

ADNOC Gas



ADNOC GAS Q1 2024 RESULTS

7 MAY 2024



أدنوك
ADNOC

ADNOC GAS

DISCLAIMER



The information contained in this presentation is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to change. No obligation is undertaken to update this presentation or to correct any inaccuracies, and the distribution of this presentation shall not be deemed to be any form of commitment on the part of ADNOC gas plc and its subsidiaries ("ADNOC Gas") to proceed any transaction or arrangement referred to herein. This presentation has not been approved by any competent regulatory authority. This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on connection with or act as an inducement to enter into, any contract or commitment whatsoever. Investors should not purchase any shares on the basis of the information contained in this presentation. distribution of this presentation and other information may be restricted by law and persons into whose possession this presentation, any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This presentation has not been reviewed, verified, approved and/or licensed by the Central Bank of the United Arab Emirates (the "UAE"), the Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, including the Financial Services Regulatory Authority, a regulatory authority of the Abu Dhabi Global Market, and the Dubai Financial Services Authority, a regulatory authority of the Dubai International Financial Centre, or any other authority in other jurisdiction. None of Abu Dhabi National Oil Company (ADNOC) P.J.S.C ("ADNOC"), ADNOC Gas and/or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person(s) accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this presentation (or whether any information has been omitted from this presentation) or any other information relating to ADNOC Gas associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. If this presentation contains "forward looking" statements, beliefs or opinions, including statements with respect to the business, financial condition, results operations, liquidity, prospects, growth, strategy and plans of ADNOC Gas, and the industry in which ADNOC Gas operates. These forward looking statements involve known and unknown risks uncertainties, many of which are beyond ADNOC Gas' control and all of which are based on ADNOC Gas' current beliefs and expectations about future events. Forward looking statements are sometimes identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. Forward looking statements may and often do differ materially from actual results. They appear in a number of places throughout this presentation and include statements regarding the intentions, beliefs or current expectations of the directors or ADNOC Gas with respect to future events and are subject to relating to future events and other risks, uncertainties and assumptions relating to ADNOC Gas' business, concerning, amongst other things, the results of operations, financial condition, prospects, growth and strategies of ADNOC Gas and the industry in which it operates. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks uncertainties facing ADNOC Gas. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements contained in this presentation speak only as of the date of this presentation. ADNOC, ADNOC Gas and/or their respective affiliates, expressly disclaim any obligation undertaking to release publicly any updates or revisions to any forward looking statements contained in this presentation to reflect any change in its expectations or any change in events, conditions circumstances on which such statements are based unless required to do so by applicable law.

Financial results as presented are unaudited figures.

SPEAKERS



Dr. Ahmed Alebri
Chief Executive Officer



Peter van Driel
Chief Financial Officer

Q1 2024 KEY HIGHLIGHTS

Operational

890 TBTU
Sales Volumes

99.4%
Reliability

- Overall sales volumes increase by 14% YoY
- Domestic revenue up 10% due to strong demand
- Strong operational performance

Financial

\$1.19 billion
Adj. Net Income

\$1.18 billion
Free Cash Flow

- EBITDA margin of 35% vs. 34% a year earlier
- Free Cash flow up 47% YoY to \$1,183 million
- Final dividend FY23 of \$1,625 million fully paid

Growth

20%+ capacity
increase by 2028¹

Up to 40%
EBITDA¹
Growth by 2028

- Excellent progress on strategic growth projects
- Heads of Terms agreements for Ruwais LNG offtake
- 10-year LNG supply agreement with GAIL India



1. Excluding Ruwais LNG

*MMBTU: Metric Million British Thermal Unit

CORE GROWTH PROJECTS

\$13.2B GROWTH PROJECTS WITH 20% CAPACITY INCREASE POTENTIAL IN THE NEXT 5 YEARS



1 Upstream Supply Growth

2 Processing Capacity Upgrade

3 Expanding & enhancing our product mix

| PROJECT | | EXPECTED COMPLETION |
|-------------|----------------------------------|---------------------|
| 3 | IGD-E2 | A Q3 2024 |
| 2 | ESTIDAMA | B Q3 2025 |
| 2 3 | MERAM | C Q4 2025 |
| | Habshan CO2 Recovery & Injection | D Q1 2026 |
| 1 2 3 | P 5.0 | E 2027 onwards |
| 1 2 3 | Bab Gas Cap | F 2028 |
| 2 3 | LNG 2.0 | G 2028 |
| 3 | Ruwais LNG Project | H 2028 |

Ruwais LNG to be developed by ADNOC outside ADNOC Gas perimeter. ADNOC intends to contribute LNG to the perimeter at or close to commissioning. Value to be determined at time of contribution.

