13 November 2023

Q3 2023 Results Presentation

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POWERING A THRIVING FUTURE

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Agenda

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Q3 2023 group highlights

Q3 2023 overview

Challenging operating environment for O&G sector has biggest impact on results

1. Revenue and profitability decline led by O&G and Generation, while T&D recorded healthy top and bottom line increase
2. Capex significantly higher as project development and execution picked up pace in T&D
3. Decline in FCF mainly driven by lower contribution from the O&G segment.
4. Upgrading 2030 targets following successful integration of Masdar's renewable business
5. Continued market recognition of progress on ESG initiatives, with multiple agencies improving TAQA's ESG rating

Revenue
AED 12.7bn
-9% YoY

Adj. EBITDA[1]
AED 4.8bn
-18% YoY

Net Income[2]
AED 1.6bn
-30% YoY

CAPEX
AED 1.3bn
+77% YoY

FCF[3]
AED 3.8bn
-15% YoY

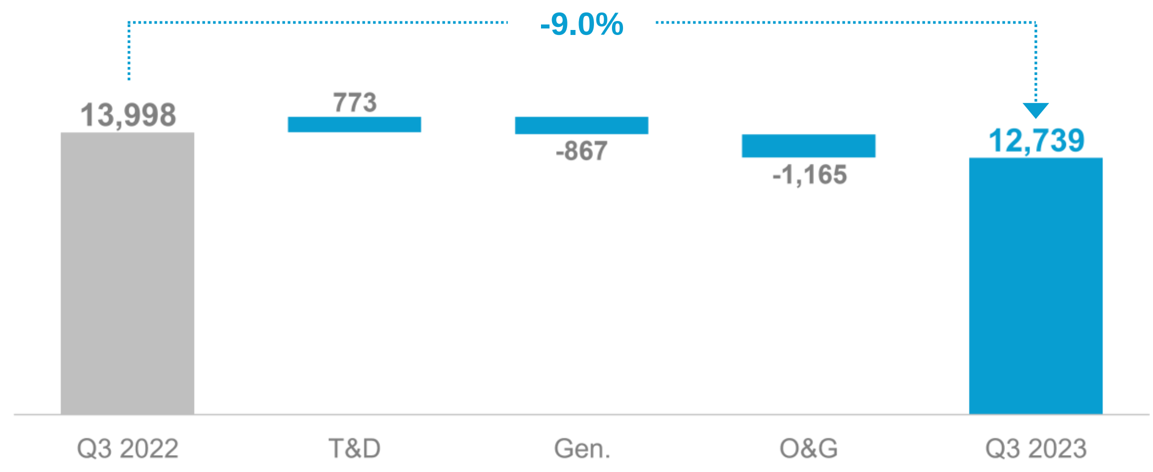
DPS
(Fils/share)
0.65
(Q3 2022: 0.60)

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 3. Operational cash flows before finance costs less investing cash flows

Q3 2023 Group revenue and Adj. EBITDA

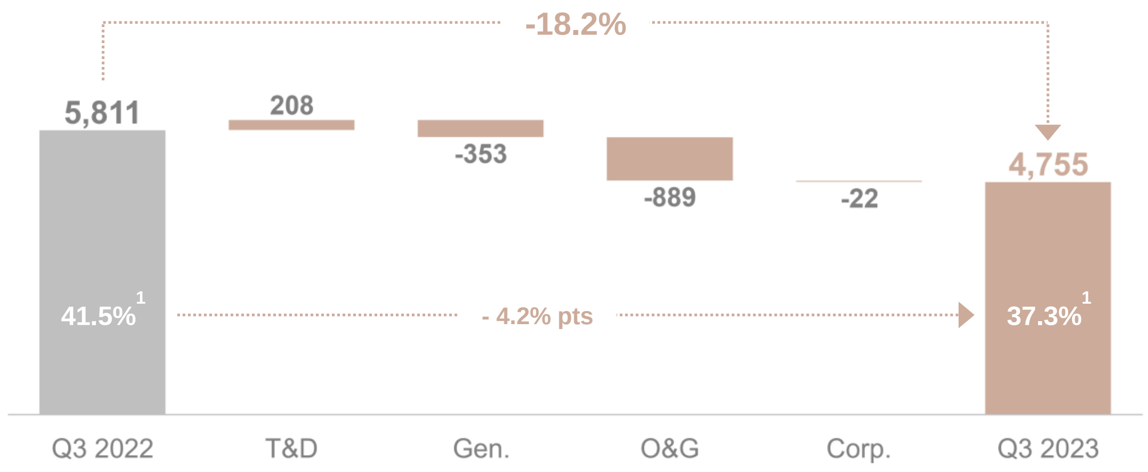
Positive T&D performance off-set by pressures in O&G and Generation segments

