



TENAGA NASIONAL BERHAD

PRESENTATION TO INVESTOR

December 2025

TNB is the largest electricity utility company in Malaysia and at the forefront of the country's energy transition

Tenaga Nasional Berhad (TNB)



MALAYSIA

Sabah Electricity Sdn Bhd (SESB)
(83% owned by TNB)

Sabah Electricity
Energising Our Future

Our Presence in Peninsular Malaysia



Holds 48.8% of Domestic Generation Capacity



Our grid network and retail business* are governed by the Incentive Based Regulation (IBR) framework



Transmission length: 29,519 km
Substations: 543
System Minutes: 0.0019 minutes



Distribution Network: 738,028 km
Substations: 99,374
SAIDI: 47.88 minutes



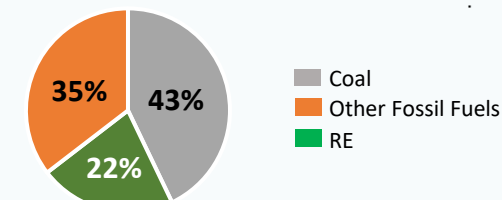
Retail customers: 10.4 mil
Customer Satisfaction Index (CSI): 87%

*Data as of December 2024

Group Portfolio

Total TNB Gross Capacity: 21,041MW
(September 2025)

- Domestic: 17,670MW
- International: 3,371MW



Notes:

- RE inclusive of large hydro and small RE
- Data is based on gross installed capacity
- Solar capacity based on MWp

Main Subsidiaries

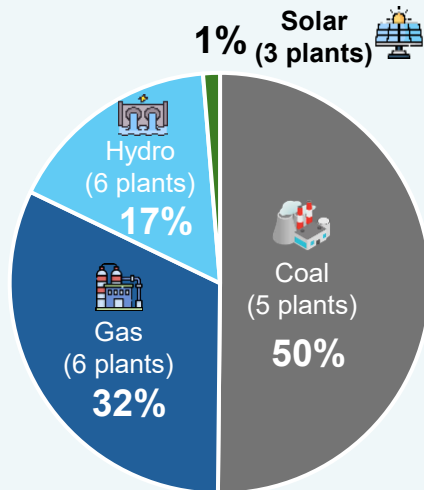


TNB's generation footprint in Peninsular Malaysia — anchoring 55% of market share

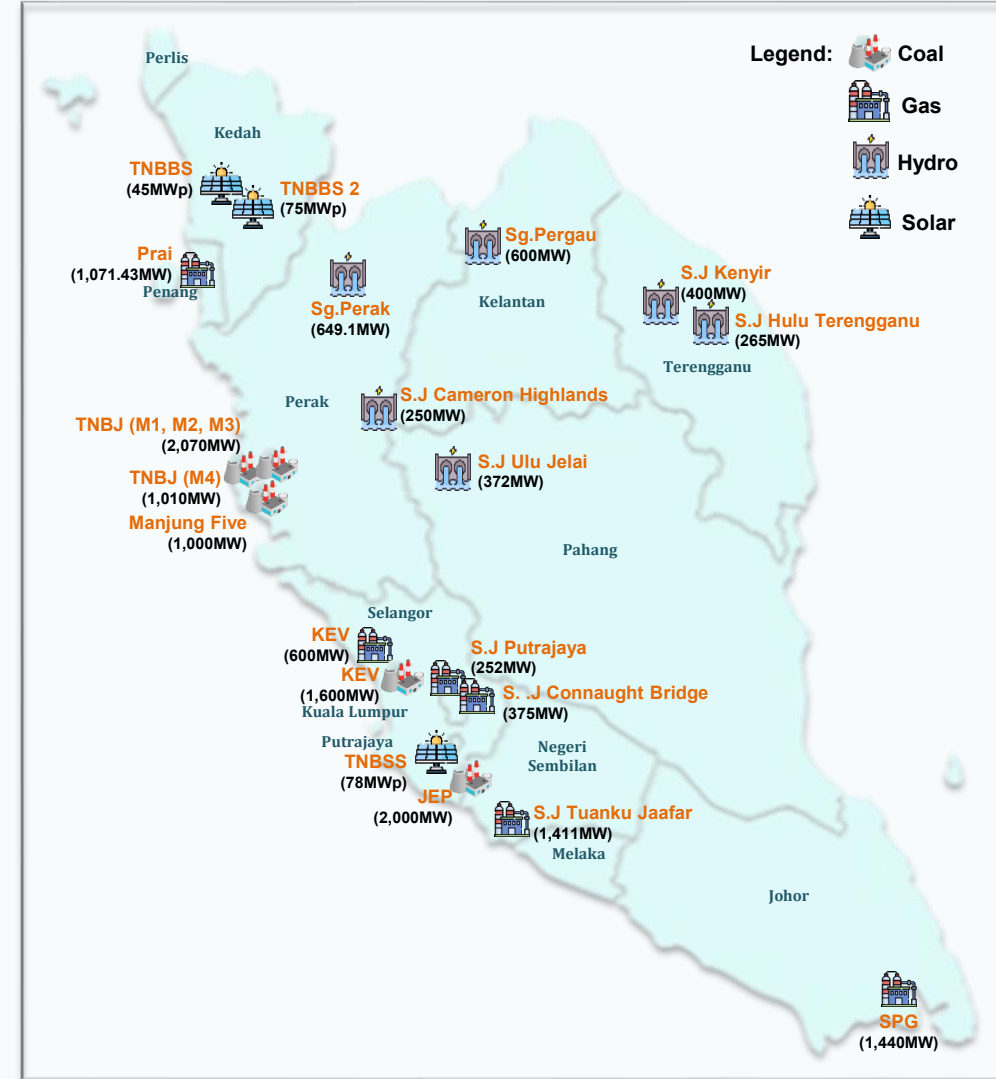
Generation Portfolio



TNB holds **55%** (15,312MW) of Peninsular gross installed capacity (28,040MW*)



