	2023	Lebanese	1980

(1) Reflects year appointed to present position.
(2) Denotes the Director is an executive.
(3) H.E. Mohamed Hassan Alsuwaidi has been a TAQA board member since 2019 and was appointed Chairman in 2020.
(4) Mr. Al Suwaidi has been a TAQA board member since 2020 and was appointed Vice Chairman in 2023.

The business address of each of the Directors is Abu Dhabi National Energy Company PJSC, Levels 25, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 55224, Abu Dhabi, UAE.

The management expertise and experience of each of the Directors is set out below:

His Excellency Mohamed Hassan Alsuwaidi, Chairman of the Board

TAQA Board Member since 2019, Chairman since 2020

Career, experience and qualifications: His Excellency Mohamed Hassan Alsuwaidi is the Minister of Investment of the UAE and serves as the Managing Director and Chief Executive Officer at ADQ. Prior to joining ADQ, His Excellency garnered extensive experience across multiple sectors during his tenure with Mubadala, where he held several investment management positions covering sectors such as metals and mining, real estate, hospitality, infrastructure, technology and agriculture. His Excellency has experience in banking and finance from his tenures with Union National Bank, Abu Dhabi Ship Building and the General Secretariat of the Abu Dhabi Executive Council.

His Excellency holds a bachelor's degree in Accounting from United Arab Emirates University.

Other directorships:

- Non-Executive Director – Emirates Investment Authority
- Non-Executive Director and Member of Investment Committee – Abu Dhabi Pension Fund
- Non-Executive Director – Abu Dhabi National Oil Company Distribution (ADNOC Distribution)
- Non-Executive Director – ADNOC Gas
- Non-Executive Director – Advanced Technology Research Council
- Non-Executive Director and Member of Audit Committee – Emirates Nuclear Energy Corporation
- Non-Executive Director – Al Dahra Holding

Khalifa Sultan Al Suwaidi, Vice Chairman of the Board

TAQA Board Member since 2020, Vice Chairman since 2023

Career, experience and qualifications: Mr. Khalifa Sultan Al Suwaidi is a Managing Partner at Lunate and brings over 23 years of experience to the firm. In his position as Managing Partner, Mr. Al Suwaidi oversees Lunate's Fund Investments, Partnerships and Strategy.

Prior to co-founding Lunate, Mr. Al Suwaidi served as the Chief Executive Officer of Abu Dhabi Growth Fund, managing U.S.$40 billion in assets primarily across private market strategies. Previously, he held the position of Group Chief Investment Officer at ADQ. Mr. Al Suwaidi has also held several senior managerial positions at Mubadala and Abu Dhabi National Chemical Company.

Mr. Al Suwaidi holds a bachelor's degree in Business Administration from California State University in the United States. He also has an executive master's degree in Business Administration with Distinction from Zayed University.

Other directorships:

- Chairman, Non-Executive Director – Agthia Group
- Vice Chairman, Non-Executive Director – Abu Dhabi Ports (AD Ports)

Mansour Mohamed AlMulla

TAQA Board Member since 2021

Career, experience and qualifications: Mr. AlMulla is currently the Deputy Group Chief Executive Officer at ADQ. Previously, he held multiple leadership positions, including Managing Director and Chief Executive Officer of Edge Group and Chief Investment Officer for Alternative Investments and M&A at ADQ. Prior to that, Mr. AlMulla held various positions in Mubadala, including as Chief Financial Officer for Petroleum and Petrochemicals Platform and Mubadala Petroleum LLC. Mr. AlMulla brings over twenty-two years of significant experience in multiple remits, including, among others, strategic planning, portfolio management, restructuring, mergers & acquisitions and structured finance.

Mr. AlMulla holds a bachelor's degree in Business Administration (Information Systems) from Portland State University, United States.

Other directorships:

- Non-Executive Director – Etihad Aviation Group PJSC
- Non-Executive Director and Chairman of Audit and Risk Committee, Member of Strategy and Investment Committee – Abu Dhabi Ports
- Non-Executive Director and Chairman – Abu Dhabi Ship Building
- Non-Executive Director and Member of Audit and Risk Committee, Nomination and Remuneration Committee – Abu Dhabi Global Markets (ADGM)
- Non-Executive Director and Chairperson of Audit Committee – Abu Dhabi Aviation Co

Hamad Al Hammadi

TAQA Board Member since 2021

Career, experience and qualifications: Mr. Al Hammadi is the Deputy Group Chief Executive Officer at ADQ, a position he holds since January 2024. Amongst his various responsibilities, Mr. Al Hammadi oversees three key sectors: energy & utilities, sustainability & manufacturing, and healthcare & life sciences with an asset base of more than U.S.$100 billion. He previously worked in Mubadala where he participated in the creation of high-profile projects across three sectors including utilities industry and financial services. Mr. Al Hammadi also spent time at the Carlyle Group in Washington DC, focusing on M&A investments in the industrials sector.

Mr. Al Hammadi holds a bachelor's degree in Business Administration (Accounting and Finance) from the Higher Colleges of Technology in the UAE.

Other directorships:

- Non-Executive Director – Pure Health Holding LLC
- Non-Executive Director and Member of Growth Committee – Emirates Water and Electricity Company (EWEC)
- Non-Executive Director – Emirates Steel Arkan
- Non-Executive Director – TA'ZIZ ADNOC JV
- Non-Executive Director – Q-Holding.

Jasim Husain Thabet

TAQA Board Member since 2019

Career, experience and qualifications: Mr. Thabet serves as TAQA's Group Chief Executive Officer and Managing Director, a role he has held since July 2020. Elected to TAQA's Board of Directors in 2019, he is an energy industry veteran with more than two decades of experience. Prior to his role at TAQA, he served as CEO and MD of ADPower, where he leveraged the company's portfolio of assets throughout the value-chain to support the transformation of the power and water sector in the UAE. He has also served as CEO of the National Central Cooling Company PJSC (Tabreed), where he drove capacity expansion and revenue growth.

Mr. Thabet holds a bachelor of Engineering in Mechanical Engineering from Saint Martin's University in the United States.

Other directorships:

- Non-Executive Director and Member of Audit, Risk and Compliance Committee and Nomination and Remuneration Committee – Etihad Aviation Group PJSC
- Non-Executive Director and Member of Strategy and Investment Committee and Audit and Risk Committee – Abu Dhabi Ports
- Non-Executive Director and Member of Investment Committee and Human Resource Committee – Abu Dhabi Chamber of Commerce and Industry
- Non-Executive Director and Member of Sustainability and Strategy and Investment Committee and Nomination and Remuneration Committee – Masdar

AbdulAziz Abdulla Al Hajri

TAQA Board Member since 2023

Career, experience and qualifications: Mr. Al Hajri is an accomplished executive with thirty-four years of experience in leading downstream businesses in the Oil & Gas sector. He has a compelling track record in executive management, operations and technical services within ADNOC and its group of companies. Before retiring in April 2021, he was ADNOC's Executive Director of Downstream, responsible for the gas, refining and

petrochemicals businesses. Al Hajri also served as the Chief Executive Officer of Abu Dhabi Polymers Company Ltd (Borouge) from 2007 until 2016.

Mr. Al Hajri holds a bachelor's degree of Science in Chemical Engineering from the University of Texas in the United States.

Other directorships:

- Non-Executive Director and Member of Executive Committee and Audit & Risk Committee – ADNOC Distribution PJSC
- Non-Executive Director – ADNOC Refining
- Non-Executive Director – Borouge PLC
- Non-Executive Director, Chairman of Audit Committee, Member of Strategy and Investment Committee and Member of ESG Committee – Emirates Steel Arkan PJSC

Iman Abdulghafoor Al Qasim

TAQA Board Member since 2023

Career, experience and qualifications: Ms. Al Qasim serves as Executive Vice President, Human Capital, at Emirates Global Aluminum (EGA). She has held this role since November 2020. Ms. Al Qasim is an accomplished leader with global experience in fostering high performance, team-focused cultures and environments. Prior to her role in EGA, she served as the Group HR Director of Emirates National Oil Company and held senior leadership roles in Mubadala, DEL, and General Motors.

Ms. Al Qasim holds a master's degree in Business Administration from the University of Bath, United Kingdom, and a bachelor of science from the American University of Sharjah.

Other directorships:

- Non-Executive Director and Chairperson of Remuneration Committee – Abu Dhabi National Exhibition Centre
- Non-Executive Director and Chairperson of Remuneration Committee – E7 Group (formerly known as United Printing and Publishing)
- Executive Director – EGA – America
- Executive Director – Guinea Alumina Corporation
- Non-Executive Director and Chairperson of Nomination & Remuneration Committee – Aramex

Mouza Saeed Al Romaithi

TAQA Board Member since 2023

Career, experience and qualifications: Ms. Al Romaithi currently serves as the Director, Information and Cybersecurity at ADQ. She has over 14 years of experience in leading and strategizing information and security transformation projects. Prior to her role at ADQ, Ms. Al Romaithi held various senior leadership positions at Louvre Abu Dhabi, Abu Dhabi Systems and Information Center and Emirates Identity Authority.

Ms. Al Romaithi holds a Master of Science in Information Technology (specialisation in cyber security) and a bachelor of science degree in Information Technology (networking systems) from Zayed University, Abu Dhabi.

Other directorships:

- Non-Executive Director – Advanced Military Maintenance, Repair, and Overhaul Center (AMMROC)
- Non-Executive Director – Q Market Makers LLC (QMM)
- Non-Executive Director, member of Audit Committee and Member of Nomination and Remuneration Committee – Pure Health Holding LLC

Dr. Klaus-Dieter Maubach

TAQA Board Member since 2023

Career, experience and qualifications: Dr. Maubach was Chief Executive Officer of Uniper until March 2023. Prior to assuming this position, he was Chairman of the Supervisory Board of Uniper and a member of the board of directors of Fortum. He has held various senior leadership positions in the past. For example, he served as CEO of the Encavis AG, board member of E.ON SE, and CEO of E.ON Energie AG.

Dr. Maubach studied Electrical Engineering at the University of Wuppertal and received his doctorate in 1994.

Christopher Geoffrey Finlayson

TAQA Board Member since 2023

Career, experience and qualifications: Mr. Finlayson was formerly the Chairman of Siccar Point Energy and of Interoil Corporation. He is a former Chief Executive Officer of BG Group, following a 33-year career with Shell.

Mr. Finlayson holds a bachelor's degree in Physics and Geology from the University of Manchester, UK.

Other directorships:

- Non-Executive Director and Chairman – TGS ASA

Samia Toufic Bouazza

TAQA Board Member since 2023

Career, experience and qualifications: Ms. Bouazza is the Group Chief Executive Officer and Managing Director of Multiply Group where she leads the strategic development of the company, oversees its growing investment portfolio of high-return businesses and ensures the sustainable growth of the group's subsidiaries.

Ms. Bouazza holds a bachelor's degree in Political Science and Public Administration from the American University of Beirut. She also holds several specialised executive certifications from Harvard Business School and the University of Cambridge.

Other directorships:

- Non-Executive Director – Emirates Driving Company
- Non-Executive Director – Arena Events Group
- Non-Executive Director – Selphagy Therapeutics
- Keystone Member of Friends of Abu Dhabi Art

EXECUTIVE MANAGEMENT

The Board has delegated the day-to-day management of the Group to executive officers appointed by the Board. As of the date of this Prospectus, the members of TAQA's executive management are as follows:

Name	Position	Year appointed[(1)]	Nationality	Year of birth
Jasim Husain Thabet	Group Chief Executive Officer	2020	UAE	1978
Stephen Ridlington.....	Chief Financial Officer	2020	British	1956
Omar Abdulla Al Hashmi.....	Chief Executive Officer, Transmission and Distribution*	2024	UAE	1979
Farid Al Awlaqi.....	Chief Executive Officer, Generation*	2024	UAE	1977
Franco Polo	Chief Executive Officer, Oil and Gas*	2024	Italian	1957
Stephen Wackerle.....	Chief Risk and Internal Audit Officer	2020	German	1975
Mohammad Adnan Sharafi ...	Chief Legal Officer and Board Secretary	2020	UAE	1987
Gareth Wynn	Chief Communications Officer	2021	British	1969
Noel Aoun.....	Chief Strategy Officer*	2024	Lebanese	1982
Nabil Almessabi.....	Chief Corporate Officer*	2024	UAE	1979

Notes

(1) Refers to the date in which each member began serving in his or her current position.

* Titles designated with effect from 1 January 2024

The management expertise and experience of each of the senior management team is set out below.

Jasim Husain Thabet, Group Chief Executive Officer

See "— *Board of Directors — Jasim Husain Thabet*" above.

Stephen Ridlington, Chief Financial Officer

Mr. Ridlington joined TAQA in 2020 as Chief Financial Officer. Prior to his role at TAQA, Mr. Ridlington was Chief Investment Officer at ADPower. He previously held positions with BP, TNK-BP and National Central Cooling Company PJSC (Tabreed), serving as CFO at the latter. Mr. Ridlington holds a Master of Philosophy in Economics from St Antony's College, Oxford and a Bachelor of Science in Economics and Mathematics from the University of Sussex.

Omar Abdulla Al Hashmi, Chief Executive Officer, Transmission and Distribution

Mr. Al Hashmi is the Chief Executive Officer, Transmission and Distribution, a position he has held since January 2024. In this role, he oversees the company's diverse portfolio of transmission and distribution assets. Prior to this, Mr. Al Hashmi was Executive Director for Transmission and Distribution at TAQA from July 2020 to January 2024, contributing nearly four years of strategic leadership to the organisation. Before his tenure at TAQA, he was Executive Director – Asset Management at ADPower, where he played a key role in shaping the company's transformation plan, structure and governance. He previously served as the head of strategy development in Etihad Airways and Vice President in the Industry platform at Mubadala. Mr. Al Hashmi holds a Master of Business Administration from the London Business School and a Master of Science in Mechanical Engineering from the George Washington University.

Farid Al Awlaqi, Chief Executive Officer, Generation

Mr. Al Awlaqi is the Chief Executive Officer, Generation, a position he has held since January 2024. In this role, he oversees and develops the company's global power generation and water portfolio. Prior to this, Mr. Al Awlaqi was Executive Director for Generation at TAQA from July 2020 to January 2024. Before his tenure at TAQA, he served as Senior Vice President in the Energy platform at Mubadala. He has held various roles during his career, from operations to business development, investment and asset management. Mr. Al Awlaqi sits on the board of Abu Dhabi Future Energy Company (Masdar), is the Chairman of the Supervisory Board of TAQA Morocco and is a Board member of Sohar Aluminium.

Mr. Al Awlaqi holds a Sloan Masters from the London Business School and a Master of Engineering in Petroleum Engineering from Imperial College, University of London. Mr. Al Awlaqi is also a prize winner from the Royal Military Academy Sandhurst.

Franco Polo, Chief Executive Officer, Oil and Gas

Mr. Polo is the Chief Executive Officer, Oil and Gas, a position he has held since January 2024. Previously, he served as Executive Director of Oil and Gas at TAQA from July 2020 to January 2024. He is also a Board Member of TAQA North, TAQA Bratani and TAQA Atrush. Before joining TAQA, he served in executive roles for upstream and midstream activities in Europe, North Africa, Middle East and Asia Pacific region at Eni, an integrated energy company. He also served as Managing Director and Board Member in multiple UK and Netherlands companies of Eni worldwide. Mr. Polo holds a Master of Science and a Bachelor of Science in Geology from the University of Bologna, Italy.

Stephen Wackerle, Chief Risk and Internal Audit Officer

Mr. Wackerle is Chief Risk and Internal Audit Officer. Mr. Wackerle oversees and objectively reviews the organisation's business processes and risk management procedures. Prior to this role, he held similar leadership roles with ADPower and BP. Mr. Wackerle holds a Bachelor of Commerce and a Post-Graduate degree in Accounting from the University of Cape Town. Mr. Wackerle is a CFA Charterholder; a Fellow of the Institute of Chartered Accountants in England and Wales; and a Member of the South African Institute of Chartered Accountants.

Mohammad Adnan Sharafi, Chief Legal Officer and Board Secretary

Mr. Sharafi is Chief Legal Officer and Board Secretary, a position he has held since 2020, overseeing the Group's legal, governance, ethics and compliance and regulatory affairs functions. Previously, Mr. Sharafi served as the General Counsel of ADPower, in addition to more than 12 years within the legal function at Mubadala. Prior to Mubadala, Mr. Sharafi worked at Clifford Chance LLP in London and Dubai. Mr. Sharafi is qualified to practice law as a Solicitor of the Supreme Court of England & Wales and holds a Post-Graduate Diploma in Legal Practice from the College of Law as well as a Bachelor of Laws from the University of Westminster, London.

Gareth Wynn, Chief Communications Officer

Mr. Wynn serves as TAQA's Chief Communications Officer, a position he has held since January 2021, overseeing branding, external and internal communications, government advocacy, stakeholder relations and corporate social responsibility for the Group. Mr. Wynn has more than three decades of experience as a senior communications leader in international energy organisations. He most recently served as Stakeholder and Communications Director for Offshore Energies UK, the leading representative organisation for the UK offshore energy industry. He has also held key senior management positions at EDF Energy and FTI Consulting. Mr. Wynn holds a Bachelor of Science in Microbiology and Microbial Technology with honours from the University of Warwick.

Noel Aoun, Chief Strategy Officer

Mr. Aoun is the Chief Strategy Officer, a position he has held since January 2024. In this role, he leads the development and execution of the Group's corporate, sustainability and innovation strategies, drives the post-merger integration process and oversees portfolio companies' value creation plans. Previously, he served as Executive Director of Strategy at TAQA from July 2020 to January 2024, and as the Group Strategy and Business Development Director at TAQA, a role he held from March 2018 to July 2020. Currently, Mr. Aoun serves on the Board of Directors of Massar Solutions. Prior to his position at TAQA, he held leadership positions in Schneider Electric and Booz & Co. Mr. Aoun holds a Master of Business Administration from INSEAD and a Master of Science in Electrical and Computer Engineering from Ecole Supérieure des Ingénieurs de Beirut.

Nabil Almessabi, Chief Corporate Officer

Mr. Almessabi serves as TAQA's Chief Corporate Officer, a position he has held since January 2024. In this role, he oversees several departments, including, Human Capital, IT and Procurement at TAQA. Mr. Almessabi is also a member of the Supervisory Board of TAQA Morocco. Previously, he served as the Group's Chief Human Resource Officer from August 2021 to January 2024, where he oversaw strategic development of human resources and administration as key enablers to TAQA's growth ambitions. Prior to his role at TAQA, he served as Chief Human Resource Officer for TRANSCO and was the Executive Director of Human Capital & Communications at Abu Dhabi Power Corporation. With more than 20 years of experience, Mr. Almessabi has held leading positions across the oil and gas, real estate and tourism sectors in the UAE. Mr. Almessabi holds a Bachelor of Science in Electrical Engineering from the UAE University, a Management Diploma from the University of Cambridge – Judge Business School and a Global Executive MBA from INSEAD.

CORPORATE GOVERNANCE

As a public company listed on the ADX, TAQA continuously monitors and enhances the control environment to manage and mitigate any potential risks to its business and operations. Informed by international best practices and the United Arab Emirates (UAE) Securities and Commodities Authority (**SCA**) Chairman's Decision No. 3 of 2020 on the Joint Stock Companies Governance Guide, as amended from time to time (**Governance Rule**), TAQA's corporate governance framework has evolved to re-emphasise the principles of accountability, fairness, disclosure, transparency and responsibility.

The Board is committed to adopting the highest standards of corporate governance across the Group and continuously identifying improvements in TAQA's governance practices. In 2023, TAQA progressed on its journey to become a leader on governance amongst its corporate peers.

