14 February 2024

Q4 2023
Results Presentation

Stephen Ridlington, Group CFO

Asjad Yahya, VP Investor Relations

POWERING A THRIVING FUTURE

Disclaimer

These materials have been prepared by Abu Dhabi National Energy Company ("TAQA" or the "Company"). The information contained in this presentation may not have been reviewed or reported on by the Company's auditors. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

These materials have been prepared for information purposes only and do not form part of any prospectus, offering memorandum or offering circular or an offer to sell any securities and are not intended to provide the basis for any credit or any third-party evaluation of any securities or any offering of them and should not be considered as a recommendation that any investor should subscribe for or purchase any securities. The information contained herein supersedes any previous such information delivered to you and will be superseded by any such information subsequently delivered. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company is under no obligation to update or keep current the information contained herein. No person shall have any right of action (except in case of fraud) against the Company or any other person in relation to the accuracy or completeness of the information contained herein.

This presentation may contain, or may be deemed to contain, "forward-looking statements" regarding future events or the future financial performance of the Company. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward-looking information shall not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Please note that rounding differences may appear throughout the presentation.

Agenda

2023 group highlights

2023 results overview

Defining the path for longer-term growth

1. Revenue growth driven by pass-through items and revisions under RC2
2. O&G performance reduces EBITDA; ADNOC Gas boosts bottom line
3. 2030 targets revised significantly higher to reflect growth ambitions
4. Portfolio strengthened via organic and inorganic expansions
5. Successful $1.5 billion bond issuance including inaugural Green Bond
6. Continued reduction in Scope 1&2 emissions, as well as GHG intensity

Revenue
AED 51.7bn
+3% YoY

Adj. EBITDA[1]
AED 19.6bn
-6% YoY

Net Income[2]
AED 16.7bn
+107% YoY

CAPEX
AED 5.1bn
+34% YoY

FCF[3]
AED 13.9bn
+0.6% YoY

DPS
(Fils/share)
3.95
(FY2022: 5.10)

1. Defined throughout this presentation as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other income;
2. TAQA share 3. Operational cash flows before finance costs less investing cash flows

Highlights for the year

Reinforcing the portfolio and setting sight on bigger goals

Portfolio management

- SWS Holding to reinforce TAQA's role as Abu Dhabi's fully integrated utility and boost regulated revenues
- Partnership with ADNOC to provide sustainable water supply to ADNOC's onshore operations
- Mirfa 2 RO project to further add low carbon desalination capacity
- Definitive agreement signed in Jan 2024 to sell TAQA's interest in Atrush oil field in Iraq

M&A

- Acquired a stake in Xlinks, which plans to develop the world's longest HVDC cable between Morocco and UK
- Increased stake in Taweelah B project from 60% to 70% and acquired a 25% of the plant O&M company
- Received 5% stake in ADNOC Gas prior to its IPO in recognition of the strong relation between TAQA and ADNOC

RC2

- Real WACC increased to 4.9% (RC1: 4.6%)
- Increase in average annual OPEX allowance compared to RC1 (c. AED3.5 billion/year)
- Aggregate CAPEX allowance of c. AED14.5 billion over 2023-2026

2030 targets

- Tripling of 2030 gross capacity target to 150GW
- Introduction of net capacity and water generation targets
- Renewable energy portfolio to reach ~65% of power generation
- Aggregate CAPEX spend of AED 75 billion until 2030, including AED 40 billion for T&D and AED 35 billion for generation

Financing

- Highly successful USD1.5 billion dual tranche bond, including inaugural Green bond
- Green Finance Framework established with SQS2 (very good) rating by Moody's
- AED 8.1 billion financial close for sustainable water supply project for ADNOC's onshore operations
- Financial close of Mirfa 2 RO (AED 2.3 billion) and S4 RO (AED 1.6 billion)

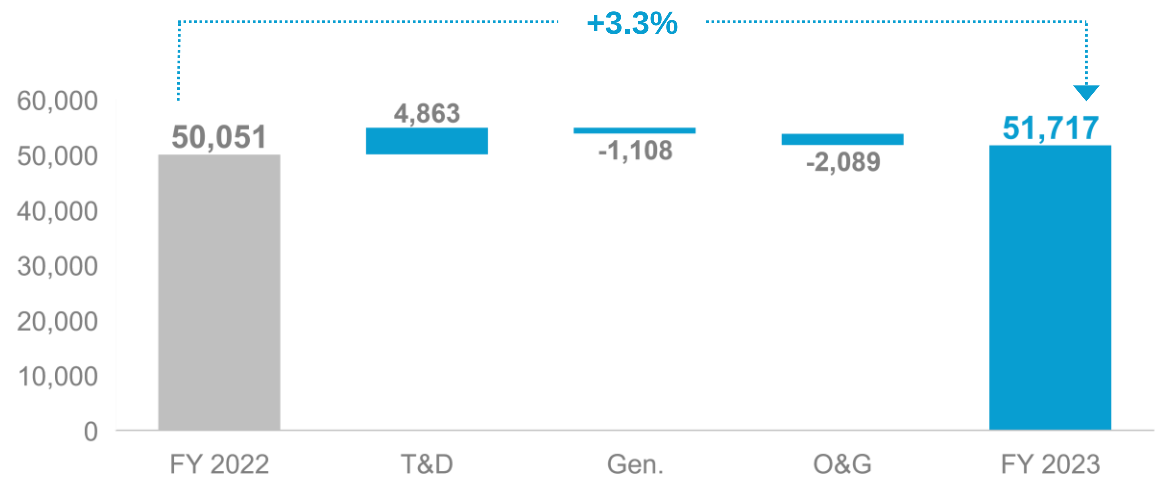
ESG

- Scope 1&2 GHG emissions reduced by 13% YoY in 2023 (19% compared to base year of 2019)
- GHG intensity based on revenue reduced by 16% YoY in 2023
- CDP rating of "B" for both Climate Change and Water Security categories vs. global average of "C" for both categories
- Ranked number 1 Sustainability Leader in Energy & Utilities sector as part of Forbes' Middle East Sustainability Leaders list