E P 5.0: Enhancement in different locations

FINANCIAL PERFORMANCE

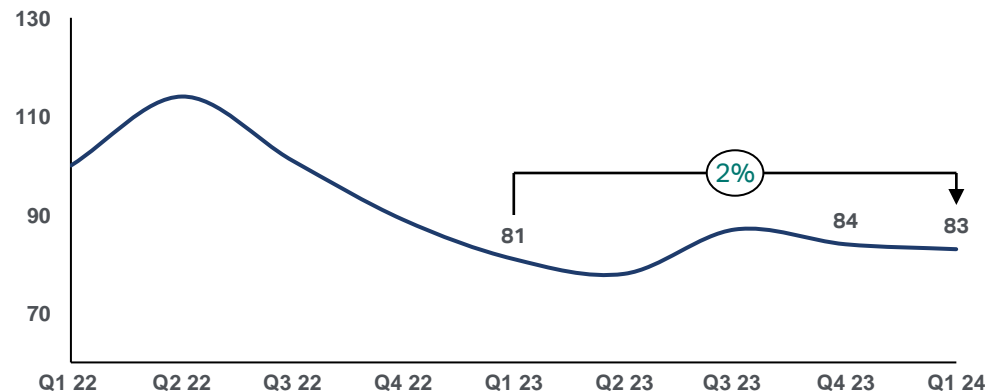


PRICING ENVIRONMENT 2022-2024

MODEST DECLINES IN KEY ETL PRODUCT PRICES IN Q1 24 VERSUS Q1 23

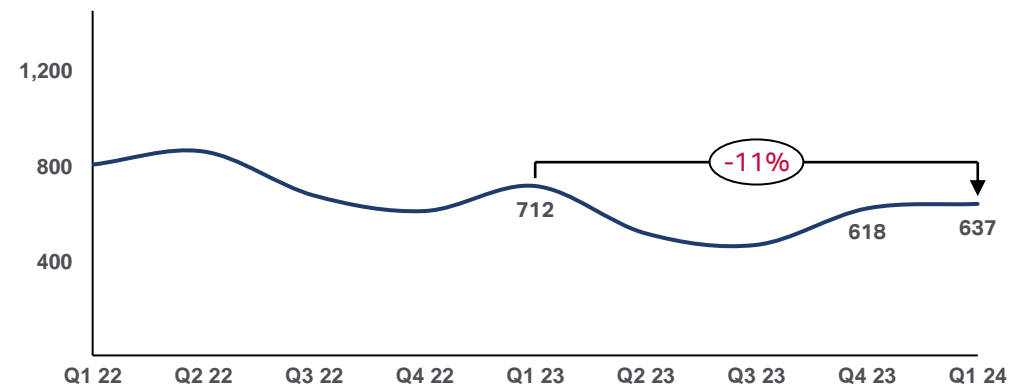
Brent Oil

\$/bbl