* Solar capacity is quoted in MWp



We are also a global player as we strive to future proof our business by expanding our RE footprint and establishing strategic partnerships with leading RE players

OUR GLOBAL PRESENCE

Renewable Assets

~1.3GW
Operational
RE Capacity

4
Countries

3
Technologies
Onshore & Offshore wind,
Solar and Hydro




Solar
863.0MW


Onshore
Wind
242.8MW


Offshore
Wind
41.5MW


Hydro
137.8MW

Services



Equity stake: 100%

806.4MW Capacity



- 123.9MW in onshore wind
- 275.8MW in solar
- 365.0MW in solar (55% equity)
- 41.5MW in offshore wind (49% equity)



Blyth Offshore Windfarm



Bunkers Hill



Equity stake: 100%

- 120.5MWp in solar
- ~1GW in wind and solar under
Dinawan Energy Hub – *under development*



Bomen Solar Farm






Equity stake: 30%

- 256.7MW in hydro and wind




Key projects

1. Operation & Management and Maintenance, Repair & Overhaul :

-  Pakistan • Balloki Combined Cycle Gas Turbine 1,223MW (O&M)
-  Kuwait • Doha West and Shuwaikh Power Stations (O&M)
• Sabiya Station-1, Sabiya Station-2& Shuaibah North Power Stations (MRO)
-  Saudi Arabia • Shuaibah Power and Desalination Plant (O&M)

2. Technical Advisory

-  Cambodia • Electricité du Cambodge (EDC) Heavy Fuel Oil Plant of 400MW



NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN
TAN SRI ABDUL RAZAK BIN ABDUL MAJID



EXECUTIVE DIRECTOR / PRESIDENT / CEO
DATUK IR. MEGAT JALALUDDIN BIN
MEGAT HASSAN

**Senior Independent
Non-Executive Director**



ONG AI LIN

Expertise: Audit &
Finance

Independent Non-Executive Directors



DATO' MERINA BINTI
ABU TAHIR

Expertise: Accounting



GOPALA KRISHNAN
K.SUNDARAM

Expertise: Law



JUNIWATI
RAHMAT HUSSIN
 Expertise: Corporate Planning
and Human Resource



ALAN HAMZAH BIN
SENDUT

Expertise: Accounting



DATO' ZULKIFLI BIN
IBRAHIM

Expertise: Engineering

Non-Independent Non-Executive Directors



DATUK RAMZI
BIN MANSOR

Ministry of Finance (MOF)



ROHAYA BINTI
MOHAMMAD YUSOF
 Employees Provident Fund
(EPF)



EFFIZAL FAIZ BIN
ZULKIFLY

Khazanah Nasional Berhad



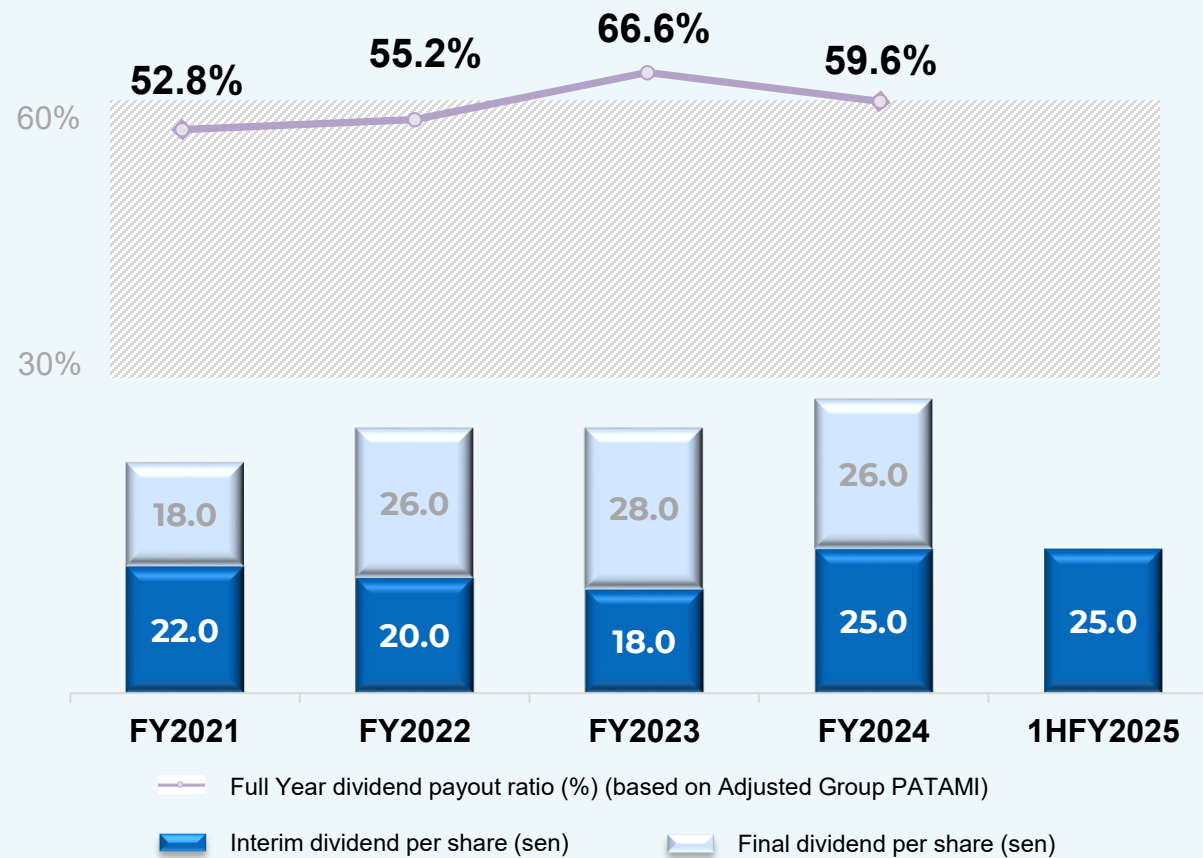
MUAZZAM BIN MOHAMAD

Permodalan Nasional
Berhad (PNB)

