TENAGA NASIONAL

Better. Brighter.

Q1

2 0 2 1

PRESENTATION TO ANALYSTS

28TH MAY 2021

Unaudited Consolidated Result for the

1st Quarter FY2021 Ended 31st March 2021

CONTENT OVERVIEW

FY2021 HIGHLIGHTS & FOCUS AREAS

1QFY2021 Highlights

01
Resilient 1QFY2021 performance, although some challenges persist

- Profit after tax (PAT) increased by RM236.8 mil mostly on lower forex translation loss during the quarter.
- Electricity demand contraction narrowing from the lowest -12.9% in 2QFY'20 to -0.3% in the current quarter.
- Continued improvement in collection from June'20 to Mar'21 as better collection efficiency rate from 91% to 97% for the period.
- Our subsidiaries' (SESB and manufacturing business) performance momentum continues into 1QFY'21.

02
RE target is well on track

- GSPARX awarded solar PV contract by the Ministry of works; 12 JKR HQ & 10 state buildings (1,221 kWp).
- LSS4 Bukit Selambau (50MW) - received a Letter of Notification as a Shortlisted Bidder from the EC to develop a 50MW Large Scale Solar (LSS) plant.
- Nenggiri Hydro Plant will add another 300 MW to RE capacity, once approved by the Energy Commission.
- TNB forms partnership with Sunseap to export clean energy to Singapore.
- TNB to acquire 39% stake in 21.6MW rooftop solar power plant in Vietnam from Sunseap.

03
TNB Power Generation Sdn Bhd (GenCo) continues to improve

- **Performance** - 57% EBIT growth due to higher dispatch of hydro plants during monsoon season in 1QFY'21
- **Growth** - SPG operationalized despite challenges due to lockdown (Unit 1: 1st Jan'21, Unit 2: 19th Feb'21)
- **Efficiency** - Improvement in Productivity (RM/staff) by 93%

Focus Areas

- Reimagining TNB's (RT) aspiration: To be the leading provider of sustainable energy solutions in Malaysia and internationally.
- Continue to pursue domestic & International target of 8.3GW RE generation capacity by 2025.
- GenCo continue to focus on operational excellence, plant turnaround and assets & services expansion.

Sustainability Commitment

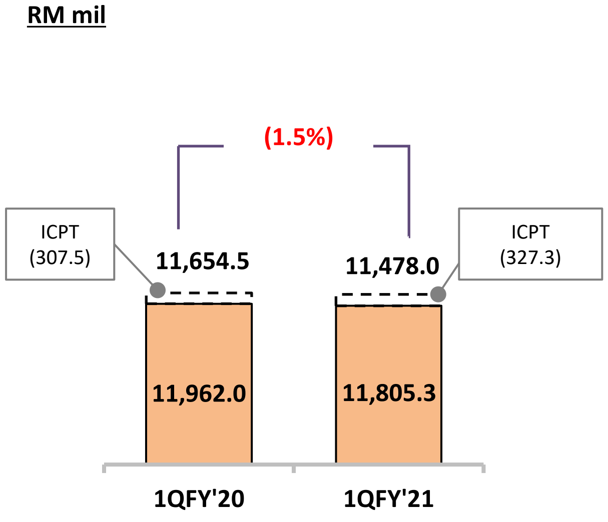
- Currently syndicating our Sustainability Pathway which includes long term commitments which is expected to be announced in 2HFY'21.

Regulatory Period 3

- TNB is in the midst of discussion with Energy Commission (EC) in regards to RP3. TNB to continue to pursue the right returns, as under investments (due to insufficient returns) could potentially risk the reliability of the network, fail to meet the growing and changing needs of customers and disrupt Malaysia's energy transition efforts.

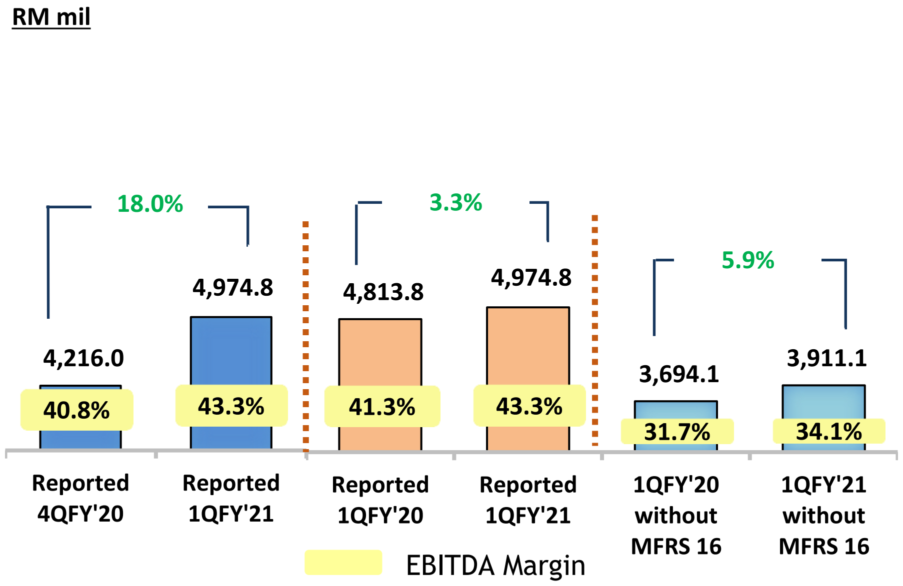
Our 1QFY'21 performance remain resilient, although some challenges persist

REVENUE



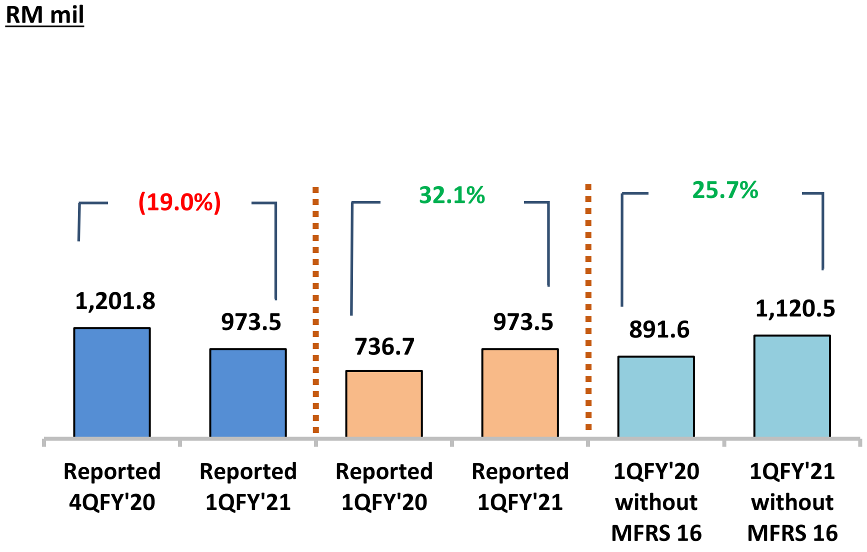
- Revenue impacted by :
  - Lower sales of electricity as unit sold decrease by 0.2% Y-o-Y at 29,316.6 GWh (29,374.9 GWh – 1QFY'20), amounting to RM165mil.

EBITDA



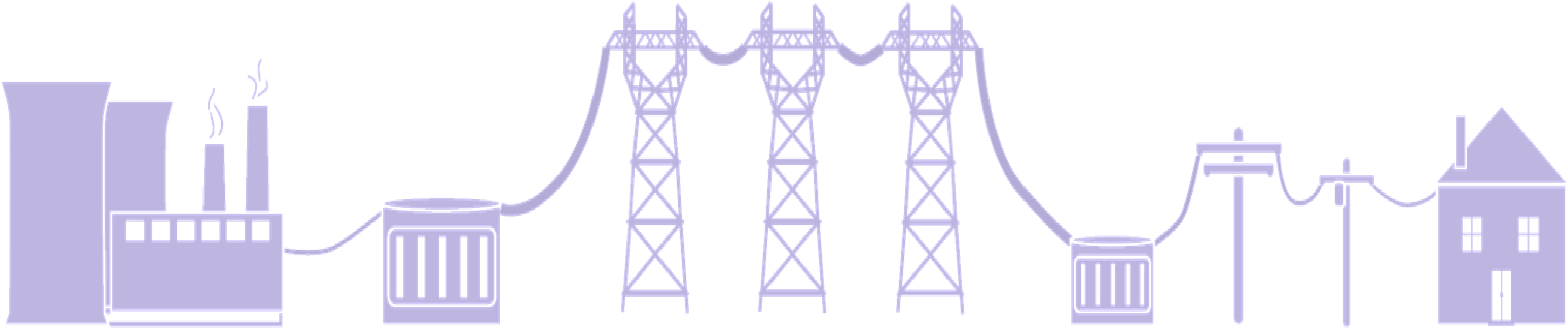
- Reported EBITDA margin increased to 43.3% due to lower operating expenses by 6.5% recorded in 1QFY'21 mainly on lower generation costs resulted from reduction in demand and gas price.
- Our EBITDA performance supported by :
  - Generation business (GenCo) with EBITDA recorded at RM 965.5mil.
  - International Business portfolio recorded positive EBITDA equivalent to USD 123.7mil . (Refer Appendix for details).

PROFIT AFTER TAX



- Reported PAT 1QFY'21 includes:
  - Negative MFRS16 impact of RM147.0mil (1QFY'20 : RM154.9mil)
  - Forex translation loss of RM56.8mil (1QFY'20 : RM388.0mil)
  - Gain on Fair Value of Financial Instrument of RM109.3mil (1QFY'20 : Loss of RM26.0mil)
  - GenCo recorded higher PAT of RM 570.1mil resulted from better hydro power plant performance due to monsoon season.

Robust technical performance



Equivalent Plant Availability Factor (EAF)
(Generation)

83.71%

1QFY'20: 88.63%

2021 Target: 86.1%

System Minutes
(Transmission)

0.03 mins

1QFY'20 : 0.01 mins

2021 Target: 2.0 mins

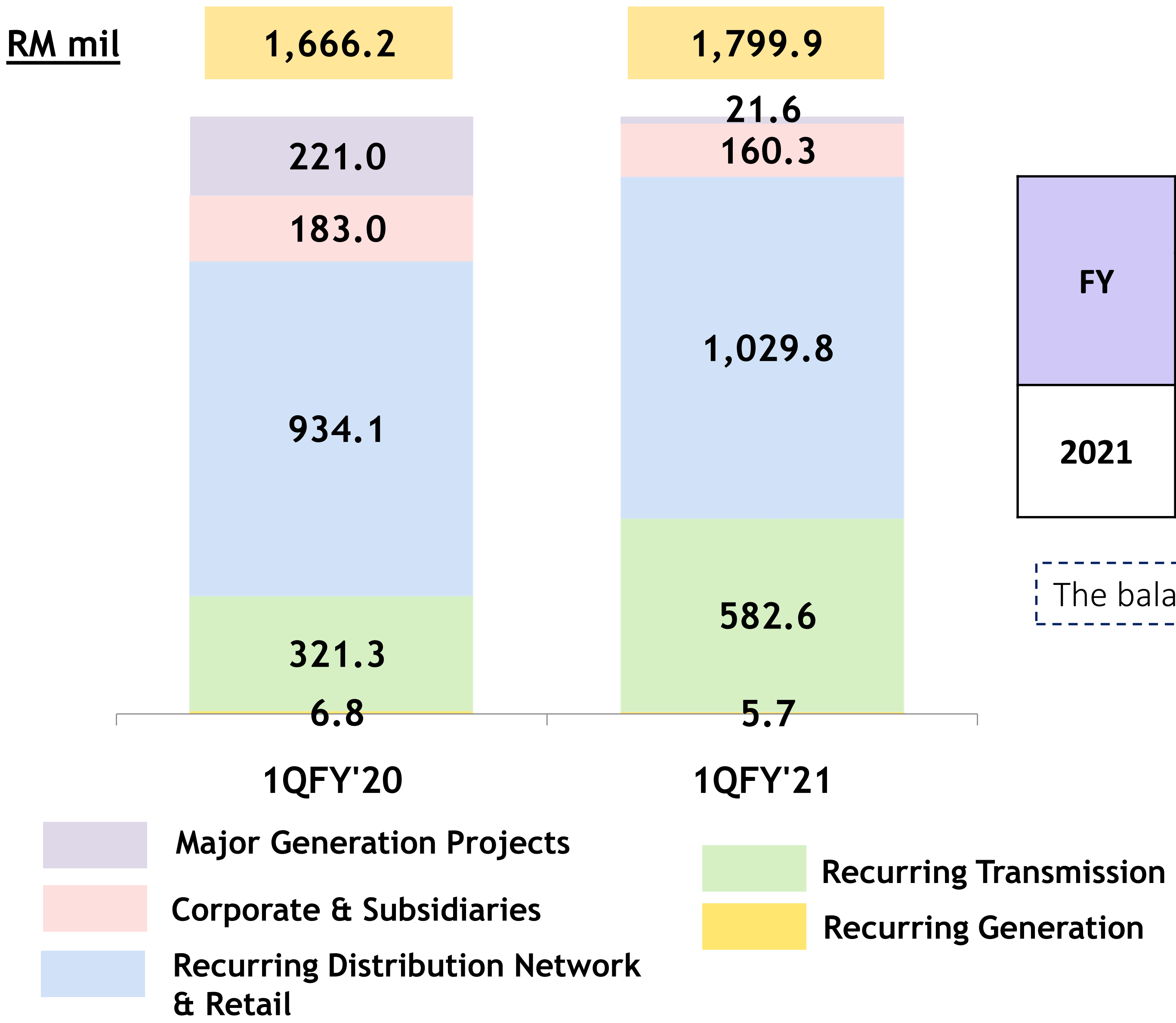
SAIDI
(Distribution Network)