2023 Group revenue and Adj. EBITDA

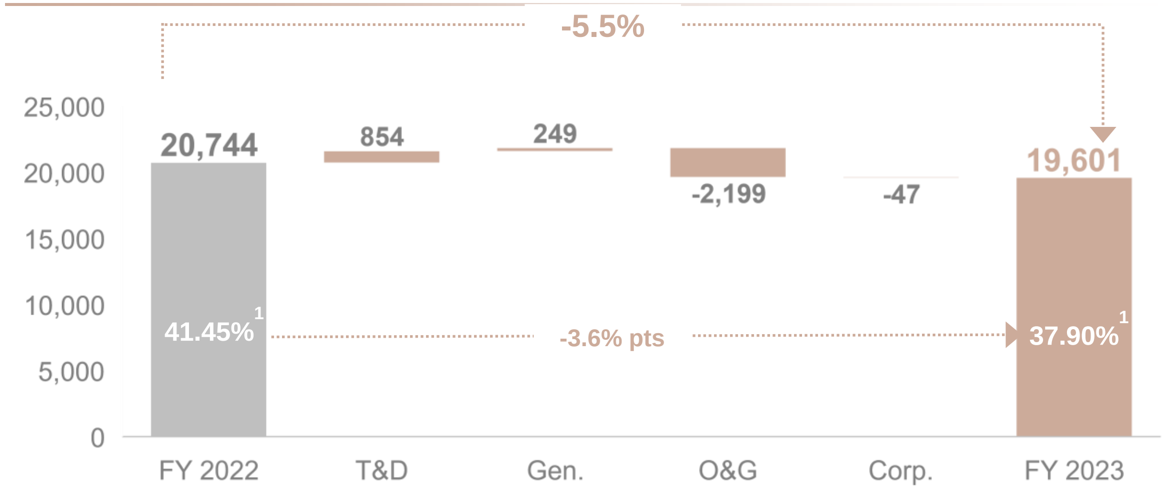
Positive trend in T&D and Generation off-set by downward pressure in O&G

Revenue performance (AED million)



- **T&D revenues** increased by 19% YoY
  - Positive impact of RC2 and inflation
  - Higher pass-through bulk supply tariffs
- **Generation revenues** declined 8% due to
  - Absence of contribution from Red Oak (AED 833 million contribution in 2022)
  - Lower pass-through fuel costs
- **O&G revenues** (-21% YoY) were affected by:
  - Lower average realised prices: oil -13% YoY, gas - 29% YoY
  - 7% YoY decline in production due to natural decline in production from late-life UK assets
  - Contribution from Iraq has been reclassified as “discontinued operations” and hence excluded from production, revenue and EBITDA figures reported for both 2022 and 2023

Adj. EBITDA[1] performance (AED million)



- **T&D Adj. EBITDA** improved 11% on the back of positive RC2 revisions and higher inflation
- **Generation Adj. EBITDA** increased by 3% YoY:
  - Higher revenue contribution from UAE fleet supported profitability
  - Lower contribution from Associates & JVs (-41% YoY), primarily due to a decline in profitability in Sohar Aluminium
    - Masdar’s contribution stood at AED -27 million
  - Absence of non-cash charges worth AED 416 million recognized in 2022 related to expected credit loss exposure and project costs
- **O&G Adj. EBITDA** (-35% YoY) was impacted by lower commodity prices and a decline in production

1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

2023 non-operating P&L items

Gain on recognition of TAQA's stake in ADNOC Gas leaves biggest impact on bottom line

Key Highlights

- **Net interest expense** declined 15% in 2023 as interest income expanded significantly while interest expense declined slightly, despite new issuances at the corporate and subsidiary levels
  - Gross debt remained relatively stable around AED 61 billion

- **Other gains** include an AED 10.8 billion one-off gain upon recognition of the value of TAQA's 5% stake in ADNOC Gas

- The main driver of increase in the 2023 **tax expense** was a one-off AED 1.1 billion deferred tax charge associated with the introduction of UAE corporate income tax from 1 January 2024

- Excluding the above-mentioned one-off items, **net income** declined 13% YoY, mainly due to lower commodity prices

- In Jan. 2024, definitive agreement signed for **sale of our interest** in Atrush oil field in Iraq.
  - Contribution from these assets reclassified to discontinued operations

