15 May 2023

Q1 2023
Results Presentation

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POWERING A THRIVING FUTURE

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Q1 2023 Group highlights

Q1 2023 results summary

Lower commodity prices introduce volatility; one-off gain boosts bottom line

- Top line growth largely driven by higher pass-through items in Transmission & Distribution
- EBITDA decline led by lower commodity prices: realized oil & gas prices declined 19% and 31% YoY, respectively
- Reported net income (AED 11.6bn) includes AED 10.8bn gain on recognition of ADNOC Gas and AED 1.2bn deferred income tax relating to UAE corporate tax enactment
- Capex stood at AED 1.1bn, driven by T&D and O&G. Additionally, AED 584mn provided to Masdar for renewable project investments
- Underlying utilities business continues to perform strongly: FCF up 31% despite increase in capex
- Cash dividend of 0.65 fils/share under new dividend policy

Revenue
AED 13.1bn
+6% YoY

EBITDA[1]
AED 5.3bn
-5% YoY
40.4% Margin

Net Income (excl. one-offs)[2]
AED 2.0bn
+0.8% YoY

CAPEX
AED 1.1bn
+26% YoY

FCF[3]
AED 4.3bn
+31% YoY

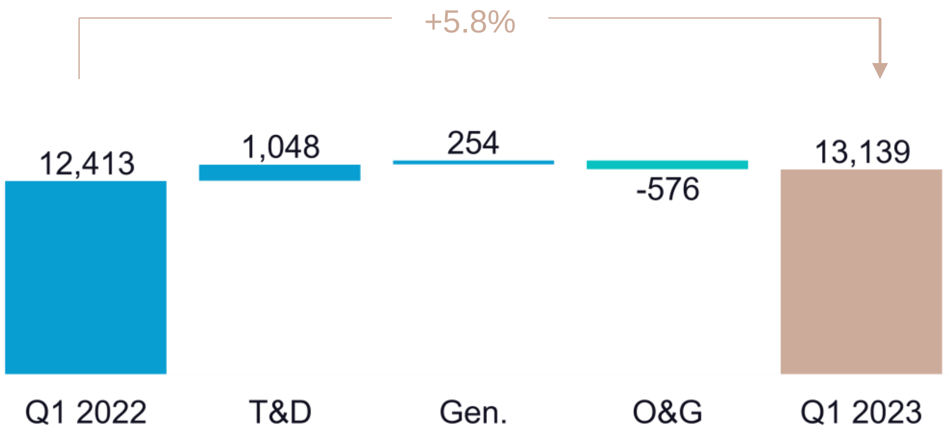
DPS (Fils/share)
0.65
(Q1 2022: 0.60)

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 One-offs include AED 10.8 billion gain on recognition of ADNOC Gas and AED 1.2 billion deferred income tax relating to UAE corporate tax enactment 3. Operating cash flows before finance costs less investing cash flows

Q1 2023 Group revenue and Adj. EBITDA

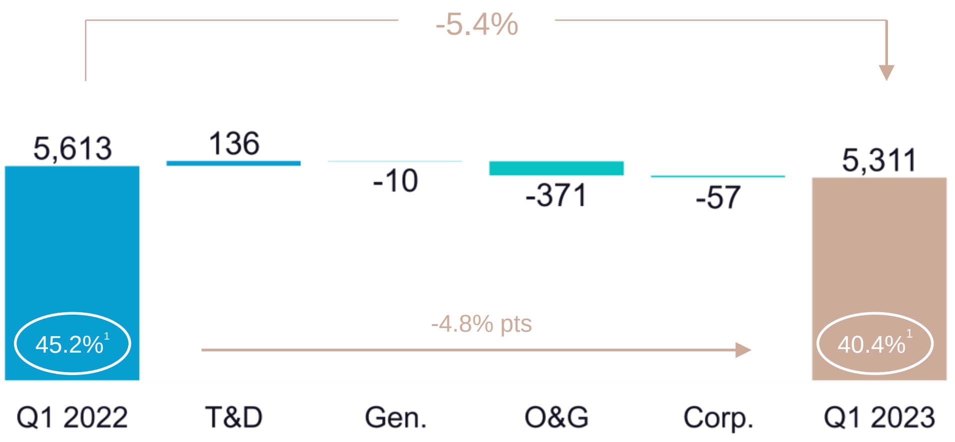
O&G segment main cause of decline in profitability

