# 2025

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended
31 December 2025

# ABU DHABI NATIONAL ENERGY COMPANY PJSC (TAQA) MANAGEMENT'S DISCUSSION AND ANALYSIS



*This document should be read in conjunction with TAQA's consolidated financial statements for the year ended 31 December 2025. Within the MD&A we use the terms "the Group", "we", and "our" to refer to TAQA.*

## 1. Health, Safety and Environment (HSE)

| | | Year ended 31 December | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ***Transmission*** | | ***Distribution*** | | ***Generation*** (1) | | ***Water Solutions*** | | ***Oil & Gas*** (2,3) | | ***Group Total*** (2,3) | |
| ***HSE Overview*** | | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 | **2025** | **2024** | **2025** | 2024 | **2025** | 2024 |
| Recordable injury rate (RIR) [4] | *(incident / million hrs)* | **0.04** | 0.17 | **0.27** | **0.10** | **0.62** | 0.20 | **0.07** | 0.31 | **1.86** | 1.13 | **0.39** | 0.31 |
| Lost time injury (LTI) | *Number* | **1** | 2 | **3** | **2** | **2** | 1 | **1** | 4 | **5** | 4 | **12** | 13 |
| Fatalities | *Number* | **-** | - | 3 | 1 | **-** | - | **-** | - | **-** | - | **3** | 1 |
| Reportable spills | *Number* | **-** | - | **-** | - | **-** | - | **-** | - | **11** | 8 | **11** | 8 |
| Reportable spills | *Volume (litres)* | **-** | - | **-** | - | **-** | - | **-** | - | **21,372** | 2,456 | **21,372** | 2,456 |

1) *Refers to TAQA operated assets only.*
2) *Excludes discontinued operations.*
3) *Q4 2024 RIR was updated based on a revised manhour calculation.*
4) *RIR includes all recordable injuries (e.g., fatalities, lost time injury, restricted work injury and medical treatment injury)*

"Safe" is our first value. We put safety above all else and HSE is a fundamental part of TAQA's business. We apply our Commitment to Operational Excellence, TAQA's HSE management system, to maintain safe, compliant and reliable activities and operations. All members of our workforce are empowered with the responsibility and authority to speak up and stop unsafe work.

Group RIR of 0.39 represents an increase from 0.31 in the previous year. Recordable injuries increased from 24 to 34, which included 3 fatalities and 12 lost time injuries. Manhours increased 11% reflecting increased activity across the Group.

Regrettably, 3 fatal accidents occurred at our distribution company. These 3 accidents related to driving, lifting operations, and excavation activities. Each accident was subject to a rigorous independent investigation to establish root causes and identify lessons learnt, which were subsequently shared across the Group. Ongoing implementation of improvement actions identified to prevent reoccurrence are tracked to completion. In addition to increased site inspections in our distribution company, an independent project site assurance programme has been established to review site conformance with requirements. Focus is directed at ensuring employees and contractors consistently maintain the highest levels of compliance with laws and regulations, and conform with the Group's safety policies, standards and rules.

11 reportable spills were recorded, an increase from 8 in the previous year. The total spill volume released was 21,372 litres, compared to 2,456 litres in 2024.

## *Transmission*

Transmission RIR of 0.04 represents a decrease from 0.17 in the previous year, due to a reduction in recordable injuries from 3 to 1, comprising 1 lost time injury, and a 30% increase in manhours worked. Key focus areas included contractor management and project safety management.

## *Distribution*

Distribution RIR of 0.27 represents an increase from 0.10 in the previous year, due to an increase in recordable injuries from 3 to 9, which included 3 fatal accidents and 3 lost time injuries, and an 8% increase in manhours worked. Key focus areas included conformance with policies and standards, including the 12 Essential Safety Rules, safety leadership, supervision, contractor management and project safety management.

## *Generation*

Generation RIR of 0.62 represents an increase from 0.20 in the previous year, due to an increase in recordable injuries from 1 to 3, which included 2 lost time injuries. Key focus areas included contractor management, safety leadership, process safety, safe systems of work, and crisis and emergency management.

## *Water Solutions*

Water Solutions RIR of 0.07 at year end represents a decrease from 0.31 in the previous year, due to a decrease in recordable injuries from 4 to 1, which included 1 lost time injury, and a 14% increase in manhours worked. Key activities include an independent HSSE assurance review conducted to identify further opportunities to align with TAQA's HSE management system and industry good practice. Key focus areas included HSE competencies, safety leadership, and contractor management.