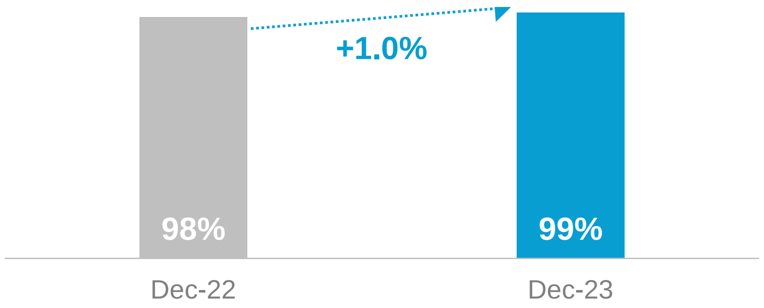
	FY 2022	FY 2023	Δ
Adjusted EBITDA[1]	**20,744**	**19,601**	**(6%)**
• D&A	(9,473)	(9,212)	(3%)
• Finance costs	(2,966)	(2,872)	(3%)
• Interest income	172	498	190%
• Other gains/(losses)	(85)	11,416	N/A
• Tax (expense)/credit	(1,013)	(2,629)	160%
• Profit after tax for the year from discontinued operations	744	18	(98%)
Net profit (loss)	**8,123**	**16,820**	**107%**
Attributable to			
• Non-controlling interest	(93)	(173)	86%
• Net profit (TAQA share)	8,030	16,647	107%

1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

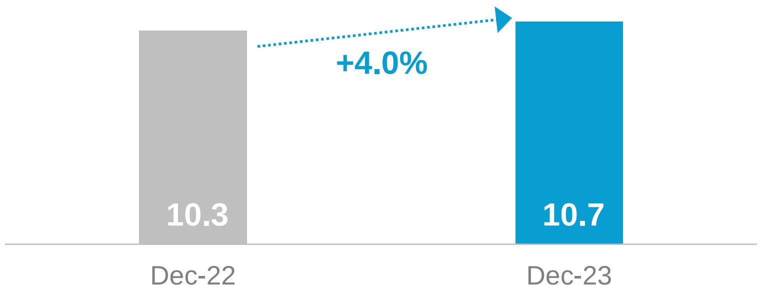
Liquidity and debt profile

Balance sheet remains healthy with ample liquidity

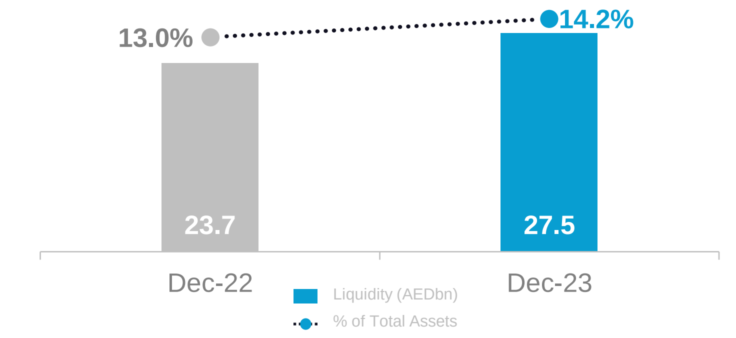
Fixed rate debt (% Total)



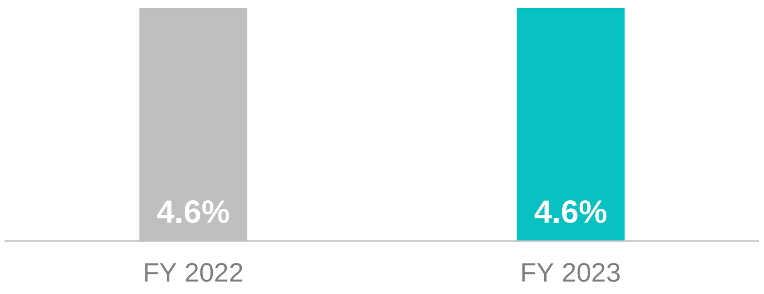
Average debt maturity (Years)