Revenue performance (AED million)



- **T&D revenues** increased by 11% YoY, driven by:
  - Positive impact of RC2 and inflation
  - Higher pass-through revenues
- **Generation revenues** dropped 21%, mainly due to the absence of contribution from Red Oak (Q3 2022: AED 508 million; tolling agreement ended in Q3 2022) and unplanned outages in some of the UAE-based IWPPs
- **O&G revenues** (-39% YoY) were affected by:
  - Lower average realised prices: oil -14% YoY, gas -45% YoY
  - 19% YoY decline in production (Iraq shutdown, natural decline of late-life UK assets)

Adj. EBITDA[1] performance (AED million)



- **T&D Adj. EBITDA** improved by 11% on higher inflation and RC2 revisions
- **Generation Adj. EBITDA** declined by 16% YoY due to:
  - Absence of contribution from Red Oak
  - Impact of unplanned outages in some of the UAE-based IWPPs
  - AED42 million loss from Associated & JVs in Q3 2023 vs. AED105 million income in Q3 2022
- **O&G Adj. EBITDA** (-50% YoY) was impacted by:
  - Lower commodity prices
  - Decline in production
  - Other factors impacting Adj. EBITDA include one-off, non-cash charges and higher contribution from NL 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).

Q3 2023 non-operating P&L items

Decline in EBITDA drives lower net profit

Key Highlights

- **Depreciation & Amortization** recorded limited YoY variation.

- **Finance cost** in Q3 2023 remained in line with the level seen in Q3 2022:
  - Average cost of debt marginally increased to 4.7% at 30 September 2023 (December 2022: 4.6%)
  - Gross debt remained stable at AED 61.7 billion as at 30 September 2023

- The continued rise in global interest rates translated into **interest income** nearly tripling YoY in Q3 2023

- The increase **in tax expenses** in Q3 2023 was driven by:
  - Impact of Energy Profit Levy in UK, which came into effect in May 2022 at 25% and was further increased to 35% from the start of 2023
  - Absence of deferred tax credits recognized in Q3 2022, attributable to our UK assets

	Q3 2022	Q3 2023	Δ
Adjusted EBITDA[1]	**5,811**	**4,755**	**-18%**
• D&A	(2,449)	(2,325)	(5%)
• Finance costs	(722)	(734)	2%
• Interest income	50	145	190%
• Other gains/(losses)	(74)	169	n/a
• Tax (expense)/credit	(282)	(358)	27%
Net profit (loss)	**2,334**	**1,652**	**-29%**
Attributable to			
• Non-controlling interest	(98)	(92)	(6)%
• Net profit (TAQA share)	2,236	1,560	(30%)

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).

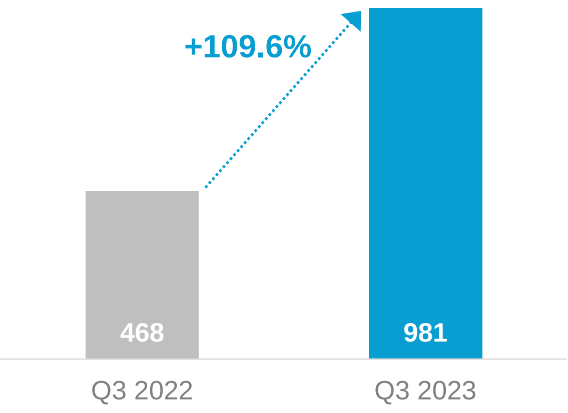
Segment performance

Transmission & Distribution

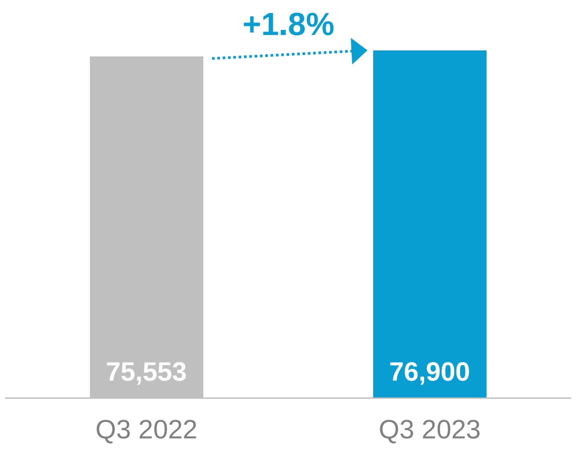
Benefiting from higher inflation and favorable changes in RC2