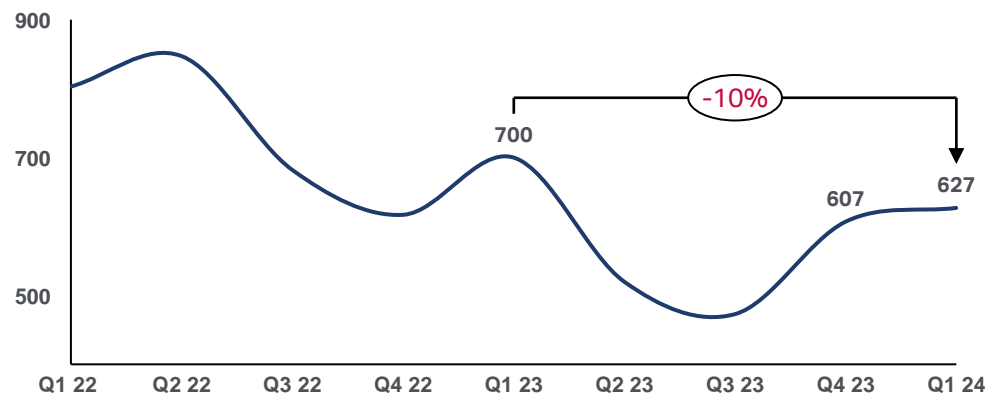
Butane

\$/MMBtu



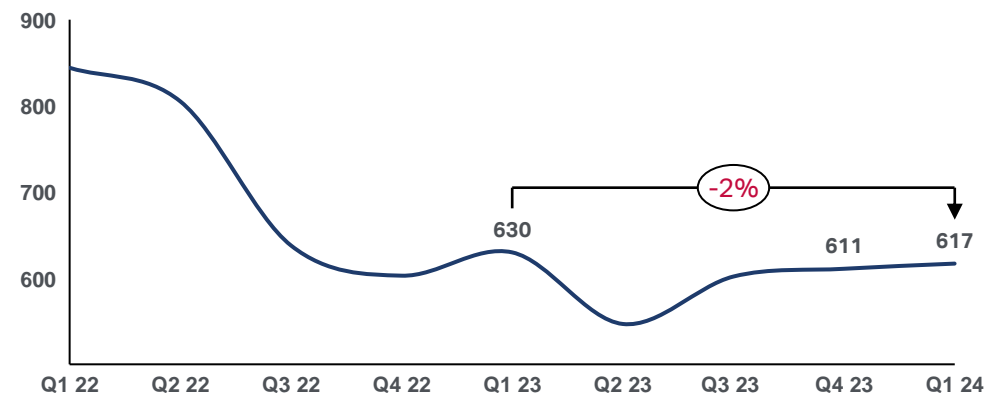
Propane

\$/ton



NAPTHA

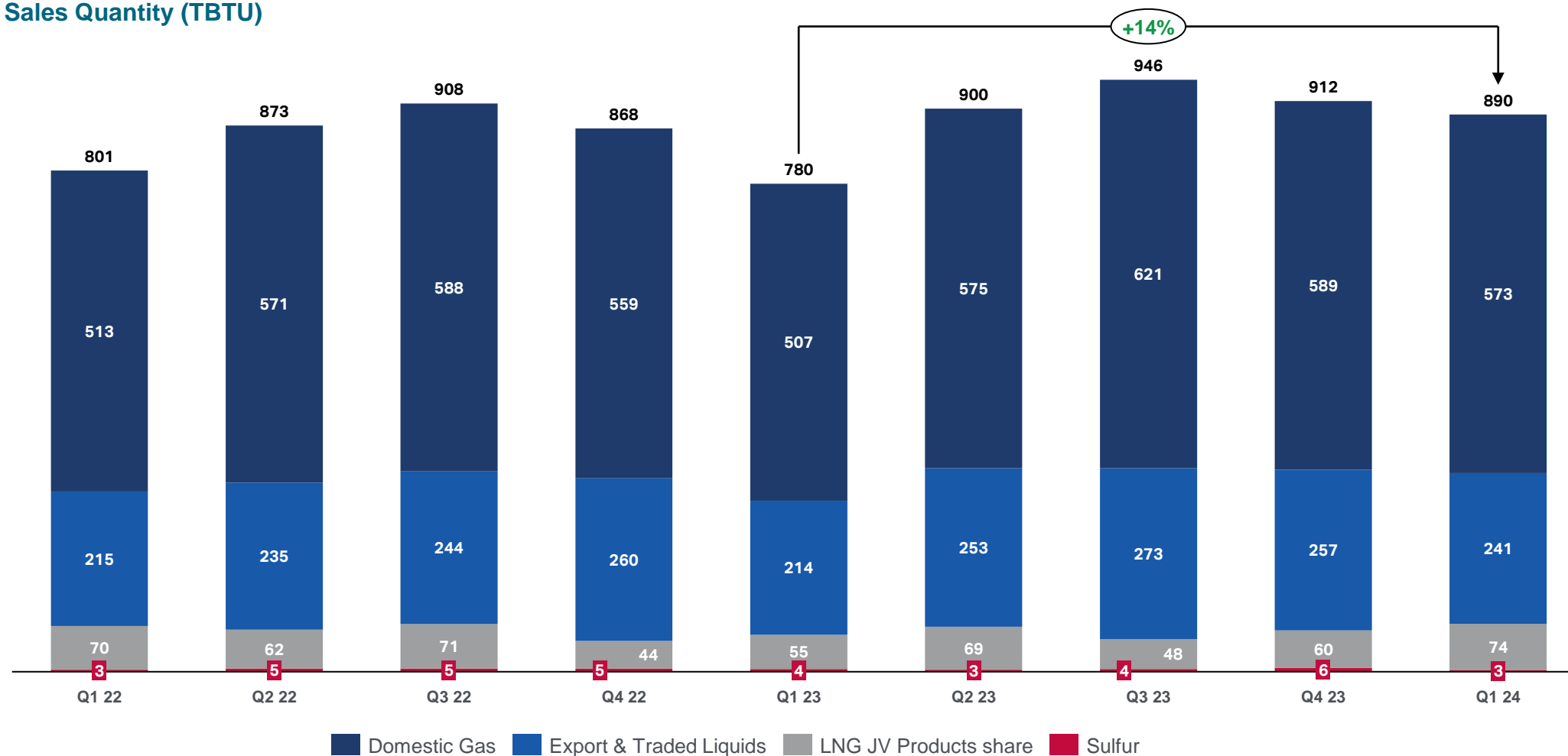
\$/ton



SALES QUANTITY EVOLUTION

14% SALES VOLUME GROWTH YOY SUPPORTED BY A STRONG PERFORMANCE IN Q1

Sales Quantity (TBTU)