The Group's efforts to date have garnered external recognition, with TAQA having received two awards from Cambridge IFA at its eighth Global Good Governance Programme. The '3G Championship Award in Environmental Responsibility 2023' award recognised the Group's endeavours in exhibiting exemplary standards of transparency in its reporting and the '3G Excellence in Corporate Governance Reporting Award 2023' recognised an important pillar of the Group's corporate governance philosophy – transparency and fair disclosure. In addition, the World Finance, an international financial publication commended TAQA for having the 'Best Corporate Governance in the UAE in 2023', recognising leading international businesses that demonstrate strong commitment to good corporate governance practices. For TAQA, these awards serve to reinforce its resolve towards advancing its governance journey.

Ethics & Compliance Program

The Group has established a dedicated Ethics & Compliance Office with the mandate of establishing a strong, robust, and cohesive culture across the organisation. The Ethics & Compliance Office applies a framework of prevention, detection, and responding to fulfil its mandate.

The Ethics & Compliance Office has recently updated its policies to reflect relevant legal updates and introduced new procedures and interactive dashboards to proactively adapt to the latest risk and regulatory environment as well as to aid its own, and the Group's, operations. Specifically, TAQA launched four new procedures in 2023 including the Usage of Artificial Intelligence (AI) Procedure, Data Retrieval Procedure, Evidence Preservation & Collection Procedure and Trading Request Processing Procedure.

Code of Ethics & Business Conduct: is the foundational document of the Group's ethical culture that sets the minimum standards of ethical and professional conduct. It sets out the principles and responsibilities that Group personnel are expected to abide by to establish a strong culture of ethics and compliance.

- Business Partner Code of Conduct: sets out the minimum ethical and professional expectations that the Group requires from its business partners.
- Speaking-up Policy: sets out the process for raising questions, concerns, and making reports about suspected violations of applicable laws, regulations, and breaches of the Group's policies. This policy also sets out how the Ethics & Compliance Office addresses reported concerns and emphasises the Group's zero-tolerance approach to retaliation against anyone raising a concern.
- Conflict of Interest Policy: sets out the different types of conflicts of interest, how to recognise a conflict of interest, and the requirements and processes that must be followed for disclosing a conflict so that the Ethics & Compliance Office can assess whether it is possible to manage the conflict, and to ensure appropriate controls are put in place.
- Anti-Bribery & Corruption and Anti-Fraud Policy: sets out the Group's zero tolerance approach to bribery, corruption, and fraud, including stringent requirements around dealing with Public Officials, and the disclosures and prior approvals required for gifts, hospitality, and entertainment in line with best practice and applicable laws and regulations.
- Insider Trading Policy: sets out the strict requirements on Group personnel to protect material confidential information and the process that must be followed when dealing in securities (including obtaining approval before trading in any relevant Group securities).
- Data Protection Policy: sets out the requirements the Group and Group personnel must follow to adequately protect and process personal data including how personal data is collected, used, stored, disclosed, and disposed of correctly, in line with applicable laws and regulatory requirements.
- Business Partner Due Diligence Policy: sets out the requirements and processes to be followed for conducting appropriate risk-based due diligence on business partners and third parties before onboarding them and throughout the business relationship and the importance of doing so.
- Anti- Money Laundering and Counter-Terrorism Financing Policy: sets out the requirements in relation to identifying and preventing money laundering and terrorist financing, the consequences for failing to do so, and stresses the importance of keeping accurate books and records.
- Sanctions and Trade Controls Policy: sets out the applicable sanctions and trade control requirements, the importance of sanctions screening and how to prevent breaches of sanctions and trade control laws and regulations.
- Antitrust Policy: sets out the requirements regarding competition laws, how this applies to the Group, and how to recognise anti-competitive behaviour, and when to seek guidance.

With regard to policy violations, the Group has a robust investigation process for the implementation of corrective and disciplinary actions. Any questions, concerns or any known or suspected violations can be reported by stakeholders to the Ethics & Compliance Office through the TAQA Group Helpline. Where stakeholders prefer to remain unidentified, the Group has in place a third-party managed, anonymous helpline (helpline.taqa.com) for both internal and external stakeholders, whereby all grievances and concerns are tracked. Through this system, corrective and disciplinary actions are assigned a specific action owner and relevant target dates are set, all of which are tracked on a regular basis to ensure completion. The TAQA Group Helpline can also be used by Personnel to submit any required disclosures, notifications, and requests for approvals for gifts & entertainment, hospitality, etc. and trading activities.

In addition, the Group has acquired a comprehensive third-party screening tool to help reduce overall risk on the organisation. The screening tool allows the Group to continuously monitor and review the standing of the Group's business partners in terms of exposure to sanctions, corruption, and reputational risk.

Finally, the Ethics & Compliance Office also manages the Restricted Persons Register (Register), which captures the holdings and transactions of restricted persons and their related persons in UAE listed TAQA Group Securities. The Ethics & Compliance Office conducts quarterly review of the Register (in conjunction with the Investor Relations Department and the Governance Team), to ensure that the Register is accurate and up-to-date and that all trades are in compliance with the Insider Trading Policy and applicable laws and regulations. The Register is submitted to the SCA and ADX as required.

During 2023, the Ethics & Compliance Office successfully implemented trainings across the Group on all Codes and Policies, including on corruption and bribery, to all full-time personnel, contractors, and members of the Board of Director. Training to Group personnel (excluding the Board of Directors, who were provided with differently-tailored training) included an interactive experience (in both English and Arabic) that immersed users in realistic scenarios through which the lessons were conducted. Additionally, the Ethics & Compliance Office works directly with the Group's businesses and offers customised risk area training that addresses the unique requirements of each of the Group businesses as needed.

Governance Rules

The Board is committed to standards of corporate governance that are in line with international best practice. The Board complies with the corporate governance requirements applicable to joint stock companies listed on the ADX as set out in the Governance Rules. TAQA reports to its shareholders and to the SCA on its compliance with the Governance Rules, in accordance with the provisions thereof.

The Board operates in accordance with a charter (the **Charter**), which is aligned to the principles detailed in the Governance Rules.

Board Committees

TAQA has established its control environment through corporate governance practices, risk management and ethics and compliance office, based on a system of checks and balances. In line with the Governance Rules, the Board has constituted the Audit Committee and the Nomination and Remuneration Committee to effectively perform its obligations. The Chairman is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee and is not a member of any of the Board Committees. The Board has additionally constituted a Strategy and Investment Committee and a Sustainability Committee. The committees of the Board are governed by their individual charters.

The table below sets forth the membership of each of the committees as of the date of this Prospectus.

Name	Audit Committee	Nomination and Remuneration Committee	Strategy and Investment Committee	Sustainability Committee
Khalifa Sultan Al Suwaidi			Chairperson	
Mansour Mohamed AlMulla	Chairperson	Member		
Hamad Abdulla Al Hammadi		Chairperson	Member	Member
AbdulAziz Abdulla Al Hajri	Member	Member		
Iman Abdulghafoor Al Qasim	Member	Member		
Mouza Saeed Al Romaithi	Member			
Dr. Klaus-Dieter Maubach			Member	Member
Christopher Geoffrey Finlayson			Member	Member
Samia Toufic Bouazza				Chairperson

A high-level overview of the mandate of each of these committees, as at the date of this Prospectus, is set out below.

Audit Committee

The establishment of the Audit Committee was approved by a resolution of the Board in a meeting held on 30 October 2007 and its charter was last updated in April 2024.

The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, the SCA and the ADX, including the provisions of the Governance Rules.

From an audit perspective, the Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of TAQA's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of TAQA's internal audit function.

The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee has taken appropriate steps to ensure that TAQA's external auditors are independent of TAQA as required by the Governance Rules and has obtained written confirmation from TAQA's auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Nomination and Remuneration Committee

The establishment of the Nomination and Remuneration Committee was approved by a resolution of the Board of Directors in a meeting held on 20 January 2008 and its charter was last updated in April 2024.

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise. In addition, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on TAQA's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the remuneration policy and determining the individual remuneration and benefits package of each of TAQA's Directors and senior management.

Strategy and Investment Committee

Among other duties, the Strategy and Investment Committee develops the Group's long-term strategy and reviews and endorses its five-year business plan. It also monitors the implementation by each business line of the Group's strategies.

Sustainability Committee

Among other duties, the Sustainability Committee assists the Board by acting as an internal consultative body for the Group's Environmental, Social, and Governance (ESG) related matters and net-zero strategy, reviewing and endorsing the Group's ESG and net-zero strategy, providing strategic advice on ESG topics, ESG-related risks, and opportunities and endorsing appropriate mitigation measures, reviewing ESG implementation activities and reporting activities and reviewing material ESG topics and related activities of any Board Committee. It also monitors performance of the ESG and net-zero strategy approved by the Board.

Internal Controls

TAQA's Board applies effective control mechanism and has established a robust internal control environment with the aim of ensuring that appropriate internal controls are established, adequately documented, maintained, reviewed and adhered across the Group, among other matters.

The internal control environment comprises the following key elements.

- Health, Safety, Security and Environment: TAQA prioritises the health, safety and security of people and communities, and respecting the environment through the HSSE policy, Group HSSE management system and commitment to operational excellence which defines what the Group expects from its companies. TAQA Group HSE and Security functions set policies and procedures, provide tools and expertise, provide assurance on the effectiveness of the management of risks and hold a view of risks independent of the business line for their areas of functional expertise.

- Ethics and Compliance: TAQA Group Ethics & Compliance Office is mandated to establish a strong, robust, and cohesive ethics and compliance culture across the Group by fostering an ethical and compliant culture through the development of policies, arising awareness, and establishing accountability. The Ethics & Compliance Office functionally reports to the Audit Committee and has direct access to the Board to deal with matters independently and in confidence. By implementing a framework to prevent, detect, and respond to ethics and compliance matters, TAQA Group Ethics & Compliance Office has instituted the Code of Ethics & Business Conduct which is complemented by a number of detailed policies which offer further guidance on key areas of focus such as speaking up (whistleblowing) policy, conflict of interest policy, insider trading policy, anti-bribery & corruption and anti-fraud policy, data protection policy, sanctions and trade controls policy and antitrust policy and others.
- Internal control over financial reporting: TAQA has policies and procedures to maintain the integrity of financial statements and non-financial information and carries out periodic internal control over financial reporting review to secure reasonable assurance that TAQA's financial statements are reliable and address risks, if any, related to financial reporting.
- Risk management: The Enterprise risk management framework helps understanding of the significant risks that have the potential to impact TAQA's business performance, and how well risks are being managed to inform any opportunities for enhancements or mitigation. The risk management process comprises of steps that help effective implementation of the risk management framework. In addition to this, the established risk appetite principles help determine the type of responses deployed to manage risks. Implementation of the enterprise risk management framework is monitored by the by the Executive Management Committee and the Audit Committee with frequent updates to the Board.
- Internal audit: Internal Audit provides independent and objective assurance on the effectiveness of TAQA's systems of risk management and internal control. Through the independent and objective review of financial and operational systems, internal audit helps in ensuring that management controls are in place, fit for purpose and operating as intended. TAQA's internal audit manual and internal audit charter is approved by the Audit Committee to support the Board in carrying out its responsibility to review the effectiveness of the system of internal control and Management's accountability to the Board for developing, operating and monitoring the system of internal control. To retain its functional independence, the head of the internal audit function reports to the Audit Committee and is responsible for preparing annual audit plans to review certain businesses, functions and activities of TAQA and its Subsidiaries. The Audit Committee, among other matters, approves the annual internal audit plan and associated resources.
- External audit: The independence and effectiveness of the External Auditor is monitored by the Audit Committee. Among other responsibilities, the Audit Committee recommends the appointment and remuneration of the external auditor for the Board's endorsement and ultimately for approval by the General Assembly. TAQA has set a global procedure for use of external auditors for non-audit services to ensure that the independence and objectivity of the external auditor are not impaired through the provision of non-audit services.

RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

Members of the Group enter into transactions with companies and entities that fall within the definition of a related party. Related parties, as defined in IAS 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of TAQA, and entities controlled, jointly controlled or significantly influenced by such parties.

The Group's related party transactions include:

- the 2020 Transaction;
- the acquisition of SWS Holding during the period ended 31 March 2024, whereby SWS Holding was transferred under the common control of the Group and classified as a related party transaction, as disclosed in Note 19 of the Q1 2024 Interim Financial Statements;
- the PWPAs and shared facilities at project sites and shareholders' agreements, see "*Summary of Material Contracts*";
- the arrangements between the Group and EWEC relating to the sale and transmission of power and water, see "*Summary of Material Contracts*";
- the determination of the Group's MAR for sales of power and water as well as from wastewater treatment and other operating revenue from a related party in relation to those sales.

Certain of TAQA's related party transactions are disclosed in Notes 15, 17, 22, 27, 28, 30 and 31 to the FY 2023 Financial Statements and Notes 9, 12, 13 and 19 of the Q1 2024 Interim Financial Statements. These transactions include transactions, to the extent there are any, with associated companies, major shareholders, directors and key management personnel of TAQA, and companies of which they are principal owners. The sales to and purchases from related parties are made on terms approved by TAQA's management. Outstanding balances as at 31 December 2023 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Amounts due from related parties, net of provisions, are expected, on the basis of past experience, to be fully recoverable. Management has determined that the provision made against these amounts are appropriate as these are receivable from government entities with low probability of default and loss given default. Because the Group is a government-related entity (as defined in IAS 24), the Group is exempt from disclosing certain information relating to transactions and balances with entities related to the Abu Dhabi government.

Note 30 to the FY 2023 Financial Statements and Note 12 to the Q1 2024 Interim Financial Statements describes certain collectively, but not necessarily individually, significant related party transactions and outstanding balances, including the remuneration of senior key management personnel of the Group in FY 2023 and FY 2022 and during Q1 2024, respectively.

As at 31 December 2023, related parties receivables with a nominal value of AED 6 million were impaired and fully provided for. Note 30 to the FY 2023 Financial Statements also shows the movement in the provision for impairment of related party receivables and the ageing analysis of related party receivables in FY 2023 and FY 2022.

SUMMARY OF MATERIAL CONTRACTS

The following are summaries of selected provisions of certain material agreements governing each of the UAE and international generation, transmission and distribution projects. These summaries should not be considered to be a full statement of the terms and provisions of such agreements.

SUMMARY OF JOINT VENTURE / STRATEGIC AGREEMENTS

Masdar Shareholders' Agreement

TAQA entered into a joint venture agreement dated 8 December 2022 with Abu Dhabi National Oil Company (ADNOC) PJSC (**ADNOC**), Mamoura Diversified Global Holding PJSC (**Mamoura** and, together with TAQA and ADNOC, the **Masdar Shareholders**) and Abu Dhabi Future Energy Company PJSC (**Masdar**) that governs the ownership and management of Masdar and the relationship between its shareholders. TAQA holds 43 per cent. of the issued share capital of Masdar, Mamoura holds 33 per cent. of the issued share capital of Masdar and ADNOC holds 24 per cent. of the issued share capital of Masdar.

Business

The business of Masdar is to act as a strategic growth platform for the Masdar Shareholders to collectively invest in power generation assets that use renewable, carbon neutral, naturally replenished energy sources, such as sunlight, wind, tides, waves, and geothermal heat (**Renewable Energy**) and waste to energy projects, in the UAE and internationally (**Business**); provided that the business of Masdar may not include investment in, or development of: (a) assets or businesses producing hydrogen from hydrocarbon sources (i.e. blue hydrogen projects); or (b) RO projects (provided that Masdar may coinvest in RO projects where it provides renewable power to such projects). Masdar also has an ownership interest in and manages the Masdar Renewable Hydrogen joint venture, subject to the terms of the Masdar Renewable Hydrogen shareholders' agreement (as described below).

Exclusivity Provisions

The Masdar Shareholders have agreed that Masdar shall be their primary vehicle for investments in Renewable Energy. For that purpose the Masdar Shareholders have agreed that before they substantively pursue, engage in or make an investment in a project that constitutes Business, which meets certain agreed criteria (such as type of business and size of investment) and does not fall within certain agreed exceptions, they shall notify Masdar of the investment opportunity for Masdar to assess if it wishes to pursue the investment opportunity. If Masdar declines the investment opportunity, the relevant Masdar Shareholder shall be free to pursue such opportunity independently.

Shareholder funding

Shareholders may be required to subscribe for new shares in Masdar or advance shareholder loans on the dates and in the amounts set out in the latest annual budget, or as the board of Masdar may otherwise decide. The terms for any shareholder loan shall be established at the time the loan is made.

If any shareholder financing for the Masdar Renewable Hydrogen joint venture is payable in accordance with the Masdar Renewable Hydrogen joint venture agreement, the Masdar Shareholders shall provide Masdar with the funds required for its part of such financing without the need for further approval under the Masdar shareholders' agreement.

Restrictions on transfer

The Masdar Shareholders may only transfer shares in Masdar to their respective wholly-owned subsidiaries, provided such wholly-owned subsidiaries continue to be wholly-owned by the relevant Masdar Shareholder.

All other transfers require the consent of the other Masdar Shareholders. In the event of a dispute in relation to transfers of shares, the matter will be escalated to the Masdar Shareholders' respective group CEOs for negotiation.

Management

The business and affairs of Masdar are managed by, and under the direction of, its board of directors. The board comprises 8 members: 4 appointed by TAQA and 2 each by Mamoura and ADNOC. TAQA has the right to nominate the chairperson.

With the exception of the Chief of Internal Audit, TAQA has the right to nominate for appointment each member of the senior management team of Masdar and all members of Masdar's group, save for the Masdar Renewable Hydrogen joint venture. Mamoura shall nominate for appointment the Chief of Internal Audit of Masdar.

Management Services

If Masdar determines that it is in need of additional management services (including operational, asset management and business development services), such may be provided by TAQA on a cost pass-through basis pursuant to a management services agreement entered into between TAQA and Masdar on 8 December 2022, the form of which was approved by all Masdar Shareholders.

Matters requiring unanimous or supermajority shareholder approval or special board approval

Unanimous shareholder approval

Certain matters require the unanimous written approval of the Masdar shareholders including, for example: (a) any amendments to the dividend policy or making any distributions which are not in accordance with the dividend policy; (b) creating or releasing any encumbrances over any asset or undertaking of Masdar (other than in the ordinary course or in accordance with a financing arrangement approved by the board of directors); (c) ceasing or changing the nature of the business of Masdar; (d) approving any merger, reorganisation or joint venture in respect of or by Masdar (other than those forming part of an investment approved by the board of directors); (e) any disposal of assets or undertakings over agreed financial thresholds; (f) purchasing, redeeming or otherwise reorganising the share capital of Masdar; (g) taking steps towards winding up or dissolving Masdar; and (h) shareholder funding over an agreed financial threshold (other than in accordance with the shareholder funding provisions of the shareholders' agreement).

Supermajority shareholder approval

Entering into or terminating or varying any transaction, agreement, arrangement or commitment with any Masdar Shareholder or an affiliate of a Masdar Shareholder, which is not on arms' length terms or has a value over a certain monetary threshold shall (with some exceptions) require the written approval of TAQA as well as one of either Mamoura or ADNOC.

Approval by directors appointed by all shareholders

Certain matters require the approval of a majority of the directors of the board, such majority to include at least two director appointed by TAQA as well as one director appointed by each of Mamoura and ADNOC including, for example: (a) Masdar making any loans or incurring any indebtedness other than in connection with an investment approved by the board of directors; (b) making an investment or acquisition requiring an equity commitment by Masdar over certain agreed financial thresholds; (c) any disposal of assets or undertakings over agreed financial thresholds; and (d) commencing, settling or discontinuing any dispute resolution procedure in respect of a dispute with a value above an agreed threshold (being higher than the threshold for supermajority director approval).

Supermajority directors' approval

Certain matters require the approval of a majority of the directors of the board, such majority to include at least two directors appointed by TAQA as well as one director appointed by one of either Mamoura or ADNOC including, for example: (a) amending or terminating the management services agreement with TAQA; (b) entering into, terminating or amending any agreement with a value over an agreed monetary threshold; (c) incurring any indebtedness over an agreed monetary threshold, save in respect of an investment approved by the board of directors; and (d) commencing, settling or discontinuing any dispute resolution procedure in respect of a dispute with a value above an agreed threshold.