Operational Update

CAPEX (AEDmn)



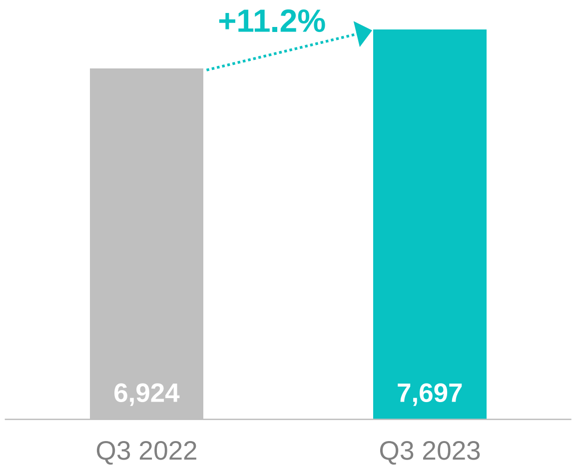
Regulated Asset Base (AEDmn)



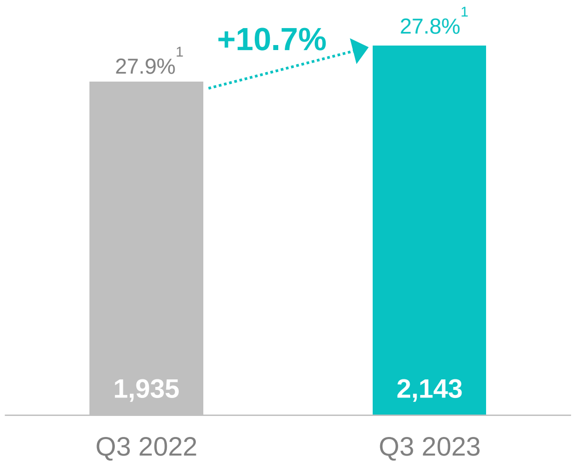
- Robust **network availability** sustained: 98.7% in Q3 2023. vs. 98.8% in Q3 2022
- **Capex** significantly picked up pace on the back of an increase in the number of development projects and projects in execution
- **Regulated Asset Base (RAB)** recorded 2% YoY increase.
  - Upon completion of SWS acquisition, RAB set to increase significantly (+AED16 billion)
- **Financial close** was achieved on the USD2.2 billion project to provide sustainable water supply for ADNOC's onshore operations.
  - This strategic investment is another example of TAQA acting as the partner of choice to support other companies decarbonize their operations

Financial Performance

Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Revenue** growth (+11% 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%)

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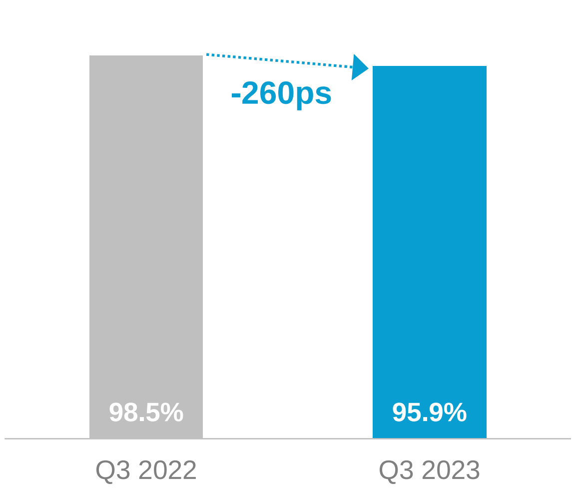
Generation highlights

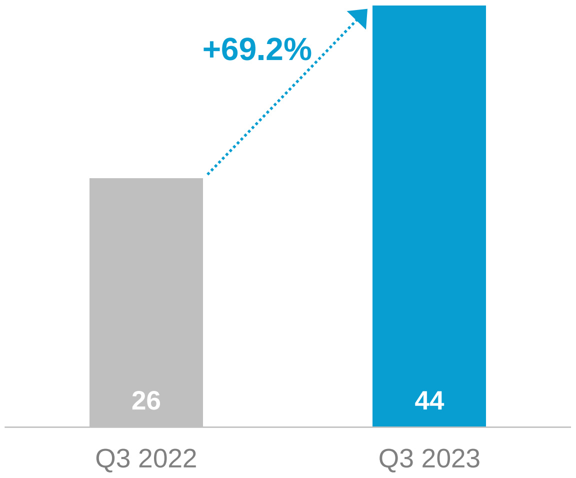
Absence of Red Oak and unplanned outages in UAE impact results

