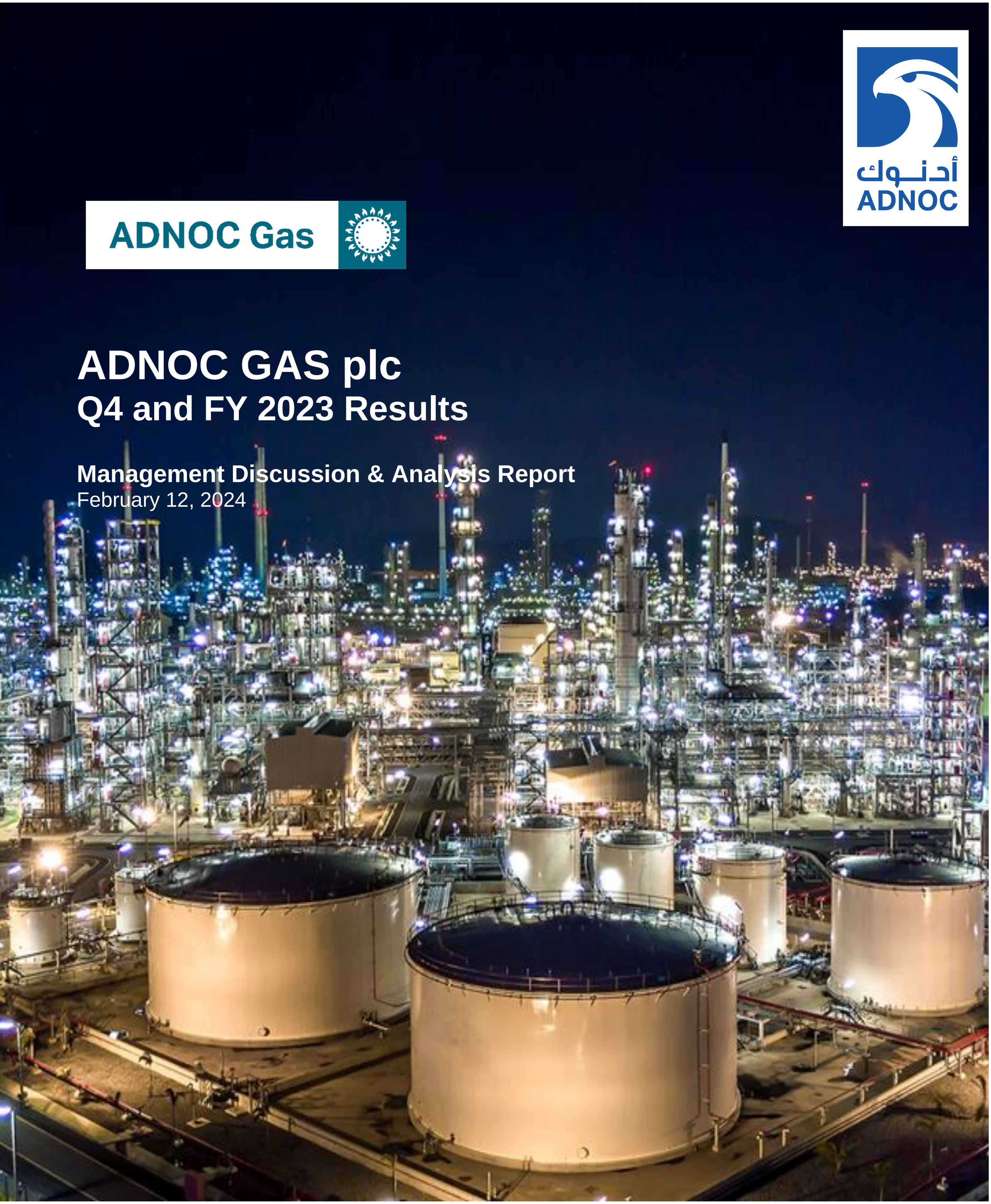

ADNOC GAS plc
Q4 and FY 2023 Results

Management Discussion & Analysis Report
February 12, 2024

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Financial Highlights[1]

Full Year 2023

For the full year 2023 ADNOC Gas plc ("ADNOC Gas" or the "Company") delivered revenue of $22,731million, EBITDA of $7,614 million and net income of $4,720 million (including a non-recurring item of $298 million from recognizing a deferred tax income in the first quarter).

The Company continued to demonstrate its resilient business model, delivering on its growth strategy, enabling the export of higher-margin liquids and a focus on increased efficiency. High levels of reliability across its assets were maintained at 99.1 % as well as maintaining a robust EBITDA margin of 33% in a volatile market environment coupled with consumer and geo-political pressures.