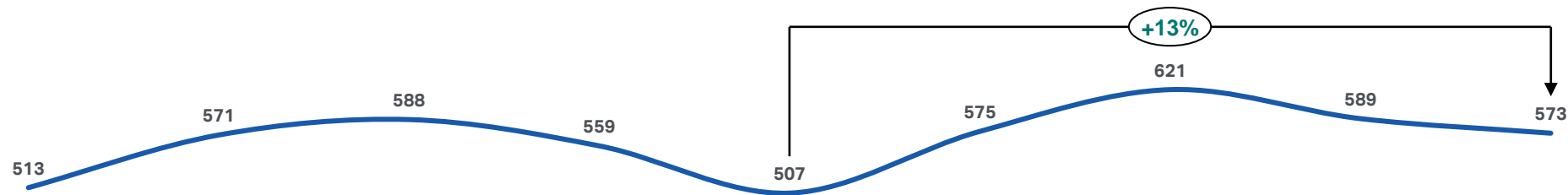


DOMESTIC GAS

YOY GROWTH ON THE BACK OF STRONG VOLUMES AND REALIZATIONS

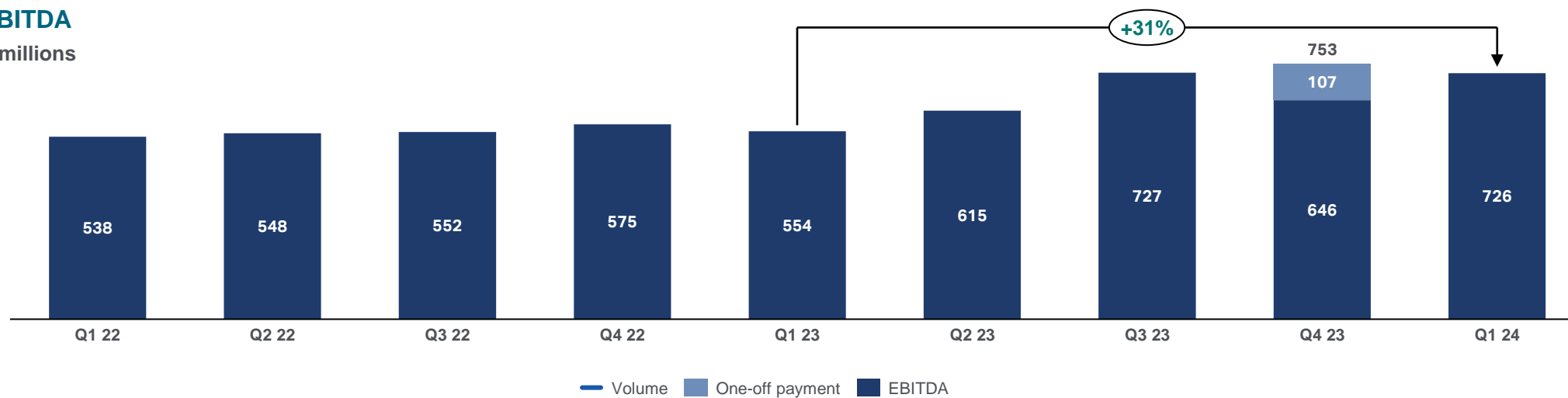
Sales Quantity

MMBTU



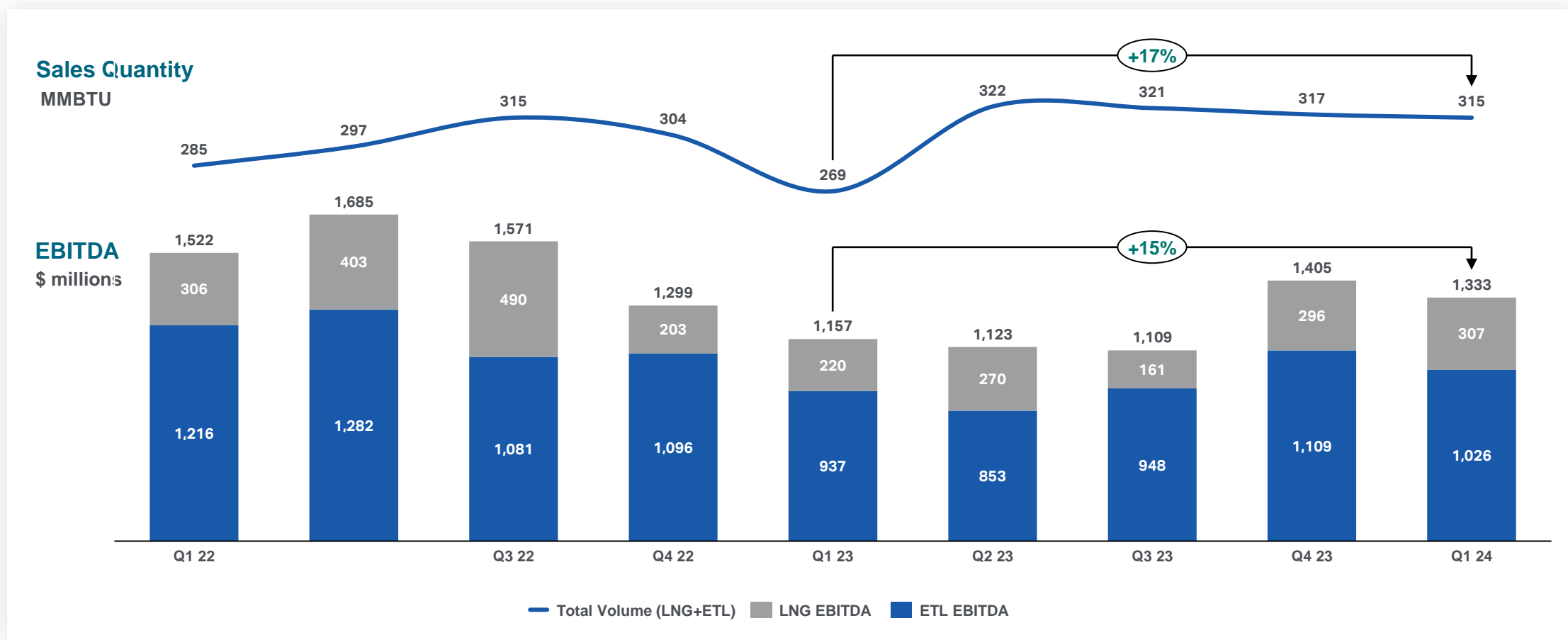
EBITDA

\$ millions



EXPORT & TRADED LIQUIDS AND LNG

GROWTH ON THE BACK OF STRONG VOLUMES



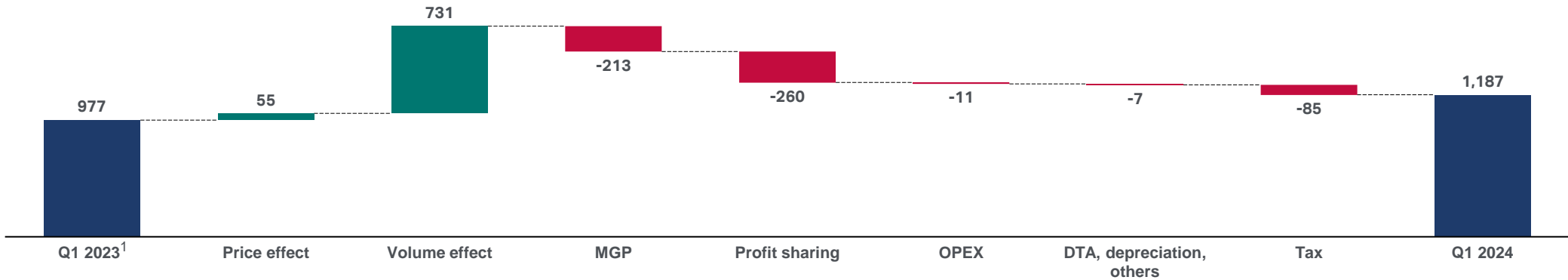
ROBUST NET INCOME PERFORMANCE

21% Y-O-Y INCREASE IN Q1 2024 NET INCOME TO \$1.19 BILLION



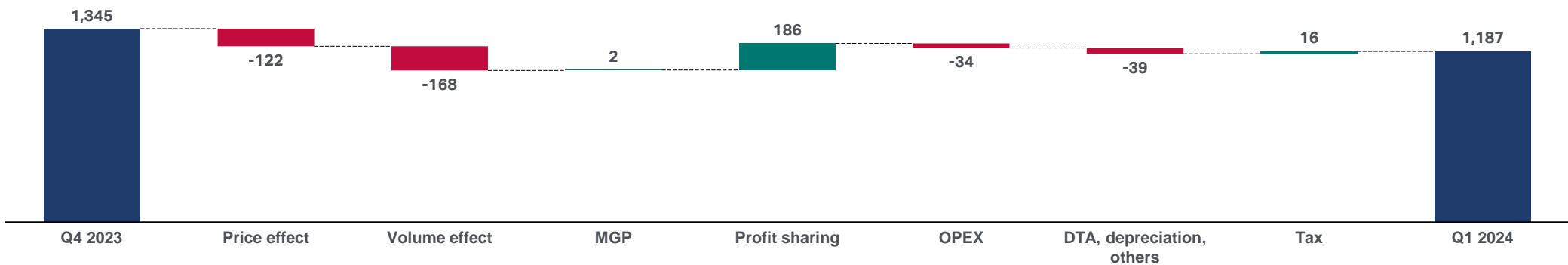
Net Income – Q1 2024 vs. Q1 2023

\$, millions



Net Income – Q1 2024 vs. Q4 2023

\$, millions



MGP: Minimum Gas Payment (1) Adjusted for 298mn one-off DTA impact

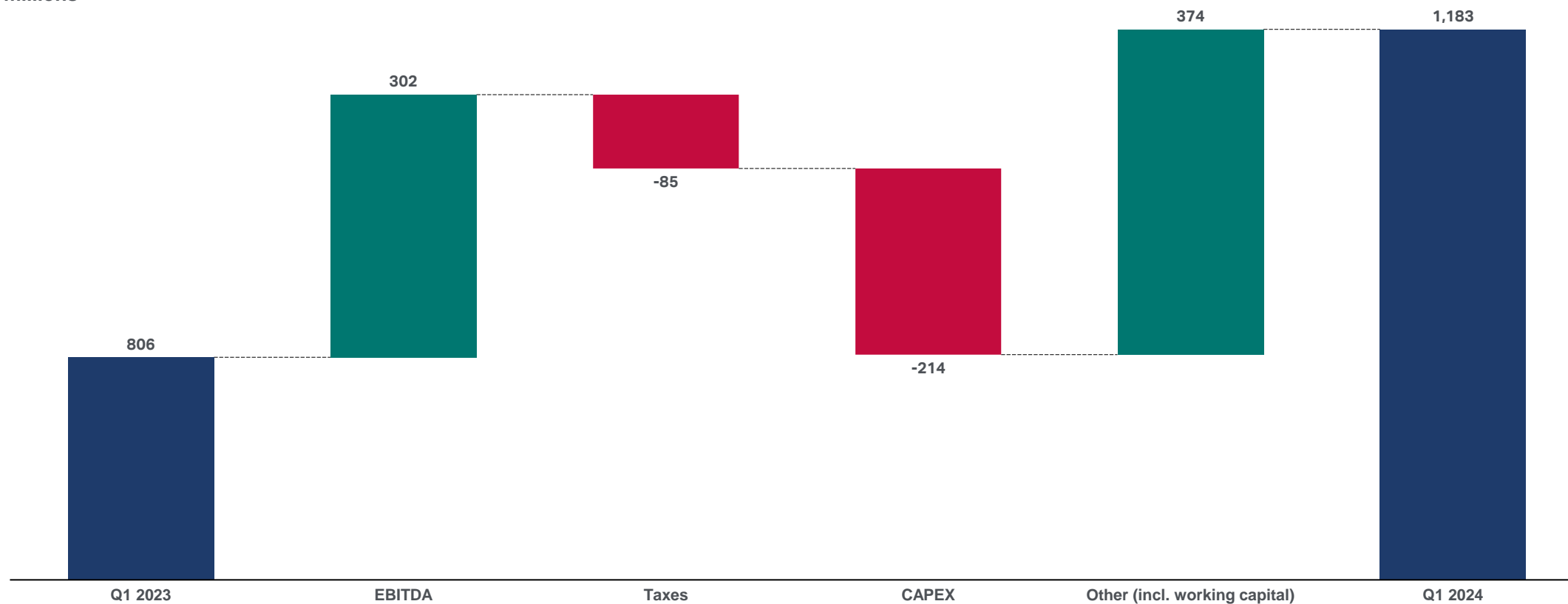
CASH-FLOW OVERVIEW

STRONG FREE CASH FLOW GENERATION OF \$1.18 BILLION, UP 47% YEAR-ON-YEAR



Free Cash Flow – Q1 2024 vs. Q1 2023

\$, millions



FINANCIAL SUMMARY



| \$ Million (unaudited figures) | Q1 23 | Q4 23 | Q1 24 | YoY % Q1 24 vs. Q1 23 | QoQ % Q1 24 vs. Q4 23 |
|----------------------------------|--------|--------|--------|--------------------------|--------------------------|
| Revenue | 5,226 | 6,301 | 6,011 | 15% | -5% |
| COGS | -2,938 | -3,598 | -3,410 | 16% | -5% |
| Opex | -514 | -491 | -525 | 2% | 7% |
| EBITDA | 1,774 | 2,212 | 2,076 | 17% | -6% |
| Adjusted Net Income ¹ | 977 | 1,345 | 1,187 | 21% | -12% |
| EBITDA Margin | 33.9% | 35.1% | 34.5% | 1% | -1% |
| Capital Expenditure | -174 | -521 | -387 | 122% | -26% |
| Free Cash Flow | 806 | 834 | 1,183 | 47% | 42% |