Operational Update

Commercial Availability



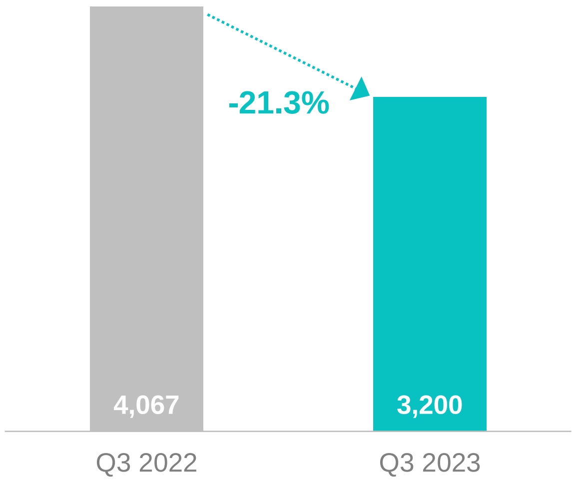
CAPEX (AEDmn)



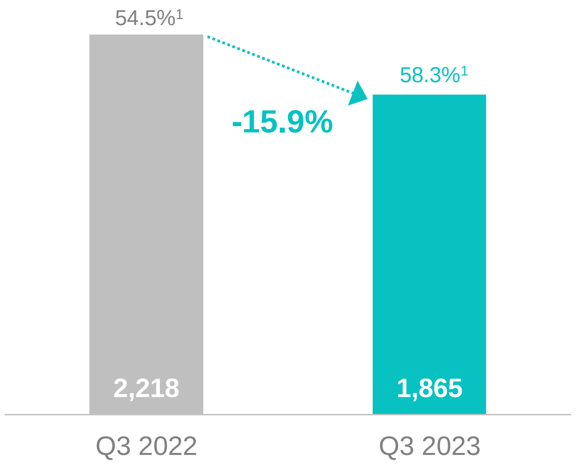
- **Commercial availability** decreased by 260bp because of unplanned outages in three UAE-based IWPPs.
- **Capex** remained subdued in Q3 2023, albeit at higher level than Q3 2022, due to shifting of maintenance activities (resulting from lower production)
- **Al Dhafrah PV2** achieved commercial operations during the quarter.
  - PV2 is one of the largest single site solar PV projects in the world

Financial Performance

Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Generation revenues** dropped 21%, mainly due to:
  - Absence of contribution from Red Oak, which added AED508 million to the top line in Q3 2022 (tolling agreement ended in Q3 2022) and
  - Unplanned outages in 3 UAE-based IWPPs
- In addition to the abovementioned, **Adj. EBITDA** was impacted by an AED42 million loss from Associated & JVs in Q3 2023 (Q3 2022: AED105 million income)
  - Lower Aluminium prices have translated into a significant reduction in income from Sohar Aluminium
  - Masdar contributed AED81 million loss in Q3 2023 due to market losses (from FX & Interest Rate, exposures) and higher costs in relation to project development

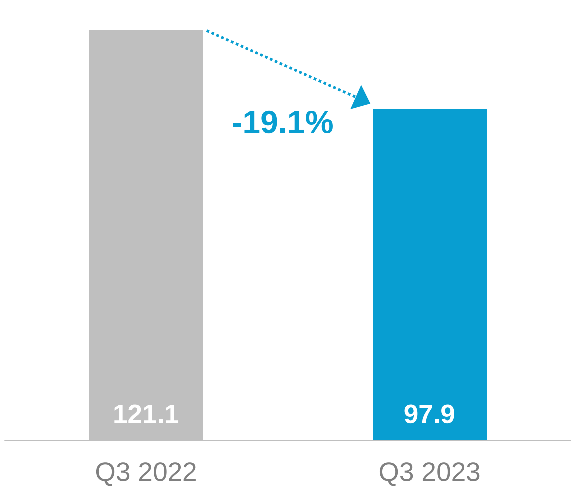
1. Adjusted EBITDA is defined as IFRS earnings before finance costs, net foreign exchange gain/loss, interest income, income tax, depreciation, depletion and amortization and other gains / (losses).