## *Oil & Gas (O&G)*

O&G RIR of 1.86 at year end represents an increase from 1.13 in the previous year, due to an increase in recordable injuries from 13 to 20, which included 5 lost time injuries, and a 7% decrease in manhours worked. Key focus areas included operational and process safety during ongoing changes in the asset profile and associated activities during asset decommissioning, wells plug and abandonment, asset transfer, and asset development, especially for activities delivered by our contracted workforce.

## *Corporate*

Corporate experienced no recordable injuries during the year. Targeted programmes were supported to address the causes of the 3 fatal accidents, 12 lost time injuries and high potential incidents. Key focus areas included contractor management, safe systems of work, incident investigations, standards, HSE reporting and shared learning.

## 2. Summary of Results

| (AED million, except where indicated) | | Three months ended 31-Dec 2025 | Three months ended 31-Dec 2024 | Twelve months ended 31-Dec 2025 | Twelve months ended 31-Dec 2024 |
|---|---|---|---|---|---|
| Transmission network availability | % | **98.3** | 98.6 | **98.8** | 98.7 |
| Generation global commercial availability (1) | % | **95.1** | 98.9 | **97.9** | 98.3 |
| Water Solutions asset availability | % | **96.5** | 94.0 | **95.3** | 95.3 |
| Oil & Gas average production (2) | mboe/d | **93.9** | 98.9 | **92.2** | 101.4 |
| Revenue from external customers | | **12,138** | 13,333 | **54,798** | 54,781 |
| EBITDA | | **4,623** | 4,094 | **20,659** | 21,004 |
| Net Income (3) | | **1,387** | 750 | **7,466** | 7,068 |
| Capital expenditure (4) | | **5,575** | 3,707 | **14,491** | 9,768 |
| Free cash flow (5) | | **(701)** | (764) | **6,606** | 2,099 |

| (AED million) | As at 31-Dec 2025 | As at 31-Dec 2024 |
|---|---|---|
| Total debt (6) | **65,317** | 64,699 |
| Regulated Asset Value (RAV): | | |
| - Transmission | **45,001** | 42,116 |
| - Distribution | **35,548** | 34,739 |
| - Water Solutions | **18,432** | 17,804 |

*(1) Represents weighted average from continuing operations for all power and water producing assets based on plant capacity.*
*(2) Includes working interest production from continuing operations in North America, UK, and Netherlands.*
*(3) Net income above is the share attributable to common shareholders of TAQA.*
*(4) Represents additions to Property, Plant, and Equipment, excluding right-of-use assets.*
*(5) Represents cash flows from operations less cash flows used in investing activities.*
*(6) Total debt includes accrued interest.*

### *Operational Highlights:*

- **Transmission network availability** for power & water reached 98.8%, marginally higher than 2024.
- **Generation global commercial availability** slightly reduced to 97.9% from 98.3% in 2024.
- **Water Solutions asset availability** was 95.3%, consistent with last year.
- **Oil & Gas production** decreased to 92.2 mboe/d from 101.4 mboe/d in the prior year. This reduction is mainly due to the cessation of production in late 2024 of four UK assets as the UK transitions to safe and efficient decommissioning.

### *Financial Highlights:*

- **Group revenues** was AED 54.8 billion, broadly in line with the prior year. The utilities business continued to demonstrate resilience, offsetting the decline in revenues from the O&G business. The latter, in turn, was driven by lower commodity prices and continued declines in production volumes following the planned cessation of production at several UK North Sea fields.
- **EBITDA** of AED 20.7 billion, underscoring the Group's ability to generate consistent profitability and cash flows amid a year of significant transformation. EBITDA's marginal decrease from AED 21.0 billion in 2024 was primarily due to non-recurring, non-cash charges in the Generation and O&G businesses.

- **Net income (TAQA Share)** was AED 7.5 billion, up 5.6% compared to the prior year.
- **Capital expenditure** grew to AED 14.5 billion, representing a 48.4 % increase as TAQA accelerated investment in power, water, and transmission infrastructure, including in the 1 GW Al Dhafra Thermal Power Plant and the execution of other projects.
- **Free cash flow** amounted to AED 6.6 billion, up from AED 2.1 billion in 2024, primarily reflecting working capital movements, lower funding requirements from Masdar, partially offset by higher investment in Generation and Transmission assets within the UAE.
- **Total debt** was AED 65.3 billion, up from AED 64.7 billion at the end of 2024, with AED 3.9 billion of corporate term loan utilisation and AED 2.1 billion in project debt drawdowns, partially offset by the repayment of an AED 2.8 billion bond and AED 2.6 billion in scheduled project loan repayments.