We continue to deliver stable dividend payouts, reflecting our commitment to rewarding shareholders and maintaining prudent capital management

DIVIDEND POLICY

We will continue to honour our dividend policy of 30% to 60% dividend payout ratio, based on the TNB Group Consolidated Net Profit Attributable to Shareholders After Minority Interest (PATAMI), excluding Extraordinary and Non-Recurring items (adjusted PATAMI)



**Equivalent Plant Availability
Factor, EAF (Generation) %****9MFY2025****86.9%**


9MFY2024: 80.0%

2025 Target: 83.2%

**Improved overall performance by
power plants****System Minutes
(Transmission) Minutes****9MFY2025****0.0695**

9MFY2024: 0.0001

2025 Internal Threshold: 1.5

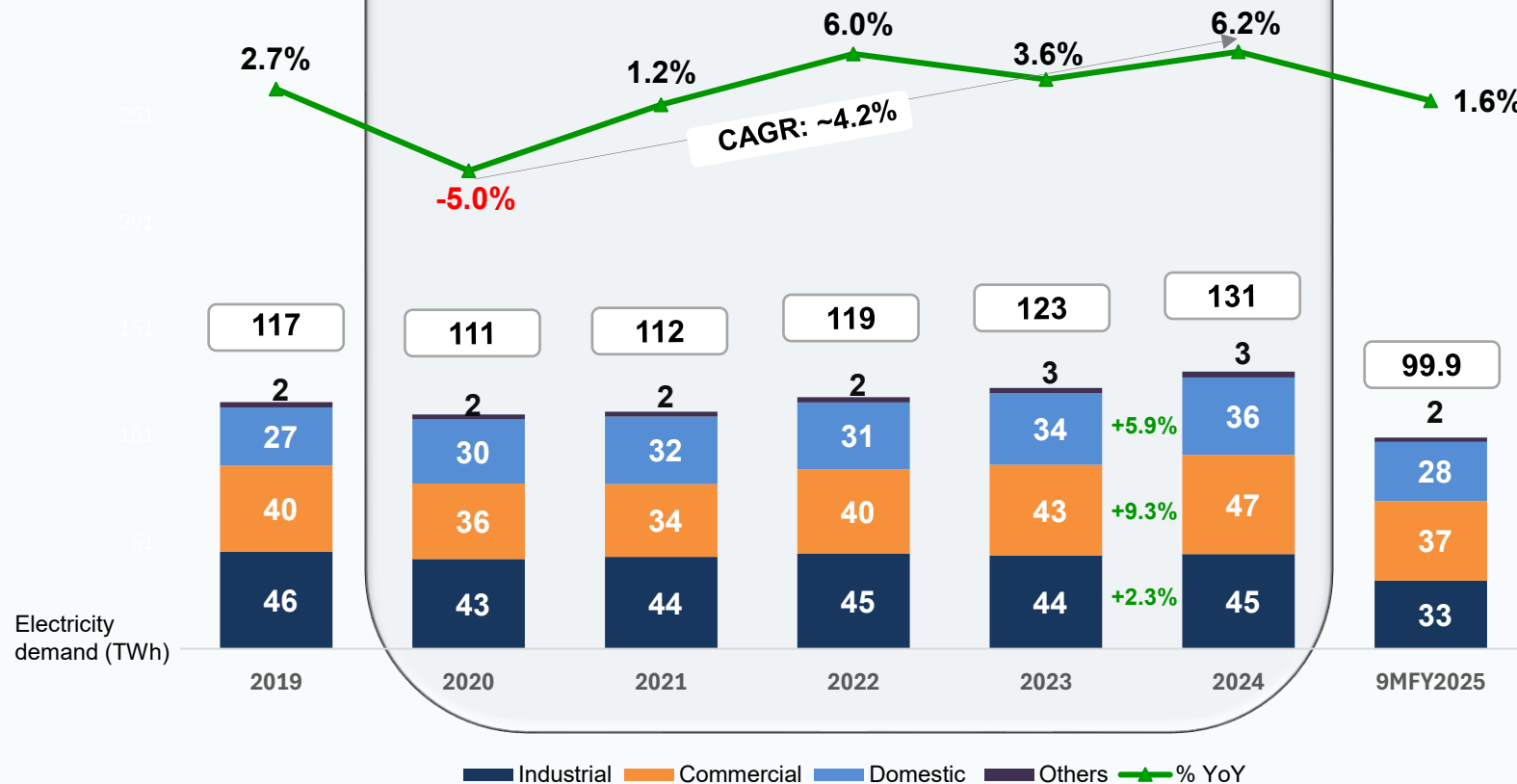

**World class network
performance safeguarded our
regulated business earnings****SAIDI
(Distribution Network) Minutes****9MFY2025****34.99**

9MFY2024: 35.72

2025 Internal Threshold: 48.0

Peninsular Malaysia's electricity demand continued to strengthen, driven by resilient and growing economy

Electricity demand rebounded strongly post-pandemic,
recorded 131 TWh in 2024
(the highest level in TNB's history)