Oil & Gas highlights

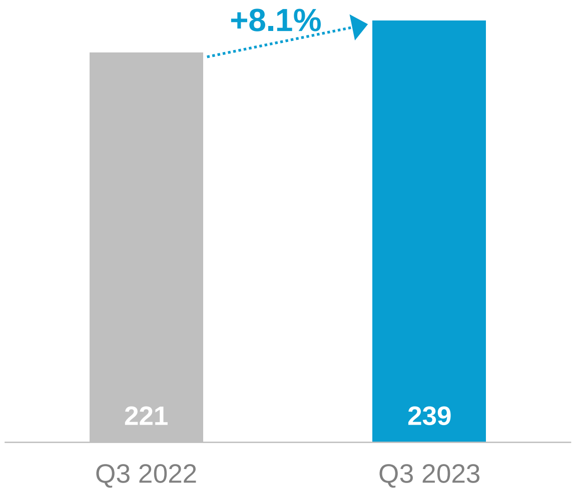
Challenging operating environment: lower commodity prices & production halt in Iraq

Operational Update

Commercial Availability

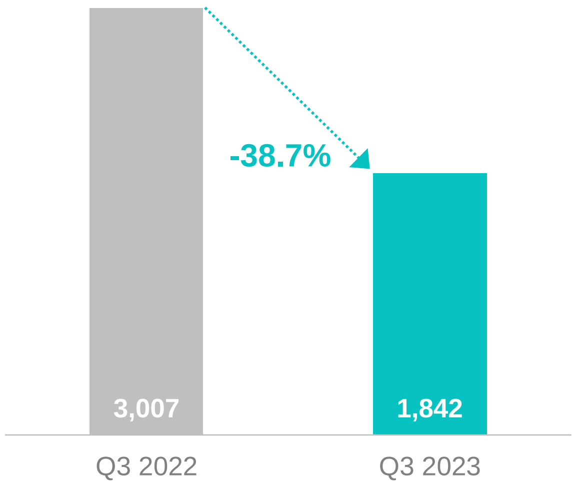


CAPEX (AEDmn)

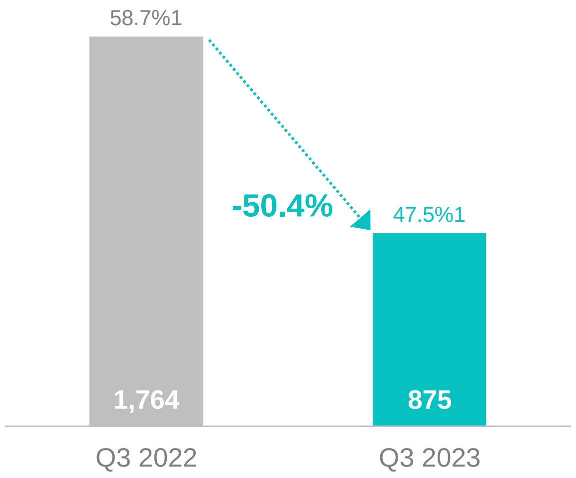


Financial Performance

Revenues (AEDmn)



Adj. EBITDA[1] (AEDmn)



- **Production** for the quarter fell 19% from 121 mboe/day in Q3 2022 to 98 mboe/day in Q3 2023. The decline was driven by:
  - Production shutdown in Atrush in Iraq from 25 March 2023 following arbitration ruling on the Iraq-Turkey oil pipeline dispute
  - 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, partly offset by lower investment in Iraq
- **Gas Storage Bergermeer** filled at 96% capacity at the end of September

- **Revenues** lower by 39% YoY in Q3 2023 as a result of lower commodity prices, declining production from UK late-life assets and production interruption in Iraq. Partly offset by higher gas storage revenues generated in NL midstream.
  - Average realized oil price lower by 14% from $103.19/bbl in Q3 2022 to $88.65/bbl in Q3 2023
  - Average realised gas price decreased by 45% from $9.47/mmcf in Q3 2022 to $5.21/mmcf Q3 2023
- **Lower Adj. EBITDA (-50% YoY)** primarily driven by lower commodity prices, UK production decline and Iraq interruption. Partly offset by higher contribution from NL midstream gas storage.