1. Excludes Deferred Tax Asset impact recorded in Q1 2023

OUTLOOK



2024 CAPITAL MARKET GUIDANCE

| Financial | | 2024 guidance | Q1 2024 actual | 2024 updated guidance |
|-------------------------|--------------------------|---------------|----------------|-----------------------|
| | EBITDA Margin % | 34% | 35% | 34% |
| Sales volume | (in TBTU) | 2024 guidance | Q1 2024 actual | 2024 updated guidance |
| | Domestic Gas Products | 2,215 – 2,300 | 573 | 2,215 – 2,300 |
| | Exports & Traded Liquids | 940 - 960 | 241 | 940 – 960 |
| | LNG JV Products | 220 - 240 | 74 | 240 - 260 |
| Net Profit Unit Margins | (in \$/MMBTU) | 2024 guidance | Q1 2024 actual | 2024 updated guidance |
| | Domestic Gas Products | 0.97 – 0.99 | 1.06 | 1.05 – 1.07 |
| | Exports & Traded Liquids | 1.60 – 1.70 | 1.82 | 1.75 – 1.85 |
| | LNG JV Products | 1.65 – 1.75 | 1.79 | 1.75 – 1.85 |
| | Sulphur (\$ Millions) | 150 | 13 | 55 -75 |
| Investments | (\$ Million) | 2024 guidance | Q1 2024 actual | 2024 updated guidance |
| | CAPEX | 2,000-2,500 | 387 | 2,000-2,500 |

Note: Assuming an oil price of 80 - 90 \$/bbl

Updated Guidance

2024 CAPITAL MARKET GUIDANCE (CONT'D)



| | |
|--------------------------|---|
| Capital Structure | <ul style="list-style-type: none">• Company expects to gradually increase leverage to fund growth capex requirements• Conservative long-term leverage target of up to 1.5x net debt / EBITDA |
| Growth Capex | <ul style="list-style-type: none">• \$13.2 bn over 2024 - 28 (peak Capex in 2025-26)• LNG JV: \$2bn over 2024 - 28 (peak Capex in 2025-26)* |
| Maintenance Capex | <ul style="list-style-type: none">• \$300-400m p.a.• LNG JV: \$50m p.a.* |
| Dividends | <ul style="list-style-type: none">• After having paid the first interim dividend amount of \$1,625 million in Q4 2023, a second and final dividend for 2023 of \$1,625 million paid in April 2024• Target dividend growth rate of 5% per annum on a dividend per share basis over the period 2024-2027 |

* LNG is a standalone business that is self-funding so these expenditures are not included in the ADNOC Gas cash flows and balance sheet

STRATEGIC GROWTH FUELING DIVIDEND GROWTH

COMMITMENT TO GENERATING VALUE FOR SHAREHOLDERS THROUGH STRATEGIC GROWTH



UAE Oil and Gas Production Growth

- UAE oil and gas production to increase to **five million barrels per day by 2027**
- ADNOC Gas' strategic alignment with **UAE's growth trajectory** enhances growth prospects

Investments in Capacity Expansion & International Sales Expansion

- Planned investment of **> \$13 billion** from 2024 onwards in **domestic and international growth** projects
- Plans to acquire Ruwais LNG plant to **double LNG production capacity by 2028**
- LNG export agreements worth up to **\$12 billion**.

Up to 40% growth in EBITDA

Annual dividend growth of 5%

AN INTEGRATED GLOBAL GAS PLAYER



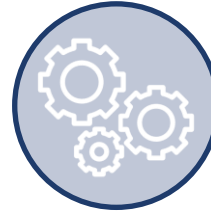
Integrated gas business

Operating across gas processing, liquefaction, transportation & marketing



Reliable Feedstock access

Access to the World's 7th largest Gas Reserves



World-class operations

One of the highest gas and liquid processing capacities



Operating in an attractive economy

Supported by strong UAE GDP and population growth



Strategic positioning

Critical energy player vital to AD and UAE energy ecosystems



Tangible growth plans

Capitalizing on the UAE's ambitious oil and gas production growth plans



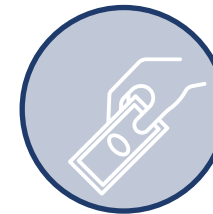
Strategic investments

In capacity expansion and international sales



Leading margins

EBITDA margin generation expected to grow 35%-40%



Growing Dividends and creating Shareholder value

Annual dividend growth of 5%



Focus on Decarbonization

Forward Thinking Organization with a Sustainable Agenda

ADNOC Gas



Q&A



أدنوك
ADNOC

ADNOC GAS

APPENDIX



AI AT THE CORE OF OUR GROWTH STRATEGY

OPERATIONAL EXCELLENCE DRIVEN BY EMBRACING AI AND TECHNOLOGY



Our strong operational performance is underpinned by a firm belief in the transformative potential of AI, digitalization and technology, which is evident in our strategic deployment of AI solutions in predictive analytics and real-time optimization.

Achievements



Significant enhancements to plant availability and output gains:

- CPAD : (Centralized Predictive, Analytic & Diagnostic)
- iRTO (Integrated Real Time Optimization)
- Drone Inspection.



