



ADNOC Gas Reports Q1 2023 Net Income of \$1.3 Billion, Up 9% Year-on-Year

*In first quarterly results since its record-breaking IPO in March 2023,
the Company reported robust revenue of \$5.2 billion*

*World-class reliability maintained across operations, with ADNOC
Gas Facilities delivering reliabilityⁱ of 98.5%*

*First-ever Middle East LNG cargo successfully delivered to Germany
and three-year LNG Supply Agreement announced with
TotalEnergies in early May*

Abu Dhabi, UAE – May 11, 2023: ADNOC Gas plc (together with its direct and indirect subsidiaries, “ADNOC Gas” or the “Company”) (ADX symbol: “ADNOCGAS” / ISIN: “AEE01195A234”), the world-class integrated gas processing company, today announces its first quarterly financial results since its formation and initial public offering (“IPO”), for the three months ended March 31, 2023 (“Q1 2023”). The unaudited pro forma financial results of the Company for the comparative period (i.e., the three-month period ended March 31, 2022 (“Q1 2022”)) noted herein are reported on a Pro Forma Adjusted basisⁱⁱ.

Q1 2023 Revenue stood at a robust \$5.2 billion, compared to Pro Forma Adjusted Revenue of \$6.2 billion for Q1 2022, impacted by the pricing environment. ADNOC Gas maintained high levels of reliability throughout Q1 2023, with average reliability of 98.5% across its facilities.

ADNOC Gas is a predictable and resilient margin business underpinned by profitable growth opportunities. During the reporting period, Brent crude oil prices, which are used for gas pricing, declined nearly 24% in comparison to Q1 2022. ADNOC Gas demonstrated resilience in this challenging pricing environment, maintaining a robust EBITDA margin of 34% in Q1 2023, only 1% lower than in Q1 2022.



The Company made use of the prevailing market conditions to proceed with several planned asset maintenance activities. These activities enhance the safety and reliability of its facilities and contribute to continued world-class asset reliability and availability. All planned activities were completed on time and within budget, positioning the Company for higher volumes in the second quarter.

In Q1 2023 lower prices and volumes were offset by the lower cost of raw gas supply. ADNOC Gas' long-term gas supply agreement provides reliable access to production from ADNOC's upstream operations. The agreement permits ADNOC Gas to share in any price upside and provides downward protection in a lower price environment.

ADNOC Gas continues to capitalize on growing global demand for natural gas and remains focused on increasing production capacity and driving operational efficiencies. As the Company continues to grow its export business, the first-ever LNG cargo to be shipped to Germany from the Middle East was delivered in February from Abu Dhabi to the Elbehafen floating LNG terminal in Brunsbüttel. In a post-period event, ADNOC Gas announced in early May the signing of a three-year agreement with TotalEnergies, a multinational energy company, for the export of LNG from 2023 to 2025. This agreement reinforces ADNOC Gas' position as a reliable global supplier of natural gas.

Net Income for Q1 2023 was \$1.3 billion versus Pro Forma Adjusted Net Income of \$1.2 billion in Q1 2022. Net Income for Q1 2023 included a \$300 million benefit from recognizing a deferred tax asset, a non-reoccurring item, following the formation of the Company. Free Cash Flow in Q1 2023 stood at \$1.1 billion compared to illustrative Free Cash Flow of \$1.4 billion in Q1 2022.

Ahmed Alebri, Chief Executive Officer of ADNOC Gas, commented: "ADNOC Gas has delivered robust financial results during Q1 2023, despite a significant contraction in market prices from the near-all-time highs experienced during 2022. Our performance during this period demonstrates our resilience and ability to generate attractive returns. We maintained a solid operating margin thanks to our ongoing focus on operational excellence and cost optimization and reported healthy Net Income of \$1.3 billion.

Importantly, we continue to execute on the growth strategy communicated during our IPO, underpinned by anticipated upstream capacity expansion and product mix optimization. We see long-term structural demand growth for natural gas as a critical fuel in the responsible



global energy transition and we are ideally positioned to meet both local and international demand, while further decarbonizing our operations in line with the UAE's Net-Zero 2050 ambition.”