During 2023, Domestic Gas production volumes were 2,315 TBTU up 6% compared to 2,181 TBTU for the full year 2022. Export & Traded liquids volumes increased by 2% to 994 TBTU from 976 TBTU in the previous period. ADNOC Gas' share of LNG production volumes fell 4% year-on-year to 241 TBTU from 252 TBTU.

Brent crude prices in 2023 were 18% lower year-on-year. Spot Asian LNG, LPG and Naphtha prices also declined 53%, 22% and 17% respectively, versus the prior year period.

Hence, revenue was impacted by a less favorable pricing environment in 2023, falling 12% to $22,731 million versus $25,785 million in 2022. At the same time the cost of goods sold decreased 14% from $15,126 million to $13,079 million, benefiting from the Gas Supply and Payment Agreement (GSPA) with ADNOC Upstream. This 25-year contract is well designed and enables ADNOC Gas to share in any price upside while also providing downside protection in a less favorable price environment.

EBITDA in the period was $7,614million, 12% lower than in 2022. Domestic Gas EBITDA amounted to $2,649 million, 20% higher due to favorable contract prices and volumes. The EBITDA of Export & Traded Liquids was impacted by the price environment, decreasing 18%, from $4,674 million a year ago to $3,847 million in the current period. ADNOC Gas' share of LNG EBITDA reduced from $1,401million to $946 million year-on-year, mainly due to the price environment and lower volumes driven by maintenance and shutdown programs.

Full year 2023 net income was $4,720 million. This represents only a 2% decrease from $4,797 million recorded in 2022. The full year 2023 includes a non-recurring item of $298 million from recognizing a deferred tax asset following the formation of ADNOC Gas. Despite a revenue decrease to $22,731 million during this period, the impact was largely offset by the reduction of feedstock costs, which fell by $2,046 million, and a reduction in taxes by $593million.

In 2023, as part of its growth strategy, ADNOC Gas awarded contracts totaling $4.9 billion. The company awarded a $3.6 billion contract to expand its gas processing infrastructure in the UAE, through the commissioning of new gas processing facilities that will enable optimized supply to the Ruwais Industrial Complex. This follows the contract award in Q2 for the $1.34 billion ESTIDAMA project to supply higher volumes of natural gas to customers in the Northern Emirates.

In addition, the ADNOC Group also awarded a $615 million contract for a carbon capture project at ADNOC Gas' Habshan gas processing plant that aims to reduce ADNOC Gas' CO_2 emission by 8%, or 1.5mmtpa, by 2026.

The capital expenditure (CapEx) outlay totaling $1,267 million during 2023 primarily stemmed from our growth initiatives, including ESTIDAMA and Meram, in addition to funding our ongoing maintenance/shutdown program.

The comprehensive shutdown program and solid asset management systems continue to demonstrate the effectiveness of our maintenance activities. Of the total CapEx spend, $501 million was spent in 2023 on sustaining our assets and turnaround activities enhancing technical life.

Q4 2023

ADNOC Gas plc ("ADNOC Gas" or the "Company") delivered quarterly revenue of $6,301 million, EBITDA of $2,212 million and net income of $1,345 million.

As a result of the optimization strategies and improved pricing environment compared to the previous quarter the company was able to have a robust EBITDA margin of 35%.

During the fourth quarter, high levels of reliability across its assets were maintained at 99.8%.

Domestic Gas production volumes were 6% higher YoY at 596 TBTU, compared to 560 TBTU in the fourth quarter of 2022. Export & Traded liquids volumes also increased to 260 TBTU versus 252 TBTU in the year-ago period. ADNOC Gas' share of LNG production volumes improved year on year to 64 TBTU from 45 TBTU.

Brent crude prices in the fourth quarter of 2023 were 6% lower year-on-year and spot Asian LNG prices also declined versus the prior year period, falling 61%. However, LPG and Naphtha have improved slightly year-on-year.

Hence, revenue improved slightly with the pricing environment in the fourth quarter of 2023, growing 7 % versus the fourth quarter of 2022, from $5,888 million to $6,301 million. At the same time the feedstock cost increased 4% from $3,445 million to $3,598 million, sharing more profits with ADNOC Upstream based on the Gas Supply and Payment Agreement (GSPA).