Revenue performance



- T&D revenues (+16% YoY) the biggest contributor to top line on the back of higher revenues of AED 875 million in pass-through bulk supply tariffs (BST) and AED 118 million in transmission use of system (TUOS).
- Generation revenues (+9% YoY) attributable to higher pass-through fuel contributing an additional AED 235 million revenue in Morocco
- The decline in O&G revenues (-19% YoY) is mainly due to less favorable commodity prices and lower production stemming from the Group's decommissioning activity in the UK.

Adj. EBITDA performance



- 7% increase in T&D Adj. EBITDA, benefiting from an increase in revenues
- Adj. EBITDA for Generation remained largely stable YoY
- An AED 371 million decline in O&G Adj. EBITDA (-20% YoY) proved to be the primary reason for the decline in Group Adj. EBITDA (-5% YoY)

1. Margin of Adjusted EBITDA as a percentage of revenue

Q1 2023 non-operating P&L items

Elevated bottom-line from gain on recognizing 5% investment in ADNOC Gas

Key highlights

Deprecation & Amortization declined slightly YoY, mainly on the back of reassessment and increase in the useful life of certain TRANSCO fixed assets

Finance cost declined as the company repaid a USD 1 billion bond in January

Other gains/losses: includes AED 10.8 billion gain on recognition of TAQA's investment in ADNOC Gas

Deferred income tax: One-off deferred income tax of AED 1.2 billion due to introduction of corporate tax law in the UAE

Net income excluding one-off items increased 0.8% on the prior year

	Q1 2022	Q1 2023	Δ
Adjusted EBITDA	**5,613**	**5,311**	**(5.4%)**
D&A	(2,382)	(2,316)	(2.8%)
Finance costs	(743)	(693)	(6.7%)
Other gains/losses	14	10,886	n/a
Tax (expense)/credit	(609)	(1,686)	(176.8%)
Net profit (loss)	**1,893**	**11,502**	**507.6%**
Attributable to			
Non controlling interest	*(78)*	*(70)*	*10.3%*
Net profit (TAQA share) (reported)	*1,971*	*11,572*	*487.1%*
Net profit (TAQA share) (clean)	*1,971*	*1,986*	*0.8%*