2025 – 2027 Outlook

Demand forecast

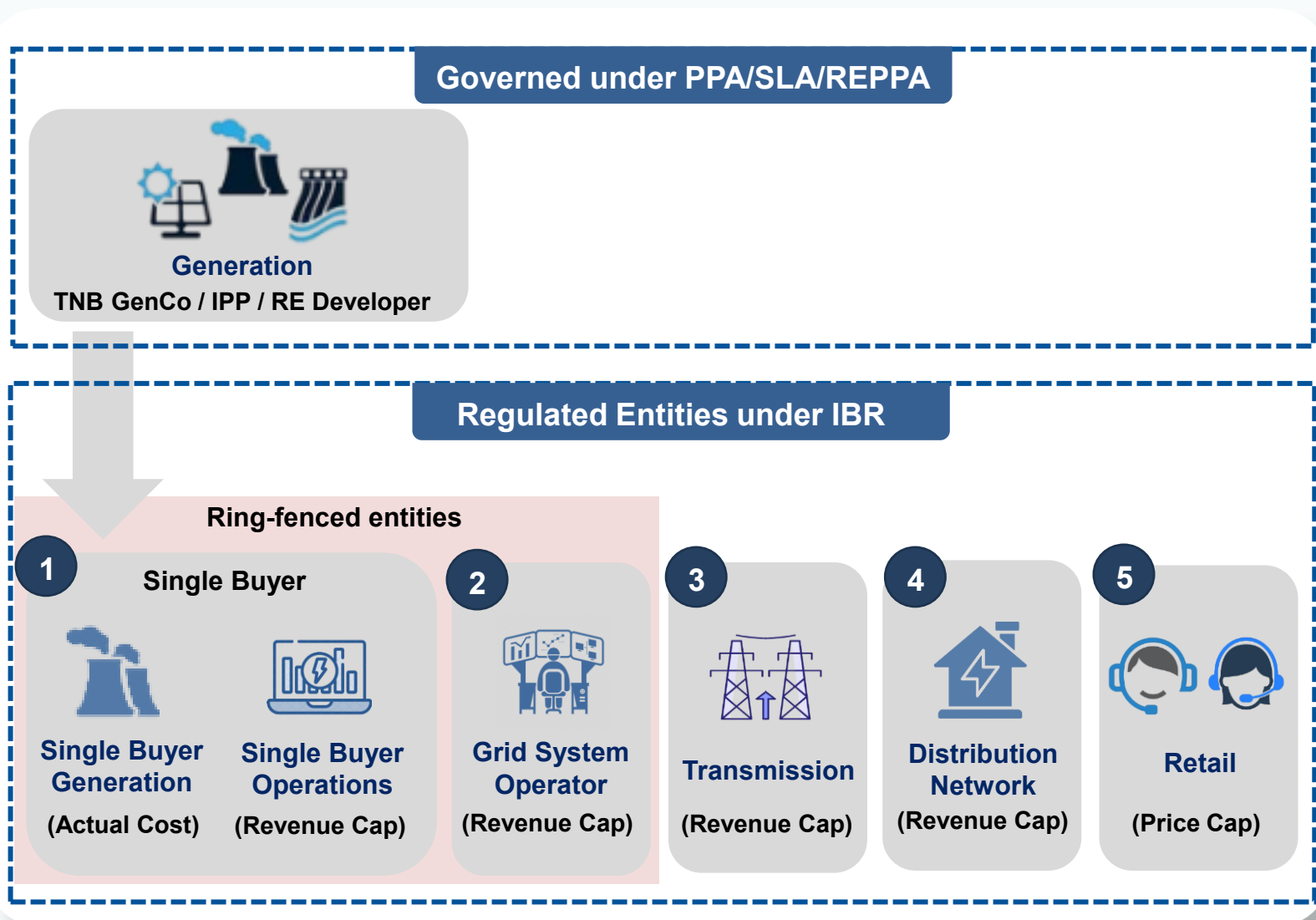


4.9%

Average annual growth

2025: 134,560 GWh @ 4.5%
2026: 141,873 GWh @ 5.4%
2027: 148,660 GWh @ 4.8%

Our regulated business is governed by the Incentive-Based Regulation (IBR) framework which provides stable returns to the Group while ensuring a more efficient energy sector



The IBR mechanism provides:

- Clear and transparent regulatory framework
- Consistent and stable returns
- Shield against uncontrollable swings
- Incentives for operational efficiencies

- Regulated business made up more than 70% of the overall Group revenue.
- **Revenue cap:** Allowed annual revenue based on approved demand growth. Any excess/shortfall is adjusted through revenue adjustment mechanism.
- **Price cap:** Any excess/shortfall of revenue made due to higher/lower average selling price compared to base tariff is adjusted through revenue adjustment mechanism.

We have successfully secured our returns at 7.3% and sufficient expenditure allowance for the next 3 years

Tariff Parameters

Regulatory Period 3 (RP3)
2022 - 2024



Regulatory Period 4 (RP4)
2025 - 2027

Base Tariff
(sen/kWh)

39.95

45.40

Average Sales
(TWh)

116.8

141.7

Coal price
(USD/MT)

79

97

FOREX
(RM/USD)

4.123

4.307

Gas price
(RM/mmBTU)

T1: RM26 - RM30
(800mmscfd)
T2: RM33

T1: RM24 - RM35
(800mmscfd)
T2: RM46

OPEX
(RM bil)

17.9

20.8

BASE CAPEX
(RM bil)

20.6

26.6
(with RM16.3 bil
Contingent CAPEX)

WACC

7.3%

7.3%

RP4 Allowed CAPEX (RM bil)