Creation of up to \$1 billion in value since 2016

Future goals – 2024 and beyond



Pioneer AI in the gas industry



Continued exploration of Autonomous Operations, 3D Printing & AI Copilot



Benefits up to \$400 million annually over the next 5 years

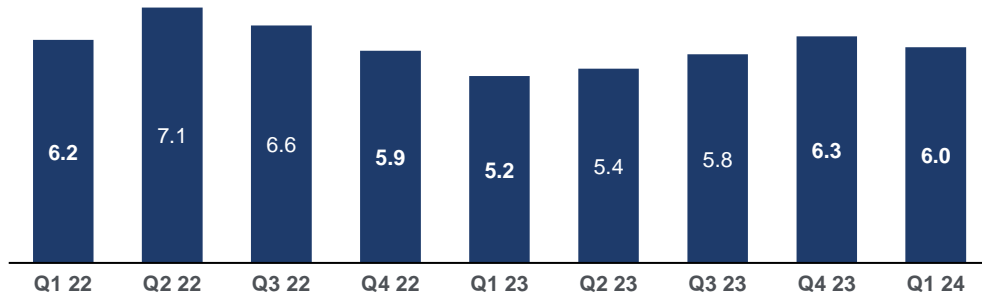
FINANCIAL PERFORMANCE

RESILIENT MARGINS IN CHANGING PRICE ENVIRONMENTS



REVENUES

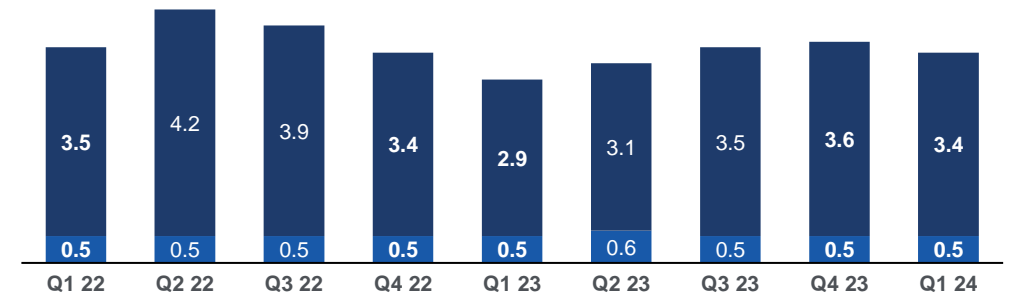
US\$, Billions



COSTS

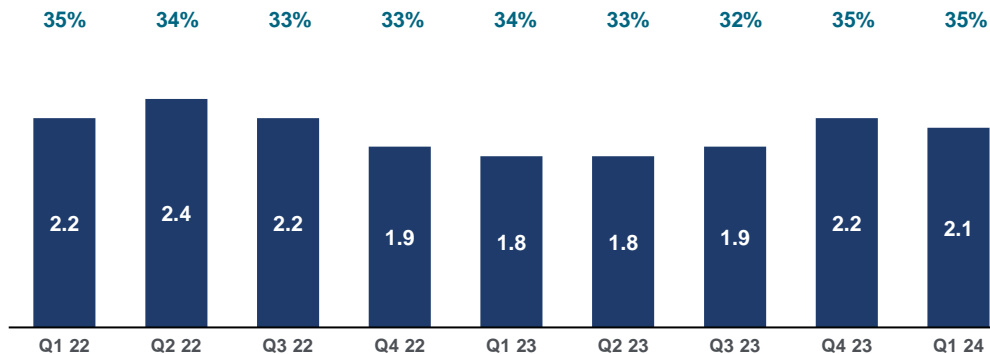
US\$, Billions

Cost of Feedstock OPEX



EBITDA

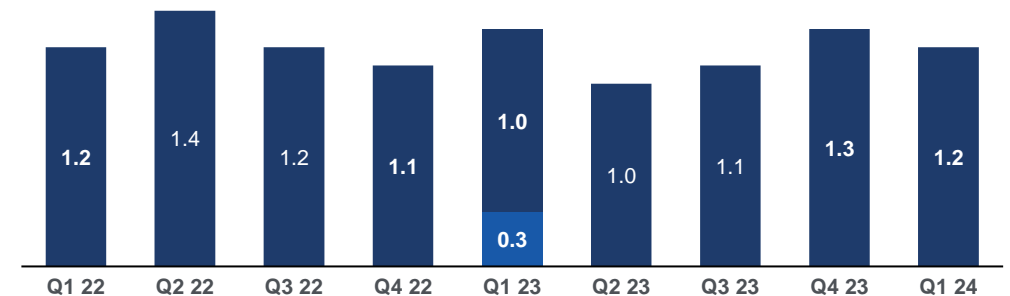
US\$, Billions



NET INCOME

US\$, Billions

Clean Net Income Non-reoccurring item



ROBUST DEMAND DRIVERS

- ✓ Global **demand for natural gas** is expected to see a ~15% increase over the next 10 years
- ✓ **Located in a strategically situated corridor** with easy access to the largest and growing gas markets
- ✓ Increasing demand for product **from low emissions intensity producers**; Abu Dhabi is the 4th lowest emitting producer, globally
- ✓ **Benefitting from bold UAE Government** investment intentions, leadership ambition and growth outlook