ADNOC Gas: Reaping dividends from strategic partnership with ADNOC

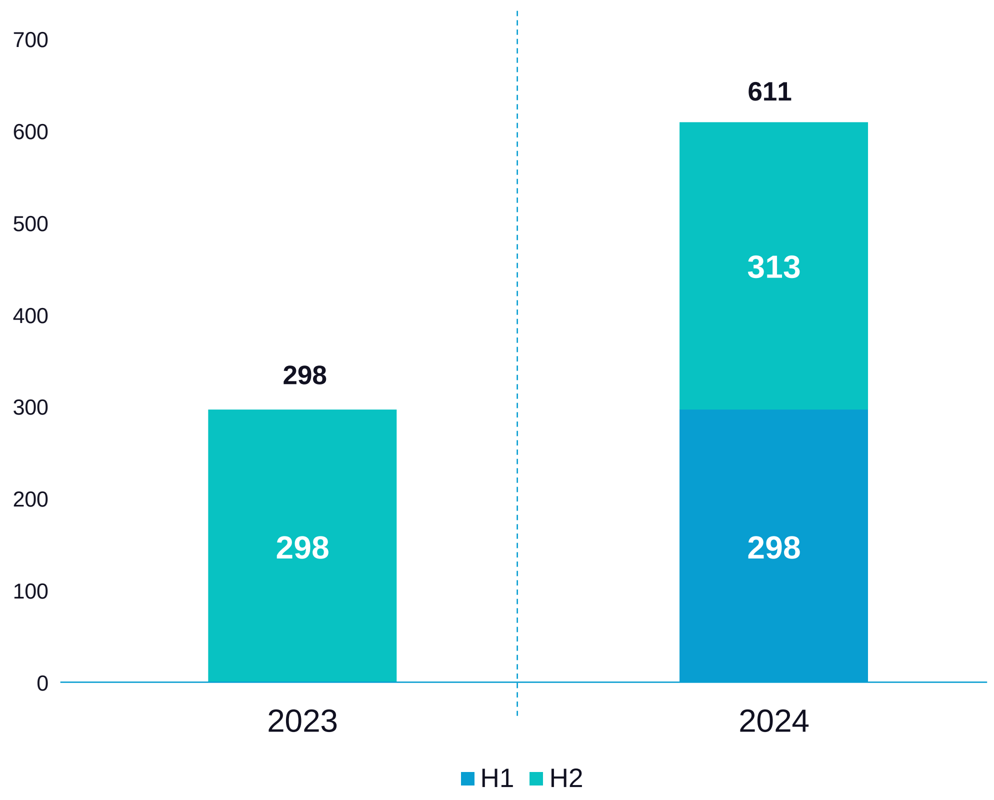
Details of the transaction

- TAQA received a 5% stake in ADNOC Gas from ADNOC
- The stake was received in recognition of the long-standing partnership between TAQA and ADNOC. No consideration was paid for it
- Listed on the ADX, ADNOC Gas represents a significant financial investment for TAQA

P&L and cash flow impact

- AED 10.8bn one-off gain in Q1 2023 upon recognition of TAQA's stake in ADNOC Gas
- Going forward, change in value of the stake to be recognized through OCI
- Post Q1 2023, only dividends to impact P&L and CF statement

Annual dividends to TAQA (AED m)[1]



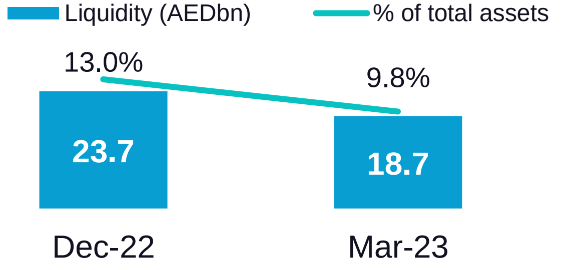
1. *Based on announced ADNOC Gas dividend policy*

Liquidity and debt profile

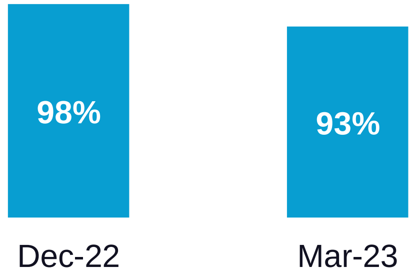
Prudent balance sheet and cash flow management

- **Decline in proportion of fixed rate debt and increase in average interest rate driven by repayment of USD 1 billion bond in January and utilization of revolving credit facility (USD 750 million) in March**
- **Liquidity impacted by repayment of bond and payment of Q4 2022 dividend, including special dividend, in Q1**
- **Total debt stood at AED 59.8 billion in Q1 2023 (Q1 2022: AED 61.7 billion)**

Strong liquidity levels



Fixed rate debt (% total)



Average debt maturity (years)

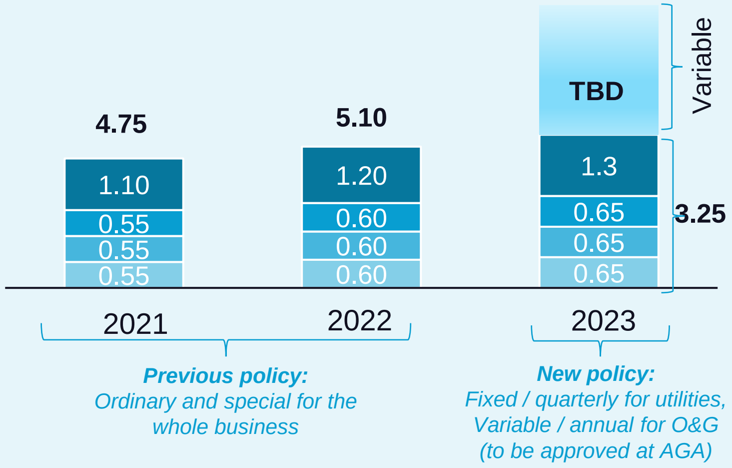
+2.0%

Delivering on our quarterly dividend policy

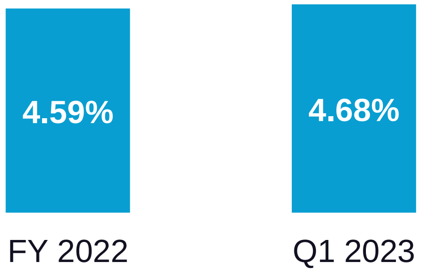
Dividends[1] (AED billion)