11.97 mins

1QFY'20 : 11.81 mins

2021 Target: 55.0 mins

Regulated CAPEX spending is on track



FY	RP2 EXTENSION REGULATED ENTITIES CAPEX		
	IBR Approved (RM mil)	Actual YTD (RM mil)	Utilization (%)
2021	7,295.7	1,619.2 As at Mar'21	22.2%

The balance of the Regulated CAPEX for FY2021 is RM5,676.5mil

CONTENT OVERVIEW

TNB champions an ambitious strategy to drive the nation's Energy Transition amidst a rapidly-evolving industry landscape

TO BE A LEADING PROVIDER OF SUSTAINABLE ENERGY SOLUTIONS IN MALAYSIA AND INTERNATIONALLY

Future Generation Sources

2025 EBIT Target : RM5.0bil

Main Initiatives:
- Growing TNB's renewable capacity
- Expansion of capacity into selected international strategic markets with strong growth prospects
- Improving performance of existing generation fleet

2021 Focus:
- Improve performances of existing assets
- Operationalisation of RACo & ReDevCo
- Explore SEA for RE expansion

Grid of the Future

2025 EBIT Target: RM6.1bil

Main Initiatives:
- Upgrading existing network infrastructure into a smart, automated and digitally enabled network
- Optimising network's productivity, efficiency and reliability
- Leveraging innovation in the network to transform customer experience

2021 Focus:
- Complete Smart Meter target installations
- RAB Expansion through utilization of allowed CAPEX on Grid modernization Project
- Reduce System Losses

Winning the Customer

2025 EBIT Target: RM0.7bil

Main Initiatives:
- Enhance experience through all customer journeys for service, interaction, communication channels
- Growth through innovation of new solutions and service offerings
- Strengthen digital presence via digital solutions, interactions and enterprise

2021 Focus:
- Enhance customer service by ensuring customers experience a seamless interaction with TNB from the start to the end through Network of Teams models
- Expansion of rooftop solar PV

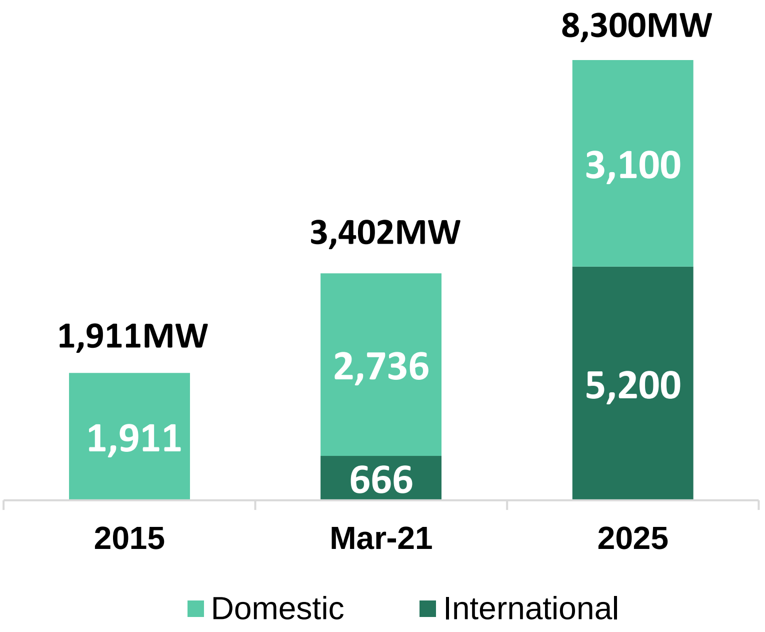
Future Proof Regulation

Main Initiatives:
- Working together with key stakeholders towards a stable and sustainable regulatory landscape

2021 Focus:
- RP3 Proposal Approval
- Shape TNB sustainability agenda

The increasing emphasis on Sustainable Energy sets the tone for ambitious RE targets

TNB RE Target of 8,300MW by 2025



Apart from realigning our generation mix towards cleaner energy sources, our sustainability efforts are across the power sector value chain. Our sustainability pathway plan is progressively under review of which commitments are expected to be disclosed by 2HFY'21.

Note:
RE includes large hydro

Progress

Domestic

Large Scale Solar (LSS)
- TNB has been shortlisted to develop a 50MWa.c. LSS Plant at Bukit Selambau, Kedah under LSS4 program.
- The development of the 50MW LSS plant will increase our LSS capacity to 130MW

Large Hydro
- Nenggiri Hydro Plant will add another 300 MW to the existing large hydro installed capacity of 2,536.1MW, once approved by the EC.

Rooftop Solar PV
- As at March 2021, GSPARX successfully secured total capacity of 85MW

International

Ambition 1: Renewable Energy Driver in UK / Europe
- The formation and establishment of management of RACo is ongoing and expected to be completed by 2QFY'21.
- Acquisition of a 500kW FiT turbine in the UK is completed in May 2021. The total capacity for TNB's UK wind portfolio is now at around 27MW.

Ambition 2: Growing TNB's utility business in South East Asia
- Singapore: Secure corporate PPAs in partnership with Sunseap and jointly bid (with Sunseap) for 100MW cross-border energy supply trial by Energy Market Authority. We are currently finalizing the shareholder's agreement.
- Vietnam: Finalising acquisition of 39% stake from Sunseap in 21.6MW rooftop solar project which expected to be completed by 2QFY'21.

CAPEX under regulated business is key to enabling Malaysia's Energy Transition (ET)

Regulated businesses spends on average ~16% of its CAPEX towards supporting Energy Transition

Annual Regulated CAPEX to support Energy Transition

Major projects related to ET

Advanced Metering Infra. (AMI)	• Smart meter program enables customer to have an improved access and management to their energy consumption. It also improves operational effectiveness by reducing response time, automating processes and improving data accuracy. • As at March 2021, 1,116,651 units of smart meters installed out of 1.5mil units to be installed across Peninsular Malaysia in 2021.
Advanced Distribution Management System (ADMS)	• ADMS is the software platform that supports the full suite of distribution management and optimization. • An ADMS includes functions that automate outage restoration and optimize the performance of the distribution grid.
LED Relamping	• Replacement of traditional high pressure sodium vapor (HPSV) street lightings with light emitting Diode (LED) which are cost efficient (longer lifespan), lower electricity consumption and more environmental friendly. • As at March 2021, 486,712 units installed out of 0.63mil units to be installed across Peninsular Malaysia in 2021.
Volt-Var Optimisation (VVO)	• VVO is an advanced application that runs periodically or in response to operator demand, at the control center for distribution systems or in substation automation systems. • Benefits of VVO includes improve compliance to statutory voltage limit, enhance network efficiency and reduce power losses at both transmission and distribution network level.

Expansion of broadband offering riding on our fibre optic infrastructure is a catalyst for future non-regulated revenue stream

allo! The Smarter Connection

Broadband Business

- TNB via its wholly owned subsidiary, Allo Technology Sdn. Bhd is focusing on developing & operating High-Speed Broadband (HSBB) open access network services and wholesale the HSBB network to any Telco retail service provider to become HSBB retailer to the public
- As at March 2021, Allo has expanded its fibre broadband footprint in Peninsular Malaysia to around 63,000 premises and it is expected to expand to about 150,000 premises by 2021
- Allo is working closely with the regulators in its fibre industry business participation especially in closing the digital gap for Malaysia digital economy enablement and to achieve the aspiration of the Pelan Jalinan Digital Negara (JENDELA) as well as supporting the recently established MyDigital Blueprint by the Government.
- The MyDigital Blueprint initiatives particularly under the 3rd strategic thrust of "Build enabling digital infrastructure", can assist Allo in accelerating current broadband rollout through initiatives 2 and 3.

Progress

Melaka (completed)
- Premises Ready For Service: 17,048

Perak
- Premises Ready For Service : 33,325
- Target Premises Passed: 50,511

Kedah
- Premises Ready For Service : 12,406
- Target Premises Passed: 26,800

Penang
- Target Premises Passed: 10,800

Johor
- Target Premises Passed: 50,250

CONTENT OVERVIEW

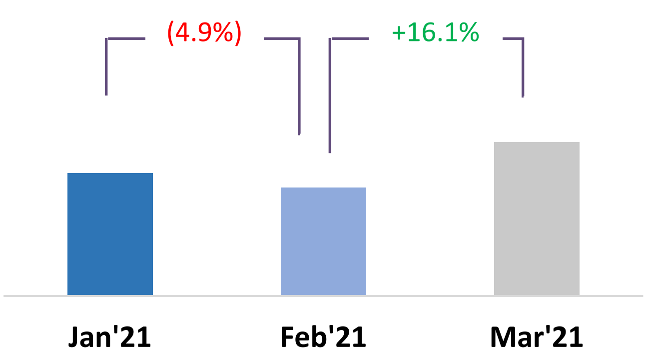
ELECTRICITY DEMAND IS EXPECTED TO RECOVER IN 2021 COMPARED TO THE DECLINE IN 2020

Electricity Demand

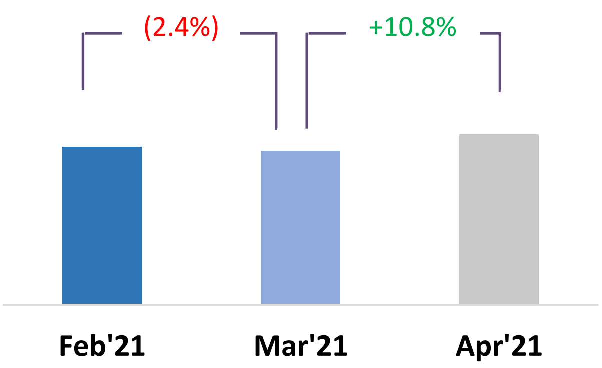
- Under RP2 extension year, our approved demand forecast is 113,909 GWh or 2.9% growth compared to contraction of 4.9% in 2020.
- We expect the lockdown for this year to be less severe than in FY2020 as most businesses are allowed to operate during MCO/CMCO.
- Nevertheless, earnings of our regulated revenue cap entities are guaranteed at demand growth as stipulated by the IBR guidelines.

Snapshot of demand, sales & collection (Monthly trending)

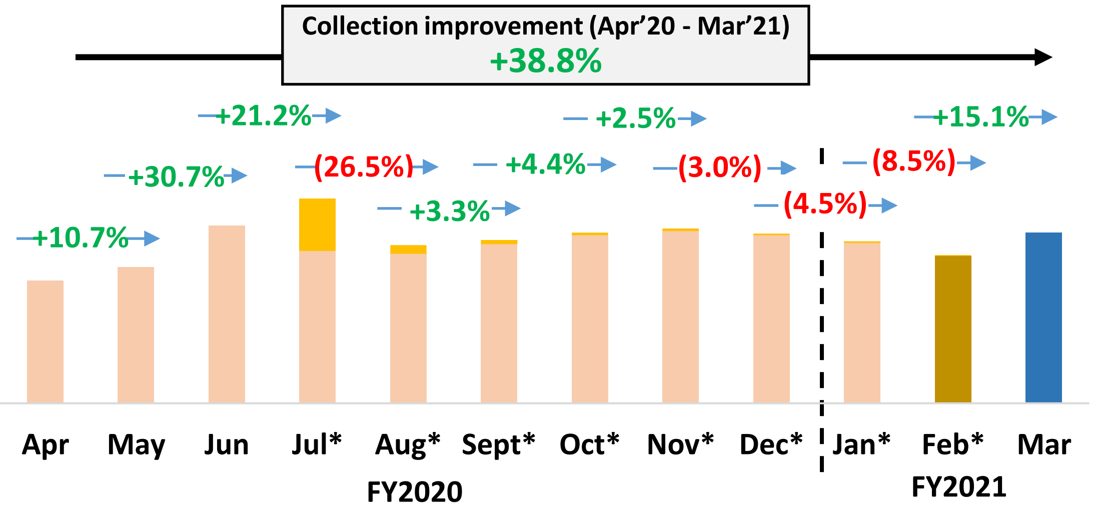
Demand /Unit Generated (GWh)



Sales (RM)



Collection (RM)



Note: There is a lagging effect between units generated and Sales e.g. units generated in Dec'20 will be reflected as Sales for Jan'21

* Collection include Bantuan Prihatin Elektrik (BPE) of :

Jul – RM1.1bil	Oct – RM0.5mil	Jan'21 – RM0.3mil
Aug – RM1.8mil	Nov – RM0.5mil	Feb'21 – RM0.15mil
Sep – RM0.9mil	Dec – RM0.3mil	

Bantuan Prihatin Elektrik

FOCUS TO STRENGTHEN BOTH REGULATED & NON-REGULATED BUSINESS

Business Focus

Regulatory Period 3

- TNB is in the midst of discussion with EC in regards to RP3. TNB to continue to pursue the right returns, as under investments (due to insufficient returns) could potentially risk the reliability of the network, fail to meet the growing and changing needs of customers and disrupt Malaysia's energy transition efforts.