## *Strategic Highlights:*

2025 was a year of focus and delivery, marked by transformative developments that reinforced TAQA's integrated model and expanded its global footprint across power, water, and networks.

By year-end, TAQA's combined global generation capacity reached more than 70 GW, with renewables representing approximately 64% of the portfolio. The Group remains on track to achieve its targets of 150 GW of gross power capacity by 2030, with two-thirds from renewables.

**In the UAE, TAQA:**

- Progressed the world's first round-the-clock renewables and storage project through its leading stake in Masdar. The project will integrate 5.2 GW of solar PV and 19 GWh of battery storage to provide 1 GW of continuous clean power. This development broke ground in 2025 and will be complemented by the 1 GW Al Dhafra Thermal Power Plant and significant grid investments through TAQA Transmission. These projects will amount to an approximately USD 10 billion (AED 36 billion) investment programme to meet rising power demand and support artificial intelligence and digital infrastructure in Abu Dhabi.
- Executed landmark agreements with EGA, DUBAL Holding, and EWEC to accelerate industrial decarbonisation and expand clean energy development. As part of this, TAQA, alongside DUBAL Holding, will acquire EGA's Al Taweelah power and water assets for USD 1.9 billion (approximately AED 7 billion), comprising 3.1 GW of power capacity and 6.25 million imperial gallons per day (MIGD) of desalination capacity.
- Achieved full commercial operations at the 2.4 GW Fujairah F3 power plant.
- Signed agreements to reconfigure Shuweihat 1 from a cogeneration power and water desalination facility to a power plant only, providing up to 1.1 GW of flexible reserve power supply for 15 years to support the increased integration of clean energy sources.

**Internationally, TAQA:**

- Advanced its growth strategy with the signing of an agreement to acquire GS Inima in a transaction valued at approximately USD 1.2 billion (approximately AED 4.4 billion). Upon completion, the acquisition will add 171 MIGD of desalination capacity and reinforce the Group's position as a global leader in the water sector.
- Completed the acquisition and integration of Transmission Investment in the United Kingdom, signalling a strategic entry into the UK's transmission market.
- Achieved financial close of two major power projects in the Kingdom of Saudi Arabia – Rumah 2 and Al Nairyah 2 – which add 3.6 GW of highly efficient gas-fired capacity and combined

represent a total investment of around USD 4 billion (approximately AED 14.7 billion). These additions increase TAQA's portfolio in the Kingdom to more than 5 GW.

- Signed agreements with local stakeholders for large-scale integrated power, water, and transmission projects in the Kingdom of Morocco. These represent a potential investment of approximately USD 14 billion (AED 52 billion) in the Kingdom to support its energy transition and water security.
- Acquired a 40% stake in the 875 MW Talimarjan power plant and signed new agreements through TAQA Water Solutions for major water projects in Uzbekistan.

As part of its commitment to responsible late-life asset management, TAQA's O&G business reached a major decommissioning milestone in 2025 with the safe removal of the Eider Alpha offshore platform's topside structure in the UK's Northern North Sea. In the Netherlands, TAQA supported Europe's first carbon dioxide storage facility through the transfer of its P18-A platform to Porthos.

TAQA streamlined its portfolio with the divestment of the Group's interest in the Lakefield wind project in the United States and its interest in a 250 MW lignite-fired power plant through the sale of TAQA Neyveli in India.

Masdar underpinned TAQA's renewable growth. In addition to progressing the 24/7 solar-plus-storage project, Masdar expanded its global footprint through strategic acquisitions and partnerships across Europe, Asia, and the Middle East.