3.1 + 2.2 (paid) | 3.4 + 2.4 (paid) | 3.6 + variable (TBD)

DPS (fils/share)

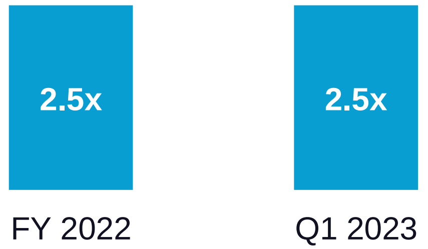


Average interest rate



Leverage remained stable

Net debt / EBITDA (LTM)

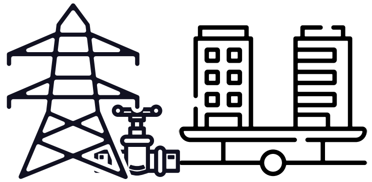


1. Proposed dividend payouts of indicated financial years

Segment performance

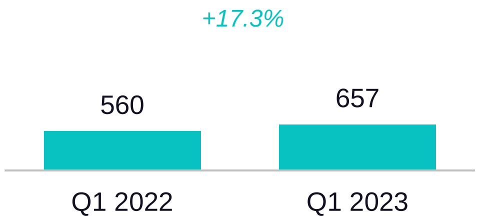
Transmission & Distribution

Healthy growth in revenue and Adj. EBITDA

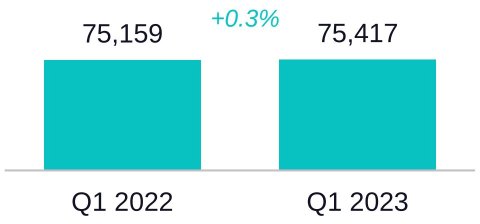


Operational update

CAPEX (AEDm)



Regulated asset base (AEDm)



Healthy network availability continued during Q1 2023, standing at 98.1%, in line with the level seen in Q1 2022 and above regulatory requirements

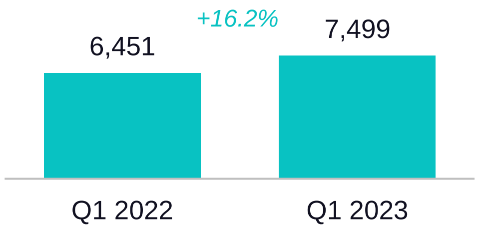
Capex increase is mainly due to an increase in pace of execution of new projects

Regulated Asset Base (RAB) slightly increased in the first 3 months of 2023, benefiting from higher capex and impact of greater inflation.

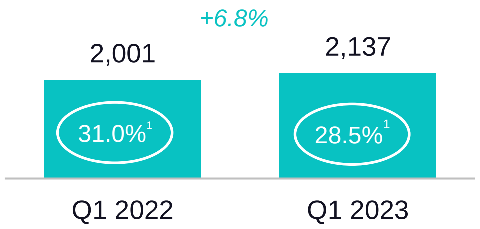
Increased investment in **digital transformation initiatives** to improve operational efficiency (accounting for the bulk of 18% YoY increase in T&D G&A)

Financial performance

Revenues (AEDm)



Adj. EBITDA (AEDm)



- YoY increase in revenue driven largely by higher pass-through revenues: AED 875 million in pass-through bulk supply tariffs (BST) and AED 118 million in transmission use of system (TUOS).
- T&D Adj. EBITDA increased on the back of higher revenues, but EBITDA margin declined as pass-through revenues do not contribute to profitability
- T&D net income (+24% YoY) also benefited from lower depreciation on the back of reassessment and increase in the useful life of TRANSCO