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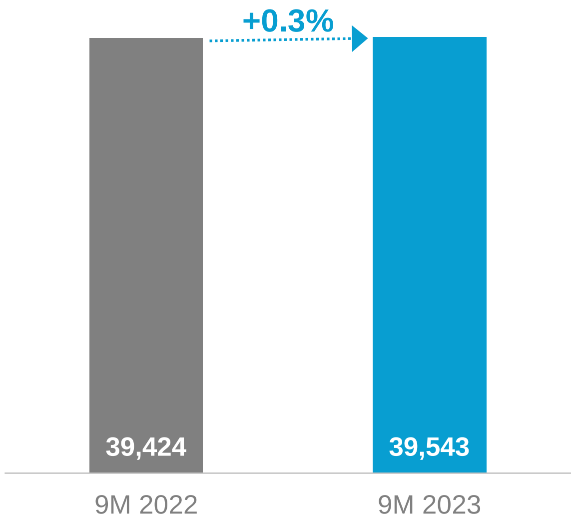
9M 2023 financial performance

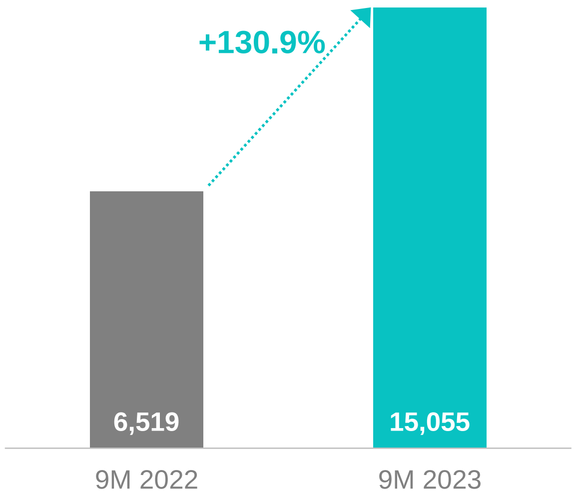
9M 2023 performance

Underlying profitability impacted by O&G segment; recognition of ADNOC Gas stake boosts net income

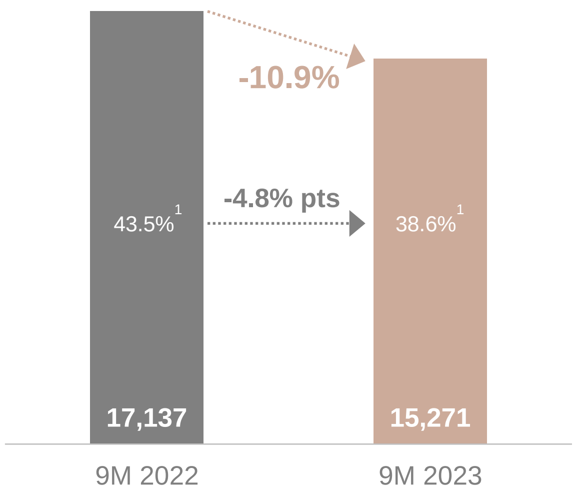
Revenue (AEDm)



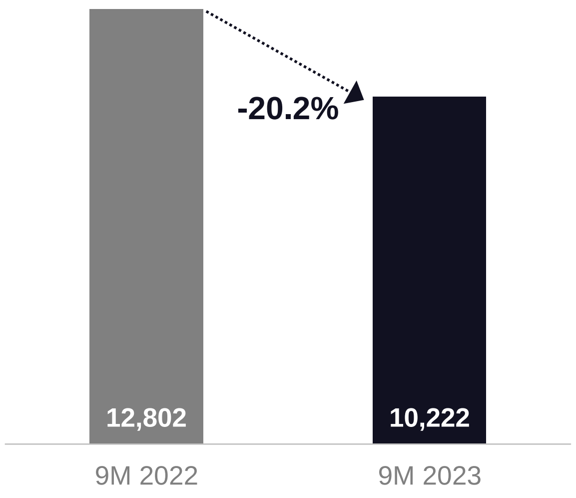
Net income (TAQA share, AEDm)



Adj. EBITDA[1] (AEDm)



Free Cash Flow (AEDm)



- Higher pass-through revenues related to T&D helped maintain group revenues flat
- Adj. EBITDA and underlying net income negatively impacted by performance in O&G (lower production & commodity prices) and Generation (absence of contribution from Red Oak & loss from Associates & JVs)
- Reported net income includes AED10.8 billion gain from recognition of TAQA's stake in ADNOC Gas and one-off deferred income tax of AED1.2 billion due to introduction of corporate tax law in the UAE
- Free Cash Flow was impacted by lower contribution from the O&G segment and adjustments to related party balances from prior years