26.55

3.49

10.96

12.10

Base CAPEX

- Energy Transition
- Demand growth
- Security of supply

16.27

64%

30%

6%

Contingent CAPEX

Contingent CAPEX

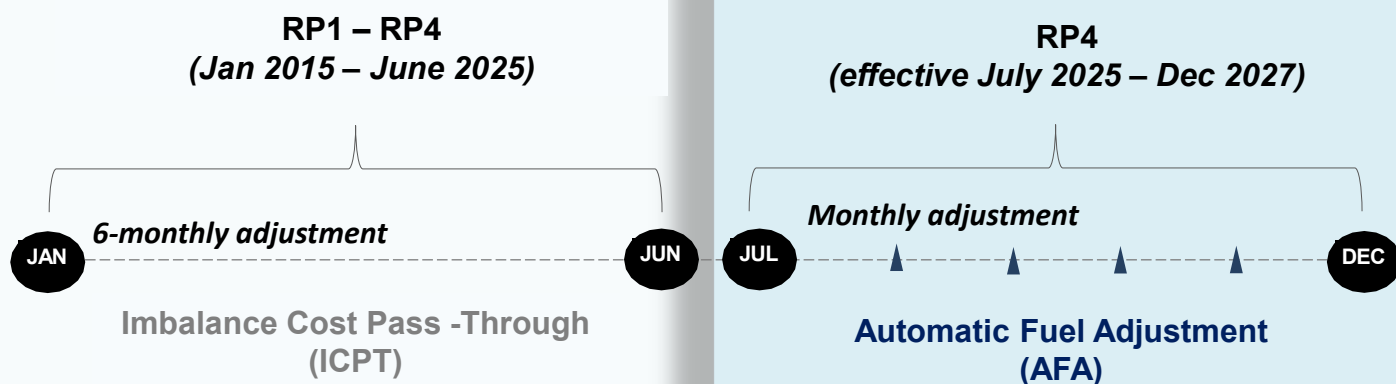
- Investments required to:
 - a) **Maintain security of supply;**
 - b) **Meet potential demand growth** in supporting economic priorities (e.g. data centres and industries); and
 - c) **Facilitate Energy Transition (ET):** Upgrading infrastructures to support RE, NETR and interconnection projects.
- The list of projects has been **pre-approved by the Energy Commission (EC) and will be implemented once triggers occur.** For example:
 - a) Accelerated ET– Accelerating smart projects related to distribution automation (DA), smart meters (AMI), and investments in EV infrastructure; and
 - b) Demand growth – New ESA with data centres and robust system for EV charging.
- The recovery mechanism is being finalised.
- Entitled for the same regulatory return at 7.3%.

AFA Mechanism enhances RP4 certainty through timely fuel cost recovery

Fuel Cost Recovery (2015 – 2027)

Historical

Current



Automatic Fuel Adjustment (AFA)

Base tariff + AFA, sen/kWh

Automatic Fuel Adjustment **+10%**

Allowed Generation Tariff **45.40**

RP4

- ✓ **Monthly mechanism** to recover actual generation costs, reflecting prevailing fuel prices
- ✓ **Automatic adjustment** applies if AFA **does not exceed 10%** of the Allowed Generation Tariff for the prevailing month
- ✓ Any adjustment **exceeding 10%** of the Allowed Generation Tariff for the prevailing month **requires Minister approval**

The AFA mechanism **strengthens transparency** by ensuring customers benefit from **timely adjustments** that **reflect current fuel and generation cost**, supporting efficient price signal.

Our journey towards Net Zero 2050 Aspiration will bring positive business growth and enhance value to our shareholders, as well as support the nation's aspiration

Net Zero 2050 Aspiration

Our Target for 2025

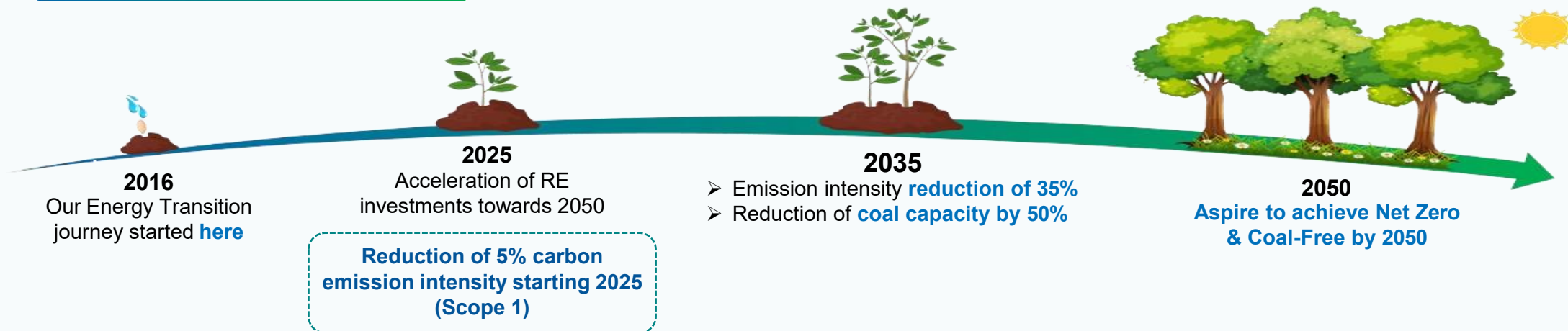
- Build scale in renewable generation
- Improve thermal plant efficiency

Our Commitment to 2035

- Significant renewable generation growth
- 50% reduction in coal generation capacity

Our Aspiration to 2050

Invest and grow our emerging green technologies including Hydrogen and Carbon Capture & Utilisation (CCU)



MSCI

MSCI ESG rating upgraded to A, score: 6.9 (2025)

ESG

Ranked 1st in Malaysia in ESG Transparency Reporting by Global ESG Monitor (2023)

Brand Finance®

Ranked #2 strongest utility brand globally
AAA brand strength rating
with Brand Strength Index (BSI) score of 88.9/100