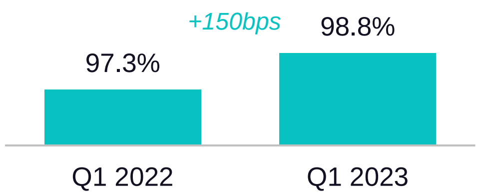
1. *Margin of Adjusted EBITDA as a percentage of revenue*

Generation highlights

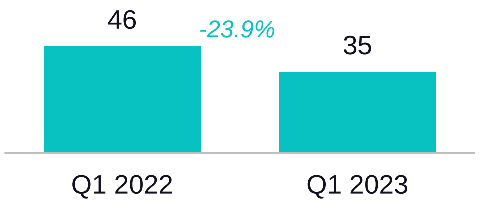
Operational stability continues; TAQA enters UAE O&M market

Operational update

Commercial availability



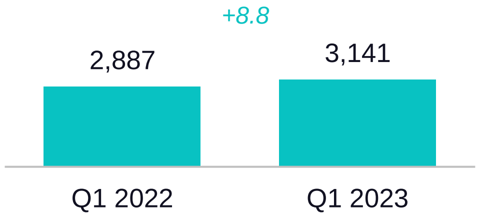
CAPEX (AEDm)



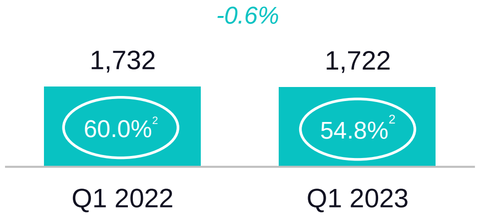
- **Commercial availability** improved to 98.8% in Q1 2023
  - Last year certain plants in UAE witnessed higher outages related to maintenance and technical failures.
  - Outside UAE, Ghana posted strong performance on the back of a transformation program.
- Progressing on its strategic goal of **developing O&M capabilities**, TAQA purchased a 25% stake in the Taweelah B IWPP O&M company, in addition to acquiring a further 10% stake in the project company.
- TAQA and Engie **signed a Water Purchase Agreement** with EWEC for a 120 MIGD reverse osmosis (RO) plant in Abu Dhabi, with financial close expected to follow shortly.

Financial performance

Revenues (AEDm)



Adj. EBITDA (AEDm)



- Higher pass-through fuel revenues from Morocco (+AED 235 million YoY) almost entirely explain the 8.8% YoY rise in Generation top line
- TAQA's share of results of associates and JVs declined 44% to AED 82 million, impacted mainly by lower contribution from Sohar Aluminium (down AED 103 million YoY) due to a decline in aluminium prices
- As pass-through revenues do not impact profitability, Adj. EBITDA remained largely unchanged YoY.

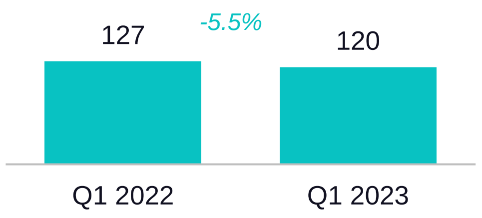
1. *Excluding pass through fuel revenues within International Generation.*
2. *Margin of Adjusted EBITDA as a percentage of revenue*

Oil & Gas highlights

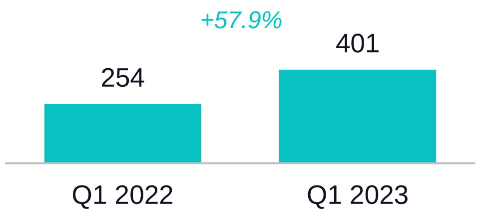
Healthy margins despite less favorable commodity prices

Operational update

O&G production (mboepd)



CAPEX (AEDm)



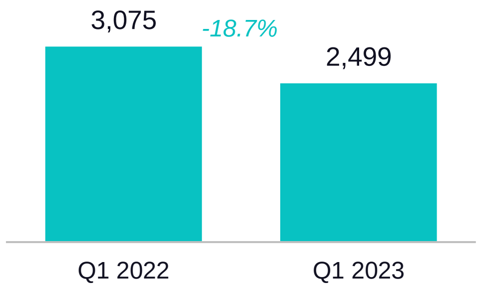
Production for the quarter decreased to 119.9 mboe/d from 126.9 mboe/d, mainly due to natural decline in production and decommissioning activity in UK