Strong liquidity levels

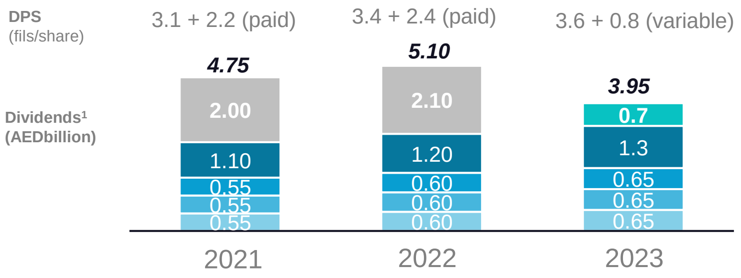


Average interest rate



Net leverage remains stable

Delivering on our dividend policy

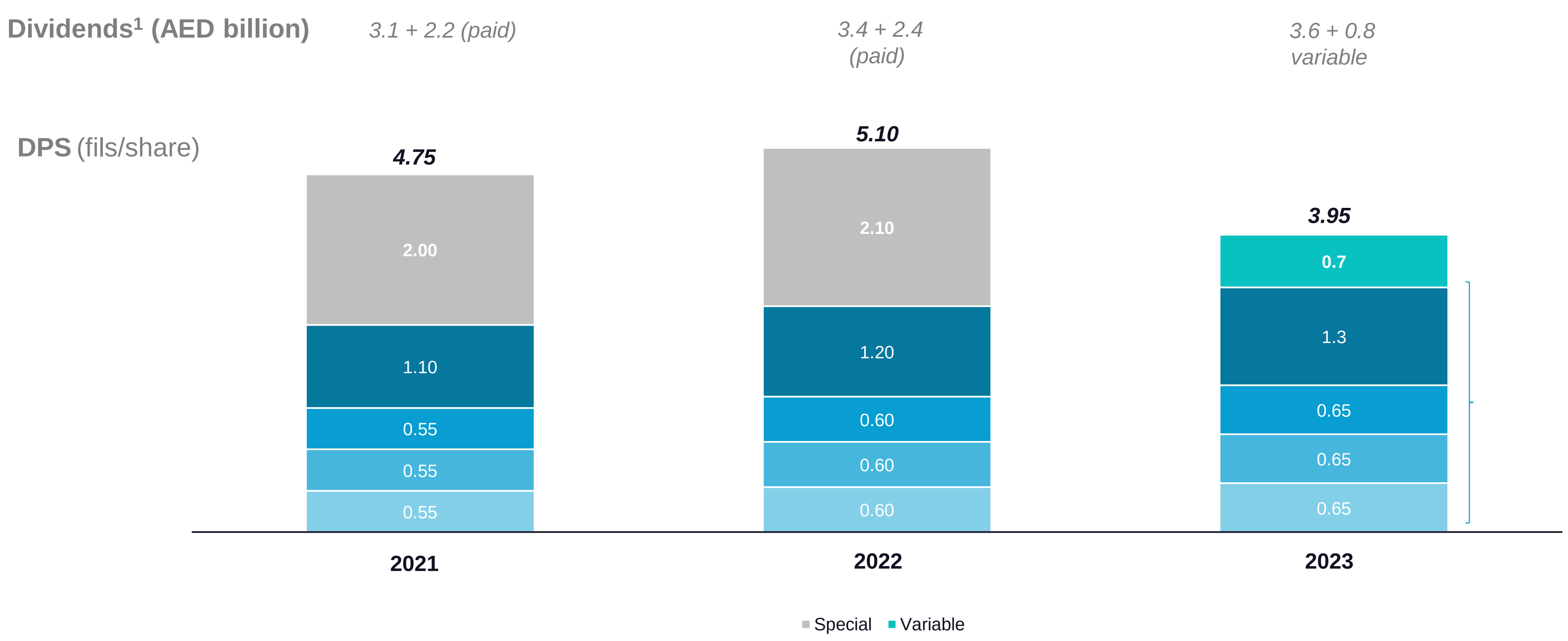


- **Strong liquidity** supported by the successful $1.5 billion dual-tranche bond issuance
- Leverage remains well within limits required to maintain **standalone investment** grade rating
- **Portfolio-wide interest rate** remained stable despite new debt issuance at corporate and subsidiary levels

Variable payout from O&G augments 2023 proposed dividend

Shareholders approved dividend policy for 2023-2025 based on a combination of fixed and variable dividend

- BoD proposes final dividend of **2.0 fils/share**, bringing proposed full year dividend to **3.95 fils/share**
- The proposed final dividend is comprised of **3.25 fils/share** fixed payout from the utilities business and **0.7 fils/share** variable payout from the O&G business
- The variable payout translates into **52% payout ratio** from 2023 net income for the O&G segment
- Proposed dividend remains subject to shareholder approval



1. *Proposed dividend payouts of indicated financial years*

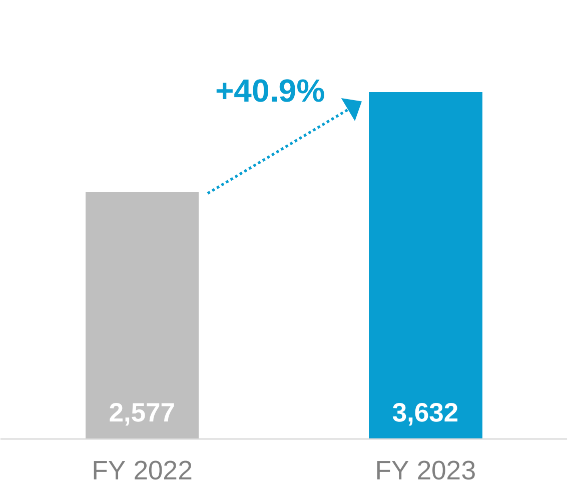
Segment performance

Transmission & Distribution

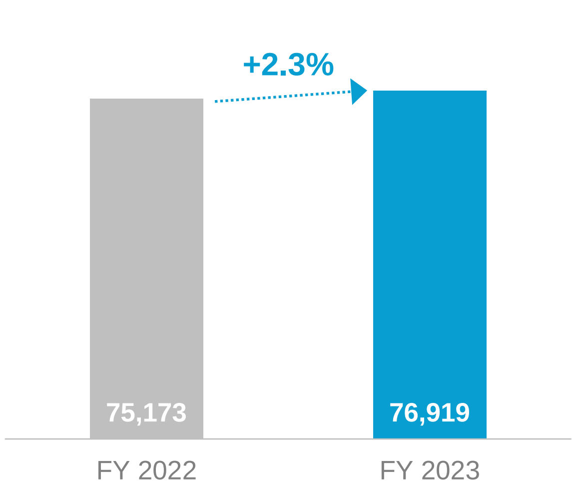
RC2 sets regulatory visibility until 2026

Operational Update

CAPEX (AEDmn)