EBITDA in the period increased to $2,212 million, 15% higher than in the fourth quarter of 2022. Domestic Gas EBITDA amounted to $753 million, 31% higher due to favorable contract prices. The EBITDA of Export & Traded Liquids was slightly improved by the price environment, increasing from $1,096 million a year ago to $1,109 million in the current period. ADNOC Gas' share of LNG EBITDA increased from $203 million to $296 million year-on-year, mainly due to better volumes despite the lower prices.

In the fourth quarter of 2023, net income was $1,345 million, a 24% increase from $1,084 million recorded in the fourth quarter of 2022.

CapEx spend of $521 million in the fourth quarter of 2023, up 34% year on year, was driven by growth projects. The comprehensive shutdown program and solid asset management systems continue to demonstrate the effectiveness of our maintenance activities. Of the total CapEx spend, $127 million was spent on sustaining our assets and turnaround activities enhancing technical life.

Financial Summary

Full Year 2023 unaudited results

$ Million	FY 22[1]	FY 23[2]	*YoY %*
Revenue	25,785	22,731	*-12%*
COGS	-15,126	-13,079	*-14%*
Opex	-1,985	-2,037	*3%*
EBITDA	**8,674**	**7,614**	***-12%***
Net Income[2]	**4,797**	**4,720**	***-2%***
EBITDA Margin	34%	33%	*0%*
Net Income Margin	19%	19%	*0%*
Capital Expenditure	-870	-1,267	*46%*
Free Cash Flow[3]	**5,212**	**4,460**	***-14%***

1 ADNOC Gas was incorporated in the Abu Dhabi Global Market, Abu Dhabi, UAE on December 8, 2022 and the relevant assets were contributed to ADNOC Gas effective January 1, 2023 as part of a reorganisation (the "Reorganisation") that included the entry into a gas supply and payment 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 FY 2022 presented in this document give effect to the impact of the Reorganisation as if the Reorganisation had taken place on January 1, 2022.

2 The unaudited Net Income in FY 2023 includes a $298 million benefit from recognizing a deferred tax asset, a non-reoccurring item, following the formation of ADNOC Gas.

3 2023 free cash flow data as per the unaudited financial statements. Like for like data not available for FY22 as this period preceded the formation of ADNOC Gas.

Q4 2023 unaudited results

$ Million	Q4 22[1]	Q3 23	Q4 23	*YoY % Q4 23 vs. Q4 22*	*QoQ % Q4 23 vs. Q3 23*
Revenue	5,888	5,807	6,301	*7%*	*8%*
COGS	-3,445	-3,466	-3,598	*4%*	*4%*
Opex	-517	-479	-491	*-5%*	*2%*
EBITDA	**1,926**	**1,863**	**2,212**	***15%***	***19%***
Net Income	**1,084**	**1,116**	**1,345**	***24%***	***21%***
EBITDA Margin	33%	32%	35%	*2%*	*3%*
Net Income Margin	18%	19%	21%	*3%*	*2%*
Capital Expenditure	-388	-347	-521	*34%*	*50%*
Free Cash Flow[3]	**1,006**	**1,308**	**834**	***-17%***	***-36%***

Full Year 2023 Revenue reconciliation

	$ Million
Total Revenue (As reported in Un-Consolidated Statement of Profit or Loss)	**17,905**
Revenue from ADNOC LNG JV proportionate Share (Equity Accounted)	2,644
Revenue from Re-injection Gas	2,152
Revenue from IG (intercompany elimination & Other Income)	29
ADNOC Gas revenue (incl. proportionate ADNOC Gas consolidation of JVs)	**22,731**