Capex was 58% higher YoY, increasing to AED 401 million, primarily driven by drilling, completion and tie-in costs on North American assets

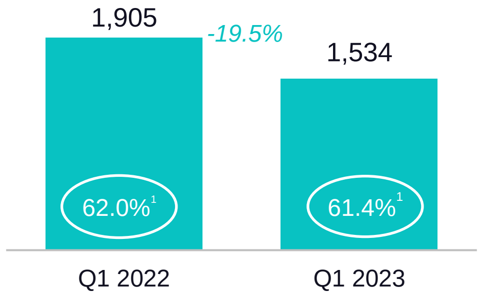
Brae Bravo Decommissioning: onshore disposal progressing as planned. Completion within 2023 with a target to reuse or recycle 95% of materials

Financial performance

Revenues (AEDm)



Adj. EBITDA (AEDm)



- Top line drop led by lower realized commodity prices
  - Average realised oil price declined to $73.95/bbl ($91.30/bbl in Q1 2022).
  - Average realised gas prices decreased to $6.08/mmbtu ($8.79/mmbtu in Q1 2022).
- Adj. EBITDA margin relatively stable at 61.4%, despite 20% decline in Adj. EBITDA
  - Operating expenses were 18% lower YoY primarily due to overlift reduction and lower carbon credit cost for compliance with emission trading schemes within our European business

1. *Margin of Adjusted EBITDA as a percentage of revenue*

ESG: Moving from strength to strength

Improvements made across several ESG metrics in 2022

Environmental

GHG Emissions

-8%

-11% (vs 2019 base year)

Share of Renewables

28% (gross capacity)

GHG Intensity
(based on revenue)

-16%

Social

Health & Safety

-24% No. of spills

-87% Vol. of spills

-4% Recordable Injury Rate

Zero fatalities

Local Community Engagement

+138% Community Spend

Diversity & Equal Opportunity

- ✓ **Women's Council**
- ✓ **Youth Council**

Governance

Operating Model

- ✓ Sustainability Committees
- ✓ ESG Team

Rating Agencies

- ✓ MSCI: 'BBB'
- ✓ Sustainalytics: 'Medium Risk'

Board Composition

Independent board members 82% (67% 2022)

Female board members 27% (0% 2022)

All reduction numbers are in comparison to 2021 unless otherwise stated.

Outlook

Wrap-up

Navigating through volatility

Utilities business maintains predictable, robust performance

Earnings volatility due to lower commodity prices

ADNOC Gas recognition boosts net income

Strong FCF generations despite increased capex

8% reduction of Scope 1 & 2 emission

16% reduction in intensity based on revenue

Capitalizing on growth opportunities across business lines: significant announcements made in H1 2023

Green Finance Framework

US$1.5 Billion Dual Tranche bond offering

Xlinks Renewable Energy

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. Operational cash flows before finance costs less investing cash flows