## 3. Results of Operations by Business

| Year ended | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Consolidated Income Statement* | ***Transmission*** | | ***Distribution*** | | ***Generation*** | | ***Water Solutions*** | | ***Oil & Gas*** | | ***Corp. & Elimination*** | | ***Group Total*** | |
| (AED millions) | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 |
| ***Revenue*** | | | | | | | | | | | | | | |
| External | **1,116** | 1,132 | **34,961** | 33,359 | **11,985** | 12,034 | **2,526** | 2,479 | **4,210** | 5,777 | **-** | - | **54,798** | **54,781** |
| Intra-Segment | **5,145** | 5,141 | **178** | 170 | **171** | 162 | **135** | 143 | **-** | - | **(5,629)** | (5,616) | **-** | **-** |
| **Revenue total** | **6,261** | 6,273 | **35,139** | 33,529 | **12,156** | 12,196 | **2,661** | 2,622 | **4,210** | 5,777 | **(5,629)** | (5,616) | **54,798** | **54,781** |
| Operating expenses | **(926)** | (756) | **(29,829)** | (28,492) | **(4,738)** | (4,598) | **(941)** | (917) | **(1,628)** | (3,003) | **5,619** | 5,616 | **(32,443)** | **(32,150)** |
| G&A expenses | **(448)** | (468) | **(802)** | (906) | **(514)** | (458) | **(199)** | (121) | **(153)** | (218) | **(336)** | (680) | **(2,452)** | **(2,851)** |
| Net impairment losses on financial and contract assets | **-** | (10) | **8** | 10 | **(2)** | (436) | **1** | - | **7** | - | **-** | 22 | **14** | **(414)** |
| Share of results of associates and JVs | **(115)** | - | **-** | - | **426** | 440 | **-** | - | **-** | - | **8** | (56) | **319** | **384** |
| Other income / (expenses) | **128** | 118 | **131** | 162 | **229** | 222 | **4** | (3) | **18** | 86 | **68** | (37) | **578** | **548** |
| FX gains / (losses) | **(2)** | - | **-** | - | **112** | (42) | **(1)** | - | **28** | 19 | **(148)** | (24) | **(11)** | **(47)** |
| Dividend income | **-** | - | **-** | - | **-** | - | **-** | - | **-** | - | **807** | 612 | **807** | **612** |
| Impairment of non-financial assets | **-** | - | **-** | - | **(841)** | - | **-** | - | **(142)** | - | **-** | - | **(983)** | **-** |
| Profit from discontinued operations | **-** | - | **-** | - | **32** | 75 | **-** | - | **-** | 66 | **-** | - | **32** | **141** |
| **EBITDA** | **4,898** | 5,157 | **4,647** | 4,303 | **6,860** | 7,399 | **1,525** | 1,581 | **2,340** | 2,727 | **389** | (163) | **20,659** | **21,004** |
| DD&A expenses | **(1,578)** | (1,570) | **(1,944)** | (1,954) | **(4,201)** | (4,490) | **(731)** | (753) | **(837)** | (804) | **(15)** | 18 | **(9,306)** | **(9,553)** |
| Finance costs | **(22)** | (1) | **(4)** | (2) | **(1,372)** | (1,568) | **(106)** | (127) | **(341)** | (440) | **(1,177)** | (939) | **(3,022)** | **(3,077)** |
| Interest income | **64** | 66 | **32** | 98 | **178** | 183 | **24** | 21 | **21** | 161 | **57** | 11 | **376** | **540** |
| Tax expense | **(93)** | (225) | **(317)** | (145) | **(371)** | (476) | **(42)** | (64) | **(273)** | (578) | **(49)** | (93) | **(1,145)** | **(1,581)** |
| **Total profit / (loss)** | **3,269** | 3,427 | **2,414** | 2,300 | **1,094** | 1,048 | **670** | 658 | **910** | 1,066 | **(795)** | (1,166) | **7,562** | **7,333** |
| Non-controlling interest | **-** | - | **-** | - | **(64)** | (233) | **(32)** | (32) | **-** | - | **-** | - | **(96)** | **(265)** |
| **Net profit / (loss) (TAQA share)** | **3,269** | 3,427 | **2,414** | 2,300 | **1,030** | 815 | **638** | 626 | **910** | 1,066 | **(795)** | (1,166) | **7,466** | **7,068** |