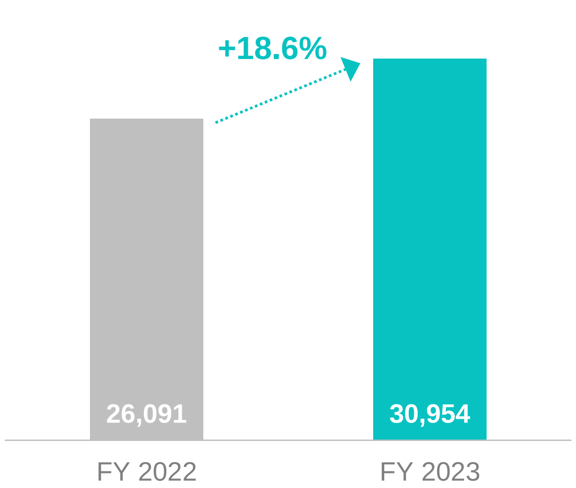
Regulated Asset Base (AEDmn)



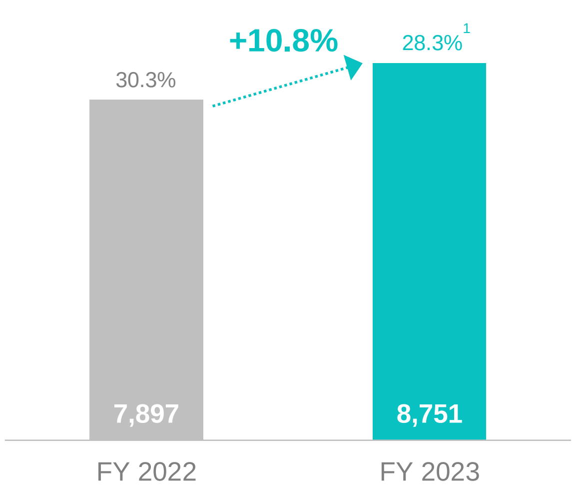
- **Network availability** stood at a healthy 98.4% in 2023 compared to 98.6% in 2022
- **Capex** significantly picked up pace on the back of an increase in the number of development projects and projects in execution
- **Regulated Asset Base (RAB)** recorded 2% YoY increase to reach AED 76.9 billion

Financial Performance

Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Revenue** growth (+19% YoY) was driven by a combination of an increase in pass-through revenues, higher inflation and positive impact of regulatory changes (RC2).
- The improvement in **Adj. EBITDA** (+11% YoY) was driven by a combination of:
  - Higher inflation and
  - Increase in WACC to 4.9% (RC1: 4.6%)

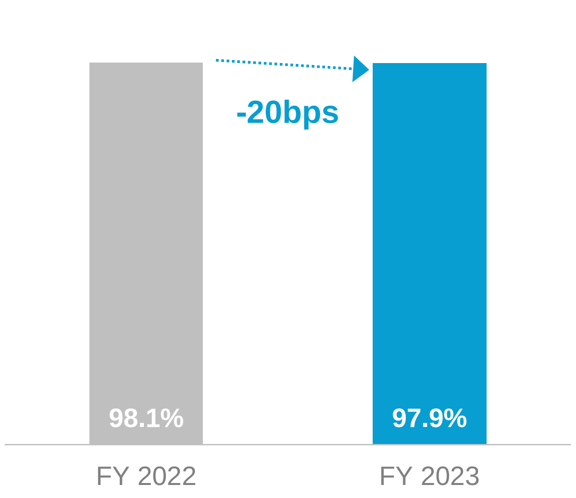
1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

Generation highlights

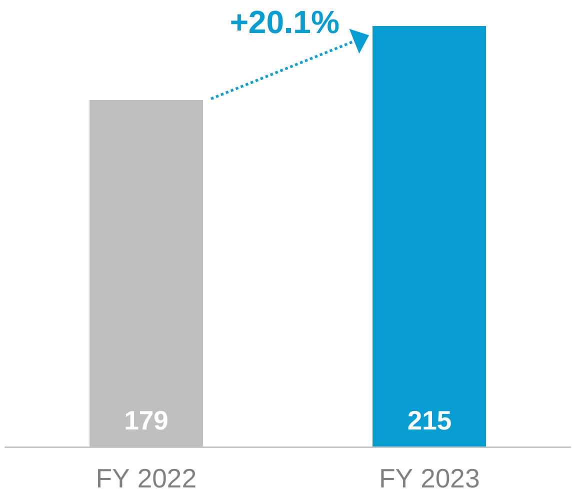
Benefiting from higher contribution from UAE and absence of non-cash charges

Operational Update

Commercial Availability



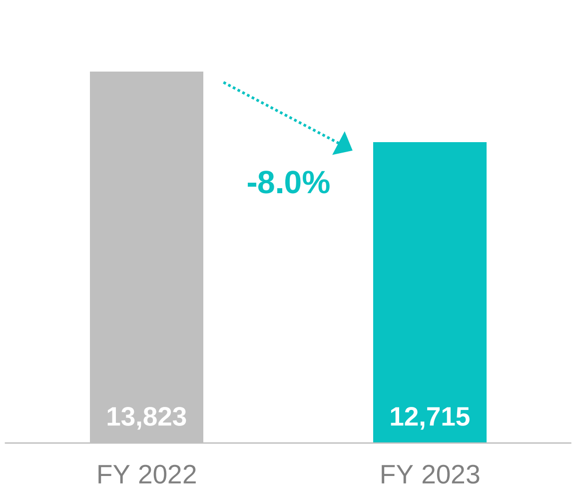
CAPEX (AEDmn)