GenCo

Main focus includes:

- Performance – To deliver sustainable returns by ensuring high availability and reliability for key assets.
- Growth – To capture new clean and green plant-ups opportunities whilst growing our asset-light services (Operation & Maintenance and other adjacent sectors i.e. oil & gas).
- Efficiency - To deliver plant operational excellence by scaling up turnaround programs and uplifting productivity across the business.

International Business

- For 2021, we will be executing a strategy aimed at protecting value from existing assets, which includes Liberty, Shuaiba, GEAS and GEL and creating value for performing assets (Vortex and TWV)
- Part of this strategy involves executing a plan focusing on growing TNB's international Renewable Energy business leveraging on existing assets, capabilities and experience.

Sustainability

- We aim to champion the Energy Transition and we are ramping up our efforts across the power sector value chain which includes Grid of The Future investments and sustainable energy offerings.

Dividend Policy

We will continue to honour our dividend policy of 30% to 60% dividend payout ratio, based on the reported Consolidated Net Profit Attributable to Shareholders After Minority Interest, excluding Extraordinary, Non-Recurring items.

2021 CAPEX

RM9.5 bil

- Regulated Recurring : RM7.3bil
- Others : RM2.2bil

CONTENT OVERVIEW

APPENDIX 1 PROFIT & LOSS

Year-on-year (Y-o-Y) analysis

RM mil		1QFY'21	1QFY'20	Variance RM mil	Variance %
Revenue		11,478.0	11,654.5	(176.5)	(1.5)
Operating expenses (without depreciation)		(6,499.5)	(6,954.6)	455.1	(6.5)
Net loss on impairment of financial instruments	1	(180.4)	(101.6)	(78.8)	77.6
Other operating income		176.7	215.5	(38.8)	(18.0)
EBITDA		**4,974.8**	**4,813.8**	**161.0**	**3.3**
EBITDA Margin (%)		43.3%	41.3%		
Depreciation	2	(2,647.0)	(2,590.0)	(57.0)	2.2
EBIT		**2,327.8**	**2,223.8**	**104.0**	**4.7**
Foreign exchange:					
- Transaction loss		(56.8)	(14.8)	(42.0)	>100.0
- Translation gain / (loss)	3	(41.7)	(388.0)	346.3	(89.3)
Share of results of joint ventures		6.3	6.3	-	-
Share of results of associates	4	16.3	9.4	6.9	73.4
Profit before finance cost		**2,251.9**	**1,836.7**	**415.2**	**22.6**
Fair value changes of financial instrument		109.3	(26.0)	135.3	>(100.0)
Finance income	5	48.0	103.7	(55.7)	(53.7)
Finance cost	2	(931.9)	(898.0)	(33.9)	3.8
Profit from ordinary activities before taxation		**1,477.3**	**1,016.4**	**460.9**	**45.3**
Taxation and Zakat:					
- Company and subsidiaries		(564.7)	(479.0)	(85.7)	17.9
- Deferred taxation		60.9	199.3	(138.4)	(69.4)
Profit for the period		**973.5**	**736.7**	**236.8**	**32.1**
Attributable to:					
- Owners of the Company		958.7	717.9	240.8	33.5
- Non-controlling interests		14.8	18.8	(4.0)	(21.3)
Profit for the period		**973.5**	**736.7**	**236.8**	**32.1**

Y-o-Y PAT includes:

1. Higher due to increase in ADD of RM121.5mil and impairment made for LPL of RM60.4mil
2. Higher depreciation and finance cost mainly due to the commissioned of Southern Power Generation (SPG) in in February 2021
3. Lower translation loss due to strengthening of MYR
4. Higher share of result of associates mainly contributed by Jimah Energy Venture
5. Lower finance income resulted from lower placement in Unit Trust Fund and lower interest rate for Fixed Deposit

Quarter vs Previous Quarter (1QFY'21 vs 4QFY'20) analysis

RM mil	1QFY'21	4QFY'20	Variance RM mil	Variance %
Revenue (1)	11,478.0	10,324.3	1,153.7	11.2
Operating expenses (without depreciation)	(6,499.5)	(6,133.0)	(366.5)	6.0
Net loss on impairment of financial instruments	(180.4)	(204.5)	24.1	(11.8)
Other operating income	176.7	229.2	(52.5)	(22.9)
EBITDA	**4,974.8**	**4,216.0**	**758.8**	**18.0**
EBITDA Margin (%)	43.3%	40.8%		
Depreciation	(2,647.0)	(2,761.0)	114.0	(4.1)
EBIT	**2,327.8**	**1,455.0**	**872.8**	**60.0**
Foreign exchange:				
- Transaction loss	(56.8)	(25.9)	(30.9)	>100.0
- Translation gain / (loss)	(41.7)	245.9	(287.6)	>(100.0)
Share of results of joint ventures	6.3	23.1	(16.8)	(72.7)
Share of results of associates	16.3	15.6	0.7	4.5
Profit before finance cost	**2,251.9**	**1,713.7**	**538.2**	**31.4**
Fair value changes of financial instrument (2)	109.3	64.9	44.4	68.4
Finance income	48.0	48.2	(0.2)	(0.4)
Finance cost	(931.9)	(935.2)	3.3	(0.4)
Profit from ordinary activities before taxation	**1,477.3**	**891.6**	**585.7**	**65.7**
Taxation and Zakat:				
- Company and subsidiaries	(564.7)	(3) 481.9	(1,046.6)	>(100.0)
- Deferred taxation	60.9	(171.7)	232.6	>(100.0)
Profit for the period	**973.5**	**1,201.8**	**(228.3)**	**(19.0)**
Attributable to:				
- Owners of the Company	958.7	1,211.9	(253.2)	(20.9)
- Non-controlling interests	14.8	(10.1)	24.9	>(100.0)
Profit for the period	**973.5**	**1,201.8**	**(228.3)**	**(19.0)**

Q vs Previous Q PAT includes:

1. Higher Revenue mainly due to lower over-recovery in ICPT
2. Higher gain mainly from fair value for interest rate swap
3. Includes Reinvestment Allowances (RA) & Capital Allowance (CA) from project completion

Y-o-Y normalised EBITDA & PAT for 1QFY'21

EBITDA Components		1QFY'21 RM mil	1QFY'20 RM mil
Reported EBITDA		4,974.8	4,813.8
Impairment	1	336.8	-
MFRS16 impact		(1,063.7)	(1,119.7)
Normalised EBITDA	2	4,247.9	3,694.1

PAT Components		1QFY'21 RM mil	1QFY'20 RM mil
Reported PAT		973.5	736.7
Impairment	1	336.8	-
Forex Translation		56.8	388.0
MFRS16 impact	3	147.0	154.9
Normalised PAT	2	1,514.1	1,279.6

1

Impairment in 1QFY'21 includes:

- GMR : RM 276.4mil
- LPL : RM 60.4mil

2

Higher Normalised EBITDA and PAT in 1QFY'21 mainly due to:

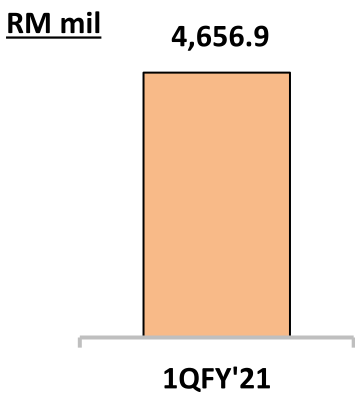
	RM mil
Higher hydro power plant performance due to monsoon season in 1QFY'21	302.0
Lower operating expenditure due to seasonality	119.8
Total	**421.8**

3

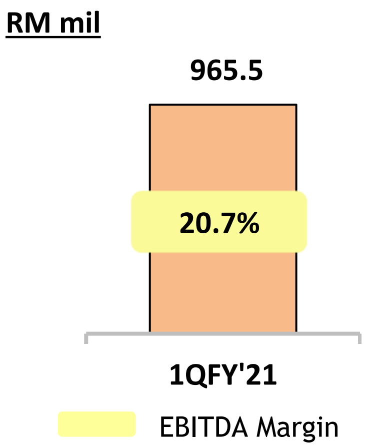
MFRS 16 impact for 1QFY'21 includes deferred tax. Please refer Appendix 18 for details.

GenCo earnings due to hydro performance

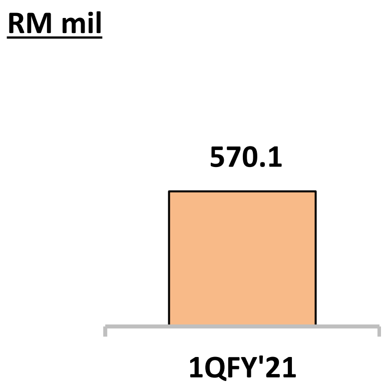
REVENUE



EBITDA



PROFIT AFTER TAX

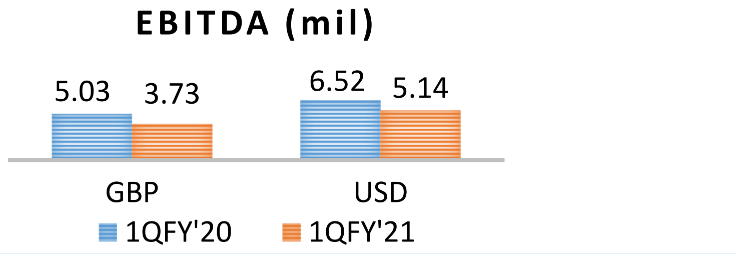


1QFY'21 PAT was mainly contributed by the increase in hydro generation during monsoon season which has resulted to a high level of water in our hydro power plants.

APPENDIX 5 INTERNATIONAL BUSINESS

Vortex Solar UK Limited

EM: 63%



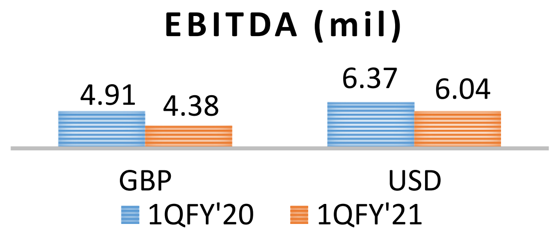
- EBITDA YoY is lower due to lower generation by 9% due to lower irradiance compared to 1QFY’20.
- In addition, Vortex has taken the initiative to have repair works done in 1QFY’21 to capitalize on the solar off-peak season during winter months which in turn caused a spike in OPEX. The spike is expected to smoothen in the upcoming quarters.
- The most recent cash distribution was declared in Dec’20 of GBP2.92mil, bringing the total cash distribution to date is GBP19.75mil.

Outlook for Vortex:

- The portfolio has successfully locked its PPA price which is above the market price projection for period Apr’21 to Mar’22.
- With majority of maintenance work covered in 1QFY’21, Vortex’s financial performance will smoothen out against budget in the coming summer season as generation will start to pick up.
- LIBOR will be discontinued effectively by end of 2021 as banks move to alternative risk free rates and is expected to have minimal impact to the portfolio.

Tenaga Wind Ventures (TWV)

EM: 74%



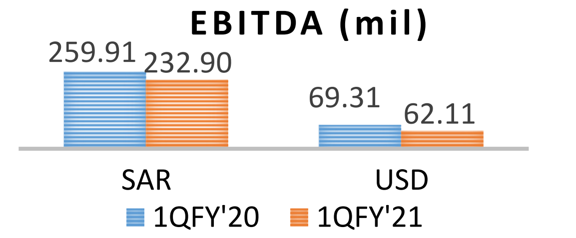
- EBITDA YoY is lower due to the lower PPA tariff of about 9% in 1QFY’21 compared to 1QFY’20 which contributes to lower revenue.
- The above is further impacted by the lower YoY generation by 23% as the wind speed is lower compared to previous year.
- Additional cash distribution was declared in Mar’21 of GBP11.65mil, bringing the total cash distribution to date is GBP42.29mil.

Outlook for TWV:

- The portfolio has successfully locked its PPA price at an average higher than the export tariff price offered by government electricity regulator (Ofgem) for period Apr’21 to Mar’22.
- LIBOR will be discontinued effectively by end of 2021 as banks move to alternative risk free rates and is expected to have minimal impact to the portfolio.

Shuaibah

EM: 77%



- Slight decrease of EBITDA YoY is due to lower power generation by 8%.
- Nevertheless, Shuaibah maintains solid financial performance with higher EBITDA margin against industry average by 31%.
- Accumulated cash distribution as at Mar’21 is c.USD38.59mil (120% of our cost of investment).

Outlook for Shuaibah:

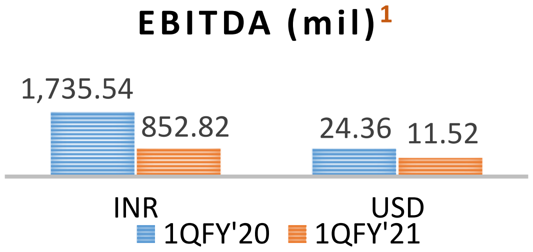
- Despite crude prices stabilizing, International Monetary Fund (IMF)’s latest revision lowers Saudi’s 2021 GDP growth due to rising infections affecting demand.
- However, the management actively maintains good relationship and communication with Saudi Government to ensure shareholders interest are protected through the amended Power and Water Purchase Agreements (PWPA) resulting in stable revenue in Shuaibah.
- Shuaibah’s performance is expected to remain positive with a steady dividend distribution to shareholders.