**As at**

| *Consolidated Balance Sheet* | ***Transmission*** | | ***Distribution*** | | ***Generation*** | | ***Water Solutions*** | | ***Oil & Gas*** | | ***Corp. & Elimination*** | | ***Group Total*** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (AED millions) | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 | **31-Dec 2025** | 31-Dec 2024 |
| Property, plant and equipment | **47,317** | 42,167 | **43,854** | 43,359 | **26,647** | 26,318 | **19,580** | 18,841 | **5,288** | 5,347 | **(175)** | (32) | **142,511** | 136,000 |
| Operating financial assets | **-** | - | **-** | - | **7,387** | 7,821 | **-** | - | **-** | - | **-** | - | **7,387** | 7,821 |
| Investing in associates, joint ventures and related balances | **1,215** | 1,160 | | | **16,773** | 14,657 | **-** | - | **-** | - | **-** | 208 | **17,988** | 16,025 |
| Intangible assets | **276** | - | **-** | - | **7,429** | 9,473 | **-** | 1 | **79** | 68 | **(1)** | 13,469 | **12,667** | 14,297 |
| Investments carried at FVOCI | **-** | - | **4,884** | 4,755 | **-** | - | **-** | - | **-** | - | **13,623** | 48 | **13,623** | 13,469 |
| Deferred tax assets | **-** | - | **-** | - | **13** | 10 | **-** | - | **4,638** | 5,558 | **-** | - | **4,651** | 5,616 |
| Other assets | **530** | 894 | **3,974** | 4,470 | **10,719** | 9,801 | **609** | 360 | **2,136** | 1,876 | **2,978** | 6,184 | **20,946** | 23,585 |
| Assets classified as held for sale | **-** | - | | - | **6** | - | **-** | - | **-** | - | **136** | - | **142** | - |
| **Segmental Assets** | **49,338** | 44,221 | **52,712** | 52,584 | **68,974** | 68,080 | **20,189** | 19,202 | **12,141** | 12,849 | **16,561** | 19,877 | **219,915** | 216,813 |
| **Segmental Liabilities** | **7,063** | 5,575 | **15,566** | 14,079 | **35,186** | 35,636 | **6,923** | 6,531 | **12,372** | 14,412 | **35,153** | 35,756 | **112,253** | 111,989 |
| **Total Equity** | **42,275** | 38,646 | **37,146** | 38,505 | **33,788** | 32,444 | **13,266** | 12,671 | **(231)** | (1,563) | **(18,592)** | (15,879) | **107,662** | 104,824 |

## Transmission

Transmission reported a net profit of AED 3,269 million, a decrease of AED 158 million compared to the prior year. The decline was mainly attributable to one-off and non-recurring items.

Revenue, which primarily comprises intra-segment revenue from Distribution, was broadly consistent with the prior year.

Operating expenses increased by AED 170 million, reflecting costs related to workforce and transformation initiatives, the development of special projects, and the integration of Transmission Investment to support the expansion of non-regulated activities outside the UAE.

Tax expense decreased by AED 132 million compared to the prior year, primarily due to Transmission being allocated a higher share of tax losses within the tax group.

## Distribution

Distribution reported a net profit of AED 2,414 million, representing an increase of AED 114 million compared to the prior year.

Revenue increased by AED 1,610 million to AED 35,139 million, due to higher bulk supply tariff (BST) pass-through costs and other adjustments, including the impact of inflation.

Operating expenses increased by AED 1,337 million, largely reflecting higher BST costs and costs related to workforce and transformation initiatives. These increases were partially offset by a greater allocation of staff costs to direct operations, resulting in a reduction in G&A expenses.

Tax expense increased by AED 172 million compared to the prior year, primarily due to Distribution being allocated a lower share of tax losses within the tax group.

## Generation

Generation reported a net profit (TAQA share) of AED 1,030 million, AED 215 million higher than the previous year.

Revenue was broadly in line with 2024, while operating expenses rose by AED 140 million to AED 4,738 million, mainly due to the timing of maintenance activities and higher pass-through fuel costs.

The share of results from associates and joint ventures amounted to AED 426 million, broadly in line with 2024.

Foreign exchange gains totaled AED 112 million, an increase of AED 154 million year-on-year, driven by the appreciation of the Euro and Moroccan Dirham.

A non-cash impairment charge of AED 841 million was recognised on contract related intangible assets, reflecting a higher assumed cost of capital to discount future cash flows.

In September 2025, TAQA entered into definitive agreements with MEIL Energy Private Limited, an affiliate of Megha Engineering & Infrastructures Limited (MEIL), for the sale of its entire 100% equity interest in TAQA Neyveli Power Private Limited ("TAQA Neyveli"). As a result, net income included profit from discontinued operations of AED 32 million, which is AED 43 million lower than the comparable year. On 30 October 2025, the Group closed the transaction.

Depreciation, depletion and amortisation (DD&A) decreased by AED 289 million, primarily following a revision of the estimated useful life of the Shuweihat S1 power plant, in line with a 15-year extension agreement signed with Emirates Water and Electricity Company (EWEC).

Finance costs decreased by AED 196 million, primarily reflecting the scheduled repayment of term loans.

Tax expense was AED 105 million lower, mainly due to deferred tax movements arising from the impairment of contract related intangible assets.

## *Water Solutions*

Water Solutions reported a net profit (TAQA share) of AED 638 million, an increase of AED 12 million compared to the prior year.

Revenue increased to AED 2,661 million, up AED 39 million, reflecting the regulated nature of the business. This was offset by an AED 24 million rise in operating expenses.