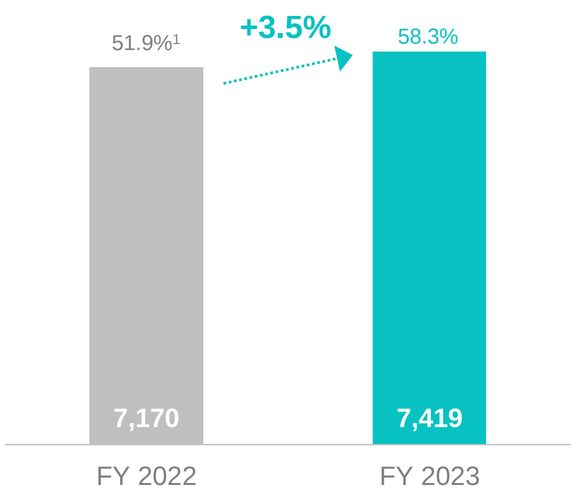
- **Commercial availability** declined 20bp to 97.9%, marginally lower than 98.1% in 2022
- **Capex** remained at a moderate level, albeit higher than the previous year

Financial Performance

Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Generation revenues** dropped 8%, mainly due to:
  - Absence of contribution from Red Oak (tolling agreement ended in Q3 2022)
  - Lower pass-through fuel costs

The 4% YoY increase in **Adj. EBITDA** was supported by:
  - Higher top line contribution from UAE assets, translating into better margins
  - Absence of non-cash charges (AED 416 million recognized in 2022)

1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

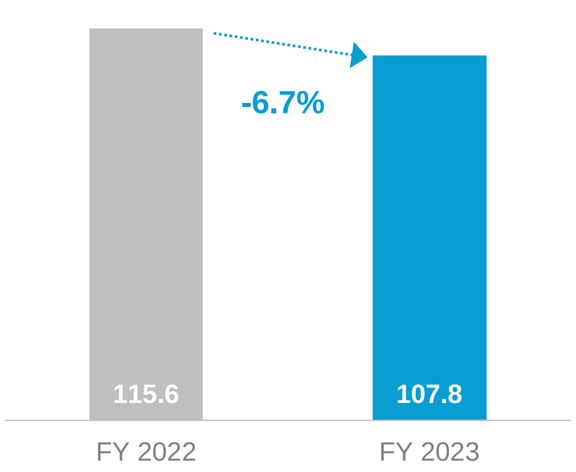
Oil & Gas highlights

Navigating a challenging operating environment

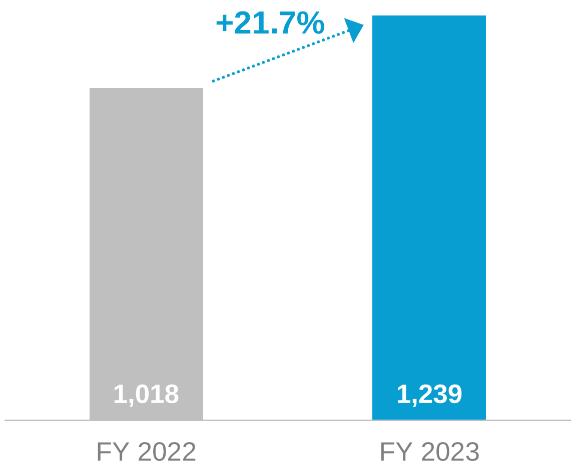
Operational Update

Financial Performance

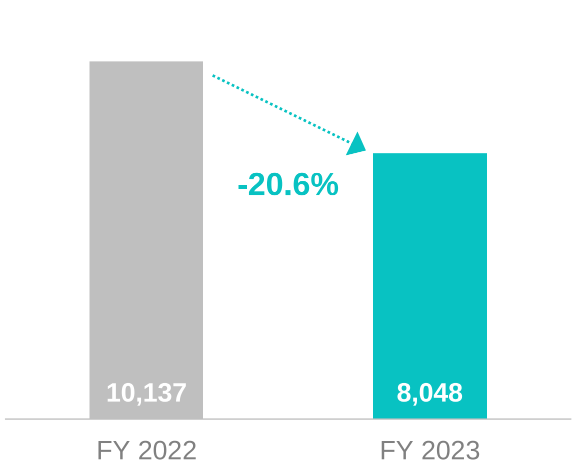
O&G production (mboepd)



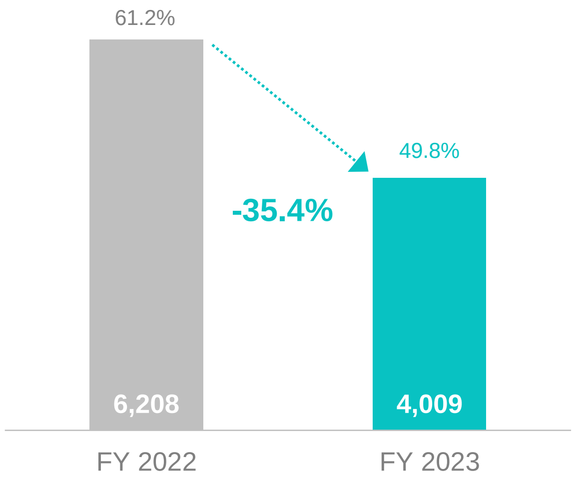
CAPEX (AEDmn)



Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Production** for the year fell 7% YoY, led by a natural decline in late-life UK assets
- The increase in **capex** is attributable to drilling, completion and tie-in costs for TAQA's North American assets
- TAQA's **gas storage business** performed strongly throughout the year