Full Year 2023 EBITDA reconciliation

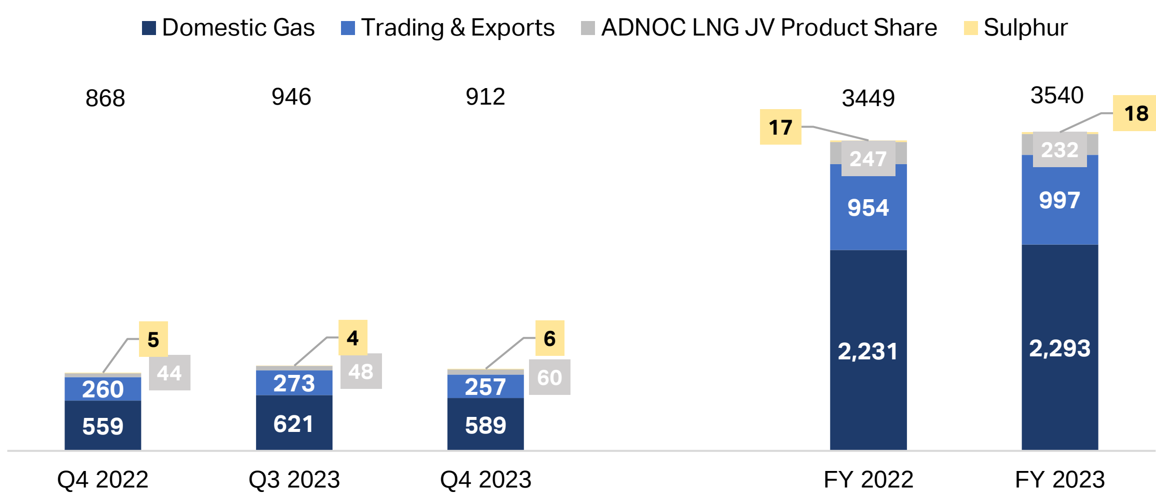
	$ Million
Total EBITDA (As reported in Consolidated Statement of Profit or Loss)	**7,034**
Adjustment related to AGP (mostly tax, depreciation)	45
Adjustment related to ALNG (mostly depreciation)	559
Others	(24)
ADNOC Gas EBITDA (incl. proportionate ADNOC Gas consolidation of JVs)	**7,614**

Operational Highlights

ADNOC Gas Plants Efficiency

Efficiency (YTD)	Q4 22	Q3 23	Q4 23		FY 22	FY 23
Asset Utilization (%)	88.7	90.3	89.6		88.7	86.4
Asset Availability (%)	94.3	98.1	97.5		97.9	96.2
Asset Reliability (%)	99.0	98.6	99.8		99.5	99.1

ADNOC Gas Sales Volumes (TBTU)



Note: ADNOC Gas' proportionate 70% share of volumes in ALNG.

Outlook

We expect sales volumes to be approximately between 3,400 and 3,500 TBTU in 2024. As with prior years, sales volumes should follow a seasonal pattern with an uptick over the summer period. Furthermore, it is also important to note that our shutdown activity is biased towards the first quarter.

In terms of net profit unit margins we anticipate Domestic Gas Products to see a low single digit increase vs. 2023.

Export and Traded Liquids and ALNG JV products are typically closely correlated with Brent. However, it is important to remember that, from time to time, individual product prices may decouple from oil prices in line with prevailing supply demand evolution of the respective markets. In addition, other products are expected to generate a further $150 million net income.

Total investments are expected to fall between $2,000 and $2,500 million in 2024 representing a substantial increase against the prior year as growth projects are implemented in line with the announcements made in 2023.

ADNOC Gas' fiscal year 2024 financial guidance

		2023 Actual	2024 guidance
Financial	EBITDA Margin %	33.5%	Flat YoY
Sales volume	*(in TBTU)*	**2023 Actual**	**2024 guidance**
	Domestic Gas Products	2,293	2,215 – 2,300
	Exports & Traded Liquids	997	940 - 960
	ALNG JV Products	232	220 – 240
Net Profit Unit Margins	*(in $/MMBTU)*	**2023 Actual**	**2024 guidance**
	Domestic Gas Products	0.95	0.97 – 0.99
	Exports & Traded Liquids	1.69	1.60 - 1.70
	ALNG JV Products	1.79	1.65 - 1.75[1]
	Sulphur ($ Millions)		~150
Investments	*($ Million)*	**2023 Actual**	**2024 Actual**
	CAPEX	1,267	2,000 - 2,500

1. Based on a Brent price range of US$75 – 85/bbl
2. ADNOC Gas' proportionate 70% share of volumes includes LNG, LPG, Naphtha and Sulphur

Unaudited Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 8 December 2022 (date of incorporation) to 31 December 2023

	$ Million
Revenue	**17,905**
Gas costs:	
Minimum price	(3,434)
Profit sharing	(7,385)
Fuel gas payment	(180)
Other operating income	1,105
Employee costs	(984)
Depreciation and amortization	(1,100)
Inventory consumption	(67)
Other operating costs	(451)
General and administration expenses	(73)
Share of operating costs in equity accounted investee	(247)
Share of results of equity accounted investee	402
Recharges to Equity Accounted Investees	442
Operating profit	**5,934**
Finance income	95
Finance costs	(207)
Profit before tax for the period	**5,822**
Current income tax expense	(1,529)
Deferred tax credit	426
Profit for the period	**4,720**
Re-measurement gain on employees' end of service benefit obligations	9
Total comprehensive income	**4,729**