Outlook for UK Renewable Energy (RE) Platforms:

- The strong vaccination rollout in the UK has led to upward revision in 2021 GDP growth estimates. The recent commodity price rises is also favorable for our assets and the broader sector. Moreover, inflation rate is expected to recover as Retail Price Index (RPI) and Consumer Price Index (CPI) observed to maintain at the acceptable rate and expected to continuously improve.
- Both RE assets will be structured under the Renewable Asset Co (RACo) platform with a higher capacity target through acquisitions of operational RE assets leveraging on existing assets, capabilities and experience. RACo CEO was hired and officially on board on 1 Feb 2021. Subsequently, the CFO post has also been identified and filled alongside few other key personnel. The Business Plan was approved on 27 April 2021 and ready for execution. The next phase would be on the legal establishment of RACo.
- RE offers an attractive appeal for strategic and financial investors seeking exposure to stable yielding assets, besides committing to ESG goals. Thus, with the establishment of RACo, it is expected to contribute 3.4GW of RE capacity by 2025. This will add up to the ~5GW of TNB’s International RE target by 2025.

Note : EM : YTD EBITDA Margin

GMR Energy Limited (GEL) EM: 24%

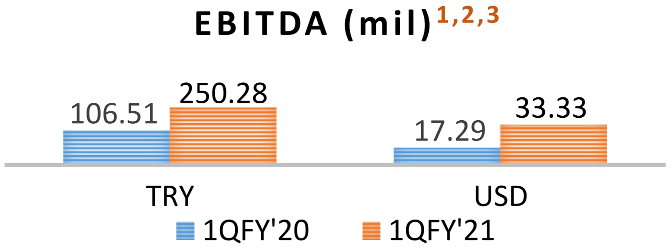


- Although overall generation YoY is higher by 18%, revenue is still lower due to expiry of lucrative PPA in Warora which is now sold at lower merchant market price.
- In addition, GEL portfolio faced operational issues due to planned and forced outages in Warora as maintenance services were being carried out in 1QFY'21.

Outlook for GEL:

- The second wave of infection which began in March 2021 is expected to lower India's economic growth given that the strain is more infectious and could be more disruptive to the economic recovery as vaccination rates are declining.
- With the DISCOMs (Distribution Company)'s liquidity stress still persisting, Union Power Ministry current focus is to improve DISCOMs viability by tariff revisions.

GAMA Enerji A.S. (GEAS) EM: 37%



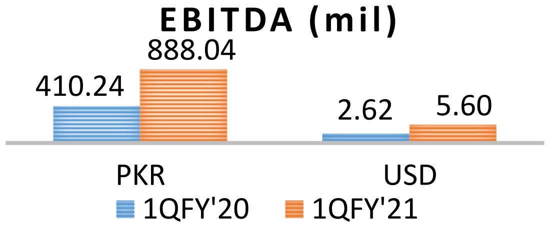
- YoY EBITDA higher due to the quick recovery of the power demand and prices on the back of progressive lifting of Covid-19 economic lockdown and stable gas prices.
- GEAS's operational performance has been within expectation The company has sustained high levels of availability and reliability for all of its assets with minimal forced outage. In addition, generation improved by 18% during the period.

Outlook for GEAS:

- The ongoing COVID-19 vaccination program may further support affected major industries such as tourism and strengthening the Lira.
- The ICAN debt restructuring with favorable terms is near to conclusion and the definitive agreement is targeted to be executed in 2QFY'21.

Notes :
EM : YTD EBITDA Margin
[1]Reported 3 months lagging
[2]Exclude EBITDA impairment of TRY419.4mil (USD60.2mil) made at asset level in Q1 FY'20 (driven by unfavorable economy condition i.e. low electricity market prices and high forex)
[3]Previous AB Q1 FY'20 has reported Actual EBITDA, however reporting standardized to Normalised EBITDA from AB Q2 FY'20 onwards

TNB Liberty Power Limited (LPL) EM: 42%



- EBITDA YoY is higher due to higher generation by 51% and lower operating expenses.

Outlook for Liberty:

- The pandemic has worsen Pakistan power market structural issues in the economy. The plant's cashflows continue to be affected due to increasing outstanding receivables from the offtaker.
- LPL is dependent on the government for its gas supply as there is no valid Gas Supply Agreement (GSA) in place. LPL is in discussions with the government on concluding the terms of the GSA.
- In April 2020, LPL won its arbitration award on the disputed outstanding receivables. To date, LPL has not received a reply on the demand letter issued in November 2020 to fully recoup the outstanding receivables.
- TNB has signed a Share Sale Agreement on 27 Jan 2021 with AsiaPak and the sale is subject to satisfaction of conditions precedent which is expected to be fulfilled by mid June 2021. The sale of LPL would allow TNB to monetize its investment in LPL and to redeploy capital to grow its renewable energy portfolio.

APPENDIX 7 REVENUE

Lower sales of electricity compensated through regulatory adjustment, while domestic non-regulated business impacted by Covid-19 pandemic

	1QFY'21		4QFY'20			Variance (1QFY'21 vs 4QFY'20)		1QFY'21		1QFY'20			Variance (1QFY'21 vs 1QFY'20)	
UNITS SOLD	GWh		GWh			GWh	%	GWh		GWh			GWh	%
Sales of Electricity (GWh)														
- TNB	27,852.8		28,455.4		1	(602.6)	(2.1)	27,852.8		27,938.1		1	(85.3)	(0.3)
- SESB	1,286.8		1,322.0			(35.2)	(2.7)	1,286.8		1,336.8			(50.0)	(3.7)
- EGAT (Export)	-		0.2			(0.2)	(100.0)	-		-			-	-
- LPL	103.2		152.1			(48.9)	(32.1)	103.2		68.2		2	35.0	51.3
- TNBI (UK Wind)	24.4		24.7			(0.3)	(1.2)	24.4		31.8		3	(7.4)	(23.3)
- TNBI (Vortex)	49.4		31.4			18.0	57.3	49.4		-			49.4	>100.0
Total Units Sold (GWh)	**29,316.6**		**29,985.8**			**(669.2)**	**(2.2)**	**29,316.6**		**29,374.9**			**(58.3)**	**(0.2)**
REVENUE	RM mil	Sen/ KWh	RM mil	Sen/ KWh		(RM mil)	%	RM mil	Sen/ KWh	RM mil	Sen/ KWh		(RM mil)	%
Sales of Electricity (RM)														
- TNB	10,939.1	39.76	11,410.3	40.00		(471.2)	(4.1)	10,939.1	39.76	11,477.7	40.23		(538.6)	(4.7)
- Sales Discount	(20.9)		(369.2)			348.3	(94.3)	(20.9)		-			(20.9)	-
- SESB	431.7	34.11	445.3	33.47		(13.6)	(3.1)	431.7	34.11	467.5	34.55		(35.8)	(7.7)
- Sales Discount	-		(6.5)			6.5	(100.0)	-		-			-	-
- Accrued Revenue	143.7		(31.4)			175.1	(557.6)	143.7		(243.0)			386.7	>100.0
- EGAT (Export)	-	-	0.1	-		(0.1)	(100.0)	-	-	0.1	-		(0.1)	>(100.0)
- LPL	53.7	52.03	35.4	23.27		18.3	51.7	53.7	52.03	43.1	63.20		10.6	24.6
- TNBI (UK Wind)	33.3	136.48	32.4	131.17		0.9	2.8	33.3	136.48	33.5	105.35		(0.2)	(0.6)
- TNBI (Vortex)	33.1	67.00	21.8	69.43		11.3	51.8	33.1	67.00	-	-		33.1	-
Sales of Electricity	**11,613.7**	**39.61**	**11,538.2**	**38.48**		**75.50**	**0.65**	**11,613.7**	**39.61**	**11,778.9**	**40.10**		**(165.2)**	**(1.4)**
Imbalance Cost Pass-Through	(327.3)		(1,555.3)		4	1,228.0	(79.0)	(327.3)		(307.5)			(19.8)	6.4
Other Regulatory Adjustment	(55.7)		(373.9)		5	318.2	(85.1)	(55.7)		(165.7)		5	110.0	(66.4)
Relief Package from Government	20.9		375.7			(354.8)	(94.4)	20.9		-			20.9	>100.0
SESB Tariff Support Subsidy	87.0		83.0			4.0	4.8	87.0		115.6			(28.6)	(24.7)
Others	(18.6)		51.7			(70.3)	(136.0)	(18.6)		-			(18.6)	>(100.0)
Total Sales of Electricity	**11,320.0**		**10,119.4**			**1,200.6**	**11.9**	**11,320.0**		**11,421.3**			**(101.3)**	**(0.9)**
Goods & Services	93.5		125.7		6	(32.2)	(25.6)	93.5		149.1		6	(55.6)	(37.3)
Construction contracts	10.5		14.8			(4.3)	(29.1)	10.5		12.8			(2.3)	(18.0)
Customers' Contribution	54.0		64.4			(10.4)	(16.1)	54.0		71.3			(17.3)	(24.3)
Total Revenue	**11,478.0**		**10,324.3**			**1,153.7**	**11.2**	**11,478.0**		**11,654.5**			**(176.5)**	**(1.5)**

1. 1QFY'21 vs 1QFY'20 : Lower unit sold & sales of electricity are due to lower demand in commercial sector resulted from economic slowdown

   1QFY'21 vs 4QFY'20 : Lower unit sold & sales of electricity are due to lower demand in industrial and commercial sectors

2. Higher Y-o-Y unit sold & revenue due to the plant was in operation for longer hours as compared to 1QFY'20

3. Lower generation mainly due to lower wind speed as compared to previous year.

4. Lower Over-recovery in 1QFY'21 vs 4QFY'20 due to higher coal prices. (USD79.2/MT vs USD 57.8/MT)

5. Refer Other Regulatory Adjustment slide

   Higher in 4QFY'20 due to additional refund of excess single buyer working capital and interests on customer deposits.

6. Lower 1QFY'21 vs 4QFY'20 and Y-o-Y due to lower contribution from subsidiaries resulted from economic slowdown.

APPENDIX 8 REGULATORY ADJUSTMENT

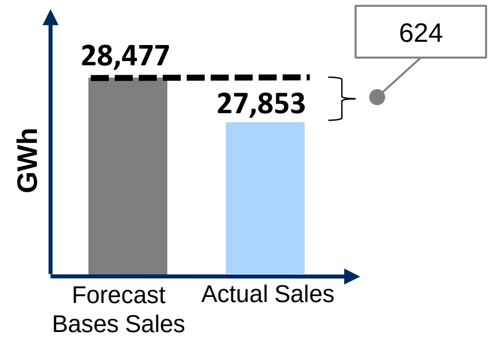
As at 1QFY'21, RM55.7mil of other regulatory adjustment to be returned mainly due to higher average selling price from price cap entity

Components of Other Regulatory Adjustment	1QFY'21 (RM mil)
1 Revenue Adjustment for Revenue Cap & Price Cap	(10.8)
Refund of Other Income Related to Regulated Business	(44.9)
TOTAL	(55.7)

1

Revenue Cap

1QFY'21 Variations in Sales (in GWh)

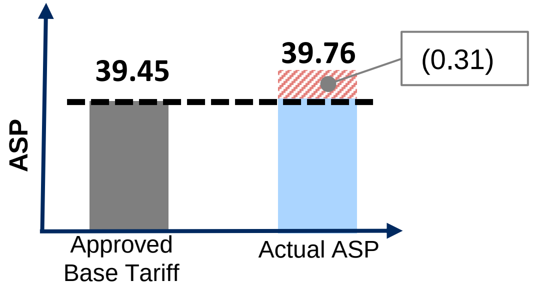


- The allowed annual revenue for revenue cap entities is based on 2.9% demand growth. Any excess/shortfall is adjusted through revenue adjustment mechanism
- For 1QFY'21, lower actual sales leads to lower revenue earned by the revenue cap entities.

Business Entities	Allowed Tariff (sen/kWh)	Variations in Sales (GWh)	Adjustment (RM mil)
Revenue Cap Entities	12.10	624	75.6 *

Price Cap

1QFY'21 Variations in ASP (sen/kWh)



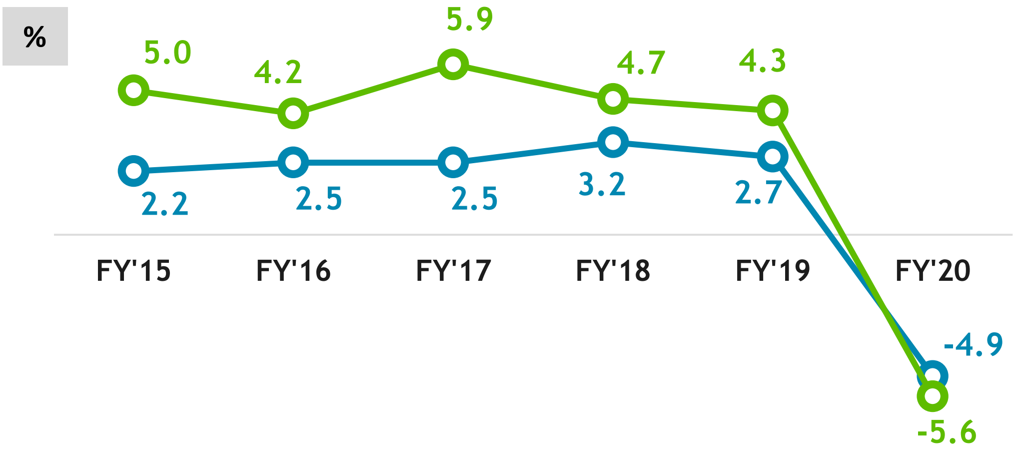
- Any excess/shortfall of revenue earned due to higher/lower Average Selling Price (ASP) compared to Base Tariff is adjusted through revenue adjustment mechanism
- For 1QFY'21, the ASP is recorded higher than the Base Tariff.