The above provisions do not apply to any decisions relating to the Masdar Renewable Hydrogen joint venture.

Dividend policy

To the extent permitted by applicable law, but subject to making adequate provision for working capital requirements in accordance with the agreed annual budget and budgeted investment programmes, all Masdar's free cash flow after servicing of debt shall be distributed on a biannual basis to the Masdar Shareholders.

Auditors

Masdar's auditors shall be the same accounting firm as is acting as TAQA's auditors from time to time.

Term and termination

The joint venture agreement shall terminate upon: (i) agreement between the shareholders; (ii) an initial public offering of the shares in Masdar; (iii) a sale of all Masdar shares to a third party; or (iv) all Masdar shares being held by one Masdar Shareholder.

Default

Events of default consist of: (a) serious or persistent default in performance of obligations under the joint venture agreement; (b) the voluntary or involuntary winding-up of a shareholder; (c) a breach of the share transfer restrictions in the joint venture agreement; or (d) a criminal offence by a shareholder or an offence by a shareholder under applicable anti-corruption or sanctions laws which is material in the context of the business of the Masdar group taken as a whole.

If ADNOC or Mamoura is the defaulting shareholder or TAQA is the defaulting shareholder due to an insolvency event, the non-defaulting shareholders can call the defaulting shareholder's shares at FMV less 10 per cent. (or at FMV if the relevant event of default is an insolvency event).

If TAQA is the defaulting shareholder (other than due to an insolvency event), the non-defaulting shareholders can put their shares to TAQA at FMV plus 10 per cent.

Masdar Renewable Hydrogen Joint Venture Agreement

Masdar has entered into a joint venture agreement dated 8 December 2022 with Abu Dhabi National Oil Company (ADNOC) PJSC (**ADNOC**), Mamoura Diversified Global Holding PJSC (**Mamoura** and, together with Masdar and ADNOC, the **MGH Shareholders**) and Masdar Green Hydrogen LLC (**MGH**) that governs the ownership and management of MGH and the relationship between its shareholders. Masdar holds 55.8 per cent. of the issued share capital of MGH, Mamoura holds 14.6 per cent. of the issued share capital of Masdar and ADNOC holds 29.6 per cent. of the issued share capital of Masdar.

Business

The business of MGH is to act as a strategic growth platform for the MGH Shareholders to collectively invest in the production of hydrogen through water electrolysis or other technologies that use Renewable Energy to produce hydrogen from water (**Renewable Hydrogen**) as well as the production of certain chemical carriers and chemical derivatives of the Renewable Hydrogen produced by MGH and its subsidiaries and the processing and storage of such products (**Core Business**).

Exclusivity Provisions

The MGH Shareholders have agreed that MGH shall be their primary vehicle for investments in the Core Business. For that purpose, the MGH Shareholders have agreed that before they substantively pursue, engage in or make an investment in a project within the Core Business, which meets certain agreed criteria (such as type of business and size of investment) and does not fall within certain agreed exceptions, they shall notify MGH of the investment opportunity for MGH to assess if it wishes to pursue the investment opportunity. If MGH declines the investment opportunity, the relevant MGH Shareholder shall be free to pursue such opportunity independently.

Shareholder funding

Shareholders may be required to subscribe for additional shares in MGH or advance shareholder loans on the dates and in the amounts set out in the latest annual budget, or as the board of Masdar may otherwise decide. The terms for any shareholder loan shall be established at the time the loan is made.

Restrictions on transfer

The MGH Shareholders may only transfer shares in MGH to their respective wholly-owned subsidiaries, provided such wholly-owned subsidiaries continue to be wholly-owned by the relevant MGH Shareholder.

All other transfers require the consent of the other MGH Shareholders. In the event of a dispute in relation to transfers of shares, the matter will be escalated to the MGH Shareholders' respective group CEOs for negotiation.

Management

The business and affairs of MGH are managed by, and under the direction of, its board of directors. The board comprises 8 members: 4 appointed by ADNOC and 2 each by Mamoura and TAQA. ADNOC has the right to nominate the chairperson.

With the exception of the Chief of Internal Audit, ADNOC shall nominate for appointment each member of the senior management team of MGH and MGH's subsidiaries. Mamoura shall nominate for appointment the Chief of Internal Audit of MGH.

Management Services

Masdar shall provide such management services (including operational, asset management and business development services), as may be required by MGH on a cost pass-through basis pursuant to a management services agreement entered into between Masdar and MGH on 8 December 2022, the form of which was approved by all Masdar Shareholders.

Matters requiring unanimous or supermajority shareholder approval

Certain matters require the unanimous written approval of the shareholders including, for example: (a) any amendments to the dividend policy or making any distributions which are not in accordance with the dividend policy; (b) creating or releasing any encumbrances over any asset or undertaking of MGH (other than in the ordinary course or in accordance with a financing arrangement approved by the board of directors); (c) ceasing or changing the nature of the business of MGH; (d) approving any merger, reorganisation or joint venture in respect of or by MGH (other than those forming part of an investment approved by the board of directors); (e) any disposal of assets or undertakings over agreed financial thresholds; (f) purchasing, redeeming or otherwise reorganising the share capital of MGH; (g) taking steps towards winding up or dissolving MGH; (h) shareholder funding over an agreed financial threshold (other than in accordance with the shareholder funding provisions of the shareholders' agreement); (i) MGH making any loans or incurring any indebtedness other than in connection with an investment approved by the board of directors; and (j) making an investment or acquisition requiring an equity commitment by MGH over certain agreed financial thresholds.

Certain matters require the written approval of ADNOC as well as either one of Mamoura or Masdar including, for example: (a) amending or terminating the MGH management services agreement with Masdar; (b) entering into or terminating or varying any transaction, agreement, arrangement or commitment with any MGH Shareholder or an affiliate of a MGH Shareholder, which is not on arms' length terms or has a value over a certain monetary threshold (with some exceptions); (c) amending or terminating any agreement for the provision of marketing, logistics and transport services with ADNOC or entering into any new such agreement which does not comply with the principles agreed between the MGH Shareholders for such agreements; and (d) entering into, terminating or amending any agreement with a value over an agreed monetary threshold.

Dividend policy

To the extent permitted by applicable law, but subject to making adequate provision for working capital requirements in accordance with the agreed annual budget and budgeted investment programmes, all MGH's free cash flow after servicing of debt shall be distributed on a biannual basis to the MGH Shareholders.

Auditors

MGH's auditors shall be the same accounting firm as is acting as ADNOC's auditors from time to time.

Term and termination

The joint venture agreement shall terminate upon: (i) agreement between the shareholders; (ii) an initial public offering of the shares in MGH; (iii) a sale of all MGH shares to a third party; or (iv) all MGH shares being held by one MGH Shareholder.

Default

Events of default consist of: (a) serious or persistent default in performance of obligations under the joint venture agreement; (b) the voluntary or involuntary winding-up of a shareholder (other than Masdar); (c) a breach of the share transfer restrictions in the joint venture agreement; or (d) a criminal offence by a shareholder or an offence by a shareholder under applicable anti-corruption or sanctions laws which is material in the context of the business of the MGH group taken as a whole.

If Mamoura is the defaulting shareholder or ADNOC is the defaulting shareholder due to an insolvency event, the non-defaulting shareholders can call the defaulting shareholder's shares at FMV less 10 per cent. (or at FMV if the relevant event of default is an insolvency event).

If ADNOC is the defaulting shareholder (other than due to an insolvency event), the non-defaulting shareholders can put their shares to ADNOC at FMV plus 10 per cent.

If Masdar is the defaulting shareholder, the non-defaulting shareholders can call Masdar's shares: (i) at FMV for such number of shares as is equal to: (X) Masdar's shareholding in MGH multiplied by (Y) the total number of shares in Masdar held directly by the relevant non-defaulting shareholder as a percentage of the total number of shares in Masdar held directly by all non-defaulting shareholders (the consideration for which shall be left outstanding and the resulting receivable shall be distributed by Masdar to the relevant non-defaulting shareholder); and (ii) at FMV less 10 per cent. for the remainder of Masdar's shares in MGH.

SUMMARY OF PRINCIPAL UAE GENERATION AGREEMENTS

Power and Water Purchase Agreements and Power Purchase Agreements

Each generation subsidiary (including certain of TAQA's associates) has entered into a PWPA, a PPA or a water purchase agreement (a **WPA** and, for ease, together referred to as **(PW)PAs** with references below to power and water being construed as references to power only in the case of PPAs and water only in the case of WPAs) with EWEC as the power and water procurer, with all such (PW)PAs having generally similar terms and conditions (although the tariff for each one is unique). Each (PW)PA governs:

(a) the design, construction and operation and maintenance of the relevant generation and desalination facilities (and their expansion, where relevant);

(b) the design, construction and transfer of the shared and/or special facilities and associated inter-connection facilities developed and built by the UAE generation subsidiary and (where relevant) transferred to the transmission, distribution or shared facilities company; and

(c) the sale and purchase of power and water capacity and power and water output to EWEC for the term of the (PW)PA.

The (PW)PA requires the generation company to make available to EWEC the net dependable power capacity (other than for solar plants) and net dependable water capacity of the relevant facilities and to deliver to EWEC dispatched net electrical energy and net water output. EWEC is obliged to purchase from the UAE generation subsidiary the net dependable power capacity and net dependable water capacity and take delivery of dispatched net electrical energy and net water output.

The term of each (PW)PA is 20-30 years from the Project Commercial Operations Date (**PCOD**).

Fuel supply

EWEC is required to supply, and deliver on a substantially continuous basis, all the natural gas necessary for the facilities to generate net electrical energy and to produce net water output in accordance with a fuel utilisation schedule provided by the generation subsidiary.

The generation subsidiary is required to procure sufficient fuel oil at its own cost to enable the facilities to be operated for seven consecutive days (and, in the case of Umm al Naar, in relation to the existing facilities, the maximum possible number of days agreed with EWEC) in the event the gas is not made available by EWEC. The tariff mechanism in the (PW)PA adjusts to pass through the costs of procuring back-up fuel to EWEC.

This section does not apply to the Group's solar PV plants.

Capacity

Capacity from the relevant facilities is dedicated to EWEC. Payments for capacity under the (PW)PA are based on the facilities' net dependable capacity for each of power and water, which are determined by testing and measured prior to the PCOD and periodically thereafter. This section does not apply to the Group's solar PV plants.

Payments and fees

The (PW)PA provides for a four-part tariff structure for each of power and water, and each component of the tariff structure is designed to provide for recovery of certain costs. These costs include debt service; return on shareholders' equity contributions; taxes, levies and duties; fixed and variable operating and management expenses; and fuel costs.

Supplemental payments

In addition to capacity payments and output payments, the (PW)PA requires EWEC to make certain supplemental payments. These vary among the (PW)PAs but generally include payments for the use of back-up fuel and, where relevant, for certain shared facilities and insurance costs.

Terms of payment

EWEC is required under the (PW)PA to make power and water capacity and output payments on a monthly basis following receipt by EWEC of an invoice from the UAE generation subsidiary. All payments are made in AED, and invoices are due and payable 30 days after the day on which the invoice is received by EWEC.

Procurer credit support

Under procurer credit support agreements, the Abu Dhabi government has agreed to guarantee certain of EWEC's mandatory payment obligations upon termination of the (PW)PA (the **Procurer Credit Support**). The Procurer Credit Support does not extend to EWEC's option to purchase upon termination by EWEC due to the generation subsidiary's event of default. In respect of some projects, this credit support terminates if EWEC achieves and maintains for a continuous period of 730 days a long-term unsecured debt rating of at least BBB from Standard & Poor's or Baa2 from Moody's, or their equivalent.

Force majeure and government action or inaction

Each party to the (PW)PA is excused from performance and will not be in default of its obligations under the (PW)PA for so long as failure to perform such obligation is due to an event of force majeure or government action or inaction, although each party is generally obliged to make reasonable efforts to minimise and mitigate the effects of such event of force majeure or government action or inaction and restore its ability to perform. Certain delays are not excused by an event of force majeure or government action or inaction.

Where the generation company's performance is affected by events of force majeure, EWEC is not obliged to make any payment in respect of power or water capacity not made available. Where the UAE generation company's performance is affected by events of government action or inaction, EWEC continues to be required to make capacity payments.

Events of government action or inaction are circumstances where the action or inaction of any instrumentality of the UAE or Abu Dhabi is the controlling or contributing force that causes the occurrence of such an event. Such events are limited to circumstances caused or arising out of acts of war, rebellion, acts of terrorism or riot occurring in the UAE or Abu Dhabi, change in law, force majeure in connection with gas, electricity or water supply caused by action or inaction or controlled or contributed to by any instrumentality of the UAE or Abu Dhabi, certain countries' boycott or sanction or any other acts or failures to act without justifiable cause by any instrumentality of the UAE or Abu Dhabi, including, without limitation, the denial of or material delay in the granting of any permit, licence or consent.

Termination

Each party may terminate the (PW)PA following the occurrence of an event of default subject to a 30-day notice of termination. During the 30-day notice period, which may be extended pursuant to suspension period provisions, the parties must consult with a view to mitigating the consequences of and curing such event of default. If the default is not cured within the consultation period, the party having given notice of termination may terminate the (PW)PA.

Events of default

EWEC is subject to a number of events of default, including in relation to non-payment, breach of contract, insolvency, failure of credit support and expropriation or compulsory acquisition.

Each generation subsidiary is subject to a number of events of default. These include a failure to achieve PCOD by a long-stop date, wilful default, abandonment, non-payment, insolvency, average availability of less than 70 per cent. or 75 per cent., as applicable, of net dependable power or water capacity for any rolling period of two years or more, and material breach of obligations.

Termination upon prolonged force majeure or event of government action or inaction

In addition to termination following an event of default, the (PW)PA may be terminated by the generation subsidiary if an event of government action or inaction prevents EWEC from performing any of its obligations under the (PW)PA for an extended period of time, provided that, if EWEC elects to continue paying capacity payments for power and water, then the UAE generation subsidiary will not have the right to terminate the (PW)PA. There is no express right to terminate for an event of force majeure affecting the operating subsidiary.

EWEC may terminate the (PW)PA if (a) an event of force majeure or government action or inaction prevents EWEC from performing any of its obligations under the (PW)PA for an extended period of time; or (b) an event

of government action or inaction prevents the generation subsidiary from generating or delivering net power or water output for such continuous period.

Consequences of termination

In the event of termination of a (PW)PA, the rights of the generation subsidiaries differ according to the nature of the events or circumstances which have caused the termination. Early termination of the (PW)PA obligates the payment by EWEC of termination amounts specified with regard to the subject termination event. In the event of early termination, such generation company may be required to sell, or EWEC may be required to purchase, the plant and facilities as specified in the (PW)PA on payment of amounts that vary depending on the reason for the relevant termination. Payment of termination amounts resulting from the generation company's right to terminate the (PW)PA in certain cases is guaranteed by the Abu Dhabi government pursuant to the Procurer Credit Support.

Other remedies

In the event of a breach by a party of its obligations under the (PW)PA, the other party may seek to protect and enforce its rights, to recover any damages to which it may be entitled, or to seek specific performance in accordance with the dispute resolution provisions of the (PW)PA. Apart from its termination right, EWEC's sole remedy, and the sole liability of the UAE generation company, is a reduction in capacity payments.

Insurance

The generation company is required under the (PW)PA to obtain and maintain insurance policies from financially sound and reputable insurers that generally contain provisions which are reasonably standard in the insurance market with respect to power generation and desalination facilities of similar size, technology and location. The insurance coverage must insure, to the maximum foreseeable loss amount of the facilities, against physical damage to the facilities. Each generation company is also required to carry terrorism insurance in accordance with the financing agreements relating to the relevant facilities and the (PW)PA.

Liability and indemnity

The (PW)PAs include customary indemnification provisions between the parties for claims due to loss of or damage to property, death or injury to persons (except for workers' compensation claims) resulting from a negligent act or omission by the responsible party. In addition, the generation company is required to indemnify EWEC against claims under environmental laws or regulations applicable to the plant and claims arising out of the design or construction of the facilities.

Assignment and transfer

EWEC may, at any time, assign or transfer its rights or obligations under the (PW)PA to DoE, ADPower or Transco without the prior written consent of the relevant generation subsidiary, subject to certain conditions. The UAE generation subsidiary may assign its rights under the (PW)PA pursuant to the financing documents to which it is a party. Otherwise, neither the UAE generation subsidiary nor EWEC is permitted under the (PW)PA to assign or transfer its rights or obligations under the (PW)PA without the prior consent of the other.

Management, Operation and Maintenance Agreement

Each generation company (other than SPVPC) is a party to an operation and maintenance (or similar) agreement (the **O&M Agreement**) with an operations and maintenance company formed by the 40 per cent. international investor shareholder in respect of the facility in question, other than in the case of Tawelah B where TAQA also holds an indirect interest with the international investors in the operations and maintenance company for that project (the **Operator**). The term of the agreement is generally structured either initially or with agreed extensions to match the terms of the corresponding (PW)PA.

Scope of services

Under the terms of the O&M Agreement, the Operator agrees to provide the operation and maintenance services necessary for the production and delivery of power and water, including, among other obligations: (a) the operation and maintenance of the facilities; (b) preparation of annual operating budgets and maintenance plans for the generation company's approval; (c) planning, managing and conducting routine inspection and maintenance programmes; (d) executing scheduled and unscheduled maintenance and repair and major overhauls; and (e) (where relevant) monitoring the operation and maintenance of the shared facilities.

Parent guarantee

The payment obligations of the Operator under the O&M Agreement are guaranteed by its parent(s), subject to a maximum agreed aggregate cap.

Compensation

The Operator is compensated, broadly, either by way of a fixed price payment structure or through a structure whereby costs are, essentially, passed through subject to a premium.

Termination

The O&M Agreement may be terminated by a party if, among other things, the other party (or its parent, in the case of the Operator) becomes bankrupt, insolvent or is dissolved, or the other party commits a material breach of the O&M Agreement, including non-payment of sums properly due. In addition, the O&M Agreement may be terminated by the generation subsidiary if: (a) the Operator wilfully fails to operate the plant in accordance with the provisions of the O&M Agreement; (b) as a result of poor performance by the Operator, the availability of power or water capacity of the plant is less than pre-agreed levels required under the (PW)PA; (c) the maximum aggregate amount of liquidated damages is incurred in each of any three consecutive domestic generation years; (d) any change in ownership takes place in the Operator without prior written consent; or (e) the (PW)PA is terminated.

Force majeure or government action or inaction

The force majeure or government action or inaction provisions in the O&M Agreements are generally similar to such provisions in the (PW)PA.

Insurance

The UAE generation company and the Operator each assumes responsibility for obtaining insurance coverage from financially responsible insurers in a manner that will avoid duplication of insurance coverage and premium costs. The UAE generation company is required to effect and maintain insurance in respect of all loss or physical damage to the plant and other property on the land that is subject to the land lease.

Liability and indemnity

The Operator's liability with respect to the O&M Agreement is limited to certain fixed amounts or percentage of management fees depending on the operational period. This limitation does not apply to gross negligence or wilful misconduct of the Operator or its affiliates.

In respect of the brownfield sites, each party indemnifies the other for claims and losses arising from the existing facilities under environmental laws or violation of water and electricity laws for the period during which the existing facilities were under such party's control. In the case of Taweelah A1, this indemnity is given by the Operator only, in favour of the generation company, EWEC, ADPower and the financing parties.

Assignment

The O&M Agreement cannot be assigned without the prior written consent of the other party, provided that the generation subsidiary may assign the O&M Agreement to the lenders (and, in the case of Umm al Naar and Taweelah A1, to EWEC).

Project and (where relevant) Shared Facilities Lease Agreements

The land required for each project (and its shared facilities, where relevant), including necessary access, utility and other easements, is leased to the UAE generation company from ADWEA prior to 2019 (replaced in 2019 by ADPower, see "*Description of the Group — History*") and after 2019, by ADPower, for a period that exceeds the term of the (PW)PA, usually by five years, with renewal options consistent with the renewal options in the corresponding (PW)PA. The land lease continues on a year-to-year basis following expiry of the initial term, unless the UAE generation company gives ADPower at least 180 days' notice prior to expiry of the initial term or any renewal of its intention not to continue.