G&A expenses increased by AED 78 million, mainly due to costs linked to transformation initiatives.

Depreciation, depletion and amortisation (DD&A) decreased following a technical reassessment and extension of asset useful lives.

## *Oil & Gas (O&G)*

Oil & Gas (O&G) contributed a net profit of AED 910 million, a decrease of AED 156 million compared to the prior year, primarily reflecting reduced production volumes.

Revenue declined to AED 4,210 million, down AED 1,567 million year-on-year. Average realised oil prices decreased to USD 63.91/bbl from USD 76.74/bbl in 2024, while average realised gas prices decreased to USD 2.70/mmbtu from USD 2.75/mmbtu. Production volumes averaged 92.2 mboe/d, compared to 101.4 mboe/d in 2024, reflecting the planned cessation of production (CoP) at several North Sea fields in line with TAQA UK's decommissioning programme. Four assets – Tern, Eider, North Cormorant and Cormorant Alpha – reached CoP in late 2024, marking the end of TAQA's hydrocarbon production in the Northern North Sea.

Operating expenses decreased to AED 1,628 million, a reduction of AED 1,375 million, mainly driven by revisions to decommissioning estimates, lower repairs and maintenance costs and other operating expenses following the Northern North Sea cessations.

A non-cash impairment charge of AED 142 million was recognised on our Canadian O&G assets, reflecting a reduction in reserve valuations.

General and administrative expenses fell by AED 65 million, reflecting higher cost recoveries from joint venture partners and cost rationalisation in UK operations.

Finance costs decreased by AED 99 million, primarily due to lower asset retirement obligation accretion, reflecting the reduced provision value as UK decommissioning progresses, and lower interest on lease liabilities.

Interest income was lower by AED 140 million due to lower cash balances held by the business.

Tax expense decreased by AED 305 million compared to the prior year, mainly due to lower profits driven by reduced oil prices and production in the UK, as well as the phasing of tax loss utilization, and movements in deferred taxes associated with the revision in ARO liability in the UK and impairment of O&G assets in Canada.

## *Corporate*

G&A expenses were AED 344 million lower primarily due to higher allocation of costs to the operating segments.

The strengthening of the Euro resulted in a foreign exchange loss of AED 148 million, driven by currency movements on Euro-denominated balances within the Group.

Dividend income increased by AED 195 million, primarily reflecting changes to the dividend policy of ADNOC Gas, which transitioned to a quarterly dividend payout during the year.

Finance costs increased by AED 238 million, largely driven by an increase in overall debt levels to support the Group's strategic initiatives.