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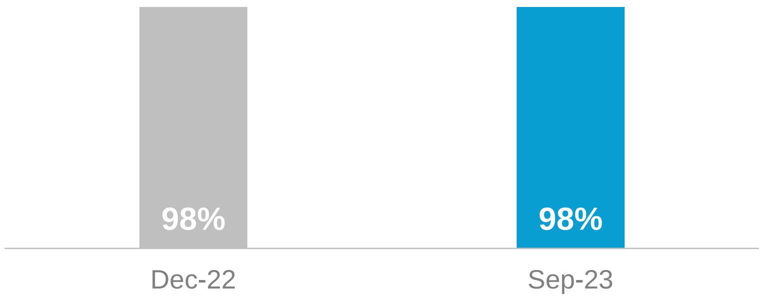
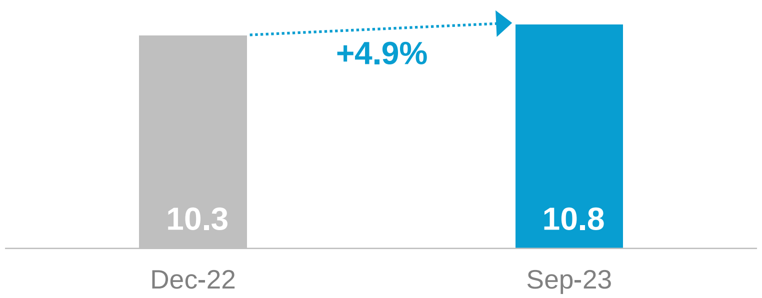
Liquidity and debt profile

Balance sheet remains healthy with ample liquidity

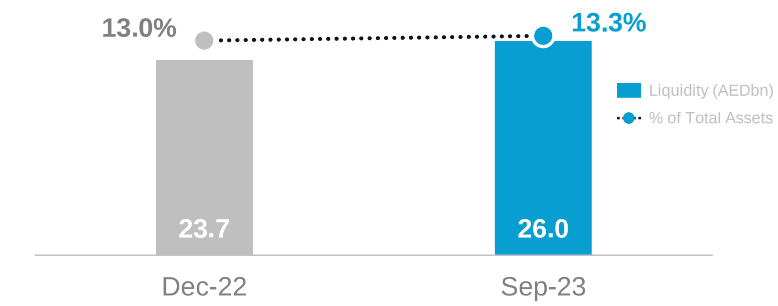
Fixed Rate Debt (% Total)



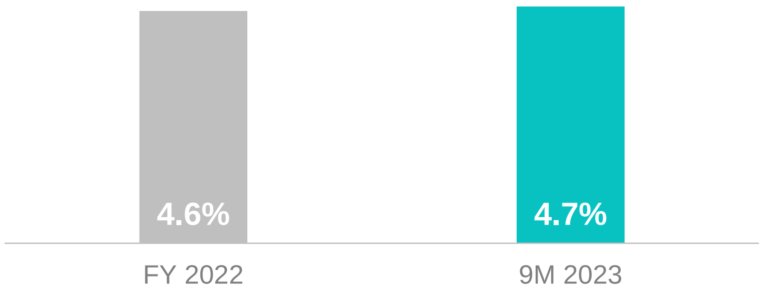
Average Debt Maturity (Years)