The basic rent for the initial term of the land lease is a nominal sum.

The land leases may be terminated: (a) by mutual agreement between ADPower and the UAE generation company; (b) by the non-defaulting party on the occurrence of an event of default; (c) if the facilities are completely destroyed or so damaged that the UAE generation company elects not to rebuild, restore or repair them; or (d) when the useful life of the facilities has ended and demolition and removal has occurred in accordance

with the land lease. The events of default include: (i) failure to pay amounts due under the land lease within 60 days after the date such amount is due; and (ii) failure to perform or meet in any material respect any material condition, covenant or obligation under the land lease which remains uncured for 90 days or, if the defaulting party is diligently pursuing a cure, 180 days. In the event of a UAE generation subsidiary default, ADPower may, but has no obligation to, cure the UAE generation company default.

Shareholders' Agreement

The shareholders in each UAE generation company have entered into a shareholders' agreement that governs the management of the UAE generation subsidiary and the relationship between its shareholders.

Shareholder loans

Shareholders are required to advance interest-free loans to a pre-agreed maximum, at such time or times as required by the generation subsidiary, on terms to be established at the time the loan is made. The shareholder loans are subordinated to other generation subsidiary indebtedness under the financing documents.

Restrictions on transfer

Transfers of shares in a generation subsidiary are subject to a provision of UAE law limiting the foreign ownership of each generation subsidiary's share capital to not more than 49 per cent. Except for transfers by local shareholder holding companies of their interests in a generating subsidiary to the relevant TAQA subsidiary, and transfers by TAQA (or its subsidiary) of its shares in the local holding companies to its affiliates, transfers required by operation of law or transfers resulting from the creation or enforcement of a lien on shares to secure indebtedness of the generation subsidiary, generally speaking, shareholders of the generating company cannot transfer their shares. International shareholders cannot sell, transfer, assign, pledge or hypothecate their shares in the company through which they indirectly hold an interest in the generation company during certain periods after PCOD and beyond specified percentages or without fulfilling certain conditions.

Management

The business and affairs of the generation subsidiary are managed by, and under the direction of, its board of directors. The directors are appointed by the shareholders with the relevant subsidiary of TAQA holding shares in the relevant UAE generation subsidiary nominating a majority of directors. The executive managing director of the UAE generation subsidiary is nominated by the minority shareholder owned by the respective joint venture partners in each project and is responsible for day-to-day management, including compliance by the UAE generation subsidiary with its obligations under the (PW)PA.

Matters requiring unanimous shareholder approval

Certain matters require the unanimous written approval of the shareholders including, for example: (a) a change in the general nature and business of the generation subsidiary; (b) the winding-up of the generation subsidiary or the sale, transfer, assignment, pledge or hypothecation of generation subsidiary shares; (c) the acquisition, formation or disposition of subsidiaries; (d) the merger, consolidation or reorganisation of the generation subsidiary with another company; (e) the sale, transfer, disposition, lease or other disposal of all or substantially all of the generation subsidiary's business, undertaking or assets; and (f) incurring indebtedness in an aggregate amount in excess of an agreed minimum level in a fiscal year.

Dividend policy

Subject to the relevant finance documents, to the greatest extent permitted by UAE commercial companies law, but subject to forecasted working capital requirements in accordance with the agreed annual budget, profits are distributed to the shareholders, and available cash in the UAE generation subsidiary is to be used to repay subordinated loans.

Term and termination

The initial term of a shareholders' agreement is 40 years from the generation subsidiary's registration date and it is renewed automatically for five-year periods, unless either party gives at least 12 months' prior written notice to terminate at the end of a relevant period. A shareholders' agreement can be terminated by agreement between the shareholders. In addition, the agreement terminates automatically if either of the shareholders no longer holds shares in the generation subsidiary, if the joint venture partners together own less than 25 per cent. of the shares in the generation subsidiary or if the relevant land lease is terminated as a result of demolition and removal of the relevant facilities.

Default

Events of default consist of: (a) a material breach of the shareholders' agreement; (b) the voluntary or involuntary winding-up of a shareholder; or (c) a breach by the international shareholders' holding company's obligations under the (PW)PA resulting in the termination by EWEC of the (PW)PA. Following the occurrence of an event of default caused by the joint venture partners, the relevant subsidiary of TAQA may purchase all of its shares and shareholder loans in the generation subsidiary. If the relevant subsidiary of TAQA is the defaulting party, the joint venture partners may require such subsidiary to purchase all of their shares and shareholder loans in the generation subsidiary at prices set out in the agreement. The purchase price for the shareholder loans is equal to their outstanding principal amount. The purchase price for the defaulting party's shares is to be agreed between the parties, failing which the purchase price will be determined by a third-party valuer.

SUMMARY OF CERTAIN INTERNATIONAL GENERATION PROJECT AGREEMENTS

TAQA Morocco

Power purchase agreements

TAQA Morocco and its subsidiary, JLEC 5&6, have each executed a PPA with ONEE. The first PPA, signed with TAQA Morocco, relates to the first four units and the second PPA, signed by JLEC 5&6, covers the fifth and sixth units. Both PPAs are for periods of 30 years starting from September 1997 in the case of TAQA Morocco and the commercial operation date of unit 5 in the case of JLEC 5&6, namely 15 April 2014. TAQA Morocco's PPA was extended in January 2020, see "*—TAQA Morocco Units 1-4 PPA Extension*" below.

TAQA Morocco and JLEC 5&6 sell available power generation capacity and net electricity production from the Jorf Lasfar facility to ONEE. Each PPA is a take-or-pay contract, subject to the availability of the units, which provides for capacity and energy payments at contracted tariffs denominated in U.S. dollars, euro and Moroccan dirham.

Under the PPAs, ONEE bears substantially all foreign exchange and coal price risk, subject in the case of the latter to the Jorf Lasfar facility meeting certain guaranteed levels of plant thermal efficiency and other contractual provisions. In addition, the PPAs contain change-in-law provisions that allow certain costs which TQM or JLEC 5&6 may incur as a result of regulatory changes that affect the Jorf Lasfar project to be passed through to ONEE.

The PPAs set out the obligations of both TAQA Morocco and JLEC 5&6 on the one hand and ONEE on the other hand and include default provisions for failure to meet those obligations which, subject to cure rights and materiality, could ultimately provide a party with termination rights. Early termination of a PPA by any of TAQA Morocco, JLEC 5&6 or ONEE obligates the payment by ONEE of a termination amount specified with regard to the subject termination event.

ONEE is required to maintain bank letters of credit as security for its monthly payment obligations under each PPA. In addition, the Government of Morocco has guaranteed payments of the termination amounts under the PPAs and TAQA Morocco and JLEC 5&6's rights of quiet enjoyment of the Jorf Lasfar power station.

Each PPA is governed by the laws of Morocco. Disputes that cannot otherwise be resolved by the parties are ultimately subject to arbitration in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

Transfer of possession agreements (TPAs)

In conjunction with the implementation of the initial Jorf Lasfar project for the first four units, TAQA Morocco entered into a TPA with ONEE. The term of the TPA runs for a period of 30 years from September 1997. The TPA establishes TAQA Morocco's rights of possession and quiet and peaceful enjoyment, as well as responsibilities for use, operation and maintenance, of units 1 – 4 of the Jorf Lasfar facility. ONEE retained legal title to units 1 – 4.

In conjunction with the implementation of the expansion of the Jorf Lasfar power plant, TAQA Morocco and JLEC 5&6 entered into an additional TPA with ONEE. The term of the TPA runs for a period of 30 years from the commercial operation date of unit 5. The TPA establishes TAQA Morocco's and JLEC 5&6's rights of possession and quiet and peaceful enjoyment, as well as responsibilities for use, operation and maintenance of the common site and common facilities to be shared by TAQA Morocco and JLEC 5&6 for the operation and maintenance of all six units of the Jorf Lasfar power plant. ONEE retains title in the existing shared facilities and future shared facilities being developed by JLEC 5&6 as part of the expansion of the Jorf Lasfar power plant.

Each TPA provides for certain events of default on the part of TAQA Morocco, JLEC 5&6 and ONEE. If the occurrence of any event of default under a TPA relating to a party to it results in the termination of the TPA, the relevant PPA automatically terminates, although the other TPAs will continue in effect subject to any defaults under it.

Each TPA is governed by the laws of Morocco. Any disputes in respect of a TPA are subject to the dispute resolution procedure provided for in the relevant PPA.

TAQA Morocco Units 1-4 PPA Extension

On 24 January 2020, TAQA Morocco and ONEE signed amendments to the PPA and the TPA in order to extend the operation period of Units 1-4 until April 2044 so that the duration of the Units 1-4 PPA matches the duration of JLEC 5&6 PPA. TAQA Morocco entered into a long-term loan agreement for MAD 1.5 billion at a fixed rate and with a term of 15 years to finance the additional right of use paid by TAQA Morocco to ONEE in consideration of the extension, and to finance associated development costs incurred by it.

Right of surface agreement (RSA)

In conjunction with the implementation of the expansion of the Jorf Lasfar power plant by JLEC 5&6, JLEC 5&6 entered into the RSA with ONEE. The RSA runs for a period ending on the earlier of: (a) the date falling 35 years following 18 January 2013; and (b) the date of termination or expiry of the PPA between JLEC 5&6 and ONEE. Pursuant to the RSA, JLEC 5&6 is granted all the attributes of the right of ownership over units 5&6 of the Jorf Lasfar power plant.

The RSA provides for certain events of default on the part of each of JLEC 5&6 and ONEE. If the occurrence of any event of default under the RSA relating to either party results in the termination of the RSA, the PPA between JLEC 5&6 and ONEE automatically terminates.

Following completion of units 5 and 6 of the Jorf Lasfar power plant, the surface right and the underlying title in units 5 and 6 of the Jorf Lasfar power plant granted to JLEC 5&6 pursuant to the RSA will be automatically reassigned to ONEE upon the expiry of the PPA between JLEC 5&6 and ONEE or, if earlier, upon the termination of such PPA.

The RSA is governed by the laws of Morocco. Any disputes in respect of the RSA are subject to the dispute resolution procedure provided for in the PPA between JLEC 5&6 and ONEE.

Coal terminal concession agreements (CTCAs)

In conjunction with the implementation of the initial Jorf Lasfar project for the first four units, TAQA Morocco entered into a coal terminal agreement with l'Agence Nationale des Ports (**ANP**) (formerly the Office National d'Exploitation des Ports), the national port authority of Morocco. Following the expiry of that initial agreement and in conjunction with the implementation of the Jorf Lasfar units 5 and 6 expansion project, TAQA Morocco and JLEC 5&6 each entered into a CTCA with ANP for a term of 30 years from 11 November 2012. Pursuant to the CTCA entered into between TAQA Morocco and ANP, TAQA Morocco is granted an operation and maintenance concession over quay 3 at the Jorf Lasfar port and a handling concession over quay 3bis at the Jorf Lasfar Port.

The CTCAs provide for certain events of default on the part of each of TAQA Morocco, JLEC 5&6 and ANP.

The CTCAs are governed by the laws of Morocco. Any disputes in respect of a CTCA that cannot otherwise be resolved by the parties are ultimately subject to the dispute resolution procedure provided for in the relevant CTCA.

Operation and maintenance agreements

TAQA Morocco, JLEC 5&6 and TAQA North Africa (**TNA**) have entered into two operation and maintenance agreements to govern the operation of units 1-4 and units 5 and 6 and the shared facilities of the Jorf Lasfar power plant, respectively. Each agreement has an initial term covering the term of the relevant PPA.

Under the terms of the agreements, TNA is required to operate, maintain and repair the power station and common facilities (including the port coal unloading terminal installations) in accordance with the governing agreements and to provide certain management personnel to supervise TAQA Morocco's and JLEC 5&6's employees.

TAQA Morocco and JLEC 5&6 are required to pay TNA a management fee and, if relevant, incentive payments (relating to performance targets for available capacity, heat rate and budget performance). TNA is liable to pay liquidated damages to TAQA Morocco or JLEC 5&6 for failing to meet the targets referred to above as well as for certain environmental liabilities arising out of TNA's performance.

The operation and maintenance agreements are governed by the laws of Morocco. Disputes arising under or in relation to the agreement that otherwise cannot be resolved by the parties are ultimately subject to arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC).

Neyveli (India)

Power purchase agreement

TAQA Neyveli Power Company Private Limited (**TAQA Neyveli**) (formerly known as ST-CMS Electric Company Private Limited) is party to a PPA with TANGEDCO, as successor in interest with respect to the PPA to the Tamil Nadu Electricity Board, that runs for a 30-year term (from 15 December 2002), which may be extended for a further 15 years (in five year increments) at TANGEDCO's option, subject to agreement on certain terms of extension between TAQA Neyveli and TANGEDCO.

Under the terms of the PPA, TANGEDCO is the sole purchaser of power generated at the plant and delivered in accordance with the agreed dispatch instructions, save in the event a TANGEDCO event of default occurs, in which case power may be sold to any purchaser within Tamil Nadu.

The tariff levied under the PPA is based on the availability of the plant. It includes a fixed capacity component covering, inter alia, interest on loans, taxes and depreciation, a variable fuel component covering the cost of primary and secondary fuel, and an incentive charge.

TANGEDCO's payment obligations under the PPA are reinforced by a payment assurance package. The security provided includes a letter of credit (covering one month's payment of tariff at 80 per cent. plant load factor) and a Government of Tamil Nadu guarantee which covers all monies owed to TAQA Neyveli by TANGEDCO. Each party is relieved from liability if the performance of its respective obligations under the PPA is materially and adversely affected by force majeure.

The agreement contains a change-in-law provision which provides for the agreement to be amended to put the parties back in their respective economic positions in the event that a given change in law results in an increase/decrease in costs or decrease/increase in net after tax return to TAQA Neyveli in excess of U.S.$125,000 in any year.

The PPA provides for certain events of default on the part of both TAQA Neyveli and TANGEDCO and specifies cure periods during which the party which is in default can remedy the default. If a default is not remedied within the requisite cure period, the other party can terminate the PPA.

Under the terms of the PPA, in the event of default by TANGEDCO, TAQA Neyveli has an option to require TANGEDCO to purchase the project at a purchase price to be determined in accordance with the terms of the PPA. Similarly, in the event of default by TAQA Neyveli, TANGEDCO may exercise an option to purchase the project at a price determined in accordance with the terms of the PPA.

The PPA is governed by Indian law and disputes are dealt with according to a phased procedure culminating ultimately in arbitration, conducted in London in accordance with the Rules of Conciliation and Arbitration of the ICC.

Fuel supply agreement

Lignite is supplied to the plant by NLC under an FSA entered into in April 1998.

NLC is required to supply scheduled monthly quantities of lignite, which quantities may be revised by TAQA Neyveli, provided that the annual aggregate quantities do not exceed 1.9 million metric tonnes or fall below 1.2 million metric tonnes. Under the FSA, TAQA Neyveli may not purchase or receive fuel from any other source except to the extent NLC does not deliver 90 per cent. of the required quantity of lignite for a period of three consecutive months.

The base price paid for lignite under the agreement is the annual weighted average price of lignite produced from NLC's various mines. In addition, TAQA Neyveli is required to make an incentive payment for supplies made in excess of 97 per cent. of the annual aggregate quantity and a guarantee charge commencing in the 13th year of commercial operation which is equal to 1 per cent. of the base price of lignite delivered in each year after the 12th

year of commercial operation, up to a maximum of 1.8 million metric tonnes. The delivery price comprises the sum of the base price, applicable taxes and royalties, charges for sampling and analysis of the lignite supplied, the guarantee charge and the incentive charge.

The agreement provides for a number of events of default on the part of either party which will trigger the payment of certain agreed liquidated damages.

The FSA is governed by Indian law. Disputes arising under the FSA are to be resolved by negotiations between representatives of both parties and in the event of non-resolution are subject to arbitration, which is to be conducted in Chennai in accordance with the Indian Arbitration and Conciliation Act of 1996.

SUMMARY OF CERTAIN TRANSMISSION AND DISTRIBUTION AGREEMENTS

Material Transmission Contracts and Licensing

DoE Licence

TRANSCO has been issued a water and electricity transmission and despatch licence dated 1 January 2018 by the DoE. The licence permits TRANSCO to carry out the transmission of electricity and water. The licence is not transferable or assignable.

Following the transfer of the Abu Dhabi transmission system Load Despatch Centre from TRANSCO to EWEC on 1 January 2022, TRANSCO is no longer responsible for system operation and despatch, and consequently an appropriate derogation has been granted by the DoE to TRANSCO in respect of this licence obligation.

Term and termination rights

The licence continues (unless revoked in accordance with its terms) until terminated by not less than 25 years' notice in writing given by the DoE to the licensee.

The licence contains standard termination rights for a licence of this nature, including, by agreement, for non-payment of licence fees, failure to comply with a regulatory order from the DoE, cessation of business by TRANSCO, certain insolvency events and change of control of TRANSCO.

Disposal of assets

Subject to certain limited exceptions, TRANSCO may not dispose or relinquish operational control over any relevant asset without having given the DoE at least two months' prior written notice and having obtained the consent of the DoE to such disposal.

Key obligations

The licence requires TRANSCO to offer to enter into an agreement for the use of TRANSCO's system on the application of any licensed distribution operator. The licence also requires TRANSCO to offer to enter into an agreement for connection to TRANSCO's transmissions system on the application of any other person. In the provision of use of the system or in offering terms for the carrying out of works for the purpose of connection to the transmission system, TRANSCO may not unduly discriminate between any persons or class of persons.

TRANSCO is required to provide to the DoE, on request, such information as the DoE may consider necessary for the performance of its regulatory functions.

Insurance

TRANSCO is required, in respect of its licensed activities, to maintain insurance against third-party liabilities on terms approved by the DoE.

Pricing

The licence requires TRANSCO to set its charges for the provision of services (including connection charges) based on a MAR, calculated on the basis of a formula set out in the licence. The formula is reviewed on a regular basis. TRANSCO has received the final proposals from the DoE setting out the details of the RC2 price control settlement, and, once agreed, the new regulatory control period will take effect for the four-year period, from 1 January 2023 to 31 December 2026. The formula is designed to allow TRANSCO to recover the following: (i) capital expenditure; (ii) operating expenditure (including staff costs, administrative and general expenses and repair, maintenance and consumables); (iii) regulatory depreciation; and (iv) a return on capital. TRANSCO is required to draw up a statement setting out its charges from time to time (subject always to the MAR requirements).

TUoS arrangements

TRANSCO has TUoS arrangements with AADC and ADDC, together with arrangements for the payment of connection charges, for the usage of the transmission network. TRANSCO has also entered into TUoS agreements with, amongst others, SEWA and FEWA. The charges under these arrangements and agreements are on the basis of the pricing requirements as set out in TRANSCO's licence and are subject to the MAR.

Material Distribution Contracts and Licensing

DoE licences

Each of ADDC and AADC has been issued a water and electricity distribution and supply licence dated 1 January 2018 by the DoE. Each licence permits the relevant DisCo to carry out the distribution of electricity and water and the supply of electricity and water to premises and/or persons within its authorised area. The licence is not transferable or assignable.

Term and termination rights

Each licence continues (unless revoked in accordance with its terms) until terminated by not less than 25 years' notice in writing given by the DoE to the licensee.

Each licence contains standard termination rights for a licence of this nature, including, by agreement, for non-payment of licence fees, failure to comply with a regulatory order from the DoE, cessation of business by the relevant DisCo, certain insolvency events and change of control of the relevant DisCo.

Disposal of assets

Subject to certain limited exceptions, the DisCos may not dispose or relinquish operational control over any relevant asset without having given the DoE at least two months' prior written notice and having obtained the consent of the DoE to such disposal.