Our Energy Transition Plan cuts across the electricity supply value chain, anchoring on three (3) key levers: Decarbonisation, Digitalisation & Electrification



Deliver Clean Generation

Renewable Capacity Growth

- Capture RE growth potential in domestic and international markets
- Embark on strategic partnership for new technology
- Adopt commercial capabilities in foreign markets to drive domestic RE growth

Carbon Management

- Reduce scope 1,2,3 GHG emissions
- Capture emissions (CCS, CCU)
- Trade/offset
- Manage carbon pricing

Coal Generation Capacity Reductions

- Uplift value of existing plants
- Reduce coal generation capacity
- Increase gas generation capacity



Develop Energy Transition Network

Smart Grid

- Enhance grid & network flexibility to enable higher penetration of VRE¹, DER² and electrification

Hydrogen

- Produce for applications in domestic power, industrial and mobility sectors, and for export market

Energy Storage

- Stabilise the grid
- Manage grid's peak demand
- Enable off-grid supply and peer-to-peer generation among prosumers



Dynamic Energy Solutions

Electrification

- Spur the development of low-carbon mobility ecosystem

Energy Efficiency

- Provide energy audit services and integrate energy efficiency improvements on machinery, equipment & appliances
- Deploy energy monitoring system

Prosumers

- Provide rooftop solar + storage solution

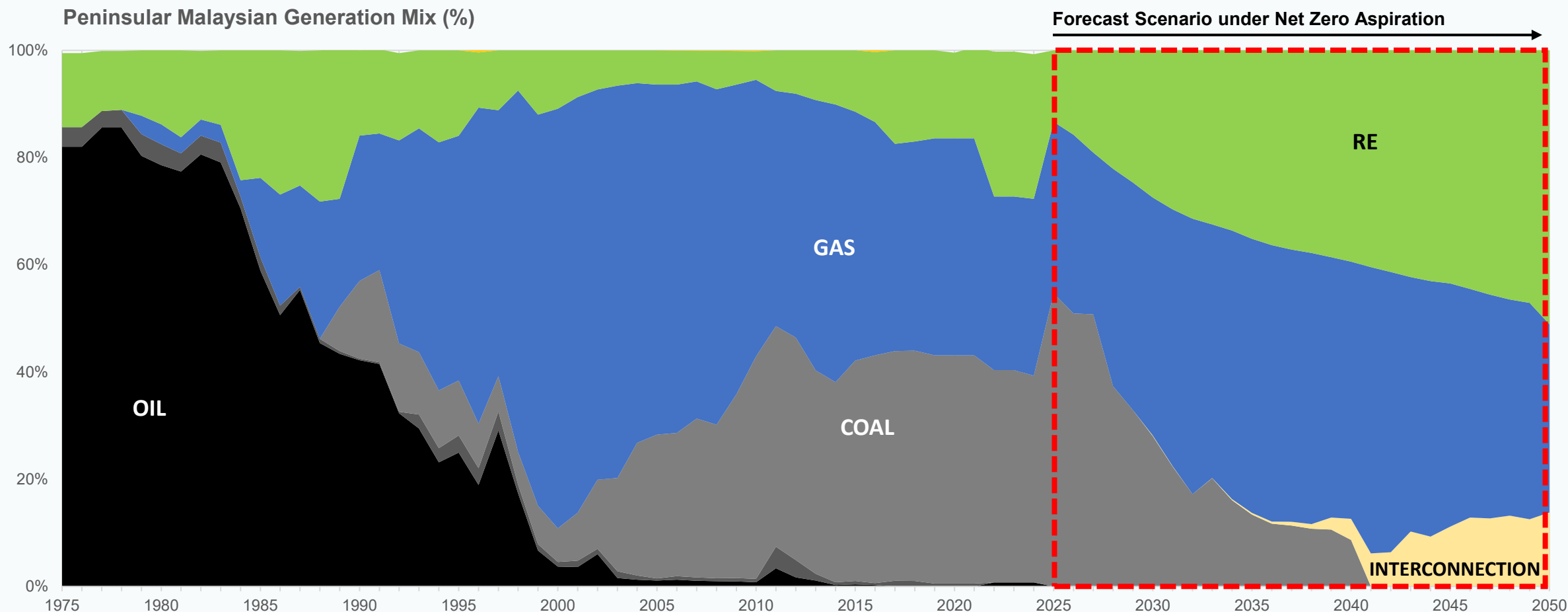
Digital Platforms

- Complement Energy Transition (ET) initiatives with digital platforms such as myTNB app, Electric Vehicle (EV) charging platform, digital marketplace and green energy aggregation and trading platform

¹ Variable Renewable Energy

² Distributed Energy Resources

The nation's current generation mix reflects the diversification required for security of supply, and will continue to shift as we take a responsible approach towards energy transition



- Historically, Malaysia's generation mix was dominated by the use of oil as we transitioned into gas and then coal
- **Moving forward, RE will grow significantly as costs rapidly decline**

TNB's fast-track sustainability agenda will bring major shifts across the value chain, ensuring business growth while meeting our ESG commitment

Deliver Clean Generation

GenCo aims to capture ~RM40 bil revenue from domestic market by 2050

Fast track decarbonisation

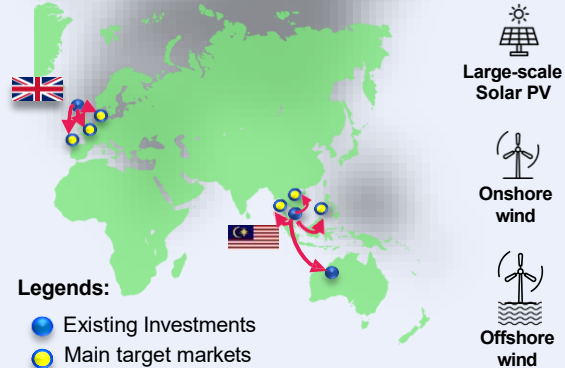
- 1 Coal plants early retirement
- 2 Repowering plants with cleaner fuel and green tech
- 3 Strategic technology partnership