The Company is making good progress on its five-year (2023 to 2027) \$14 billion strategic and growth project portfolio, encompassing a range of projects integral to elevating the efficiency of operations and production output. Key projects include further maximizing ethane recovery and monetization (“MERAM”) across operations, extending the gas pipeline network by more than 500 kilometers to better connect the Northern Emirates of the UAE (“ESTIDAMA”), and the construction of an additional greenfield gas processing facility, co-located with a significant ADNOC upstream reservoir. The new facility is expected to add approximately 1.9 Billion Standard Cubic Feet Per Day (bscfd) processing capacity to ADNOC Gas’ processing operations by 2028, at the earliest (“Bab Gas Cap”).

ADNOC Gas is targeting to pay a dividend of \$1.625 billion in the fourth quarter of 2023 in respect of the first half of 2023. A further \$1.625 billion dividend is targeted to be paid in the second quarter of 2024 in respect of the second half of 2023. Thereafter, ADNOC Gas expects to grow the annual target dividend amount from \$3.25 billion by a growth rate of 5% per annum on a dividend per share basis over the period 2024-27. The targeted growth in dividends reflects ADNOC Gas’ strong and visible future cash flows, which provide ample headroom to invest in long-term future growth and provide stable returns for shareholders.

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\$ Billion	Q122 Pro Forma Adjusted results ⁱⁱ	Q422 Pro Forma Adjusted results ⁱⁱ	Q123	QoQ % Q1 2023 Vs Q12022	QoQ % Q1 2023 Vs Q42022
Revenue	6.2	5.9	5.2	-15%	-11%
COGS	-3.5	-3.4	-2.9	-17%	-15%
Opex	-0.5	-0.5	-0.5	7%	-1%
EBITDA	2.1	1.9	1.8	-17%	-8%
Net Income ⁱⁱⁱ	1.2	1.1	1.3	9%	18%
EBITDA Margin	35%	33%	34%	-1%	1%
Capital Expenditure	-0.1	-0.4	-0.2	41%	-55%
Free Cash Flow ^{iv}	1.4	1.0	1.1	-22%	7%

ⁱ Reliability is defined as total available hours (8,760 hours per annum) reduced by the hours of non-availability due to unscheduled outages divided by total available hours. Average Reliability of 98.5% was achieved across relatable ADNOC Gas facilities.

ⁱⁱ ADNOC Gas was incorporated in the Abu Dhabi Global Market, Abu Dhabi, UAE on 8 December 2022 and the relevant assets were contributed to ADNOC Gas effective 1 January 2023 as part of a reorganisation (the "Reorganisation") that included the entry into a gas supply and purchase agreement, a transitional marketing and transportation agreement, a sulphur sales and marketing agreement, a pipelines use and operation agreement, a re-injection gas sale agreement and certain lease agreements. The unaudited pro forma financial results for Q1 2022 presented in this document give effect to the impact of the Reorganisation as if the Reorganisation had taken place on 1 January 2022. The unaudited pro forma financial results for Q1 2022 have been prepared for illustrative purposes only and are based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the Reorganisation taken place on 1 January 2022.



iii The Net Income in Q1 2023 includes a \$0.3 billion benefit from recognizing a deferred tax asset, a non-reoccurring item.

iv Illustrative Free Cash Flow is calculated as pro forma Adjusted EBITDA less income tax and capital expenditure plus dividends from ALNG for the relevant period.

About ADNOC Gas

ADNOC Gas, listed on the ADX (ADX symbol: "ADNOCGAS" / ISIN: "AEE01195A234"), is a world-class, large-scale integrated gas processing company operating across the gas value chain, from receipt of raw gas feedstock from ADNOC through large, long-life operations for gas processing and fractionation to the sale of products to domestic and international customers. ADNOC Gas supplies approximately 60% of the UAE's sales gas needs and supplies end-customers in over 20 countries. To find out more, visit: www.adnocgas.ae.

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