Key obligations

Each licence requires the DisCo to prepare and implement an electricity distribution code and water distribution code in relation to all material technical aspects relating to connections to and operation and use of its water and electricity distribution systems. These codes are subject to the approval of the DoE.

Each DisCo is required to conduct its business in the manner which it reasonably considers to be the best calculated to achieve any standard of overall performance or standard of performance in connection with the promotion of the efficient use of electricity or water by customers as may be determined by the DoE from time to time.

Each licence requires the relevant DisCo to offer to enter into an agreement for connection to the relevant distribution system on the application of any person. In the provision of the supply of water and electricity or in offering terms for connection to the distribution system, the DisCos may not unduly discriminate between any persons or class of persons.

Each DisCo is required to provide to the DoE, on request, such information as the DoE may consider necessary for the performance of its regulatory functions.

Insurance

Each DisCo is required, in respect of its licensed activities, to maintain insurance against third-party liabilities on terms approved by the DoE.

Pricing

The licence requires each DisCo to set its charges for the distribution and supply of electricity and water based on a MAR, calculated on the basis of a formula set out in the licence. The formula is updated on a regular basis. The DisCos have received the final proposals from the DoE setting out the details of the RC2 price control settlement, and, once agreed, the new regulatory control period will take effect for the four-year period from 1 January 2023 to 31 December 2026. The MAR comprises: (i) capital expenditure; (ii) operating expenditure (including staff costs, administrative and general expenses and repair, maintenance and consumables); (iii) regulatory depreciation; (iv) a return on capital; (v) the BST costs the DisCo pays to EWEC; and (vi) the TUoS charges the DisCo pays to TRANSCO. Each of ADDC and AADC receives the MAR from a combination of revenue from customers (based on regulated tariffs) and subsidy from the government of Abu Dhabi. Each DisCo is required to draw up a statement setting out its connection charges from time to time (subject always to the MAR requirements). Each DisCo must also prepare and submit to the DoE for approval its proposed tariffs for the supply

of water and electricity to customers (or categories of customers), with the final decision on the level of consumer tariffs being made by the Executive Council.

Bulk supply tariff arrangements

AADC and ADDC have been purchasing power and water from EWEC and have TUoS arrangements with TRANSCO for the transmission of power and water from the generation companies to ADDC or AADC (as applicable) on the basis of the terms of their respective licences, the regulatory tariff and regulatory codes. The amount of the bulk supply tariff (**BST**) is determined on the basis of a MAR for EWEC (as set out in EWEC's licence) which allows EWEC to recover the following: (i) power/water procurement cost; (ii) fuel cost; and (iii) operating expenses.

Other contracts

In addition, each of TRANSCO and the DisCos enter into contracts relating to network development, technical consultancy services, operation and maintenance and business support services in each year. The largest of these in terms of value relate to network development – these are typically contracts for construction works, supply and installation of network related plant and equipment, such as cables and pipes, and site and construction works supervision services.

SUMMARY OF PRINCIPAL OIL AND GAS AGREEMENTS

Oil and Natural Gas Sales Agreements (UK)

The Group has entered into crude oil sales agreements with Shell International Trading & Shipping Company Limited in relation to the Group's crude oil production from the Brae Assets. The agreements are for a 12-month period commencing 1 January 2023 and terminating on 31 December 2023. The sale price per barrel is based on the "Forties" quotation published in Platts Crude Oil Marketwire plus a fixed differential and adjusted in relation to the sulphur content.

The Group has a contract with Shell International Trading & Shipping Company Limited for the sale of its crude oil produced from the Cormorant Area North Sea Assets. The agreement is for a 12-month period commencing on 1 January 2023 and terminating on 31 December 2023. The purchase price per barrel is based on the published Brent Ninian Blend as published in Platts Crude Oil Marketwire plus a fixed differential.

The Group has a Sale, Purchase and Marketing of Crude Oil Agreement with TOTSA, which governs the marketing and sale of Harding cargoes. The agreement originally expired on 31 December 2022 but has been extended to 31 March 2023. TOTSA purchases crude oil from TAQA, which is priced with reference to Brent Blend Dated Pricing as published in Platts Crude Oil Marketwire. A marketing fee is also payable to TOTSA.

The Group has a Sale, Purchase and Marketing of Crude Oil Agreement with TOTSA, which governs the marketing and sale of Gryphon Area cargoes (Maclure). The agreement originally expired on 31 December 2019 but has continued for additional 12 month periods, now set to expire 31 December 2023. TOTSA purchases crude oil from TAQA, which is priced with reference to Brent Blend Dated Pricing as published in Platts Crude Oil Marketwire. A marketing fee is also payable to TOTSA.

The Group has entered into an Agreement for the Sale and Purchase of Natural Gas with BP Gas Marketing Limited for the sale of natural gas arising from the Brae area and the Devenick field. The agreement is for the period commencing on 11 March 2022 and terminating on 1 October 2023. BP Gas Marketing Limited purchases natural gas from TAQA at the day-ahead National Balancing Point market price per therm.

Under the contracts with Shell International Trading & Shipping Company Limited and BP Gas Marketing Limited, TAQA Bratani Limited has the option to forward sell volumes should this align with the company's strategy.

Decommissioning Deeds (UK North Sea)

The Group entered into decommissioning cost provision deeds (the **Decommissioning Deeds**) as part of the acquisition of several of its owned fields for the benefit of the sellers of those fields. Under the Decommissioning Deeds, the Group is required to either: (a) place monies in trust or procure the issuance of letters of credit in an amount equal to 150 per cent. of the Group's share of the estimated pre-tax net decommissioning costs of the fields; or (b) procure the issuance of a guarantee by an affiliate with a credit rating of not less than AA- (Standard & Poor's) or Aa3 (Moody's) (A+ or A1 for Otter) or an equivalent rating by another rating agency approved by all the parties to the Decommissioning Deeds. The estimated net decommissioning costs of the fields are revised each year by the parties to the Decommissioning Deeds. A guarantee has been issued by TAQA as a qualifying

surety in relation to each of the Decommissioning Deeds with the exception of a single field for which a letter of credit has been issued (Otter) and a single field for which a guarantee from TAQA North has been issued (Brae).

The Group has entered into Decommissioning Security Agreements (**DSAs**) for its operated, central UK North Sea Assets constituting the Brae area. Under these DSAs, TAQA is required to either: (a) place monies in trust or procure the issuance of letters of credit in an amount equal to 140 per cent., or 120 per cent. where a Front-End Engineering Design study for decommissioning has been completed, of TAQA's share of the estimated post-tax net decommissioning costs of the fields; or (b) procure the issuance of a guarantee by an affiliate with a credit rating of either (a) not less than BBB (Standard & Poor's) and Baa2 (Moody's) or (b) BBB+ (Standard & Poor's) or Baa1 (Moody's). Under these DSAs, TAQA has relied on its ability to provide a parent company guarantee and maintain the minimum credit rating specified.

The Group has entered into a DSA for the Hudson field, a 100 per cent. owned and operated field in the northern North Sea (although TAQA is only liable for 26.7 per cent. of decommissioning liabilities) as at the date of this Prospectus. Under the Hudson DSA, TAQA is required to either: (a) place monies in trust or procure the issuance of standby irrevocable letter(s) of credit by a bank issued out of its UK lending office which has a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's); or (b) procure the issuance of a guarantee by an affiliate with a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's) or an equivalent rating by another rating agency approved by all the parties to the DSA, in an amount equal to 120 per cent. of TAQA's share of the estimated post-tax net decommissioning costs for the field. A letter of credit has been issued pursuant to the DSA.

The Group has entered into a DSA direct with BEIS for the Falcon field, a 100 per cent. owned and operated field in the northern North Sea. Under the Falcon DSA, TAQA is required to either: (a) place monies in trust or procure the issuance of a standby irrevocable letter(s) of credit by a bank issued out of its UK lending office which has a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's); or (b) procure the issuance of a guarantee by an affiliate with a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's) or an equivalent rating by another rating agency approved by all the parties to the DSA, in an amount equal to 110 per cent. of the estimated post-tax net decommissioning costs for the field. A letter of credit has been issued pursuant to the DSA.

The Group has also entered into a DSA for the Cladhan field, an operated, jointly-owned field in the northern North Sea of which TAQA owns 100 per cent. (but is liable for 64.5 per cent. of the decommissioning liabilities) as at the date of this Prospectus. Under the Cladhan DSA, TAQA is required to either: (a) place monies in trust or procure the issuance of standby irrevocable letter(s) of credit by a bank issued out of its UK lending office which has a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's); or (b) procure the issuance of a guarantee by an affiliate with a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's) or an equivalent rating by another rating agency approved by all the parties to the DSA, in an amount equal to 125 per cent. of TAQA's share of the estimated post-tax net decommissioning costs for the field. A letter of credit has been issued pursuant to the DSA.

The Group has also entered into a DSA for the Harding field, an operated, jointly-owned field in the central North Sea of which TAQA owns 70 per cent. as at the date of this Prospectus. Under the Harding DSA, TAQA is required to either: (a) place monies in trust; (b) procure the issuance of standby irrevocable letter(s) of credit by a bank issued out of its UK lending office which has a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's); (c) procure the issuance of a guarantee by an affiliate with a credit rating of not less than A- (Standard & Poor's) or A3 (Moody's) or an equivalent rating by another rating agency approved by all the parties to the DSA; or (d) procure the issuance of an on demand payment bond by an insurance company issued out of its UK office which has a credit rating of not less than A- (Standard & Poor's), A3 (Moody's) or A (AM Best), in an amount equal to 150 per cent. of TAQA's share of the estimated post-tax net decommissioning costs for the field. A letter of credit has been issued pursuant to the DSA.

The Group has also entered into an amendment to the SAGE operating agreement in respect of the provision of security for abandonment costs for SAGE, a non-operated, jointly-owned terminal and pipeline system which the Brae group owns 50 per cent. as at the date of this Prospectus. Under the amended SAGE operating agreement, TAQA is required to either: (a) place monies in trust; (b) procure the issuance of standby irrevocable letter(s) of credit by a bank issued out of its UK lending office which has a credit rating of not less than A- (Standard & Poor's or Fitch), or A3 (Moody's); (c) procure the issuance of a guarantee or on demand payment bond by an affiliate with a credit rating of not less than BBB (Standard & Poor's or Fitch) or Baa2 (Moody's); or (d) procure the issuance of an on demand payment bond by an insurance company issued out of its UK office which has a credit rating of not less than A- (Standard & Poor's or Fitch) or A3 (Moody's) in an amount equal to 125 per cent. of TAQA's share of the estimated post-tax net decommissioning costs for SAGE. A letter of credit has been issued pursuant to the amended operating agreement.

The UK government has entered into DRDs with individual oil companies (including TAQA Bratani Limited and TAQA Bratani LNS Limited) operating in the UK continental shelf which effectively guarantee the tax reliefs that companies can expect when decommissioning their UK continental shelf assets, providing that if the current rate of tax relief on decommissioning (which is approximately 50 - 75 per cent. (depending on the tax rate and asset in question)) is reduced in the future, the UK government will make a compensating payment. The security provided in relation to the payment of decommissioning costs is typically governed by DSAs between joint venture partners or between buyers and sellers of assets. Assuming a DRD is in place on a default by a joint venture partner, under the corresponding DSA the non-defaulting parties are contractually guaranteed tax relief on the additional expenditure imposed on them. See "*Risk Factors — Risks Relating to the Group's Crude Oil and Natural Gas Exploration, Production, Transportation and Storage Businesses — The Group could incur significant decommissioning costs in relation to its oil and gas facilities which may be higher than its provisions and may require cash resources beyond those that it generates from its operating activities*".

Gas Sales and Gas Storage Agreements (the Netherlands)

P/15 and P/18 offshore

Most gas from the P/15 and P/18 fields in the Netherlands is contracted for sale to GasTerra under standard Dutch small field gas sales agreements. The gas sales agreements remain in force until the earlier of:

a) the production licences being no longer in force;

b) upon two years' prior notice that the reservoirs are deemed by the sellers to be no longer capable of producing natural gas in commercial quantities;

c) the sellers' interests in the reserves committed to the purchaser are delivered to the purchaser; or

d) 30 years from the effective date, which was 1 January 2007. Annually, amendments to the gas sale agreements result in a new contract price based on TTF-spot prices with the introduction of "Technical Minimum" without the obligation to pay a service fee.

In addition, there is a long-term agreement with BP for the sale and offtake of oil and condensate produced from the P15/P18 licences at a price based upon the published Brent prices.

Bergen onshore

All gas from currently producing gas fields in the Bergen licence area is contracted for sale to GasTerra under a gas sales agreement. Pursuant to this agreement, the sellers (including TAQA Onshore) have committed their participation interests in the remaining and new gas reserves up to 15 billion m3. Following an amendment that became effective in January 2009, the purchase price for the gas is calculated on the basis of the TTF. Almost all fields contractually deliver the gas on a so called "As Produced" arrangement. The gas sales agreement remains in force until the earlier of:

a) the production licences being no longer in force;

b) upon two years' prior notice that the reservoirs are deemed by the sellers to be no longer capable of producing natural gas in commercial quantities;

c) the sellers' interests in the reserves committed to the purchaser are delivered to the purchaser; or

d) 30 years from the effective date, which was 1 January 2007.

Non-operated assets

All gas from currently producing gas fields in non-operated Dutch offshore licences is contracted for sale to GasTerra under standard Dutch small field gas sales agreements, except for the gas produced from the Petrogas operated A/B blocks which is sold under similar terms to Shell Energy Europe Ltd.

Joint Venture Agreements

The Dutch assets are held jointly in various partner groups under upstream joint operating agreements, always including a Dutch State-owned subsidiary as partner for at least 40 per cent.

Decommissioning Security Agreements

Since 2019, the Dutch Government requires that E&P licence holders enter into a standard decommissioning security agreement, with the Dutch State as ultimate beneficiary. Security must be posted if the net present value of a licence is negative (including discounted future revenues and the abandonment liability).

Alkmaar PGI Capacity Agreement

There is a capacity agreement with GasTerra for the provision of gas storage services at Alkmaar PGI for a fixed (indexed) price with an extended term expiring 1 April 2025. Parties to the capacity agreement have expressed an interest to extend the agreement and are currently discussing a possible extension of the agreement beyond its current term.

Bergermeer Capacity Agreements and Filling Services Agreement

An agreement with GE LLC for provision of gas storage services in exchange for the delivery of cushion gas for the Bergermeer project was signed in August 2009. Pursuant to the agreement, GE LLC delivered for the project a defined amount of cushion gas for injection into the Bergermeer storage facility. In exchange, GE LLC received working capacity. Capacity at Bergermeer is offered under Standard Storage Agreements. In view of the recent prohibition introduced by the EU on 25 February 2023 prohibiting the provision of gas storage capacity in the EU to Russian persons and entities, working capacity in GSB is no longer provided to GE LLC for the duration of the sanctions package.

Pursuant to the amendment of Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply and Regulation (EC) n°715/2009 of the European Parliament and of the Council on conditions for access to natural gas transmission networks, TAQA Gas Storage and EBN B.V. (representing the Dutch State) entered into a Filling Services Agreement (**FSA**). In the FSA, TAQA and EBN B.V. agreed that TAQA shall act as Filling Service Agent on behalf of and for the risk and account of EBN in order to achieve the EU required minimum fill levels for gas storages in the Netherlands. The FSA was effective for 2022 and has been extended for 2023.

Atrush Oil and Gas Agreements

Atrush Lifting Agreement

TAQA Atrush BV. (on behalf of the Atrush co-venturers) has been selling oil from the Atrush field to the KRG pursuant to a lifting agreement (the **Atrush Lifting Agreement**). Under the agreement, the KRG purchased oil exported from the Atrush field by pipeline at the Atrush block boundary based upon the Dated Brent oil price minus approximately $15.7/bbl for quality discount and all local and international transportation costs. This discount is based on the same principles as other oil sales agreements in the Kurdistan Region of Iraq.

On 25 March 2023, the third-party operator of the Kurdistan export pipeline instructed the Group to halt transporting oil produced in the Atrush Block through the pipeline, and, as a result, the Group has stopped production from the Atrush Block. This follows the recent announcement of an International Court of Arbitration ruling in favour of Iraq against Turkey on the use of the Kurdistan export pipeline. Furthermore, the Ministry of Natural Resources at the KRG has informed the Group that in light of the export suspension, the Atrush Lifting Agreement is suspended until further notice. The duration of the suspension of the Kurdistan export pipeline and the Atrush Lifting Agreement and its impact on the Group's interest in the Atrush Block is not possible to determine as of the date of this Prospectus. Based on ongoing discussions amongst the interested parties the suspension of export is considered temporary, however there is not yet a clear date or indication of when oil exports through the Kurdistan export pipeline will resume, and consequently when the Atrush Lifting Agreement will be resumed on the same or similar terms. See "*Risk Factors — The Group's ability to sell its crude oil and natural gas production may be adversely affected by constraints on pipeline and transport systems or various other transport interruptions.*"

Atrush – Production Sharing Contract

TAQA Atrush operates the crude oil development known as "Atrush" in the Kurdistan Region of Iraq. TAQA Atrush holds a 47.7 per cent. participating interest in, and is appointed to operate, Atrush by virtue of the Production Sharing Contract dated 10 November 2007 (as amended and novated) (**PSC**). General Exploration Partners, Inc. (**GEP**) hold a 27.6 per cent. interest in the PSC. The other party to the PSC is the KRG, who acts through its Ministry of Natural Resources, and also holds a 25 per cent. interest. The PSC is based on the model agreement developed by the KRG in 2007 and is governed by English law. The PSC sets out the rights of TAQA Atrush to explore for and produce hydrocarbons from the Atrush development on behalf of itself, GEP and the KRG, and its funding obligations and other liabilities concerning the same. Petroleum produced under the PSC is shared between TAQA Atrush, GEP and the KRG through a specific cost recovery and production sharing mechanism. Decision making under the PSC is undertaken through a management committee consisting of TAQA, GEP and the KRG. The KRG is able to exercise "negative control" over decisions making pursuant to the PSC as an affirmative KRG vote is required for all matters (including investment decisions, work programs and budgets).

Atrush – Joint Operating Agreement

TAQA Atrush and GEP are party to the Atrush Joint Operating Agreement dated 30 November 2011 (as amended and novated) (**JOA**). The KRG holds a 25 per cent. participating interest under the PSC as a contractor, but is not a party to the JOA. The JOA governs the flow of funds, information, approvals and decision making for the contractual joint venture as between TAQA and GEP, as the international oil companies with interests in the PSC. TAQA has been appointed operator and GEP is the sole non-operator under the JOA. The JOA is based on the 2002 AIPN model form and is governed by English law.

On 22 January 2024, TAQA entered into definitive agreements with General Exploration Partners Inc. for the sale of TAQA's interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024, and is subject to fulfilling certain conditions.

SUMMARY OF CERTAIN SUSTAINABLE WATER SOLUTIONS AGREEMENTS

Material Sustainable Water Solutions Contracts and Licensing

DoE Licence

ADSWSC has been issued a sewerage, wastewater treatment and disposal licence dated 1 January 2018 by the DoE. The licence permits ADSWSC to carry out the following activities within the Emirate of Abu Dhabi:

(a) the connection of premises to ADSWSC's sewerage system and the transportation of wastewater from premises or customers to ADSWSC's wastewater treatment system;

(b) the reception of wastewater from ADSWS's sewerage system, the treatment of such wastewater and the delivery of the resulting products and byproducts to ADSWSC's disposal system; and

(c) the disposal, recycling or sale of various products produced from ADSWSC's wastewater treatment system.

The licence is not transferable or assignable.

Term and termination rights

The licence continues (unless revoked in accordance with its terms) until terminated by not less than 25 years' notice in writing given by the DoE to ADSWSC.

The licence contains standard termination rights for a licence of this nature, including, by agreement, for non-payment of licence fees, failure to comply with a regulatory order from the DoE, cessation of business by ADSWSC, certain insolvency events and change of control of ADSWSC.