Explore opportunities in ASEAN

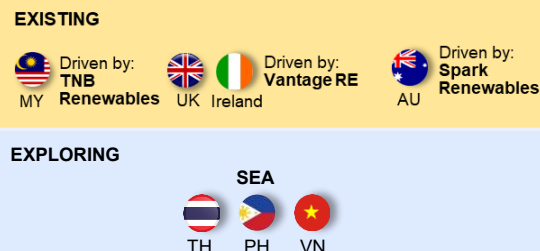


- Increase enterprise value and sustainability position of GenCo
- Possibility of an IPO of GenCo

NED aims ~USD7 bil Equity investment by 2050



FOCUS MARKETS



14.3GW by 2050
(Average portfolio return of 7% – 9%)

Develop Energy Transition Network

Regulated asset base (RAB) to grow to ~RM100 bil by 2050

- Renewable Energy (VRE) and Distributed Energy Resources (DER)
- Propelling growth of transportation and industrial customers electrification
- Reducing carbon footprint and preserving the forestry & natural environment

Regional Interconnection

To strengthen security of supply and open investment opportunities



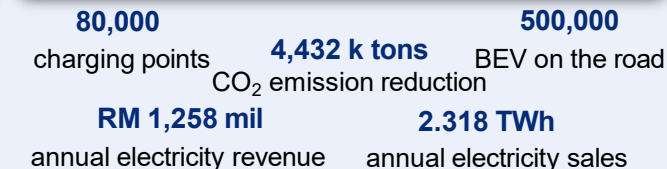
Potential Earnings by 2050: ~RM7 bil

Dynamic Energy Solutions

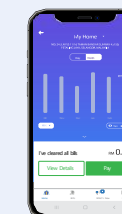
We will invest RM90 mil to support BEV ecosystem with the following key strategic moves:

- 1 Build charging infrastructure
- 2 Reskill & upskill workforce
- 3 Lead by example through TNB Fleet electrification
- 4 Sponsor EV-related studies
- 5 Foster coalition among EV sector players

2030 EV Market Potential



Driving changes in customer behaviour via myTNB

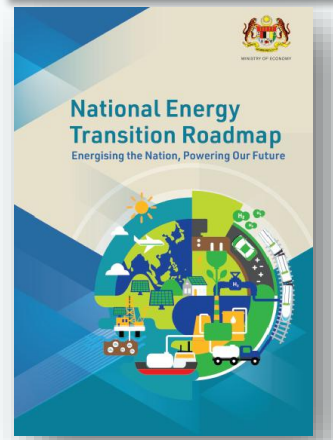


Usage of Energy Budget features via myTNB

- As of September 2025, ~2.5 mil users have subscribed
- Driving energy efficiencies resulting CO₂ avoidance

The National Energy Transition Roadmap (NETR) aims to shift Malaysia from a traditional fossil fuel-based economy to a high-value green economy

Responsible Transition (RT) Pathway 2050
to shift Malaysia's energy systems from fossil fuel-based to greener and low-carbon systems



Aligned with the national aspirations and commitments to sustainable development

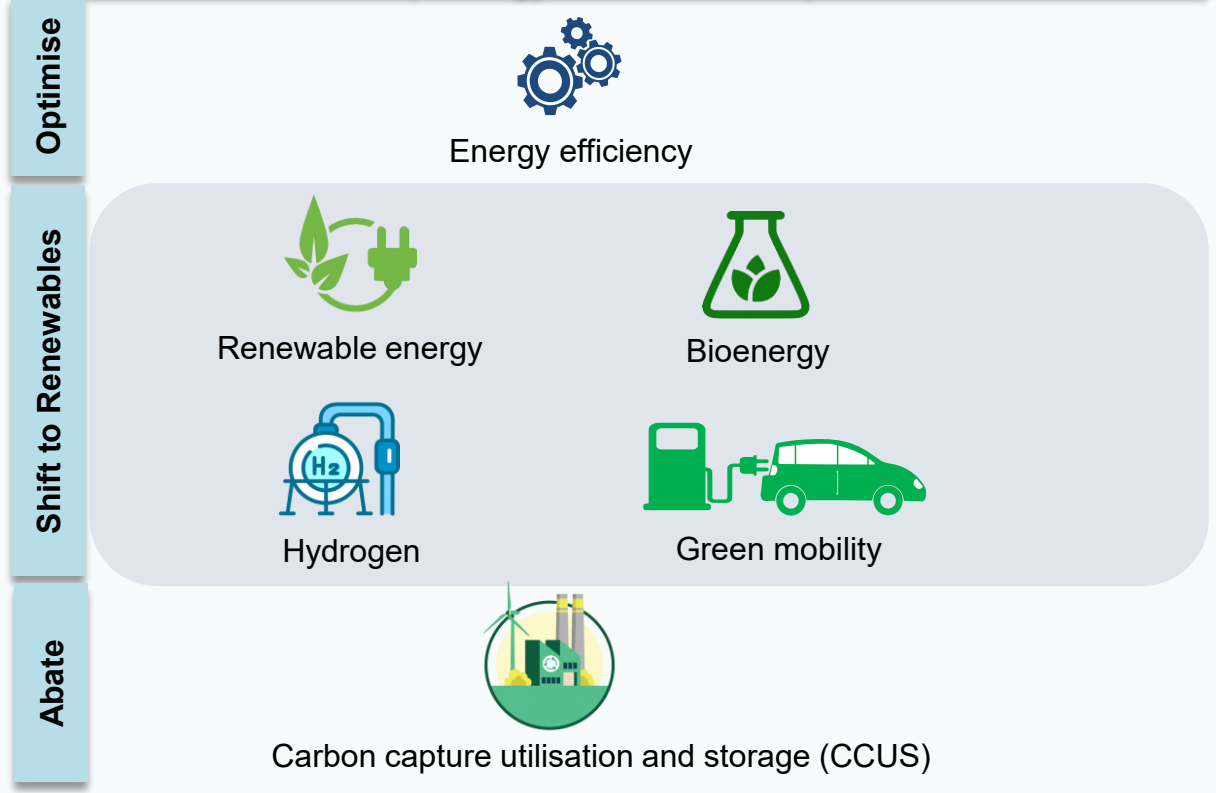
The **Twelfth Malaysia Plan 2021-2025** which outlines aspirations for the nation to achieve net zero emissions by 2050.