- **Revenues** lower by 21% YoY in 2023 as a result of lower realized commodity prices and a decline in production.
  - Average realized oil price lower by 14% from $85.80/bbl in 2022 to $75.05/bbl in 2023
  - Average realized gas price decreased by 29% from $7.03/mmcf in 2022 to $4.96/mmcf in 2023
- **Lower Adj. EBITDA (35% YoY)** primarily driven by lower commodity prices and reduced production, partly offset by higher contribution from midstream gas storage

1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

Q4 2023 financial performance

Q4 2023 results highlights

Strong performance in T&D and Generation boosts bottom line

T&D business drives revenue growth

- T&D revenues up 30% YoY on pass-through revenues and positive impact of RC2 changes and inflation

EBITDA largely flat YoY

- Healthy EBITDA growth in the utilities business offset by negative impact of lower production and commodity prices in O&G

T&D, Generation and ADNOC Gas div. support net income

- T&D net income +33% YoY, Generation AED 187mn profit vs. loss previous year and ~AED 300 million dividend from ADNOC Gas

Payment for Masdar in Q4 2022 impacted FCF comparison

- Significantly higher FCF in Q4 2023 as no comparable outflow

Revenue

+8% YoY

Adj. EBITDA[1]

-0.3% YoY

Net Income[2]

+5% YoY

FCF[3]

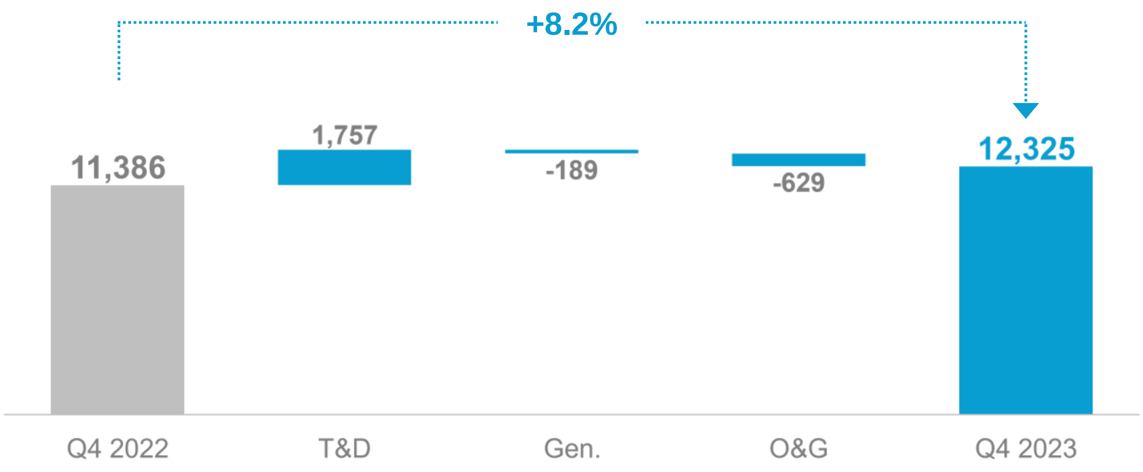
+256% YoY

1. Defined throughout this presentation as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other income;
2. TAQA share 3. Operational cash flows before finance costs less investing cash flows

Q4 2023 Group revenue and Adj. EBITDA

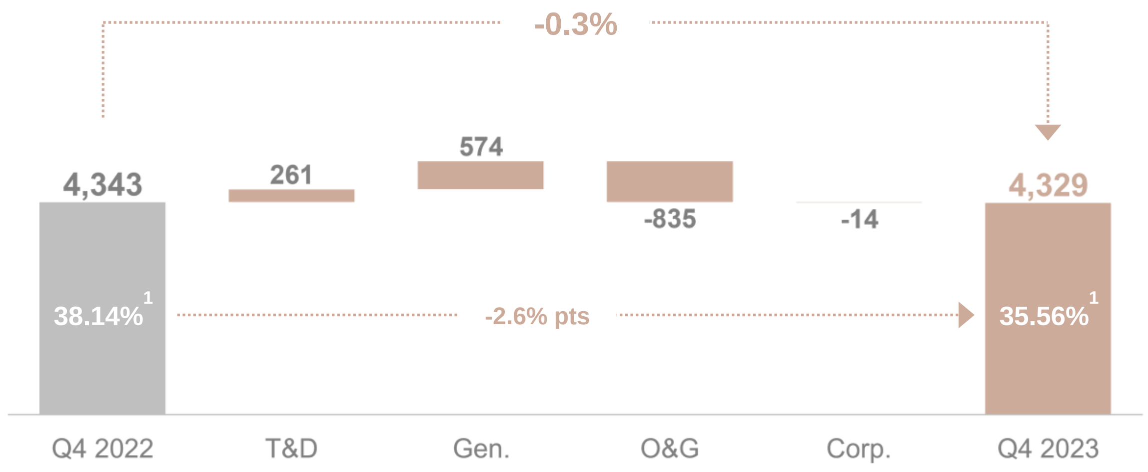
Positive trends in T&D and Generation, counterbalanced by downward pressures in O&G

Revenue performance (AED million)



- **T&D revenues** increased by 30% YoY
  - Positive impact of RC2 and inflation
  - Higher pass-through bulk supply tariffs
- **Generation revenues** declined 6% YoY, mainly due to lower pass-through fuel costs
- **O&G revenues** (-29% YoY) were affected by:
  - Lower average realised prices gas price oil (-44% YoY), which offset higher realized oil price (+9% YoY)
  - 10% YoY decline in production