Disposal of assets

Subject to certain limited exceptions, ADSWSC may not dispose or relinquish operational control over any relevant asset without having given the DoE at least two months' prior written notice and having obtained the consent of the DoE to such disposal.

Key obligations

The licence requires ADSWSC to prepare and implement an operational code and metering and data exchange code. These codes are subject to the approval of the DoE.

ADSWSC is required to conduct its business in the manner which it reasonably considers to be the best calculated to achieve any standard of overall performance that may be determined by the DoE from time to time.

The licence requires ADSWSC to offer to enter into an agreement for connection to ADSWSC's sewerage system on the application of any person. In the provision of sewerage services or in offering terms for connection to the sewerage system, ADSWSC may not unduly discriminate between any persons or class of persons.

ADSWSC is required to provide to the DoE, on request, such information as the DoE may consider necessary for the performance of its regulatory functions.

Insurance

ADSWSC is required, in respect of its licensed activities, to maintain insurance against third-party liabilities on terms approved by the DoE.

Pricing

The licence provides for ADSWSC to prepare and submit to the DoE for its approval a list of the classes of customer serviced by ADSWSC for the purposes of establishing tariffs for those customers. The tariffs are subject to the approval of the DoE and the charging must be on the basis of a MAR, calculated on the basis of a formula set out in the licence. To date, the DoE has not approved any tariffs to permit charging by ADSWSC for the provision of sewerage services.

OVERVIEW OF THE UAE AND ABU DHABI

THE UAE

The UAE is a federation of seven Emirates. Formerly known as the Trucial States, they were a British protectorate until they achieved independence in December 1971 and merged to form the United Arab Emirates. Each Emirate is governed by its own Ruler, with its own local government and court. There is a federal government which is headed by the President of the UAE. The federal budget is principally funded by Abu Dhabi. The UAE's federal structure includes a Supreme Council, a Council of Ministers and a Federal National Council. The Supreme Council, which comprises the Rulers of the seven Emirates elects from its own membership the President and the Vice President of the UAE (who may serve for an unlimited number of renewable five-year terms). H.H. Sheikh Zayed bin Sultan Al Nahyan, the late Ruler of Abu Dhabi, held the position of President from 1971 until his death in November 2004. During his long presidency, H.H. Sheikh Zayed bin Sultan Al Nahyan oversaw massive investment in the infrastructure of the UAE, which transformed the country. The current Ruler of Abu Dhabi and President of the UAE is H.H. Sheikh Mohammed bin Zayed Al Nahyan and H.H. Sheikh Mansour bin Zayed Al Nahyan is the Vice President of the UAE.

Based on International Monetary Fund (**IMF**) estimates for 2023 (extracted from the IMF's World Economic Database (April 2024)), the UAE has the second largest economy among the 32 Middle East and Central Asian emerging market and developing economies measured by the IMF after Saudi Arabia (based on nominal GDP and converted into U.S. dollars) and Qatar (based on nominal GDP per capita converted into U.S. dollars).

According to OPEC data, at 31 December 2022, the UAE had crude oil reserves estimated to be 113,000 million barrels, equal to 7.2 per cent. of OPEC's estimate for the world's total proven crude oil reserves, giving it the fifth largest oil reserves in the world. As at the same date, OPEC estimated the UAE's natural gas reserves to be 8,210 billion standard cubic metres (or 290 trillion standard cubic feet (**SCF**)), equal to 3.9 per cent. of OPEC's estimate for the world's total natural gas reserves, giving it the seventh largest natural gas reserves in the world.

The UAE enjoys generally good relations with the other states in the Gulf Cooperation Council (**GCC**), although it has a longstanding territorial dispute with Iran over three islands in the Gulf and, as such, is not immune to regional political risks.

ABU DHABI

Abu Dhabi is the largest of the seven Emirates and the city of Abu Dhabi is also the capital of the UAE federation.

Abu Dhabi represents approximately 95 per cent. of the UAE's total crude oil reserves, giving it conventional reserves of approximately 108 billion barrels and 22 billion barrels of unconventional recoverable oil. At the current Field Sustainable Oil Production Rate (**FSOPR**), Abu Dhabi's oil reserves are expected to last in excess of 80 years. In terms of production capacity, Abu Dhabi's onshore facilities currently exceed its offshore facilities. Abu Dhabi's extraction costs are considered to be low.

SUMMARY STATISTICAL DATA

Abu Dhabi GDP

The tables below show Abu Dhabi's nominal GDP and its percentage growth rate for each of the years indicated.

	2023[2]	2022[1]	2021	2020	2019
		(AED millions, except for percentages)			
Abu Dhabi nominal GDP	1,100,104	1,112,507	869,485	678,841	813,623
Percentage change in Abu Dhabi nominal GDP	(1.1)	28.0	28.1	(22.9)	(5.6)

Notes:
(1) Preliminary estimate for the UAE data. No full year nominal GDP information for the UAE in 2023 has been published.
(2) Preliminary estimate for Abu Dhabi data.
*Source: Statistics Centre – Abu Dhabi (**SCAD**).*

Abu Dhabi's GDP is generated principally by the hydrocarbon sector (mining and quarrying), which contributed 38.1 per cent. of Abu Dhabi's nominal GDP in 2019, 31.5 per cent. in 2020, 40.9 per cent. in 2021, 48.0 per cent. in 2022 and 40.8 per cent. in 2023. The contribution of the hydrocarbon sector in nominal terms is materially affected by the prevailing level of oil prices as well as by varying oil and gas production volumes. Outside the hydrocarbon sector, the principal contributors to Abu Dhabi's nominal GDP in each of 2019, 2020, 2021, 2022 and 2023 have been:

- construction (which accounted for 9.3 per cent. of Abu Dhabi's nominal GDP in 2023);

- financial and insurance activities (which accounted for 7.9 per cent. of Abu Dhabi's nominal GDP in 2023);
- manufacturing (which accounted for 7.5 per cent. of Abu Dhabi's nominal GDP in 2023);
- wholesale and retail trade, repair of motor vehicles and motorcycles (which accounted for 6.0 per cent. of Abu Dhabi's nominal GDP in 2023);
- public administration and defence, compulsory social service (which accounted for 5.9 per cent. of Abu Dhabi's nominal GDP in 2023); and
- electricity, gas and water supply; waste management activities (which accounted for 4.9 per cent. of Abu Dhabi's nominal GDP in 2023).

Together, these non-hydrocarbon sectors accounted for 41.8 per cent. of nominal GDP in 2019, 46.2 per cent. in 2020, 40.5 per cent. in 2021, 35.6 per cent. in 2022 and 41.5 per cent. in 2023.

Abu Dhabi Real GDP

All Abu Dhabi real GDP information for 2023 in this document is a preliminary estimate and may be revised in the future. GDP figures for Abu Dhabi for 2023 and for 2022 and earlier years may also be revised in the future.

In common with general practice among hydrocarbon-producing countries, Abu Dhabi's real GDP is calculated using hydrocarbon prices from a base year (in Abu Dhabi's case, 2014) and adjusted by the GDP deflator for the year concerned, which is calculated by weighing inflation in different sectors of the economy. The use of constant hydrocarbon prices eliminates the effect of volatile price changes in hydrocarbon products on real hydrocarbon GDP and instead shows only the effects of production changes. The production figures that are included in the calculation of hydrocarbon real GDP include both oil and gas production, as well as the production of certain related products.

Abu Dhabi's real GDP contracted at annual rates of 1.5 per cent. in 2019 and 7.7 per cent. in 2020. In 2021, 2022 and 2023, Abu Dhabi's real GDP grew at an annual rate of 3.4 per cent., 9.2 per cent. and 3.1 per cent., respectively.

The table below shows the year-on-year growth rates in Abu Dhabi's real GDP by the hydrocarbon sector and the non-hydrocarbon sector for each of the years indicated.

	2023[(1)]	2022	2021	2020	2019
			(%)		
Abu Dhabi hydrocarbon real GDP growth	(3.1)	9.2	(0.1)	(3.9)	(3.2)
Abu Dhabi non-hydrocarbon real GDP growth	9.1	9.2	7.2	(11.5)	0.2
Abu Dhabi total real GDP growth	3.1	9.2	3.4	(7.7)	(1.5)

Note:
(1) Preliminary estimates.
Source: SCAD

Real growth in the hydrocarbon sector has been driven by production changes. The non-hydrocarbon sector of the economy grew by 0.2 per cent. in 2019, minus 11.5 per cent. in 2020, 7.2 per cent. in 2021, 9.2 per cent. in 2022 and 9.1 per cent. in 2023. The low growth rate in 2019 principally reflected continued corporate restructuring, a slowdown in government investment, declining real estate prices and construction activity and tightening fiscal conditions, in part due to rising U.S. interest rates which strengthened the U.S. dollar. In 2020, the non-hydrocarbon sector of the economy was impacted by restrictions imposed to combat Covid-19, including lockdowns and travel restrictions, as well as the slump in oil prices in mid-year and only a gradual recovery during the second half of 2020. In 2021, the non-hydrocarbon sector began to recover as Covid-19 restrictions were eased, oil prices generally recovered and the world economy grew. In 2022 and 2023, the non-hydrocarbon sector grew strongly (by 9.2 per cent. in real terms in 2022 and by 9.1 per cent. in real terms in 2023, in each case compared to the previous year) as economic recovery continued.

The table below shows Abu Dhabi's real GDP and its percentage growth rate for each of the years indicated.

	2023[(1)]	2022	2021	2020	2019
			(AED millions, except for percentages)		
Abu Dhabi real GDP (constant 2014 prices)	1,142,136	1,107,941	1,014,198	980,621	1,062,929

	2023[1]	2022	2021	2020	2019
			(AED millions, except for percentages)		
Percentage change in Abu Dhabi real GDP.....	3.1	9.2	3.4	(7.7)	(1.5)

Note:
(1) Preliminary estimates.
Source: SCAD

The fastest growing sectors between 2019 and 2023 were:

- human health and social work, with a compound annual growth rate of 8.3 per cent.;
- information and communication, with a compound annual growth rate of 5.3 per cent.;
- activities of households as employers, with a compound annual growth rate of 4.6 per cent.;
- wholesale and retail trade, repair of motor vehicles and motorcycles, with a compound annual growth rate of 4.4 per cent.; and
- education, with a compound annual growth rate of 4.3 per cent.

Of the major sectors of the economy, in 2023 mining and quarrying had a compound annual growth rate of 0.3 per cent., manufacturing had a compound annual growth rate of 2.6 per cent., construction had a compound annual growth rate of 2.5 per cent., public administration had a compound annual growth rate of 2.6 per cent., financial and insurance had a compound annual growth rate of 2.4 per cent. and trade had a compound annual growth rate of 4.4 per cent.

UAE and Abu Dhabi Population

The UAE Federal Competitiveness and Statistics Authority (the **FCSA**) estimated the population of the UAE as a whole to be approximately 9.3 million as at 31 December 2020. The most recent public estimate of population in Abu Dhabi was made by SCAD, which estimated the usual resident population of Abu Dhabi to be approximately 2.9 million as at 30 June 2016. These estimates are subject to revision when the 2023 census results become publicly available.

The populations of both the UAE and Abu Dhabi have grown significantly since 1985, reflecting an influx of foreign labour, principally from Asia, as the Emirates have developed.

The table below illustrates this growth since 1985, using census data for each of 1985, 1995 and 2005 and SCAD and FCSA estimates for 2016 and 2020, respectively.

	2020	2016	2005	1995	1985
Abu Dhabi population.....	—	2,908,173[1]	1,399,484	942,463	566,036
Total UAE population.....	9,282,410[2]	—	2,106,427	2,411,041	1,379,303

Notes:
(1) SCAD estimate as at 30 June 2016.
(2) FCSA estimate as at 31 December 2020.

Sources: SCAD (Abu Dhabi population figures) and FCSA (UAE population figures).

As at 30 June 2016 and based on SCAD estimates, Abu Dhabi had a predominantly young population with 0.9 per cent. being 65 and over and 16.6 per cent. being under the age of 15. The historic annual average growth rate of the population between 2010 and 2016 was 5.6 per cent., with the population of UAE citizens living in Abu Dhabi growing at an annual average rate of 3.9 per cent. and the non-national population growing at an annual average rate of 6.0 per cent. over the period. The population mix as at 30 June 2016 comprised 19.0 per cent. UAE nationals and 81.0 per cent. non-nationals. The majority of the non-national population is male (with a ratio of 2.0 males to 1 female at 30 June 2016), reflecting the fact that the population principally comprises male migrant workers.

Abu Dhabi Inflation

The table below shows the consumer price index (**CPI**) and the percentage change, year on year, of consumer prices in Abu Dhabi for each of the years indicated.

	2024[1]	2023	2022	2021	2020
Consumer price index (2021 = 100).....	105.8	105.6	105.5	100.0	98.5

Consumer prices (*percentage change, year on year*)	0.2	0.1	5.5	1.5	(2.4)

Note:
(1) Three months ended 31 March only (as published in the May 2024 CPI report)
Source: SCAD.

The Abu Dhabi CPI has 13 expenditure groups. The four groups with the largest weighting in the Abu Dhabi CPI are (i) housing, water, electricity, gas and other fuels (33.6 per cent.); (ii) transportation (14.0 per cent.); (iii) food and beverages (12.0 per cent.); and (iv) education (7.6 per cent.). Together, these four groups account for 67.2 per cent. of the CPI.

In 2019, Abu Dhabi experienced deflation at a rate of 0.8 per cent. The principal contributors to this were the housing, water, electricity, gas and other fuels components which recorded 3.7 per cent. deflation principally as a result of a continuing decline in house prices and rents in 2019, albeit at a lower rate than in 2018 and declines in utilities prices. In addition, there was 5.3 per cent. deflation in the transportation component principally as a result of lower oil prices resulting in lower domestic fuel prices which impacted the transportation component and there was a 2.1 per cent. deflation in the food and beverages component.

The CPI fell by 2.4 per cent. in 2020. This principally reflected falls:

- of 22.2 per cent. in recreation and culture, which contributed 53.5 per cent. to the overall decrease in the CPI during 2020 compared to 2019;
- 6.6 per cent. in transport, which contributed 38.9 per cent. to the overall decrease in the CPI during 2020 compared to 2019; and
- 2.9 per cent. in housing, water, electricity, gas and fuel, which contributed 37.4 per cent. to the overall decrease in the CPI during 2020 compared to 2019.

These decreases were principally offset by a 5.8 per cent. increase in food and beverages, which contributed 28.1 per cent. in reducing the overall decrease in the CPI in 2020 compared to 2019.

In 2022, the CPI increased by 5.5 per cent. Prices during 2022 were affected by geopolitical developments taking place in several regions of the world, which put pressure on supply chains, driving up international commodity prices, particularly oil, raw materials and food prices.

In 2023, the CPI increased by 0.1 per cent. compared to 2022, reflecting general stability in economic indicators. Within the individual components, some (for example, restaurants and hotels, food and beverages and health) increased while others (for example transportation and recreation and culture) decreased.

In Q1 2024, the CPI increased by 0.2 per cent. compared to 2023.

ABU DHABI'S CREDIT RATINGS

Abu Dhabi has a long-term foreign currency debt rating of "AA" with a stable outlook from S&P, a government bond rating of "Aa2" with a stable outlook from Moody's Singapore and a long-term foreign currency issuer default rating of "AA" with a stable outlook from Fitch.

S&P noted in its 24 November 2023 research update that it could consider lowering Abu Dhabi's rating if Abu Dhabi's strong government balance sheet and net external asset position deteriorate materially. It also noted that it could raise its ratings on Abu Dhabi if it observed a reduction in geopolitical risks or an increase in economic diversification more in line with similarly rated peers and that there could also be upward pressure on the ratings if there is evidence of pronounced improvements in data transparency on fiscal assets and external data. Further, measures to improve the effectiveness of monetary policy in the emirate, such as establishing deep domestic capital markets, could be positive for the ratings.

Fitch noted in its 2 August 2023 report that the factors that could, individually or collectively, lead to a negative rating action/downgrade are (i) a substantial erosion of Abu Dhabi's fiscal and external positions, for example due to a sustained decline in oil prices, or a materialisation of contingent liabilities or (ii) a geopolitical shock that negatively affects economic, social or political stability in Abu Dhabi. It also noted that improvement in structural factors, such as a reduction in oil dependence, a strengthening in governance and the economic policy framework

and a reduction in geopolitical risk while maintaining strong fiscal and external balance sheets could, individually or collectively, lead to a positive rating action/upgrade.

Moody's noted in its 22 September 2023 credit opinion that downward pressure on the rating could develop if (i) a prolonged period of significantly lower oil prices well below Moody's current baseline assumption, resulted in a material weakening of the Government's fiscal strength, or (ii) there was an escalation in regional geopolitical tensions that materially threatened Abu Dhabi's ability to produce and export oil or to further develop its non-hydrocarbon economy. Further, a sharp increase in contingent liabilities that eroded confidence in the strength of the public sector balance sheet would also likely lead to a more negative assessment of Abu Dhabi's creditworthiness. Moody's also noted that Abu Dhabi's rating could be upgraded if Moody's assessed that Abu Dhabi's resilience to carbon transition scenarios has materially increased, particularly through greater diversification of its economy and fiscal revenue sources. In addition, greater transparency around the fiscal policy framework, material improvements in data disclosure practices and a significant and durable decline in regional geopolitical risks would also likely lead to a more positive assessment of Abu Dhabi's creditworthiness.

ABU DHABI GOVERNMENT STRUCTURE

Executive authority in Abu Dhabi is derived from the Ruler, H.H. Sheikh Mohammed bin Zayed Al Nahyan. The Executive Council is the principal executive authority below the Ruler and comprises members appointed by the Ruler. The Crown Prince of Abu Dhabi serves as the Chairman of the Executive Council.

Departments, authorities and councils are established by Emiri Decree and are subject to the authority of the Ruler or the Executive Council, as the case may be. Departments manage administration within the Emirate and each department manages a specific portfolio. Departments include, for example, the DoF, the DoE, the Department of Municipalities and Transport, the Department of Health, the Department of Economic Development, the Department of Education and Knowledge and the Department of Culture and Tourism. Authorities manage the Emirate's resources and strategies and include the Accountability Authority and the Abu Dhabi Creative Media Authority. Councils act as controlling bodies for certain Government initiatives, projects and industry sectors by setting and monitoring policies, regulations and standards, and include the Council for Economic Development.

MAJOR GOVERNMENT-OWNED COMPANIES

The Government owns or has significant shareholdings in a number of Abu Dhabi companies. The most important companies owned by the Government are:

- ADNOC, which specialises in oil and gas exploration upstream, development and production and downstream petrochemicals and refining as well as associated services in Abu Dhabi;
- Abu Dhabi Investment Authority (ADIA), which is a sovereign wealth fund investing Abu Dhabi's surplus revenues mainly into liquid and illiquid financial assets internationally, providing capital diversification for the economy;
- Mubadala, which is a sovereign wealth fund maintaining a diversified portfolio of global public and private securities. MIC is focused on creating long-term value and capital preservation. It has some international oil industry assets, primarily downstream. MIC's portfolio includes UAE businesses in healthcare, manufacturing and other sectors; and
- ADQ, which owns and oversees a portfolio of development-related enterprises, including TAQA, in various sectors in Abu Dhabi.

TAQA'S RELATIONSHIP WITH THE GOVERNMENT OF ABU DHABI

TAQA was established in June 2005 by Emiri Decree to participate in the privatisation of Abu Dhabi's power and water generation infrastructure. Since that time, the government through ADWEA (replaced in 2019 by ADPower see "*Description of the Group — History*") has contributed to the Group 60 per cent. ownership interests in 14 power generation and water desalination assets in the UAE. In addition, the government through ADPower has contributed other significant assets to TAQA, including both TRANSCO and the two DisCos in July 2020. During the period ended 31 March 2024, TAQA SWS Holding was transferred under the common control of the Group through the government-owned company ADQ, which is an indirect controlling shareholder of TAQA. SWS Holding receives payments for its services in the form of tariffs set by the DoE. The full amount of such tariffs is paid by the DoF. As of the date of this Prospectus, this transaction has not legally completed as it remains subject to certain conditions precedent, including receipt by SWS Holding of the DoF's first subsidy payment equivalent to the MAR calculated in accordance with RC2 in respect of FY 2023. See "*Risk Factors — The Group's sustainable water solutions revenue is determined by a regulatory asset value standard administered by its*

regulator in Abu Dhabi and is not within the Group's control, as a result of which permitted sustainable water solutions revenue may not reflect the Group's actual sustainable water solutions costs."