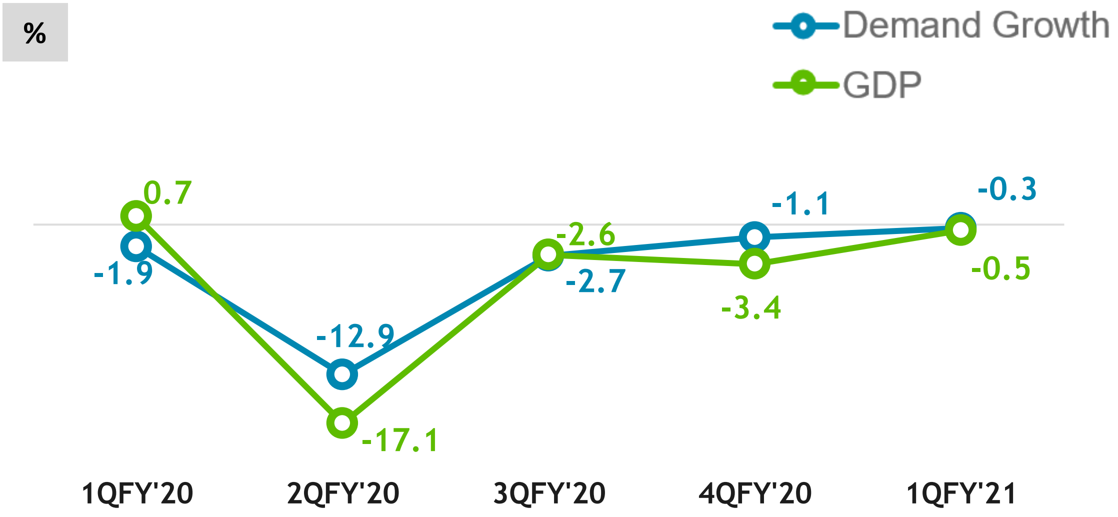
Business Entities	Actual Sales (GWh)	Variations in ASP (sen/kWh)	Adjustment (RM mil)
Price Cap Entity	27,853	(0.31)	(86.4) *

** Numbers manually computed will not match due to decimal variance*

Y-o-Y electricity demand contracted in tandem with GDP

GDP & TNB (Peninsula) Demand Growth

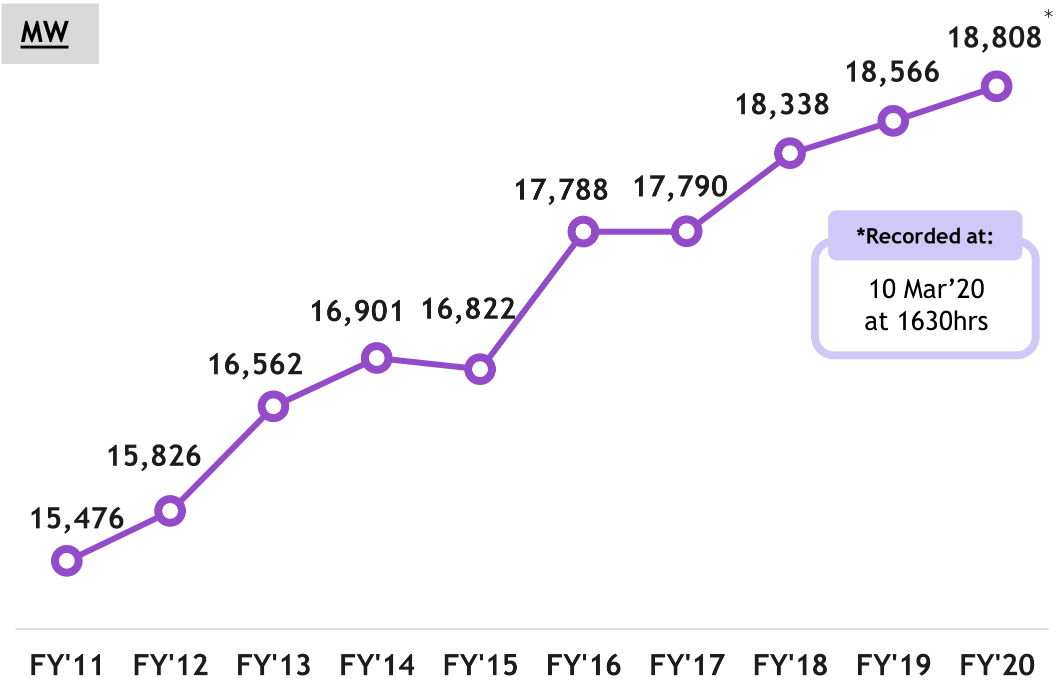




TNB (Peninsula) Maximum Demand

	1QFY'21	1QFY'20	Variance (%)
Maximum Demand (GWh)	18,366	18,808	-2.4

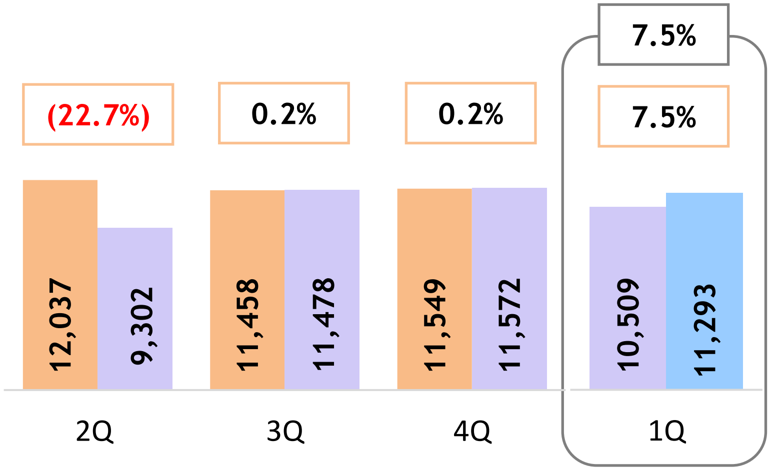
TNB (Peninsula) Yearly Peak Demand



APPENDIX 10 SECTORAL GROWTH (PENINSULA)

Lower electricity demand from sluggish commercial sector

Industrial

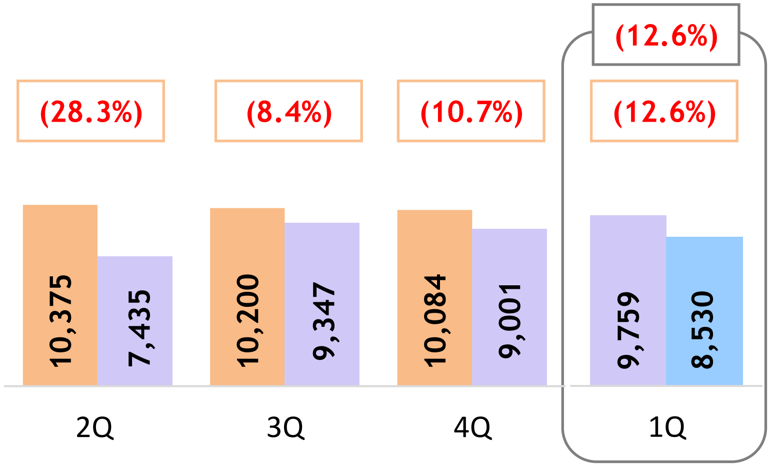


1Q main contributors for the drop

Industrial:
- **Cement products**
- **Textile or cloth products**
- **Utility supply**

Commercial:
- **Retails**
- **Educational**
- **Accommodation**

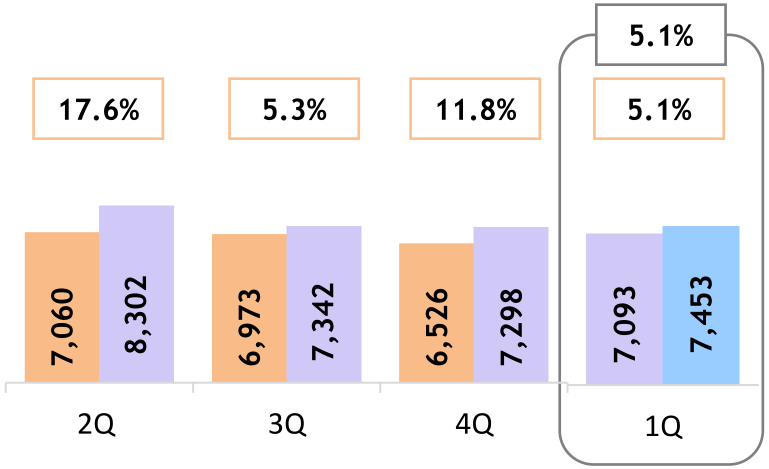
Commercial



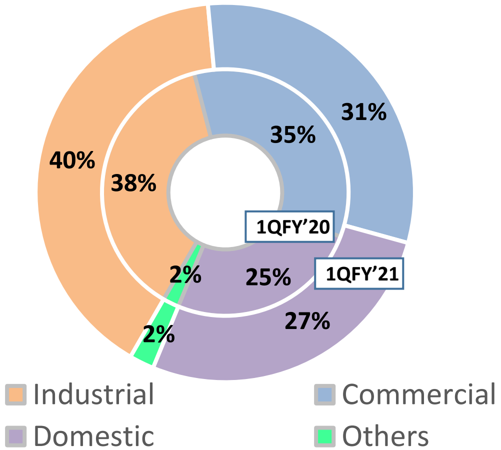
Unit Sales (GWh): 2019, 2020, 2021

Growth: Y-o-Y, Q-o-Q

Domestic

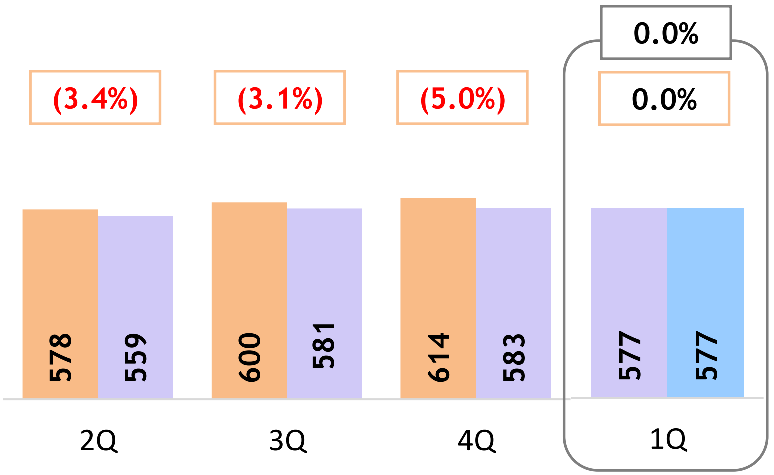


Sector Mix (%) 1QFY'21 vs 1QFY'20



Others

**includes Agriculture, Mining & Public Lighting*



Lower Y-o-Y operating expenses due to lower generation cost

		1QFY'21 (RM mil)	4QFY'20 (RM mil)	Variance (1QFY'21 vs 4QFY'20)			1QFY'21 (RM mil)	1QFY'20 (RM mil)	Variance (1QFY'21 vs 1QFY'20)	
				RM mil	%				RM mil	%
Non-TNB IPPs Costs		1,656.0	1,877.8	(221.8)	(11.8)		1,656.0	2,420.0	(764.0)	(31.6)
Capacity Payment		31.6	33.6	(2.0)	(6.0)		31.6	21.6	10.0	46.3
Energy Payment		1,624.4	1,844.2	(219.8)	(11.9)		1,624.4	2,398.4	(774.0)	(32.3)
TNB Fuel Costs		2,543.9	1,868.1	675.8	36.2		2,543.9	2,599.7	(55.8)	(2.1)
Fuel Costs		2,051.6	2,035.7	15.9	0.8		2,051.6	2,717.1	(665.5)	(24.5)
Fuel Price Adjustment		539.2	(107.4)	646.6	(602.0)		539.2	(49.1)	588.3	>(100.0)
Fuel Subsidy - SESB		(46.9)	(60.2)	13.3	(22.1)		(46.9)	(68.3)	21.4	(31.3)
Total Cost of Generation	1	4,199.9	3,745.9	454.0	12.1	1	4,199.9	5,019.7	(819.8)	(16.3)
Staff Costs		955.4	917.2	38.2	4.2		955.4	893.9	61.5	6.9
Repair & Maintenance		458.1	648.5	(190.4)	(29.4)		458.1	504.4	(46.3)	(9.2)
TNB General Expenses	2	359.7	615.4	(255.7)	(41.6)	2	359.7	433.8	(74.1)	(17.1)
Subs. General Expenses	3	526.4	206.0	320.4	155.5	3	526.4	102.8	423.6	>100.0
Total Non-Generation Cost		2,299.6	2,387.1	(87.5)	(3.7)		2,299.6	1,934.9	364.7	18.8
Total Operating Expenses (without Depreciation)		6,499.5	6,133.0	366.5	6.0		6,499.5	6,954.6	(455.1)	(6.5)
Depreciation & Amortisation	4	2,647.0	2,761.0	(114.0)	(4.1)	4	2,647.0	2,590.0	57.0	2.2
Total Operating Expenses		9,146.5	8,894.0	252.5	2.8		9,146.5	9,544.6	(398.1)	(4.2)

1

1QFY'21 vs 4QFY'20 : Higher Generation cost mainly due to higher coal price

1QFY'21 vs 1QFY'20 : Lower Generation cost mainly due Lower fuel cost from reduction in units generated and gas price

2

- 1QFY'21 vs 4QFY'20 : Higher 4QFY'20 which include expenses from :
  - i. General R&M due to lesser restriction and business are allowed to run as usual
  - ii. Expenses made for Covid-19 which related to courier services to send billing and discount pamphlet to customer of RM42.9mil
- 1QFY'21 vs 1QFY'20 : Lower mainly due to lower training expenses.