The **National Energy Policy (DTN)** launched in September 2022 with aspirations to become a low carbon nation in 2040.

Review of RE policies

- 1 To increase the country's installed RE capacity from **40% in 2035** to **70% by 2050**;
- 2 To introduce the concept of a **self-contained system according to the "willing buyer, willing seller" principle** to the RE development framework;
- 3 To increase **the installation of solar systems on government buildings**; and
- 4 To allow **cross-border RE trade** through the establishment of an electricity exchange system, complementing the ASEAN power grid initiative.

NETR Part 1 (6 energy transition levers)



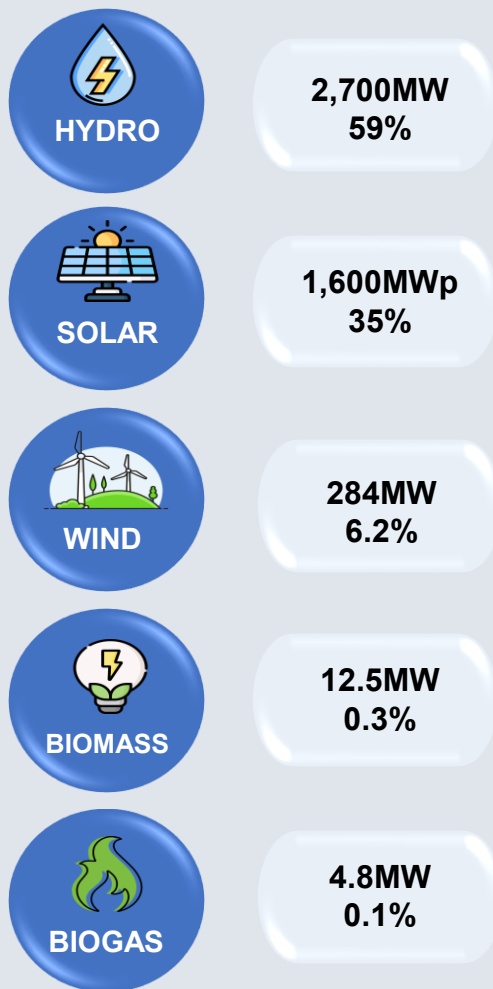
NETR Part 2 (Focus on biomass, waste-to-energy usage, CCS and hydrogen integration)

- 1 Establish the National Energy Council
- 2 Set up the National Energy Transition Facility (NETF) with a seed fund of RM2 billion
- 3 Establish and launch a RE exchange in 2024

We remain resolute in delivering our RE target capacity of 14.3GW by 2050

RE portfolio

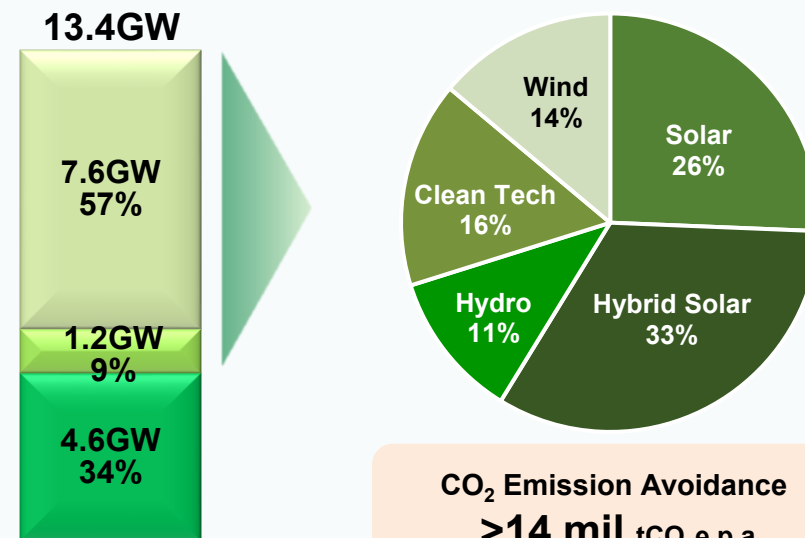
4.6GW as at September 2025



Champion for 3 flagship catalyst projects

- Establishment of Large-Scale Solar Parks over 5 sites, each with 100MW capacity,
- Development of Hybrid Hydro-Floating Solar (HHFS) at existing dams with a capacity of 2,500MW, and
- Co-firing of Hydrogen and Ammonia at our power plants.

13.4GW Group Secured RE Capacity (as at September 2025)



CO₂ Emission Avoidance
>14 mil tCO₂e p.a.

■ In operation ■ Under construction ■ In pipeline

Note: Exclude SESB

Notes:

- Solar gross capacity is quoted in MWp
- Numbers manually computed will not match due to decimal variance

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