The Abu Dhabi government indirectly owns 90.0 per cent. of TAQA and, through the DoE, is regulator for the power and water sector in Abu Dhabi. Most of TAQA's directors have positions at other significant Abu Dhabi government-owned companies such as ADQ, EWEC and ADNOC.

The 2020 Transaction was driven by the strategic objective of consolidating Abu Dhabi's power and water assets to create one of the largest integrated utility companies in the region and positioning TAQA as one of the leading global utility companies. With that transaction, TAQA further enhanced its ability to capture growth opportunities in the UAE, including playing a key role in delivering on the UAE's national energy strategy, as well as possessing a more robust capital structure to support selective international growth while paying sustainable dividends to shareholders.

Abu Dhabi Law No. 1 of 2017 on the Financial System of Abu Dhabi Government, as amended by Law No. 1 of 2022 (the **Financial System Law**) regulates, among other things, borrowings by government-related entities, such as TAQA. The Financial System Law states that while the Abu Dhabi government is directly liable for public debt, it is not responsible for the liabilities of any government-related entity, which would include TAQA as a government-related entity.

TAXATION

The following summary of certain United States, European Union and United Arab Emirates tax consequences of ownership of Notes is based upon laws, regulations, decrees, rulings, income tax conventions, administrative practice and judicial decisions in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Notes. This summary does not purport to constitute legal or tax advice or to address all tax aspects that may be relevant to a holder of Notes. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the ownership and disposition of Notes, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as of the date of this Prospectus, and of any actual changes in applicable tax laws after such date.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the supplementary Prospectus or the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note if appropriate. This summary deals only with initial purchasers of Notes at their issue price (as defined below) that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address the alternative minimum tax, the net investment tax or special rules for the taxable year of inclusion for accrual basis taxpayers under section 451(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or state, local, non-U.S. or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. expatriates and former citizens or long-term residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less and assumes that the Notes it describes will be characterised as debt for U.S. federal tax purposes. The U.S. federal income tax consequences of owning Notes with a longer term, or which are not characterised as debt, may be discussed in the supplementary Prospectus or the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes), as applicable.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes. A "Non-U.S. Holder" is a beneficial owner of Notes that is not a U.S. Holder.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

The summary of U.S. federal income tax consequences set out below is for general information only. Prospective purchasers should consult their tax advisers as to the particular tax consequences to them of owning the Notes, including the applicability and effect of state, local, non-U.S. and other tax laws and possible changes in tax law.

PAYMENTS OF INTEREST

General

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a **foreign currency**), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*— Original Issue Discount — General*"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount (**OID**), if any, accrued with respect to the Notes (as described below under "*Original Issue Discount*") generally will constitute income from sources outside the United States.

ORIGINAL ISSUE DISCOUNT

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments, the supplementary Prospectus or the relevant Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a **Short-Term Note**), will be treated as issued with OID (a **Discount Note**) if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.3 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*— Variable Interest Rate Notes*"), applied to the outstanding nominal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (**accrued OID**). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "*— Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of

all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a **Market Discount Note**) if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.3 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity. If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Internal Revenue Service (the **IRS**). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "*— Original Issue Discount — General*", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "*— Notes Purchased at a Premium*") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates (**Variable Interest Rate Notes**) generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.7 but not more than 1.4. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.7 but not more than 1.4, increased or decreased by a fixed

rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (for example, two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (that is, a cap) or a minimum numerical limitation (that is, a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

Under recently finalised U.S. Treasury regulations, Notes referencing an IBOR that are treated as having a qualified floating rate for purposes of the above may not fail to be so treated merely because the terms of the Notes provide for a replacement of the IBOR in the case of a Benchmark Event. In particular, under the regulations, the IBOR referencing rate and the replacement rate may be treated as a single qualified rate. Investors should consult their tax advisors regarding the consequences to them of the potential occurrence of a Benchmark Event.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (for example, one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (for example, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "**current value**" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (that is, at a price below the Note's stated nominal amount) equal to or in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest

Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be more fully described in the supplementary Prospectus or the relevant Pricing Supplement.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Fungible Issue

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

NOTES PURCHASED AT A PREMIUM

A U.S. Holder that purchases a Note for an amount in excess of its nominal amount or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*— Original Issue Discount — Election to Treat All Interest as Original Issue Discount*" above. A U.S. Holder that does not elect to take amortisable bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

PURCHASE, SALE AND RETIREMENT OF NOTES

A U.S. Holder's adjusted tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the U.S. Holder's adjusted tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "*— Original Issue Discount — Market Discount*" or "*Original Issue Discount — Short-Term Notes*" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

FOREIGN CURRENCY NOTES

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Amortisable Bond Premium

Amortisable bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such amortisable bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date amortisable bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder.

Sale or Retirement

As discussed above under "— *Purchase, Sale and Retirement of Notes*", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (as adjusted for amortised bond premium, if any) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

TAXATION OF NON-U.S. HOLDERS

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the U.S.; (ii) in the case of any gain realised on the sale or exchange of a Note by an individual Non-U.S. Holder, that holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the Non-U.S. Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates.

Non-U.S. Holders should consult their own tax advisers regarding the U.S. federal income and other tax consequences of owning Notes.

BACKUP WITHHOLDING AND INFORMATION REPORTING

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a reportable transaction for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Accordingly, if a U.S. Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to penalties. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the Code, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the UAE) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are filed with the

U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

UNITED ARAB EMIRATES

The following summary of the anticipated tax law and practice in the UAE in relation to payments on the Notes is based on the taxation law in force as at the date of this Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

Under current legislation there is no requirement for withholding or deduction for or on account of UAE or Abu Dhabi taxation in respect of payments made by the Issuer under the Notes. In the event of imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject to certain limited exceptions.

PRC

In respect of any Renminbi denominated Notes, Noteholders and prospective holders of Notes are advised to consult their own tax advisers as to the overall PRC tax consequences of the purchase, ownership, transfer and disposal of Notes, including the effect of any state or local taxes, under the tax laws of the PRC.

CERTAIN ERISA CONSIDERATIONS

Unless otherwise provided in any supplement to this Prospectus, the Notes should be eligible for purchase by employee benefit plans and other plans subject to Part 4, Subtitle B, Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), or the provisions of Section 4975 of the Code and by entities, accounts and arrangements that are treated for purposes of such provisions of law as holding plan assets of such employee benefit plans or other plans investing therein (collectively **Benefit Plan Investors**). The Notes should also be eligible for purchase by governmental, church and non-U.S. plans that are subject to any U.S. federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (**Similar Law**), subject to consideration of the issues described in this section. ERISA establishes fiduciary responsibility standards and, separately with Section 4975 of the Code, sets forth prohibited transaction provisions applicable to Benefit Plan Investors and fiduciaries acting on behalf thereof. The acquisition and holding of any Notes must be determined by the responsible fiduciary of a Benefit Plan Investor by taking into account the particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "*Risk Factors*".

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Benefit Plan Investor and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships thereto, unless an exemption applies. A party in interest or disqualified person, including a Benefit Plan Investor fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code, and the transaction may need to be rescinded or otherwise corrected.

The Issuer, the Registrar, the Arrangers, the Dealers or any other party to the transactions referred to in this Prospectus may be parties in interest or disqualified persons with respect to many Benefit Plan Investors. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a Benefit Plan Investor, including but not limited to where the Issuer, the Registrar, the Arrangers, the Dealers or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exemptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes (or any interest therein) to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the **Plan Asset Regulation**), describing what constitutes the assets of a Benefit Plan Investor with respect to the Benefit Plan Investor's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Benefit Plan Investor invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, as amended, the Benefit Plan Investor's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless equity participation in the entity by Benefit Plan Investors is not significant or one of the other exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in

the form of debt may be considered an equity interest if it has substantial equity features. If the Group was deemed under the Plan Asset Regulation to hold plan assets by reason of a Benefit Plan Investor's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Group and transactions by the Group would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the total value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, who have discretionary authority or control over the assets of the entity or who provide investment advice to the entity for a fee (direct or indirect) or any "affiliates" (within the meaning of 29 C.F.R. § 2510.3-101) of such persons) is held by Benefit Plan Investors. If, as a result of any investment, 25 per cent. or more of the total value of any class of equity interests in the Issuer is being held by Benefit Plan Investors, the applicable Notes may be redeemed by the Issuer. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation and, therefore, the Plan Asset Regulation should not apply and any such redemptions would not be necessary.

Accordingly, except as otherwise provided in any supplement to this Prospectus, each purchaser and subsequent transferee of any Notes (or any interest therein) will be deemed to represent and warrant, on each day from the date on which the purchaser or transferee acquires such Notes (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Notes (or any interest therein), either that (a) it is not, and is not acting on behalf of (and for so long as it hold such Notes (or any interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, or (b) its acquisition, holding and disposition of such Notes (or any interest therein) will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan subject to Similar Law, a violation of any Similar Law) for which an exemption is not available.

Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of the Issuer, the Arrangers, the Dealers, the Trustee, the Paying and Transfer Agents, the Registrar and the Calculation Agent(s) or any of their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

Any Benefit Plan Investor proposing to invest in such Notes (as well as any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law).

The sale of any Notes to a Benefit Plan Investor is in no respect a representation by the Issuer, the Registrar, the Arrangers, the Dealers or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Benefit Plan Investors generally or any particular Benefit Plan Investor, or that such an investment is appropriate for Benefit Plan Investors generally or any particular Benefit Plan Investor. Any further ERISA considerations with respect to the Notes may be found in the relevant supplement.

SUBSCRIPTION AND SALE

SUMMARY OF DEALER AGREEMENT

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 18 July 2024 (such dealer agreement as modified and/or supplemented and/or restated from time to time, the **Dealer Agreement**) between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. One or more Dealers may purchase the Notes, as principal or agent, from the Issuer from time to time for his/their own account or for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by any Dealer or, if so specified in the relevant Final Terms (or the relevant Pricing Supplement, in the case of Exempt Notes), for resale at a fixed offering price. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that may be jointly and severally, or severally, underwritten by two or more Dealers. To the extent that any Dealers that are not U.S. registered broker-dealers intend to effect any sales of the Notes in the United States, they will only do so through one or more U.S. registered broker-dealers as permitted by Financial Industry Regulatory Authority regulations.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse each Arranger for certain of its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

Unless otherwise specified in the relevant Final Terms (or the relevant Pricing Supplement, in the case of Exempt Notes), any Notes sold to one or more Dealers as principal will be purchased by such Dealers at a price equal to 100.0 per cent. of the nominal amount thereof or such other price as may be set forth in the relevant Final Terms or relevant Pricing Supplement (as applicable) less a percentage of the nominal amount equal to a commission as agreed upon by the Issuer and the relevant Dealers. A Dealer may sell the Notes it has purchased from the Issuer as principal to certain dealers less a concession equal to all or any portion of the discount received in connection with such purchase. Such Dealer may allow, and such dealers may reallow, a discount to certain other dealers. After the initial offering of the Notes, the offering price, the concession and the reallowance may be changed.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Certain of the Dealers and their respective affiliates have, in the past, performed investment banking and advisory services for, and provided credit facilities to, the Issuer for which they have received customary fees and expenses. Each of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, the Issuer in the ordinary course of their respective businesses. The Issuer may apply all or part of the proceeds of any Notes issued pursuant to the Programme in repayment of all or part of any such credit facilities.

The ability of the Arrangers and the Dealers to make a market in the Notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying and Transfer Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period (other than resales

pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each member state of the EEA (each a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms (or Pricing Supplement, as the case may be) in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

  (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or the Pricing Supplement, in the case of Exempt Notes) specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms (or the Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) a **retail investor** means a person who is one (or more) of:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or the Pricing Supplement, in the case of Exempt Notes) specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms (or Pricing Supplement, as the case may be) in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions in the UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an **Exempt Offer** in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **DFSA**) Rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

(a) an **Exempt Offer** in accordance with the Market Rules (MKT) Module of the Financial Services Regulatory Authority (the **FSRA**) rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **Financial Instruments and Exchange Act**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant

to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Kingdom of Saudi Arabia

No action has been or will be taken in Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under the **Rules on the Offer of Securities and Continuing Obligations** as issued by the Board of the Capital Market Authority (the **CMA**) pursuant to resolution number 3-123-2017 dated 27 December 2017, as amended by its resolution number 3-6-2024 dated 17 January 2024, (the **KSA Regulations**), made through a capital market institution licensed by the CMA, in each case, in accordance with the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by, the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis, to persons in Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

(i) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.$1,000,000, excluding that person's principal place of residence;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000;

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or

(iv) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver at any time, directly or indirectly, any Notes in Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre). This Prospectus (i) has not been, and will not be, registered with, reviewed or approved by the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority and may not be publicly distributed in Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, marketed and/or sold by it in the State of Kuwait, except through a licensed person duly authorised to undertake such activity pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and

Regulating of Securities Activities and its executive bylaws (each as amended) (the **CML Rules**) and unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in the State of Kuwait, have been given in respect of the offering, marketing and/or sale of the Notes.

No private or public offering of any Notes is being made in the State of Kuwait, and no agreement relating to the sale of any Notes will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market any Notes in the State of Kuwait.

Singapore

Unless the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Notification under Section 309B(1)(c) of the SFA: Unless otherwise stated in the applicable Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme are not being offered or sold by it and may not be offered or sold, directly or indirectly, by it in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the PRC.

Israel

This Prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968 (the **Securities Law**), and has not been filed with or approved by the Israel Securities Authority. In Israel, this Prospectus is being distributed only to, and is directed only at, and any offer of Notes is directed only at, investors listed in the first addendum (the **Addendum**) to the Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals", each as defined in the Addendum (as it may be amended from time to time) (**qualified investors**) (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of the same and agree to it.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in Italy, except in accordance with the exceptions provided under the Prospectus Regulation and with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and applicable Italian laws, including Legislative Decree No. 58 of 24 February 1998 (as amended, the **Financial Services Act**) and applicable CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of the CONSOB Regulation No. 11971 of 14 May 1999, as amended, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (as amended, the **Banking Act**), all as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Switzerland

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

Neither the Issuer nor any Dealer has made any representation that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms or Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms or Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefor.

Bank of China Limited, London Branch, ICBC Standard Bank Plc and Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch and its affiliates are restricted in their U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that are offered or sold in the United States. Accordingly, Bank of China Limited, London Branch, ICBC Standard Bank Plc and Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch and its affiliates shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that may be offered or sold by other underwriters in the United States. Bank of China Limited, London Branch, ICBC Standard Bank Plc and Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch and its affiliates shall offer and sell the Notes constituting part of its allotment solely outside the United States.

TRANSFER RESTRICTIONS

RULE 144A NOTES

Each purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(i) It is (a) a QIB, (b) acquiring such Notes for its own account, or for the account of a QIB, (c) not formed for the purpose of investing in the Issuer and (d) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.

(ii) The Rule 144A Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(iii) The Rule 144A Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A **QIB**), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS AND WARRANTS THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THE NOTE REPRESENTED HEREBY (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE NOTE REPRESENTED HEREBY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, A

VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

EACH HOLDER THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, THE ARRANGERS, THE DEALERS THE TRUSTEE, THE PAYING AND TRANSFER AGENTS, THE REGISTRAR AND THE CALCULATION AGENT(S) OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE."

(iv) It understands that the Issuer, the Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

(v) It understands that the Rule 144A Notes will be evidenced by a Rule 144A Global Note Certificate. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note Certificate, it will be required to provide a Paying and Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

(vi) Either (a) it is not, and is not acting on behalf of (and for so long as it holds a Note (or any interest therein) will not be, and will not be acting on behalf of), (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or other plan subject to Section 4975 of the Code, or (iv) a governmental, church or non-U.S. plan which is subject to any Similar Law, or (b) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental, church or non-U.S. plan subject to Similar Law, a violation of any Similar Law) for which an exemption is not available.

(vii) If it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of the Issuer, the Arrangers, the Dealers, the Trustee, the Paying and Transfer Agents, the Registrar and the Calculation Agent(s) or any of their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or any Plan Fiduciary in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

REGULATION S NOTES

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes pursuant to resales prior to the expiration of the distribution compliance period, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

(i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(ii) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend substantially to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS AND WARRANTS THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THE NOTE REPRESENTED HEREBY (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), THAT IS SUBJECT TO TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR OTHER PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THE NOTE REPRESENTED HEREBY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF SUCH A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN SUBJECT TO SIMILAR LAW, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.

EACH HOLDER THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, THE ARRANGERS, THE DEALERS THE TRUSTEE, THE PAYING AND TRANSFER AGENTS, THE REGISTRAR AND THE CALCULATION AGENT(S) OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF

THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS NOTE."

(iv) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(v) It understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Note Certificate. Prior to the expiration of the distribution compliance period, before any interest in the Regulation S Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

(vi) Either (a) it is not, and is not acting on behalf of (and for so long as it holds a Note (or any interest therein) will not be, and will not be acting on behalf of), (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Code, (iii) an entity whose underlying assets include the assets of any such employee benefit plan subject to ERISA or other plan subject to Section 4975 of the Code, or (iv) a governmental, church or non-U.S. plan which is subject to any Similar Law, or (b) its acquisition, holding and disposition of such Note (or any interest therein) will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such a governmental, church or non-U.S. plan subject to Similar Law, a violation of any Similar Law) for which an exemption is not available.

(vii) If it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of the Issuer, the Arrangers, the Dealers the Trustee, the Paying and Transfer Agents, the Registrar and the Calculation Agent(s) or any of their respective affiliates has provided any investment recommendation or investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or any Plan Fiduciary in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each tranche of Notes issued under the Programme and which (1) have a denomination of €100,000 (or its equivalent in any other currency) or more, and/or (2) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) have access.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][2]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**)]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][3]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018] [EUWA] (the **UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a **distributor**)] [distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the

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[2] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore** (as amended, the **SFA**) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes to be capital markets products other than "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the MAS) Notice SFA 04- N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][4]

Final Terms dated [ ]
Abu Dhabi National Energy Company PJSC
Legal entity identifier (LEI): 213800UNJSVQFNUYYW03
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$20,000,000,000
Global Medium Term Note Programme

[The Notes will only be admitted to trading on [insert name of relevant QI market/segment], which is [a regulated market/a specific segment of a regulated market (as defined in UK MiFIR)], to which only qualified investors (as defined in the UK Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][5]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 18 July 2024 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the **Prospectus**) for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**)]/[the UK Prospectus Regulation]. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus [and the supplement(s) to it] [has]/[have] been published on the market news section of the London Stock Exchange website (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Trust Deed dated [original date] and set forth in the prospectus dated [original date] [and the supplement(s) to it dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of [Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**)]/[the UK Prospectus Regulation] and must be read in conjunction with the prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus (the **Prospectus**) for the purposes of the UK Prospectus Regulation in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]]. The Prospectus [and the supplement(s) to it] [has]/[have] been published on the market news section of the London Stock Exchange website (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms*.]

1	Issuer:		Abu Dhabi National Energy Company PJSC
2	(i)	Series Number:	[ ]

[4] Legend to be included on front of the Final Terms if the Notes (i) are being sold into Singapore; and (ii) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

[5] Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on the London Stock Exchange's Main Market, or a specific segment of the London Stock Exchange's Main Market, to which only qualified investors can have access.