Our Global Foot Print



Average Forecast GDP Growth per annum (2024 – 2028)¹

UAE
4.3%

World
3.1%

Emerging/Developing
4.0%

Advanced Economies
1.7%

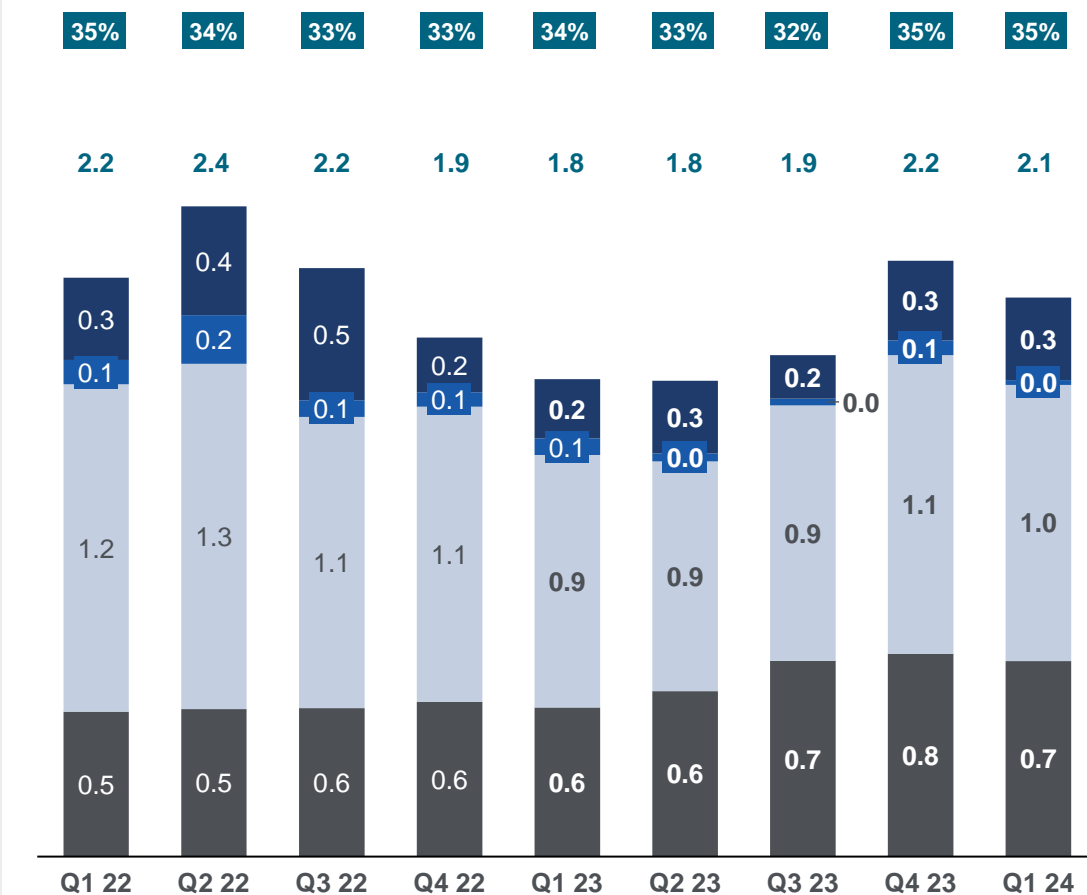
Source: 1. IMF World Economic Outlook, October 2023

QUARTERLY COMPARISON

EBITDA

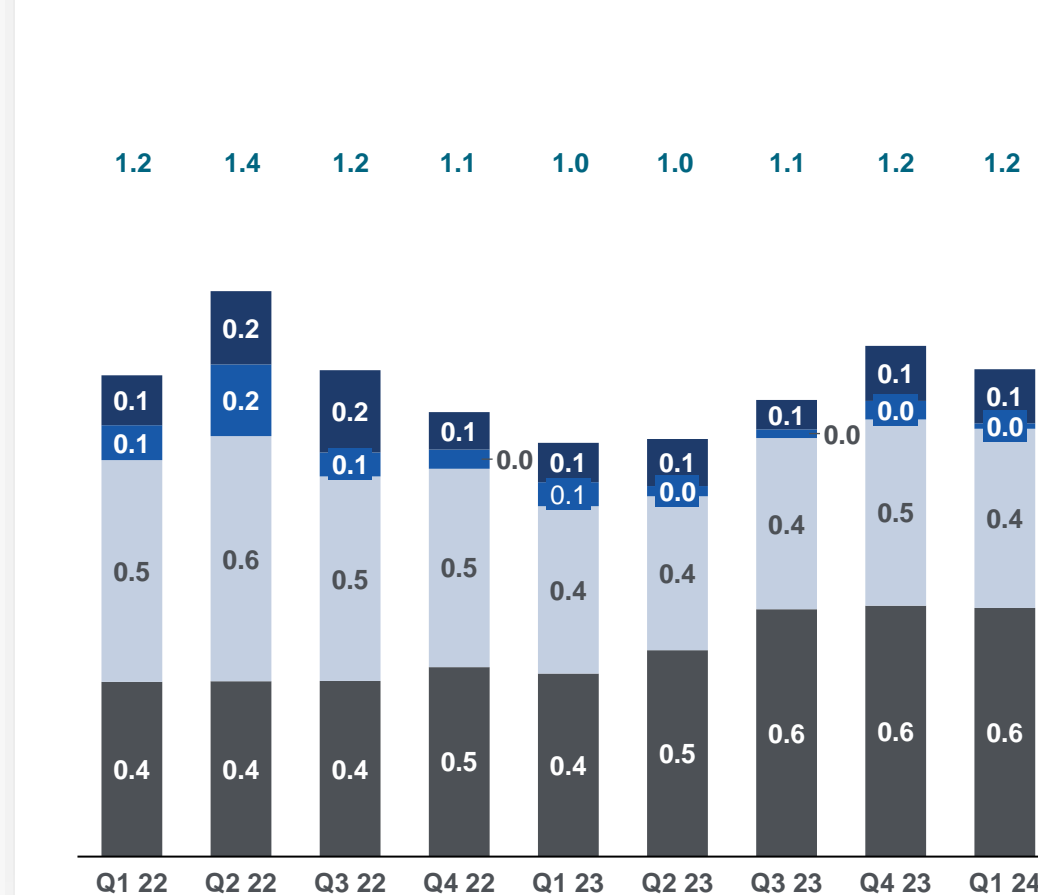
\$ Billions

EBITDA Margin



NET INCOME

\$ Billions



■ LNG Share ■ Other ■ Export & Traded Liquids ■ Domestic Gas

■ LNG Share ■ Other ■ Export & Traded Liquids ■ Domestic Gas