3

1QFY'21 vs 4QFY'20 : Higher mainly due to Impairment made for GMR of RM276.4mil

1QFY'21 vs 1QFY'20 : Higher mainly due to :
- Impairment made for GMR of RM276.4mil
- Reversal of provision made for subsidiary of RM132.8mil in 1QFY'20

4

- 1QFY'21 vs 4QFY'20 : Lower mainly resulted from lower depreciation from Distribution Network
- 1QFY'21 vs 1QFY'20 : Higher due to additional depreciation of Southern Power Generation (SPG)

APPENDIX 12 Y-O-Y FUEL COST (PENINSULA)

Lower fuel cost from reduction in units generated and gas price

Table A – TNB & IPP Fuel Costs for Peninsula (RM mil)

Fuel Type	1QFY'21	1QFY'20	Variance RM mil	Variance %
Coal	2,624.8	2,577.0	47.8	1.9
Gas	1,005.3	1,900.2	(894.9)	(47.1)
Dist.	37.8	10.7	27.1	>100
Oil	0.4	7.1	(6.7)	(94.4)
Total*	3,668.3	4,495.0	(826.7)	(18.4)

* Comprise TNB Fuel Cost & fuel payment to IPPs (part of Energy Payment)

Note: Fuel Cost exclude solar

Table C – Fuel Costs Related Data

	1QFY'21	1QFY'20
Daily Average Piped Gas Volume (mmscfd)	722	755
Gas Reference Market Price (RM/mmbtu)	15.40	26.86
Average Coal Price Delivered (USD/MT)(CIF)	79.20	68.60
Average Coal Price Delivered (RM/MT)(CIF)	321.56	289.30
Coal Consumption (mn MT)	8.2	8.8
Generation cost per unit (sen/kWh)	11.9	14.3

Table B – TNB & IPP Units Generated for Peninsula (GWh)

Fuel Type	1QFY'21	1QFY'20	Variance Gwh	Variance %
Coal	19,099.6	20,626.7	(1,527.1)	(7.4)
Gas & LNG	9,417.6	9,721.3	(303.7)	(3.1)
Dist.	47.0	-	47.0	-
Oil	-	0.1	(0.1)	(100.0)
Hydro	2,029.2	861.4	1,167.8	>100
Solar	285.7	226.0	59.7	26.4
Total	30,879.1	31,435.5	(556.4)	(1.8)

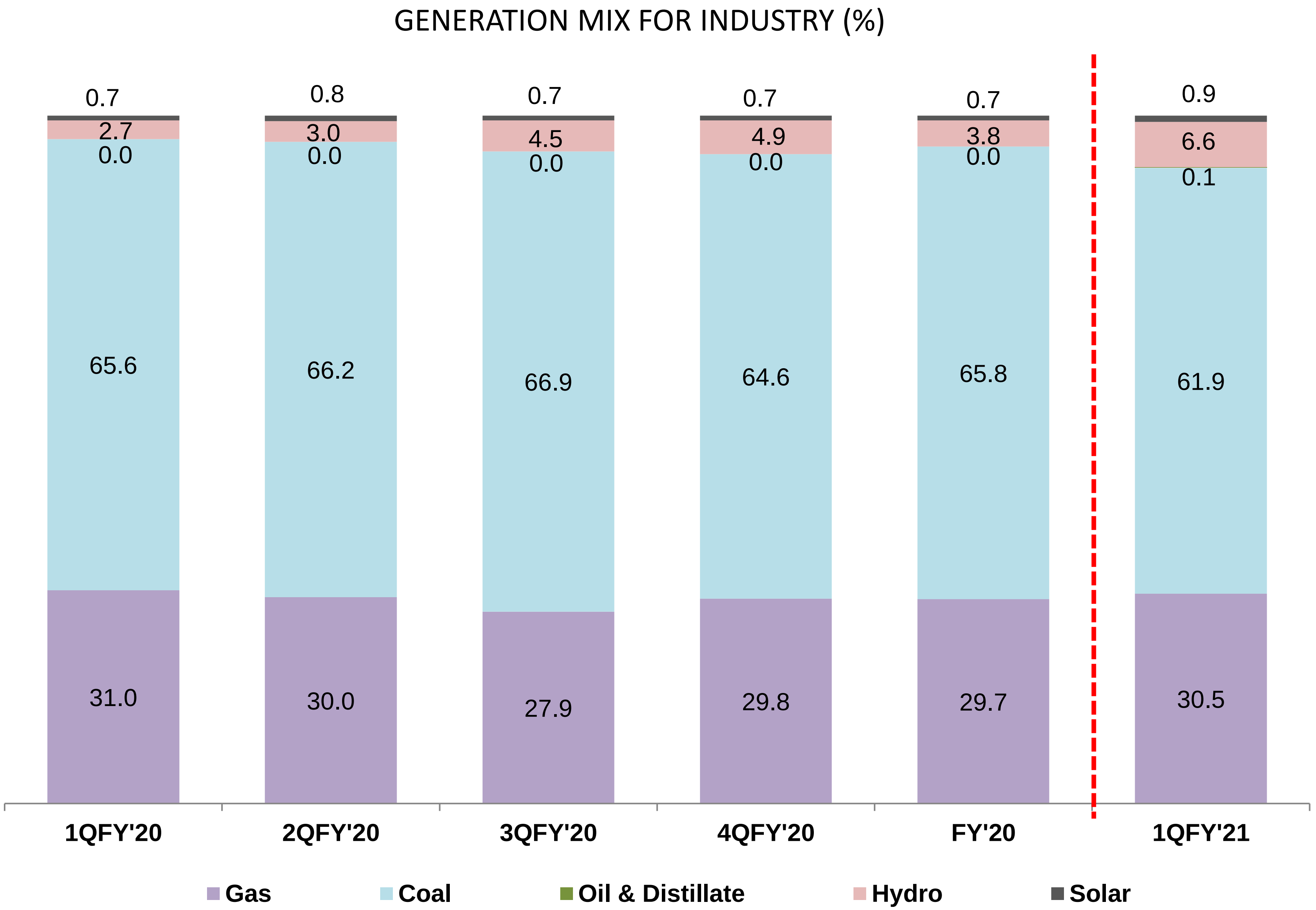
Table D – Average Coal Price Delivered (USD/MT)

	1QFY'21	1QFY'20	Variance USD	Variance %
FOB	70.6	60.9	9.7	15.9
Freight	8.2	7.2	1.0	13.3
Others	0.5	0.6	(0.1)	(20.0)
CIF	79.2	68.7	10.5	15.3

APPENDIX 13

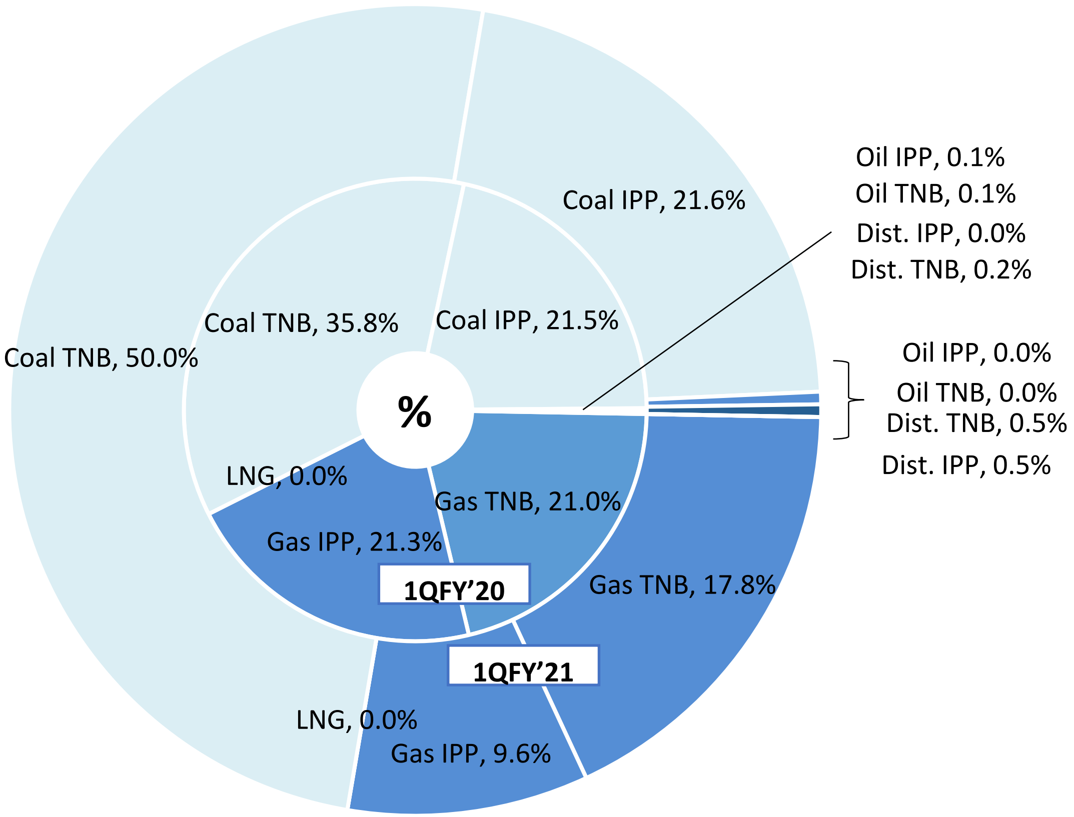
GENERATION MIX

Higher units generated from hydro in 1QFY’21 due to monsoon season

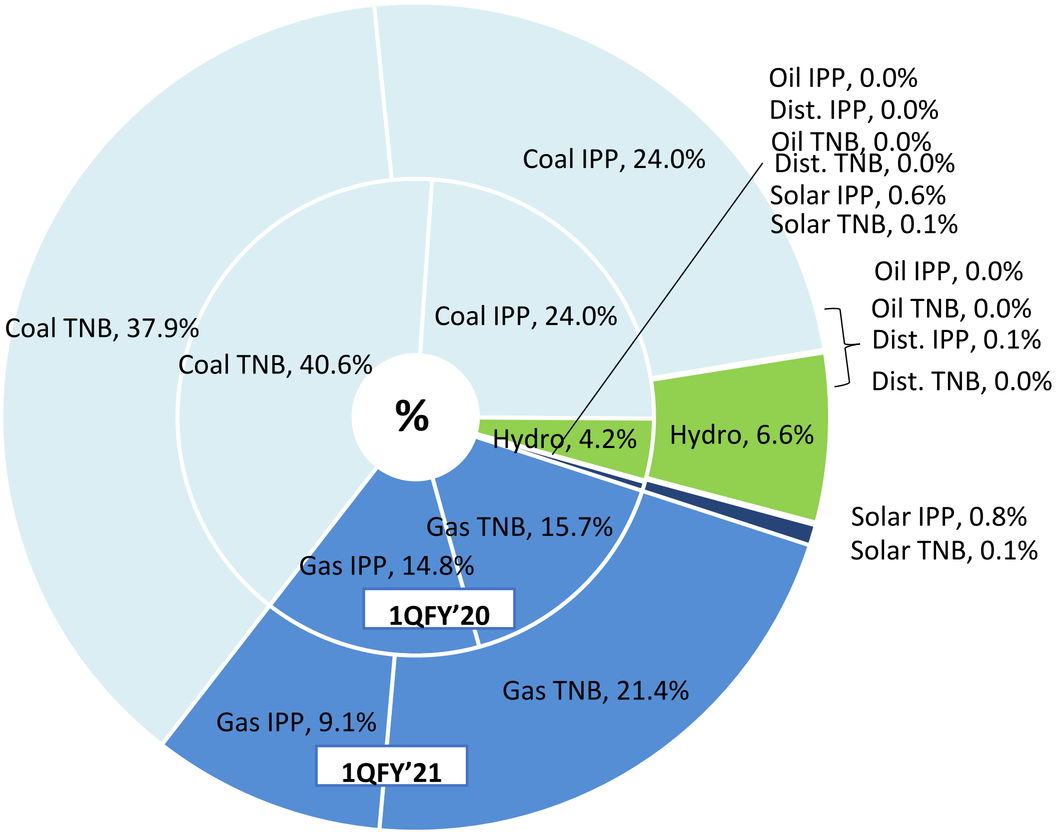


Fuel costs (TNB & IPPs - Peninsula)