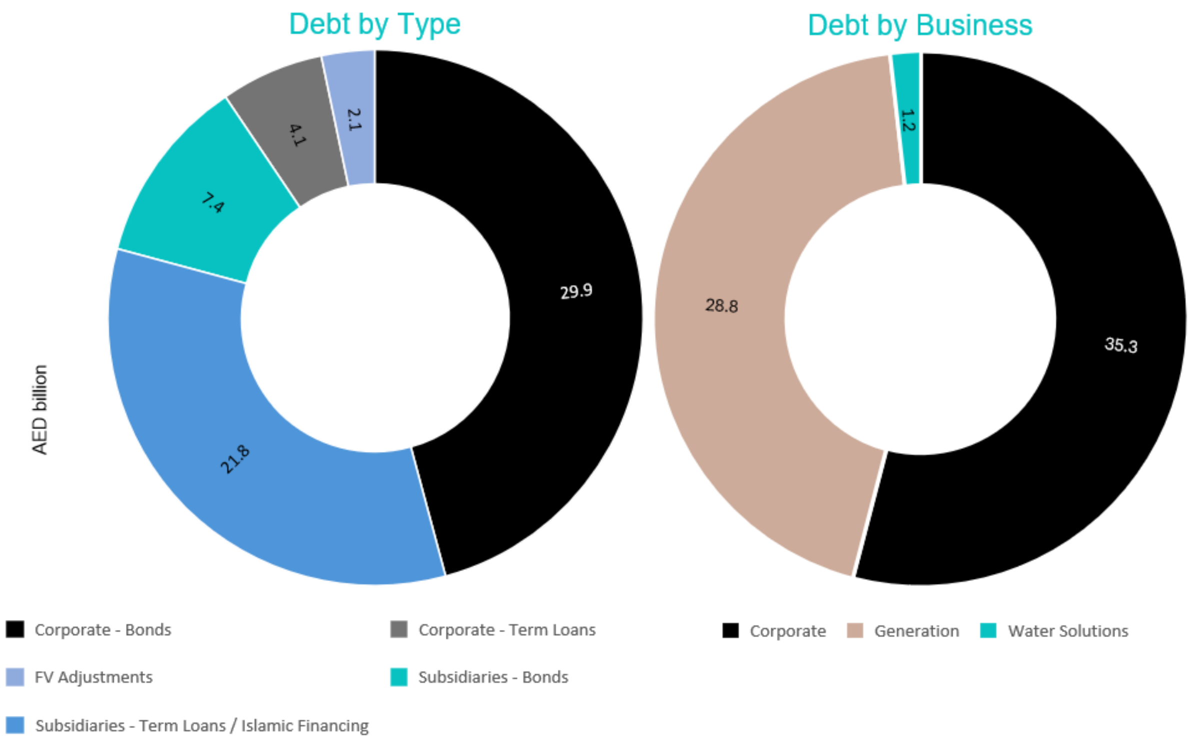
## 4. Capital Structure and Liquidity

| Consolidated Position | As at 31-Dec | 31-Dec |
|---|---|---|
| (AED million, except where indicated) | 2025 | 2024 |
| Total assets | **219,915** | 216,813 |
| Total equity | **107,662** | 104,824 |
| Total debt (1) | **65,317** | 64,699 |
| Net debt-to-capital ratio (2) | **35%** | 35% |
| Unused portion of credit facilities | **19,726** | 13,397 |
| Net cash and cash equivalents | **6,660** | 8,382 |
| **Total available liquidity** | **26,386** | 21,779 |

*(1) Total debt includes accrued interest*
*(2) 'Net debt' divided by 'Total equity' plus 'Net debt' where 'Net debt' is 'Total debt' less 'Net cash and cash equivalents'*

### *Capital Structure*

TAQA's capital structure is comprised of 35% net debt based on the consolidated statement of financial position values as at 31 December 2025 and includes fair value adjustments.




The Group's external sources of funding include corporate bonds, term loans and its revolving credit facility (RCF), which have historically been used to finance capital expenditure, investments and acquisitions across the Group. The Generation subsidiaries are generally funded through project debt, including non-recourse bank loans, project bonds and Islamic financing.

The Group continues to monitor the total debt position and refinancing options available to ensure the debt mix and cost of debt is at an optimal level. Please refer to the 'Maturity Profile' section below for updates on recent debt issuances.

Interest rates on the Group's project debt, bonds and loans are largely fixed, either contractually or through interest rate hedging arrangements. The main exception is TAQA's revolving credit facility

(RCF), and more recently the AED 8.5 billion corporate term loan facility, both of which attract floating market rates and are therefore exposed to movements in the Secured Overnight Financing Rate (SOFR) and Emirates Interbank Offered Rate (EIBOR), respectively. As the Group's medium- and long-term bonds and loans mature, it may be required to refinance such debt at prevailing market rates or utilise other available liquidity. Accordingly, TAQA is partially exposed to interest rate risk.

As at 31 December 2025, after considering the effect of interest rate swaps and embedded derivatives, approximately 94% of the Group's borrowings attract a fixed rate of interest (December 2024: 99%) and the Group's overall cost of debt averaged 4.8% (December 2024: 4.8%)

## *Liquidity*

The Group's total available liquidity was AED 26.4 billion, an increase of of AED 4.6 billion from the end of 2024. Total available liquidity is made up of AED 19.7 billion unused part of available credit facilities and AED 6.7 billion net cash and cash equivalents.

The Group maintains access to funding through its AED 12.9 billion (USD 3.5 billion) multicurrency revolving credit facility (RCF), arranged with a syndicate of 20 banks. As at 31 December 2025, the facility remained fully undrawn.

In August 2025, the Group further strengthened its liquidity position by securing a new AED 8.5 billion corporate term loan facility. The loan is structured as a two-year, AED-denominated floating-rate facility, with an option to extend for an additional year. Drawdowns are being implemented in phases, of which AED 3.9 billion had been utilised as at 31 December 2025.