Q&A session

Appendix

Shareholders approve new dividend policy for 2023-2025

0.65 fils/share dividend for Q1 2023, in line with updated policy

Dividend Policy

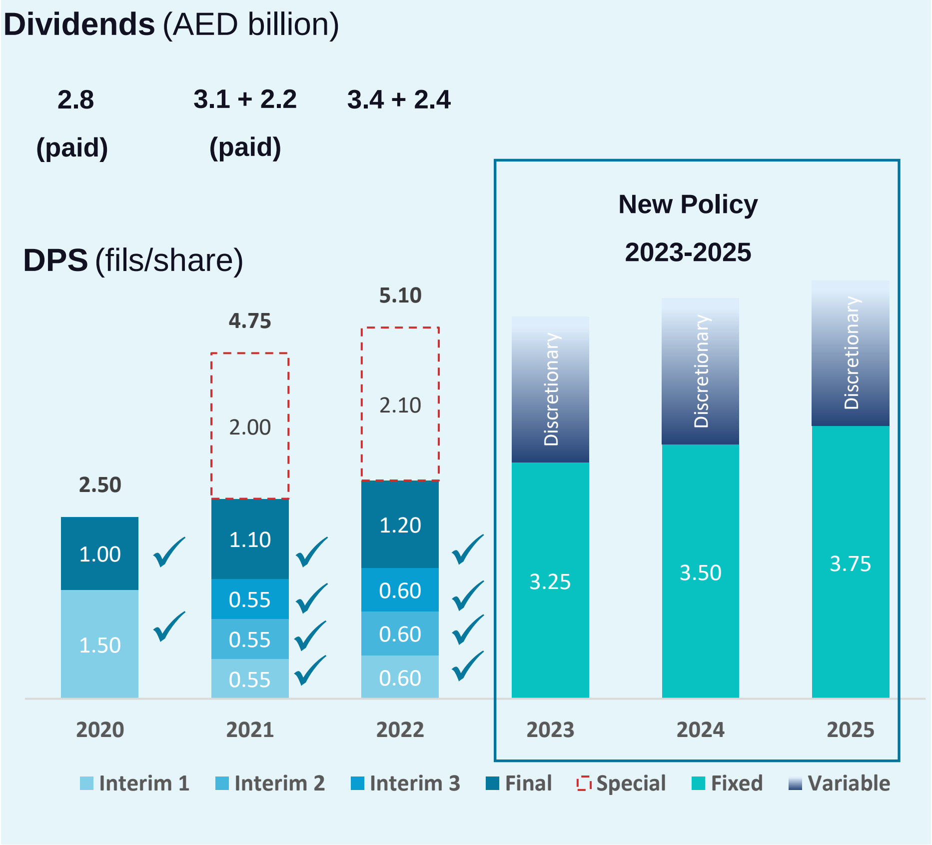
Shareholders approved **new dividend policy for 2023-2025** based on a combination of fixed and variable dividend:

- Fixed dividend per share from Utilities: 3.25 fils (2023), 3.50 fils (2024) and 3.75 fils (2025)
- Variable Dividend based on a discretionary percentage of annual net profit for the Oil & Gas business

Q1 2023 dividend at **0.65 fils/share**; continuing policy of quarterly payouts

TAQA remains committed to **maintaining standalone investment grade rating**, as previously communicated.

TAQA dividend policy



Consolidated financials

Income statement AED million	Q1 2022	Q1 2023	Diff.	(%)
Revenues	**12,413**	**13,139**	**726**	**5.8%**
Opex	(6,539)	(7,391)	(639)	13%
G&A	(408)	(519)	(35)	27.3%
Share of results (Ass. & JVs)	147	82	36	(44.2%)
EBITDA	**5,613**	**5,311**	**1,079**	**(5.4%)**
EBITDA Margin	***45.2%***	***40.4%***		
DD&A	(2,382)	(2,316)	2	(2.8%)
EBIT	**3,231**	**2,994**	**1,081**	**(7.3%)**
Finance Costs	(743)	(693)	50	(6.7%)
Other gains / (losses)	14	10,886	10,872	n/a
Tax (expense) / credit	(609)	(1,686)	(1,077)	176.8%
Profit (loss) for the period	**1,893**	**11,502**	**9,609**	**507.6%**
Minority Interest	(78)	(70)	8	10.3%
Net income - TAQA share	**1,971**	**11,572**	**9,601**	**487.1%**
Net Income Margin	***15.9%***	***88.1%***		

Balance sheet AED million	Dec-22	Mar-23	Diff.	(%)
Non-current assets	156,605	167,980	11,375	7.3%
Current assets	24,669	22,736	(1,933)	(7.8%)
Total Assets	**181,508**	**190,716**	**9,208**	**5.1%**
Non-current liabilities	68,193	73,128	4,935	7.2%
Current liabilities	34,756	31,727	(3,029)	(8.7%)
Total Liabilities	**103,767**	**104,855**	**1,088**	**1.0%**
Total Equity	**77,741**	**85,861**	**8,120**	**10.4%**

Key debt metrics AED million	Dec-22	Mar-23	Diff.	(%)
Short term debt	11,221	6,698	(4,523)	-67.5%
Long term debt	50,484	53,073	2,589	4.9%
Net debt	51,582	51,858	276	0.5%
Net debt-to-capital ratio	39.9%	37.7%	(2.2%)	n/a

For investor enquiries, please contact Investor Relations:

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