Fuel Costs



Units Generated



% indicates generation market share

Note: Fuel Cost exclude solar

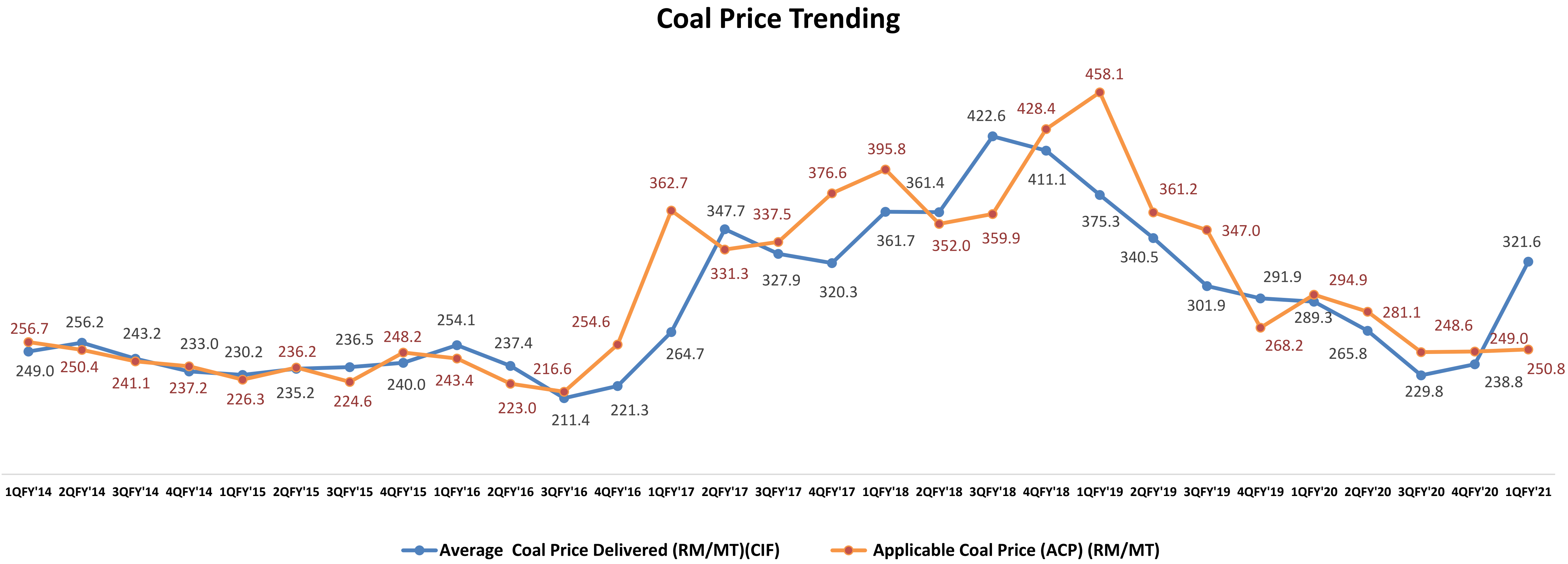
Continuous effective ICPT implementation neutralises the fluctuation in fuel costs

	1QFY'20 (RM mn)	2QFY'20 (RM mil)	3QFY'20 (RM mil)	4QFY'20 (RM mil)	1QFY'21 (RM mn)
Reported Total Cost of Generation (with MFRS16)	5,019.7	4,415.0	4,404.5	3,745.9	4,199.9
Adjustment not related to IBR	1,008.7	975.8	989.5	993.4	902.1
TNB Capacity and VOR: SLA & SPV	1,220.8	1,318.0	1,424.9	1,402.1	1,757.6
Total Generation Costs (Related to IBR)	**7,249.2**	**6,708.8**	**6,818.9**	**6,141.4**	**6,859.6**

	1QFY'20 (RM mn)	2QFY'20 (RM mil)	3QFY'20 (RM mil)	4QFY'20 (RM mil)	1QFY'21 (RM mn)
Single Buyer Actual Generation Costs: (A)	7,249.2	6,708.8	6,818.9	6,141.4	6,859.6
Actual Sales (Gwh)	27,938.2	25,597.6	28,747.9	28,455.4	27,852.8
Single Buyer Tariff (RM/kwh)	0.2705	0.2705	0.2705	0.2705	0.2580
Actual Gen Cost Recovered (RM mn) (B)	7,556.7	6,923.7	7,775.8	7,696.6	7,186.9
ICPT Surcharge / (Rebate) (C) (C = A – B)	(307.5)	(214.9)	(956.8)	(1,555.3)	(327.3)
(+) Prior Year Accounting Adjustment	0.0	0.0	0.0	0.0	0.0
ICPT	**(307.5)**	**(214.9)**	**(956.8)**	**(1,555.3)**	**(327.3)**

APPENDIX 16 COAL PRICE

Continuous downward trending of coal price will relieve pressure on future ICPT



Coal price & Applicable Coal Price (ACP) comparison

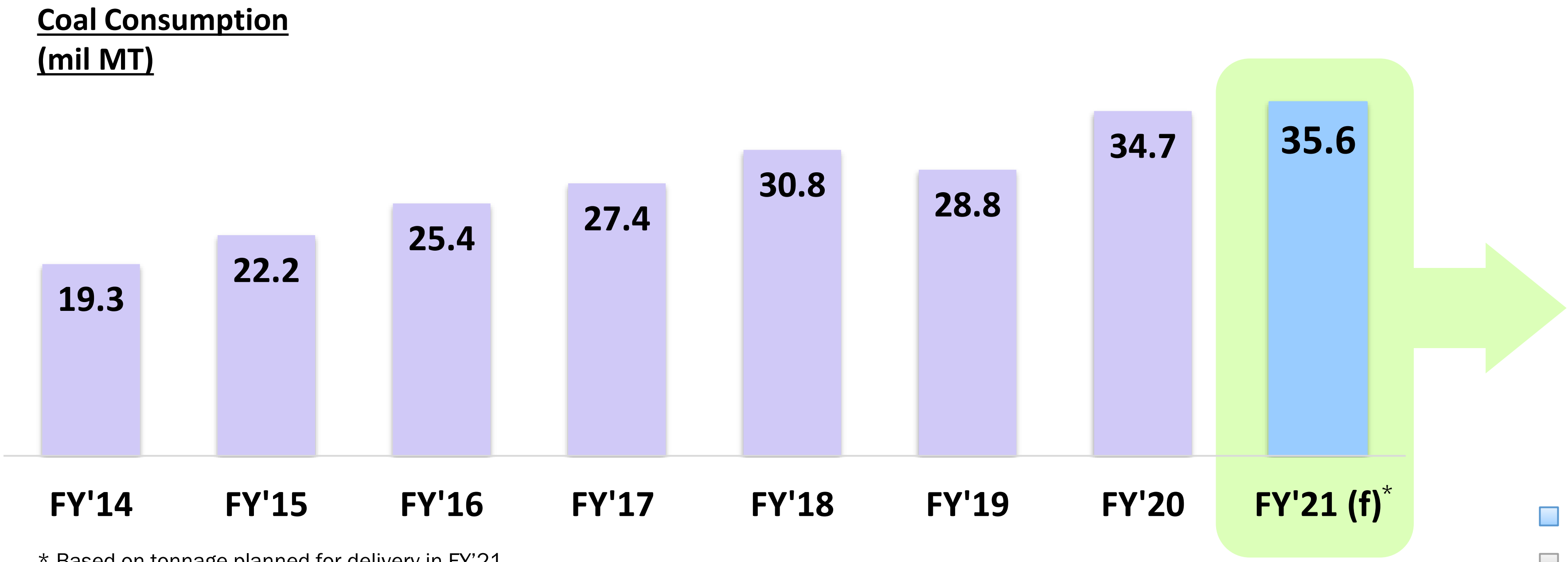
	2QFY20	3QFY20	4QFY20	1QFY21
Average Coal Price Delivered (RM/MT)	265.81	229.80	238.80	321.56
Average Coal Price Delivered (RM/mmBtu) *	12.09	10.41	10.62	15.08
ACP (RM/mmBtu)	12.88	11.39	11.41	11.49

* Based on internal conversion

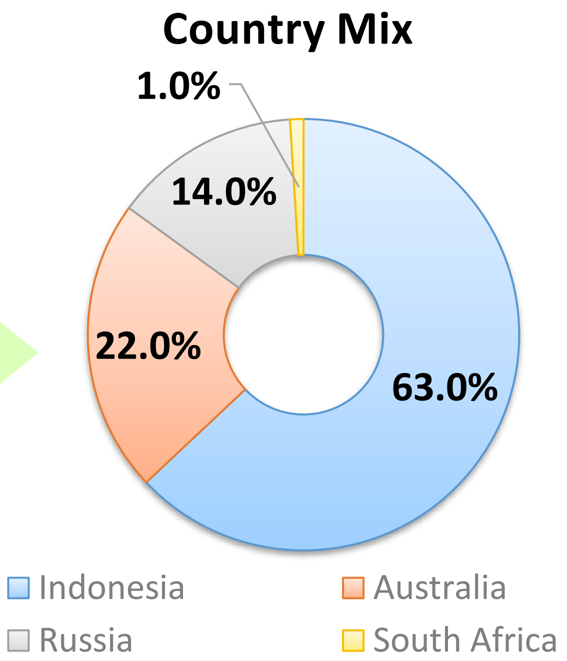
- Fuel Price Adjustments (FPA) is the difference between the Applicable Coal Price (ACP) used to bill the generators and the actual coal price paid to supplier. The difference is caused by higher or lower coal price or due to currency exchange.
- In 1QFY'21, the base ACP (RM11.49/mmBtu) used for billing the generators is lower than the coal price paid to supplier (RM15.08/mmBtu)

Higher coal requirement for 2020 with the full operation of Jimah East Power

Average Coal Price (CIF)	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	1QFY'21
USD/metric tonne (MT)	75.4	66.0	55.7	72.7	95.9	79.3	60.6	79.2
RM/metric tonne (MT)	244.6	236.0	231.1	314.7	388.1	326.3	255.6	321.56



* Based on tonnage planned for delivery in FY'21



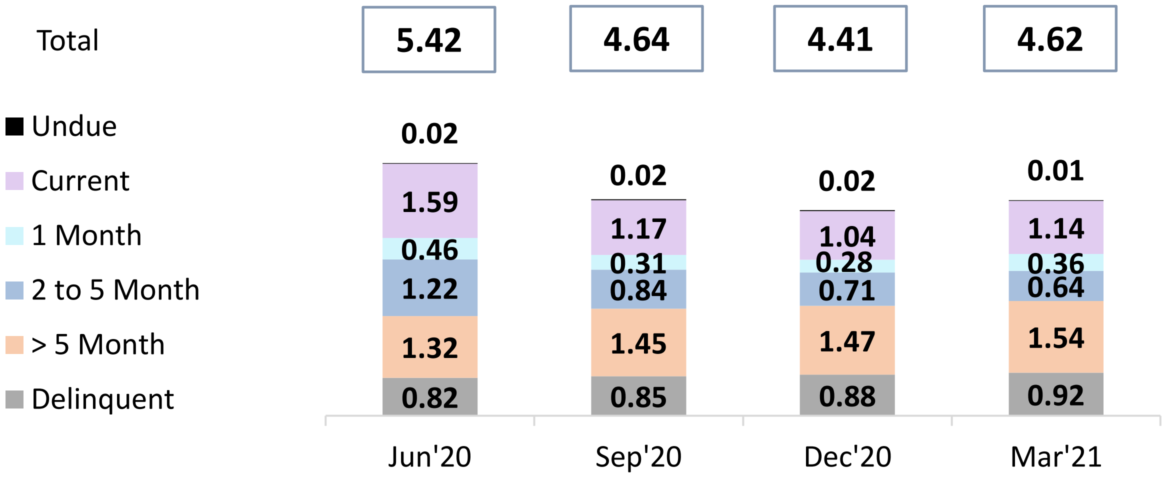
The net impact of MFRS 16 reduced the group PAT by RM147.0mil

Net Impact of MFRS 16 (Y-o-Y) analysis

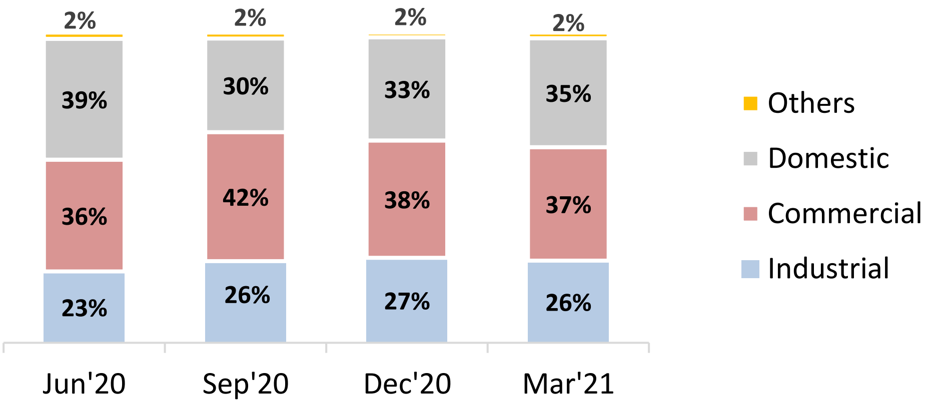
	1QFY'21 (RM mil)	1QFY'20 (RM mil)	Variance (RM mil)	Remarks
Capacity Payment	1,063.7	1,119.7	(56.0)	Decreasing EBITDA and PAT in 1QFY'21
Depreciation	(877.7)	(912.5)	34.8	Increasing PAT in 1QFY'21
Finance Cost	(374.0)	(407.2)	33.2	Increasing PAT in 1QFY'21
Deferred Tax	41.0	45.1	(4.1)	Decreasing PAT in 1QFY'21
Net Impact	**(147.0)**	**(154.9)**	**7.9**	Increasing PAT in 1QFY'21