	(ii)	[Tranche Number:	[ ]]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date][Not Applicable]
3	Specified Currency or Currencies:		[ ]
4	Aggregate Nominal Amount of Notes:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date] (if applicable)*]
6	(i)	Specified Denominations:	[ ]
	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.*] [*Note: There must be a common factor in the case of two or more Specified Denominations*]
7	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8	Maturity Date:		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] month [*Specify reference rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon]] (see paragraph [14]/[15]/[16] below)
10	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11	Change of Interest Basis:		*[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable]
12	Put/Call Options:		[General Put Option] [Change of Control Put Option] [Call Option] [(see paragraph [17]/[18]/[19] below)]
13	(i)	[Status of the Notes:]	[Senior]
	(ii)	[Date approval for issuance of Notes obtained:]	[ ] [and [ ], respectively] [*(N.B. Only relevant where authorisation is required for the particular tranche of Notes)*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**	[Applicable/Not Applicable]

			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of* ***Business Day***/not adjusted]]
	(iii)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
	(iv)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment date falling [in/on] [ ]][Not Applicable]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA/ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] (*See Condition 5(j) for alternatives*)
	(vi)	[Determination Dates:	[[ ] in each year][Not Applicable] *(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*]
15	**Floating Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Interest Period(s):	[ ]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Interest Period Date:	[ ] (*Not applicable unless different from Interest Payment Date*)
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(vi)	Business Centre(s):	[ ]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[ ] [Not Applicable]
	(ix)	Where Reference Rate is not specified as SOFR Benchmark:	[Applicable/Not Applicable]

		(*If not applicable, delete the remaining items of this subparagraph*)
	• Reference Rate:	[ ] month [EURIBOR/HIBOR/CNH HIBOR]
	• Interest Determination Date(s):	[ ] (*The second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the first day of each Interest Period if HIBOR and the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR and the Specified Currency is Renminbi*)
	• Relevant Screen Page:	[ ]
(x)	Where Reference Rate is specified as SOFR Benchmark:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
	• SOFR Benchmark:	[Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index]
	• Compounded Daily SOFR	[Not Applicable/SOFR Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout] (*Only applicable in the case of Compounded Daily SOFR*)
	• Lookback Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Lag*)
	• SOFR Observation Shift Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index*)
	• Interest Payment Delay Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Payment Delay*)
	• SOFR Rate Cut-Off Date	[Not Applicable/The day that is the [ ] U.S. Government Securities Business Day(s) prior to the end of each Interest Period] (*Only applicable in the case of Simple SOFR Average, Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout*)
	• SOFR $\text{Index}_{\text{Start}}$	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
	• SOFR $\text{Index}_{\text{End}}$	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
(xi)	Linear Interpolation:	[Not Applicable/Applicable — the Rate of Interest for the [long/short][first/last] Interest Period shall be

			calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xii)	Margin(s):	[+/-][ ] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[ ] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xv)	Day Count Fraction:	[Actual/Actual (ICMA/ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360][360/360] [Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] (*See Condition 5(j) for alternatives*)
	(xvi)	Fall Back Provisions:	[Benchmark Discontinuation (not SOFR) ([Condition 5(l)]) / Benchmark Discontinuation (SOFR) ([Condition 5(m)])]
16	**Zero Coupon Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts	[Actual/Actual (ICMA/ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] (*See Condition 5(j) for alternatives*)

PROVISIONS RELATING TO REDEMPTION

17	**Call Option**			[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):		[ ]
	(ii)	Optional Redemption Amount(s) of each Note:		[ ] per Calculation Amount
	(iii)	If redeemable in part:		
		(a)	Minimum Redemption Amount:	[ ] per Calculation Amount
		(b)	Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv)	Notice periods:		Minimum period: [ ] days Maximum period: [ ] days

18	**General Put Options**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note:	[ ] per Calculation Amount
	(iii)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days
19	**Change of Control Put Option**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Put Date:	[ ]
	(ii)	Change of Control Redemption Amount:	[ ] per Calculation Amount
	(iii)	Put Period:	[ ]
20	**Final Redemption Amount of each Note**		[ ] per Calculation Amount
21	**Early Redemption Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default:		[ ] per Calculation Amount *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be).*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes:		Registered Notes: [Regulation S Global Note Certificate ([ ] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg] [Rule 144A Global Note Certificate ([ ] nominal amount) registered in the name of a nominee for DTC]
23	Additional Financial Centre(s):		[Not Applicable/*give details.*] [*Note that this paragraph relates to the date and place of payment, and not the end dates of each Interest Period, to which sub-paragraph 15(iv) relates*]
24	Provisions applicable to Renminbi Notes:		[Applicable/Not Applicable] *(if not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Relevant Currency:	[*give details*]
	(ii)	RMB Currency Event:	[Applicable/Not Applicable]

[[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B — OTHER INFORMATION

1 LISTING

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Financial Conduct Authority and to trading on [the Main Market of the London Stock Exchange plc with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange plc with effect from [ ].]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2 RATINGS

Ratings:	The Notes to be issued have been rated: [[Moody's Investors Service Ltd.] (**Moody's**): [ ] Moody's is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**).] [[Fitch Ratings Limited] (**Fitch**): [ ] Fitch is established in the United Kingdom and registered under [Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**)]/[the UK CRA Regulation].] [[Other (*specify full legal name*)]: [ ]] [*Need to include a brief explanation of the ratings if this has previously been published by the rating provider.*] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[[Save as discussed in "*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business].

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i)	[Reasons for the offer:	[See "*Use of Proceeds*" in the Prospectus/*give details*] (*See "Use of Proceeds" wording in the Prospectus – if reasons for offer different from what is disclosed in the Prospectus, give details here.*) (*specify if [Green Notes]*)
(ii)	[Estimated net proceeds:]	[ ]

5 [FIXED RATE NOTES ONLY — YIELD

Indication of yield:	[[ ] per cent. per annum [on a [semi-annual]/[quarterly] basis] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	[CUSIP:	[ ]]
(iv)	CFI:	[[*See/*[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	FISN:	[[*See/*[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vi)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and/or DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vii)	Delivery:	Delivery [against/free of] payment
(viii)	Names and addresses of initial Paying and Transfer Agent(s):	[ ]
(ix)	Names and addresses of additional Paying and Transfer Agent(s) (if any):	[ ]

7 DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-Syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Date of [Subscription] Agreement:	[ ]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(vi)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]
(vii)	U.S. Selling Restrictions:	[Rule 144A/Reg S Compliance Category 2; TEFRA not applicable]
(viii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be*

		prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)
(ix)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*)
(x)	U.S. Bank Holding Company Act selling restrictions:	[[●] is restricted in its U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that are offered or sold in the United States. Accordingly, [●] shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that may be offered or sold by other underwriters in the United States. [●] shall offer and sell the Notes constituting part of any allotment solely outside the United States.] / [Not Applicable]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement that will be issued in respect of each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) or a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**)]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018] [EUWA] (the **UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a **distributor**)] [distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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[1] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore** (as amended, the **SFA**) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes to be capital markets products other than "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the MAS) Notice SFA 04- N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][3]

THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.

Pricing Supplement dated [ ]

Abu Dhabi National Energy Company PJSC

Legal entity identifier (LEI): 213800UNJSVQFNUYYW03

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

under the U.S.$20,000,000,000

Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 18 July 2024 [and the supplement(s) to it dated [ ]] ([together,] the **Prospectus**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus [and the supplement(s) to it] may be obtained from [*address*].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Trust Deed dated [*original date*] and set forth in the prospectus dated [*original date*] [and the supplement(s) to it dated [ ] ([together,] the **Prospectus**)]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the prospectus dated [*original date*], including the Conditions incorporated by reference in the Prospectus. Copies of the Prospectus [and the supplement(s) to it] may be obtained from [*address*].

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

1	Issuer:		Abu Dhabi National Energy Company PJSC
2	(i)	Series Number:	[ ]
	(ii)	[Tranche Number:	[ ]]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date][Not Applicable]
3	Specified Currency or Currencies:		[ ]
4	Aggregate Nominal Amount of Notes:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]

[3] Legend to be included on front of the Pricing Supplement if the Notes (i) are being sold into Singapore; and (ii) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

5	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date] (if applicable)*]
6	(i)	Specified Denominations:	[ ]
	(ii)	Calculation Amount:	[ ] [*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.*] [*Note: There must be a common factor in the case of two or more Specified Denominations*]
7	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8	Maturity Date:		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*] [4]
9	Interest Basis:		[[ ] per cent. Fixed Rate] [[*Specify reference rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon]] [*specify other*] (see paragraph [14]/[15]/[16] below)
10	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount [*specify other*]
11	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable]
12	Put/Call Options:		[General Put Option] [Change of Control Put Option] [Call Option] [(further particulars specified below)]
13	(i)	[Status of the Notes:]	[Senior]
	(ii)	[Date approval for issuance of Notes obtained:]	[ ] [and [ ], respectively] [*(N.B. Only relevant where authorisation is required for the particular tranche of Notes)*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [specify Business Day Convention and any applicable

[4] Note that for Renminbi-denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

			Business Centre(s) for the definition of **Business Day**/not adjusted][5]
	(iii)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount[6]
	(iv)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment date falling [in/on] [ ]][Not Applicable]
	(v)	Day Count Fraction:	[30/360][/Actual/Actual (ICMA/ISDA)/*specify other*][7]
	(vi)	[Determination Dates:	[[ ] in each year][Not Applicable] *(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*]
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
15	**Floating Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Interest Period(s):	[ ]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Interest Period Date:	[ ] *(Not applicable unless different from Interest Payment Date)*
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(vi)	Business Centre(s):	[ ]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination[/*specify other*]
	(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[ ]
	(ix)	Where Reference Rate is not specified as SOFR Benchmark:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
		• Reference Rate:	Reference Rate: [ ] month [[EURIBOR/HIBOR/CNH HIBOR]/*specify other Reference Rate*].

[5] For certain Renminbi-denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day".

[6] For Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest RMB 0.01, RMB 0.005 being rounded upwards."

[7] Applicable to Renminbi-denominated Fixed Rate Notes.

		(*The second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the first day of each Interest Period if HIBOR and the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR and the Specified Currency is Renminbi*)
	• Interest Determination Date(s):	[ ]
	• Relevant Screen Page:	[ ]
(x)	Where Reference Rate is specified as SOFR Benchmark:	[Applicable/Not Applicable] (*If not applicable, delete the remaining items of this subparagraph*)
	• SOFR Benchmark:	[Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index]
	• Compounded Daily SOFR	[Not Applicable/SOFR Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout] (*Only applicable in the case of Compounded Daily SOFR*)
	• Lookback Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Lag*)
	• SOFR Observation Shift Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index*)
	• Interest Payment Delay Days	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Payment Delay*)
	• SOFR Rate Cut-Off Date	[Not Applicable/The day that is the [ ] U.S. Government Securities Business Day(s) prior to the end of each Interest Period] (*Only applicable in the case of [Simple SOFR Average,] Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout*)
	• SOFR $\text{Index}_{\text{Start}}$	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
	• SOFR $\text{Index}_{\text{End}}$	[Not Applicable/[ ] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
(xi)	Linear Interpolation:	[Not Applicable/Applicable — the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xii)	Margin(s):	[+/-][ ] per cent. per annum

	(xiii)	Minimum Rate of Interest:	[ ] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xv)	Day Count Fraction:	[Actual/Actual (ICMA/ISDA)] [30/360] [*specify other*]
	(xvi)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[Benchmark Discontinuation (not SOFR) ([Condition 5(l)]) / Benchmark Discontinuation (SOFR) ([Condition 5(m)])]
16	**Zero Coupon Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts	[Actual/Actual (ICMA/ISDA)] [30/360] [*specify other*]
	(iv)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[ ]

PROVISIONS RELATING TO REDEMPTION

17	**Call Option**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ] per Calculation Amount
		(b) Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days
18	**General Put Options**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]

	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(iii)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days
19	**Change of Control Put Option**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Put Date:	[ ]
	(ii)	Change of Control Redemption Amount:	[[ ] per Calculation Amount/*specify other*/see Appendix]
	(iii)	Put Period:	[ ]
20	**Final Redemption Amount of each Note**		[[ ] per Calculation Amount/*specify other*/see Appendix]
21	**Early Redemption Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default:		[[ ] per Calculation Amount/*specify other*/see Appendix] *(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be).*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes:		Registered Notes: [Regulation S Global Note Certificate ([ ] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg] [Rule 144A Global Note Certificate ([ ] nominal amount) registered in the name of a nominee for DTC]
23	Additional Financial Centre(s):		[Not Applicable/*give details.* *(Note that this paragraph relates to the date and place of payment, and not the end dates of each Interest Period, to which sub-paragraph 15(iv) relates)*]
24	Provisions applicable to Renminbi Notes:		[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Relevant Currency:	[*give details*]
	(ii)	RMB Currency Event:	[Applicable/Not Applicable]
25	Other final terms:		[Not Applicable/*give details*]

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

Admission to trading:	[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify relevant market — note this should not be a regulated market*]] with effect from [ ].] [Not Applicable.]

2 RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[[Save as discussed in "*Subscription and Sale*"], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business — *Amend as appropriate if there are other interests*]

4 REASONS FOR THE OFFER

Reasons for the offer:	[ ] (*Specify if [Green Notes]*)

5 OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	[CUSIP:	[ ]]
(iv)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vi)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and/or DTC and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vii)	Delivery:	Delivery [against/free of] payment
(viii)	Names and addresses of initial Paying and Transfer Agent(s):	[ ]

(ix)	Names and addresses of additional Paying and Transfer Agent(s) (if any):	[ ]

6 DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-Syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]
(vi)	U.S. Selling Restrictions:	Rule 144A/Reg S Compliance Category [1]/[2]; [TEFRA not applicable]
(vii)	Additional selling restrictions:	[Not Applicable/*give details*] (*Additional selling restrictions are only likely to be relevant for certain structured notes, such as commodity-linked notes*)
(viii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(ix)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*)
(x)	U.S. Bank Holding Company Act selling restrictions:	[[●] is restricted in its U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that are offered or sold in the United States. Accordingly, [●] shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase any Notes that may be offered or sold by other underwriters in the United States. [●] shall offer and sell the Notes constituting part of any allotment solely outside the United States.] / [Not Applicable]

GENERAL INFORMATION

1 The listing of the Notes (other than Exempt Notes) on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of one or more Certificates in respect of each Tranche. The listing of the Programme in respect of the Notes (other than Exempt Notes) is expected to be granted on or around 23 July 2024. Transactions on the Market will normally be effected for delivery on the third working day after the day of the transaction. In addition, application may be made to admit the Notes to trading on the Abu Dhabi Securities Exchange. However, unlisted Notes may be issued pursuant to the Programme.

This Prospectus has been approved by the FCA as a base prospectus. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for Notes issued under the Programme to be admitted to trading on the Market.

2 The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 11 September 2007 (pursuant to powers delegated by a resolution of the Extraordinary General Meeting of the Shareholders of the Issuer passed on 22 April 2007) and the update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 8 July 2024.

3 There has been no significant change in the financial performance or financial position of the Issuer or of the Group since 31 March 2024, being the date to which the last financial information has been published, and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2023, being the date to which the last audited financial statements has been published.

4 Neither the Issuer nor any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

5 The Notes have been accepted for clearance through the Euroclear, Clearstream, Luxembourg and/or DTC systems (which are the entities in charge of keeping the records). The Common Code, the ISIN and/or the CUSIP Number and (where applicable) the FISN, the CFI and the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms (or the relevant Pricing Supplement, in the case of Exempt Notes). The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is Depository Trust Company, 570 Washington Boulevard, Jersey City, NJ 07310, United States of America.

6 The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

7 For so long as Notes may be issued pursuant to this Prospectus, copies of the following documents will, when published, be available for inspection in electronic form at www.taqa.com (unless otherwise specified):

(i) the Trust Deed (which includes the form of the Certificates);

(ii) the Agency Agreement;

(iii) the constitutional documents of the Issuer;

(iv) each Final Terms and Pricing Supplement; and

(v) a copy of this Prospectus together with any supplement(s) to this Prospectus or further Prospectus.

This Prospectus is, and each Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be, published on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

8 The FY 2023 Financial Statements and the FY 2022 Financial Statements and independent auditors' reports thereon have been incorporated by reference herein. These consolidated financial statements have been audited by Deloitte in accordance with International Standards on Auditing as stated in their report incorporated by reference herein.

9 Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers routinely hedge their credit exposures to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

10 Except where such information has been incorporated by reference into this Prospectus, the contents of the Issuer's website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus and investors should not rely on such information.

11 TAQA's registered number is 1003072. TAQA's telephone number is +971 (0)2 691 4900.

GLOSSARY AND CERTAIN DEFINED TERMS

DEFINED TERMS

The following defined terms are not intended to be exhaustive, but provides a list of certain of the defined terms and technical terms used in this Prospectus. The following definitions apply throughout this document unless the context requires otherwise:

ADWEA	Abu Dhabi Water and Electricity Authority
BOO	Build, operate and operate
BOOT	Build, own, operate and transfer
brownfield	The development, extension and upgrade of existing plants at the relevant sites. Umm al Naar, Taweelah Al, Taweelah B and Fujairah are examples of brownfield developments
BST	Bulk Supply Tariff
C(WUMP)O	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong
CTCA	Coal Terminal and Concession Agreement
DisCos	The Group's distribution subsidiaries, ADDC and AADC
DoE	Abu Dhabi Department of Energy
DSA	Decommissioning Security Agreement
EEA	European Economic Area
EWEC	Emirates Water and Electricity Company
FCA	Financial Conduct Authority
FEWA	Federal Electricity and Water Company
FSA	Fuel Supply Agreement
FSMA	Financial Services and Markets Act 2000
FSOPR	Field Sustainable Oil Production Rate
FSRA	Financial Services Regulatory Authority
GCC	The Gulf Cooperation Council, comprising Saudi Arabia, Qatar, Bahrain, Oman, Kuwait and the UAE
GSB	Gas Storage Bergermeer
IMF	International Monetary Fund
KRG	Kurdistan Regional Government
LDC	Load Dispatch Centre
O&M	Operation and Maintenance
OFAC	Office of Foreign Assets Control of the U.S. Department of Treasury
OPEC	Organization of Petroleum Exporting Countries
PCOD	Project Commercial Operations Date
PPA	Power Purchase Agreements
PRC	The People's Republic of China
PSC	Production Sharing Contracts
PWPA	Power and Water Purchase Agreements
QIB	Qualified Institutional Buyer

RAV	Regulatory Asset Value
RC2	Current Regulatory Control Period
RSA	Right of Surface Agreement
SCAD	Statistics Centre – Abu Dhabi
SCADA	Supervisory Control and Data Acquisition
SEC	Securities and Exchange Commission
SEWA	Sharjah Electricity, Water and Gas Authority
SPE-PRMS	Society of Petroleum Engineers Resources Management System
TPA	Transfer of Possession Agreement
TUoS	Transmission Use of System
UK North Sea Assets	The operated interests in the Tern, Eider, Pelican, North Cormorant, Cormorant Alpha and Kestrel producing fields in the North Sea, the non-operated interest in the producing Hudson field, the operated interest in the Brent pipeline system and the non-operated interest in the Sullom Voe terminal
Regulatory WACC	Weighted Average Cost of Capital

GLOSSARY OF TECHNICAL TERMS

The following glossary of technical terms is not intended to be exhaustive, but provides a list of certain of the technical terms used in this Prospectus.

2P	Proved and probable reserves
bbls/d	Barrels per day
bcf	Billion cubic feet. Figures can be converted into barrels of oil equivalent by dividing by six.
bcm	Billion normal cubic metres
GWh	Gigawatt hour
km	Kilometre
km^2	Square kilometre
kV	Kilovolt
mboe	Thousand barrels of oil equivalent
mboe/d	Thousand barrels of oil equivalent per day
MIG	Million Imperial Gallons
MIGD	Million Imperial Gallons per Day
mm	Millimetre
mmbbls	Million barrels
mmbbls/m	Million barrels per day
mmbtu	Million British thermal units
mmcf/d	Million cubic feet per day
MW	Megawatt
MWh	Megawatt hour
SCF	Standard Cubic Feet

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