Adj. EBITDA[1] performance (AED million)



- **T&D Adj. EBITDA** rose 13% YoY on higher inflation and RC2 revisions
- **Generation Adj. EBITDA** increased by 49% YoY, driven by a combination of:
  - Higher contribution from the UAE fleet and
  - Absence of non-cash charges recognized in Q4 2022 (~AED 400 million)
- **O&G Adj. EBITDA** (-58% YoY) was impacted by:
  - Lower commodity prices
  - Decline in production

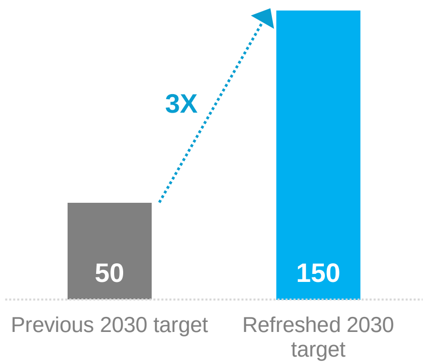
1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

Outlook

Drilling further into 2030 Growth Targets

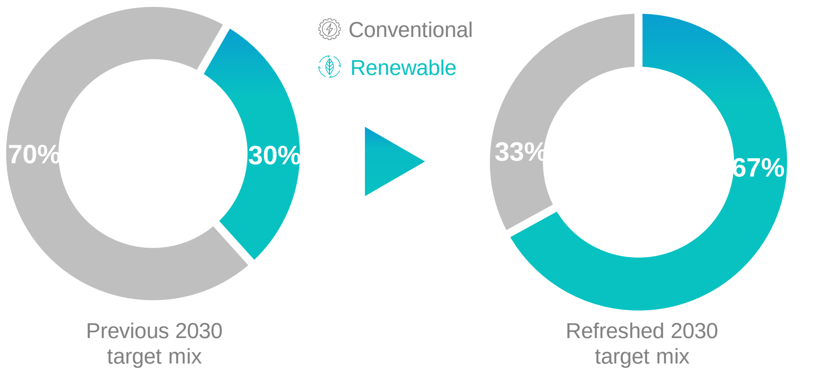
A closer look at where the AED 35bn spend on Generation will go

Gross generation capacity (GW)*

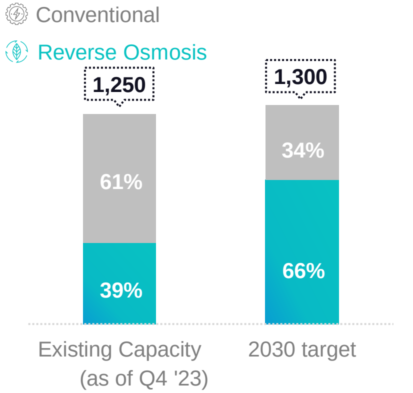


**7.4GW gross thermal capacity assumed to be retired by 2030*

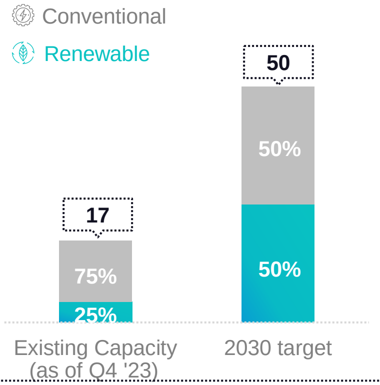
Increasing share of Renewable Energy



Water generation capacity (MIGD)

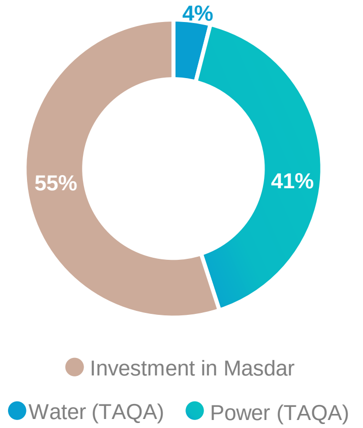


Net generation capacity (GW)*



**4.6GW net thermal capacity assumed to be retired by 2030*

Breakdown of AED 35bn Generation CAPEX



Revised targets follow the successful integration of Masdar's renewable business

- Original targets set as part of 2021 growth strategy
- TAQA became Masdar's largest shareholder in December 2022 with a 43% stake

Capex/investment plans: AED75 billion to be spent until 2030 to deliver the announced targets

- AED 35 billion investment in power and water capacity expansion
- Previous plan to invest AED 40 billion capex in T&D regulated assets between 2021 and 2030 retained

Also considering expansion of Transmission & Distribution business outside of the UAE through inorganic and organic opportunities

Establishing growth targets for water generation capacity

- By 2030, over two-thirds of water generation capacity will be based on highly efficient reverse osmosis (RO) technology

Wrap-up

Laying the path to 2030

Revised 2030 targets: Gearing up for bigger challenges

Continued focus on improving ESG disclosure

Strong portfolio development, particularly in the form of planned acquisition of SWS Holding, positions TAQA for growth

Benefiting from strong liquidity as well as demonstrated ability to tap capital markets even in challenging times

TAQA maintains razor sharp focus on delivering on its strategic objectives

Q&A session

For investor enquiries, please contact Investor Relations:

Asjad Yahya, VP – Investor Relations (ir@taqa.com)