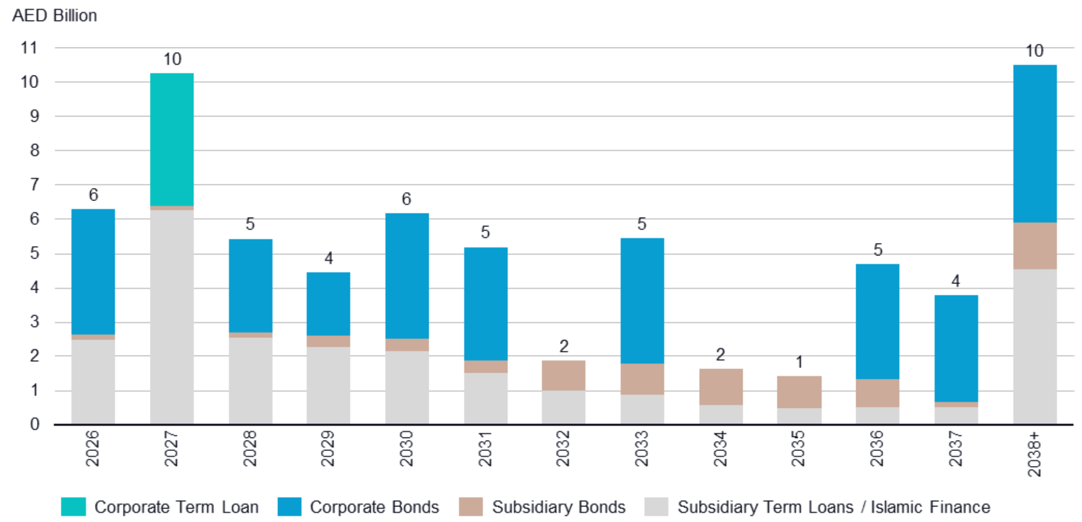
As at 31 December 2025, 10.3% (AED 6.8 billion) of the Group's total debt is classified as current, compared to 15.0% (AED 9.7 billion) as at 31 December 2024, based on the carrying value of borrowings and accrued interest. Fujairah Asia Power Company PJSC (FAPCO) was in technical default as at 31 December 2024 for failing to assign new insurances and reinsurances to the Security Trustees, as required under the Common Terms Agreement and the Commercial Mortgage. Although FAPCO fully remedied the default by January 2025 and obtained a waiver from the Global Facility Agent, the existence of the default at the 2024 year-end necessitated the reclassification of AED 3.1 billion of non-current debt to current liabilities in the statement of financial position. Following the resolution of the technical default, the reclassified loan amounts have been reinstated in line with their original contractual maturities.

## *Maturity Profile*

As at 31 December 2025, the Group's total debt amounted to AED 65.3 billion, reflecting a net increase of AED 0.6 billion compared to AED 64.7 billion as at 31 December 2024.

This net increase resulted from AED 3.9 billion of corporate term loan utilisation and AED 2.1 billion in project debt drawdowns, partially offset by the repayment of an AED 2.8 billion bond and AED 2.6 billion in scheduled project loan repayments.

The Group’s financial liabilities repayment schedule as at 31 December 2025, based on contractual undiscounted payments, is as follows:




## 5. Capital Expenditure

| | Year ended 31 December | | | | | | |
|---|---|---|---|---|---|---|---|
| AED million | ***Transmission*** | ***Distribution*** | ***Generation*** | ***Water Solutions*** | ***Oil & Gas*** | ***Corp. & Eliminations*** | ***Group Total*** |
| **2025** | **6,719** | **2,431** | **3,212** | **1,202** | **927** | **-** | **14,491** |
| 2024 | 2,752 | 2,898 | 2,276 | 785 | 1,057 | - | 9,768 |

The Group’s total capital expenditure (additions to Property, Plant, and Equipment, excluding right-of-use assets) amounted to AED 14,491 million, a 48% increase compared to the prior year.

Capital expenditure in the Transmission segment increased by AED 3,967 compared to the prior year, primarily driven by execution of key special projects and the phasing of business-as-usual network enhancements and upgrades.

Capital expenditure in the Distribution segment declined by AED 467 million, primarily reflecting a prior-year transfer of inventory into property, plant and equipment and a lower volume of mega development projects transferred during the year.

Generation capital expenditure increased by AED 936 million, primarily driven by the development of the 1 GW Al Dhafra Thermal project, Mirfa 2 RO, Shuweihat 4 RO desalination plants as well as the extension of the Shuweihat S1 Power Plant.

Water Solutions’ capital expenditure increased by AED 417 million, with total additions of AED 1,202 million, mainly driven by restoration works, asset enhancements, network rehabilitation, and other ongoing projects.

O&G capital expenditure decreased by AED 130 million, reflecting the transition to decommissioning in the UK and lower investment on drilling and completions in North America.

Jasim Thabet

**Jasim Husain Thabet**
Group Chief Executive Officer & Managing Director
11 February 2026

**Stephen Ridlington**
Chief Financial Officer