Higher trade debtors due to the re-imposition of MCO and resurgence of Covid-19 cases. However, our cash flow remain robust

Trade Debtors Ageing (RM bil)



Trade Debtors By Sectors



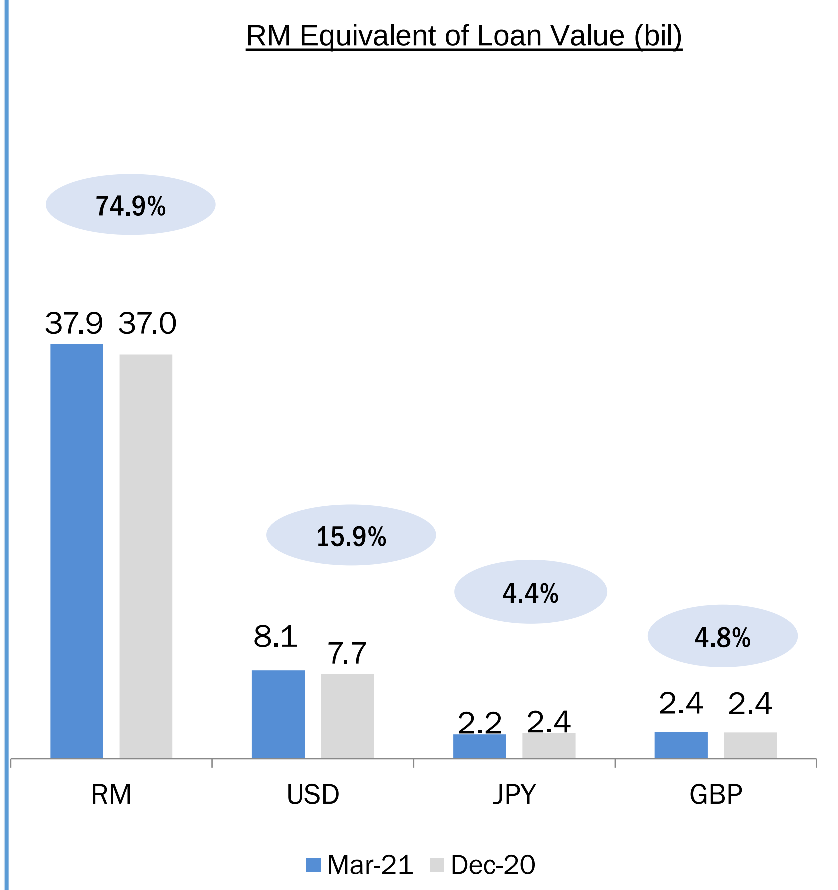
Initiatives to improve collection

- Easy payment plans for domestic / residential customers' electricity bills.
- Repayment plan on case by case basis for non-Domestic customers.
- Promote adoption of digital payment channels such as myTNB app and myTNB portal.
- Introduce more payment channels such as e-wallet.
- Provide personalized engagement with large power consumer such as SME and Government and Large Business (GLB).
- Perform close monitoring on commercial and industrial customers with debt exposure, especially those under vulnerable sub-sectors.

Cash flow

- Our cash flow is resilient supported partly by the recent capital drawdown. Furthermore, we commanded good rates in the exercise due to our robust and strong balance sheet.
- For 1QFY'21, the allowance for doubtful debt is RM121.5mil.

Increased in total debt due to drawdown of new sukuk, however capital headroom remains healthy



Note:
Debt consists of Principal + Accrued Interest

	Statistics	31st Mar'21	31st Dec'20
1	Total Debt (RM' Bil)	50.7	49.5
	Net Debt (RM' Bil)*	34.0	36.0
	Gearing (%)	47.4	46.3
	Net Gearing (%)	31.8	33.7
	Fixed : Floating		
	Underlying	95:5	95:5
2	Final Exposure	99:1	99:1
3	Effective Average Cost of Borrowing (based on exposure) **	4.84	4.88

* Net Debt excludes deposits, bank and cash balances & investment in UTF
** Inclusive of interest rate swap

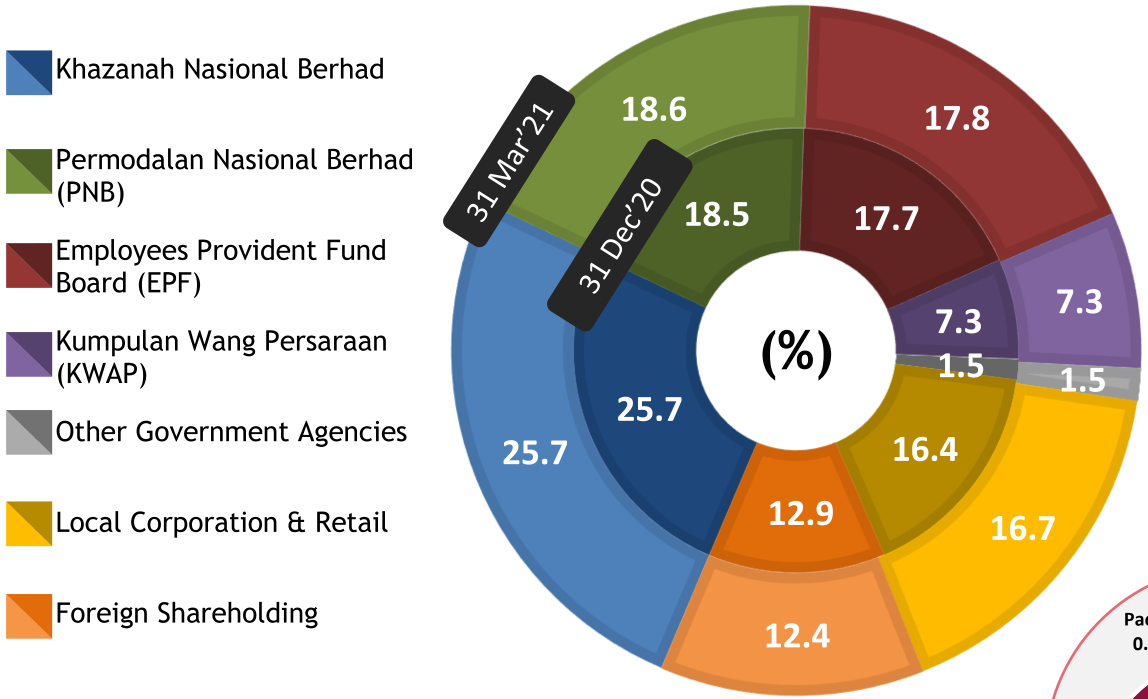
1
- RM1bil was drawn in Jan'21 with the interest rate of 2.25%.
- On 10th Feb'21, RM250mil of Islamic Commercial Paper was issued with average yield of 1.993%.

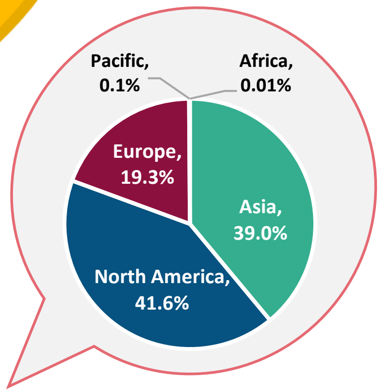
2
Inclusive of financial instruments agreement to fixed interest rate for loan in Vortex

3
Reduction due to lower interest rate of the new drawdown

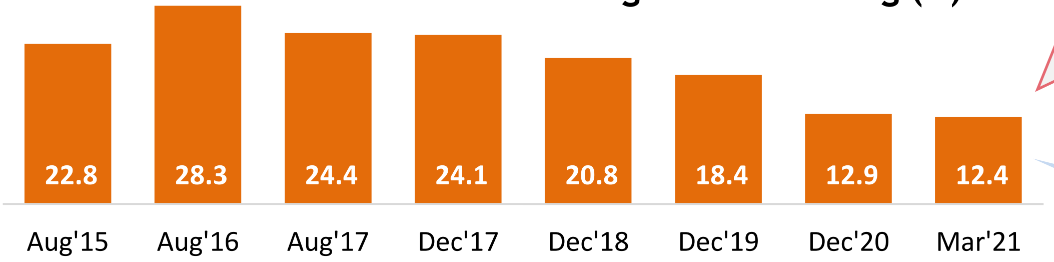
Closing FOREX	31st Mar'21	31st Dec'20
USD/RM	4.16	4.02
100YEN/RM	3.75	3.90
GBP/RM	5.71	5.48
USD/YEN	110.93	103.12

TNB market capitalisation of RM57.7bil as at 31st March 2021



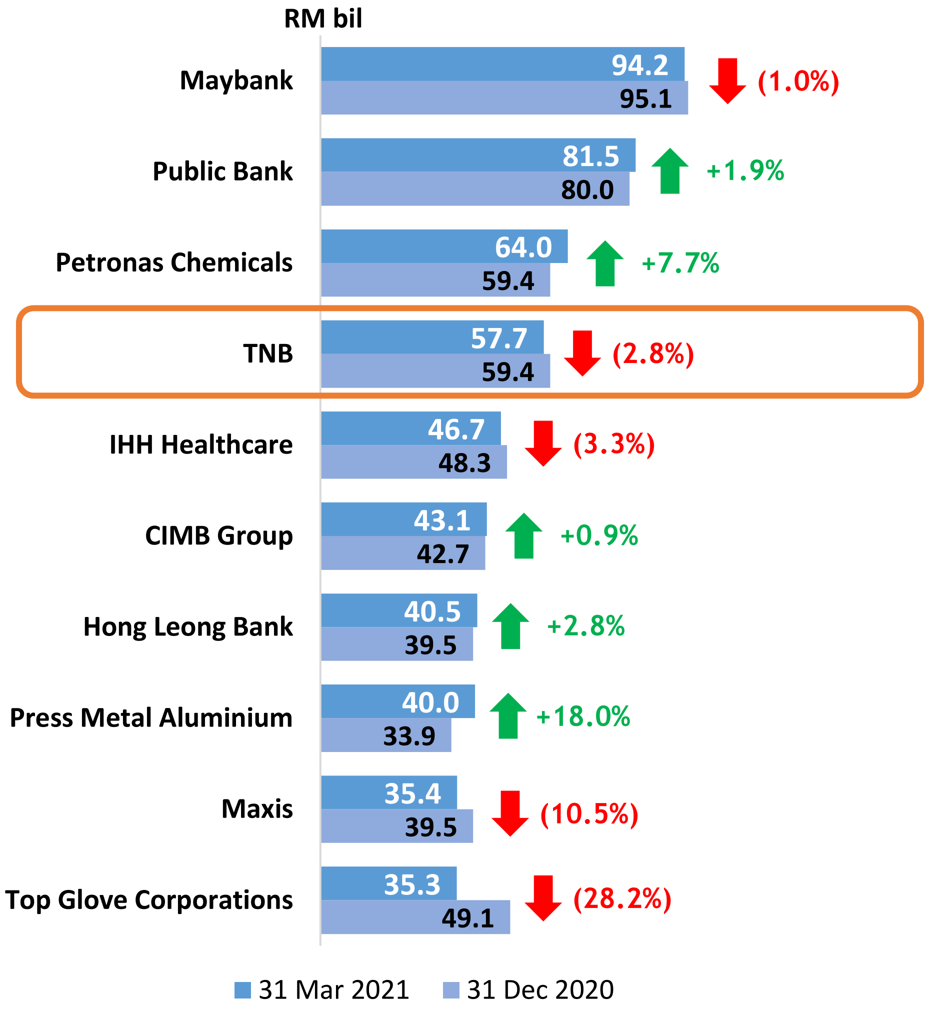


Foreign Shareholding (%)



Institutional: 12.33%
Individual: 0.06%

Top 10 KLCI Stocks by Market Capitalisation



Note:
1. Top 10 KLCI ranking by Market Capitalisation as at 31st March 2021
2. TNB Latest Market Cap: RM56.7bil (4th), as at 24th May 2021

Source: Share Registrar, Bloomberg and IR Internal Analysis

THANK YOU

CoE INVESTOR RELATIONS
GROUP FINANCE DIVISION

Tenaga Nasional Berhad
4th Floor, TNB Headquarters
No.129, Jalan Bangsar,
59200 Kuala Lumpur, MALAYSIA

Tel : +603 2108 2128
Fax : +603 2108 2034
Email : tenaga_ird@tnb.com.my
Website : www.tnb.com.my

IR OFFICERS:

1) *Mehazatul Amali Meor Hassan*
   - +603 2108 2126
   - mehazatul@tnb.com.my

2) Sakinah Mohd Ali
   - +603 2108 2840
   - sakinah.ali@tnb.com.my

3) *Ahmad Nizham Khan*
   - +603 2108 2129
   - nizham.jamil@tnb.com.my

4) *Sathishwaran Naidu*
   - +603 2108 2133
   - sathishwaran@tnb.com.my

Disclaimer