Strong Liquidity Levels

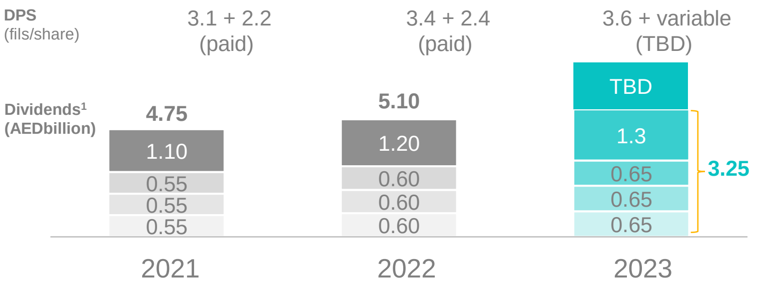


Average Interest Rate



Net Leverage Remains Stable

Delivering On Our Quarterly Dividend Policy



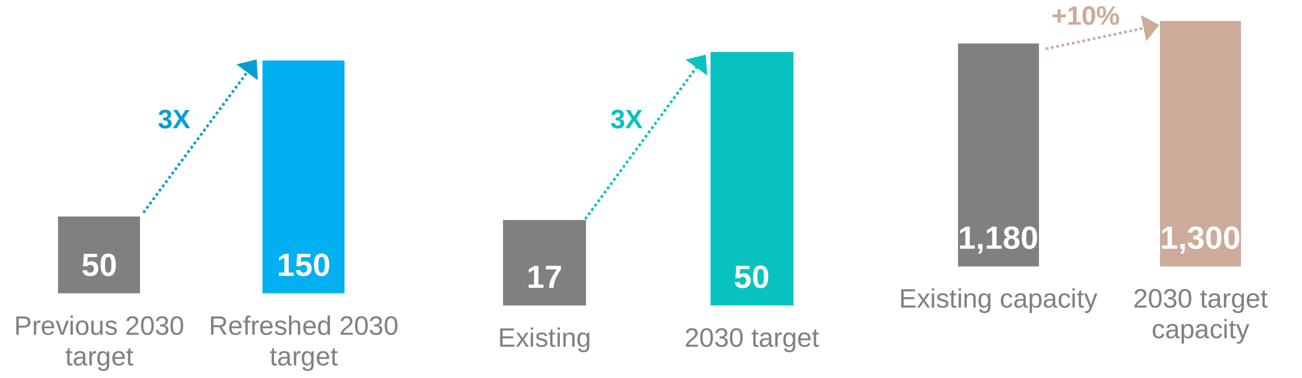
- **Strong liquidity and significant headroom** to borrow to support funding needs for continued growth
- Maintaining **standalone investment** grade rating a key focus
- **Portfolio-wide interest** cost locked in at attractive levels

Outlook

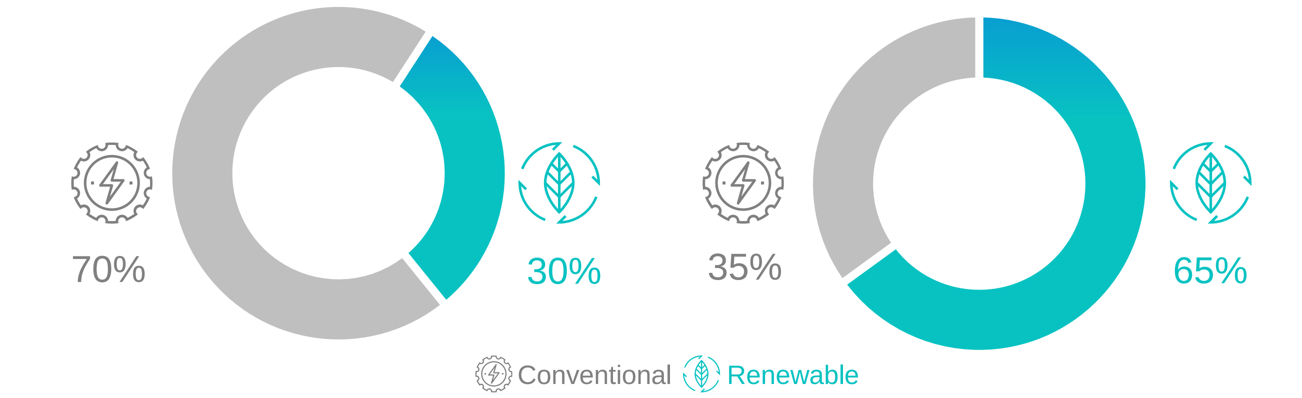
Refreshed 2030 Power Capacity Growth Targets

Significant upward revision reflecting strong ambitions

Gross generation capacity (GW)	Net generation capacity (GW)	Water generation capacity (MIGD)



Previous 2030 Target Mix	Refreshed 2030 Target Mix



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
- Encompasses power and water capacity expansion as well as UAE-based transmission and distribution networks
- Includes the previously committed capex of AED40 billion between 2021-2023 on T&D regulated assets

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

Revised 2030 targets outline the path for ambitious growth

Upgraded 2030 targets reflect strong growth ambitions

TAQA's efforts on the ESG front continue to gain market recognition in the form of rating upgrades and industry awards

Positive impact on outlook from favorable changes in RC2 and acquisition of SWS

Strong liquidity and cash flow generation provide flexibility in need to tap debt market during uncertain times

Value creation for all stakeholders remains the focal point for TAQA

Q&A session

For investor enquiries, please contact Investor Relations:

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