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	$ million
Total non-current assets	22,749
Total current assets	6,270
Total assets	**29,019**
Total equity	**22,292**
Total non-current liabilities	2,884
Total current liabilities	3,844
Total liabilities	6,727
Total equity and liabilities	**29,019**

UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

For the period from 8 December 2022 (date of incorporation) to 31 December 2023

	$ Million
Profits after tax for the period	4,720
Adjustments for:	
Depreciation of property, plant and equipment	1,065
Depreciation of right-of-use assets	8
Amortisation of intangible assets	27
Allowance for slow moving and obsolete inventories	9
Share of results of equity accounted investees	(402)
Share of operating costs of equity accounted investees	246
Deferred tax credits	(427)
Current income tax expense	1,529
Charge for the end of service benefits	5
Finance income	(95)
Finance cost	206
Net cash flows from operating activities before changes in working capital	**6,892**
Changes in working capital:	
Increase in inventories	(68)
Increase in trade receivables	(1,799)
Increase in prepayments and other receivables	(607)
Increase in amounts due from related parties	(495)
Increase in trade and other payables	276
Increase in amounts due to related parties	1,839
Cash flows from operating activities	**6,038**
Benefits paid	(4)
Taxes paid	(1,354)
Net cash flows generated from operating activities	**4,680**
Payments for purchase of property, plant and equipment	(657)
Dividends received	341
Finance income	96
Net cash flows used in investing activities	**(220)**
Shareholders loans	500
Dividend paid	(1,625)
Share capital	-
Repayment of lease liabilities	(9)
Finance costs paid	(83)
Net cash flows generated from financing activities	**(1,217)**
NET INCREASE IN CASH	**3,243**
Cash and cash equivalents arising on Group Reorganisation	87
Cash And Cash Equivalents, At the End of The Period	**3,329**

Dividend Policy

Our dividend policy remains subject to factors such as distributable reserves and future profits, with payments at the discretion of our Board of Directors and requiring shareholder approval.

In line with our commitment to shareholder returns, the Company had distributed in December an inaugural interim cash dividend of $1.625 billion for the first half of fiscal year 2023, and a further final cash dividend of $1.625 billion is expected in Q2 2024, underpinning our strong financial position and visible future cash flows.

Further to our commitment at the IPO in March 2023, we expect to grow the annual dividend at 5% per annum over 2024-2027, reflecting our expectations of strong cash flow and long-term earning potential, while maintaining flexibility for future growth opportunities.

Earnings Webcast and Conference Call

ADNOC Gas will host an earnings webcast and conference call followed by a Q&A session for investors and analysts on Monday, February 12, 2024, at 12:30 pm UAE time / 8:30am GMT time.

The call will be hosted by Ahmed Alebri (CEO) and Peter van Driel (CFO). Interested parties are invited to join the call by clicking here.

First Quarter 2024 Results

We expect to announce our first quarter 2024 results on Wednesday, May 8, 2024.

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February 12, 2024
ADNOC Gas plc

Appendix: Glossary

Financial Terms

EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization

Net debt is calculated as total interest-bearing debt less cash and bank balances (including term deposits with banks) adjusted for lease liabilities.

Net debt to EBITDA ratio is calculated as interest-bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.

Capital Employed is calculated as the sum of total assets minus non-interest-bearing current liabilities.

Return on Capital Employed is calculated as operating profit for the twelve months ended on the last day of the period presented divided by capital employed on the last day of the period presented. Operating Profit is defined as profit excluding financing, tax and income and expenses from investments.

Leverage ratio is calculated as (a) interest-bearing net debt, divided by (b) the sum of interest-bearing net debt plus total equity.

Return on Equity is calculated as profit for the period for the twelve months ended on the last day of the period presented divided by total equity on the last day of the period presented.

Operating Working Capital is calculated as current assets excluding cash and bank balances minus current liabilities excluding lease liabilities.

Operating Cashflows are Net cash generated from operating activities as stated in the cash flow. statement.

Free Cash Flow is calculated as net cash generated from operating activities less net cash flow used in investing activities.

Opex represents Operating expenditure that includes direct cost and general and administrative expenses excluding depreciation, amortization and impairment as stated in the statement of profit or loss and other comprehensive income.

Capital Expenditure is total capital expenditure for purchase of property and equipment.

All financial terms have meaning as defined in the International Financial Reporting Standards (“IFRS”) unless otherwise stated.

IFRS are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB). They constitute a standardized way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries.

2022 Unaudited Pro-Forma Results have been prepared for illustrative purposes only and are based on available information and certain assumptions and estimates that we believe are reasonable.

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