ADNOC Gas

ANNUAL REPORT 2023

A world-class
energy leader

WORLD-CLASS ENERGY LEADER

ADNOC Gas PLC is a world-class, large-scale integrated gas processing company, with a determined focus on sustainability across our business.

For more information visit
adnocgas.ae

Our Vision

We harness energy resources in the service of our nation.

Our Mission

Through partnerships, innovation and a relentless focus on high-performance and efficiency, we maximize the value of energy resources.

Our Values

Progressive
We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

Respectful
We encourage a culture of inclusivity and mutual respect, and always operate to the highest professional and ethical standards.

Efficient
We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our communities, our partners, our customers and our nation.

Collaborative
We work in close collaboration with our partners and customers, leveraging collective strengths to deliver mutually beneficial results.

Responsible
We are committed to identifying ways that can make a difference to our community while maintaining an unwavering commitment to health, safety and the environment in which we operate.

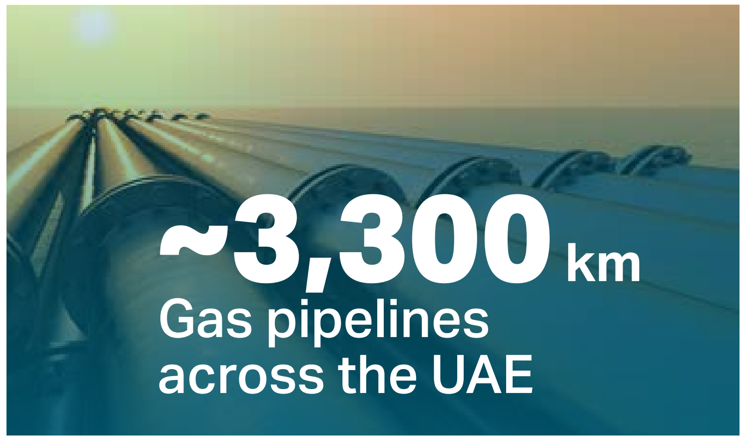
OVERVIEW

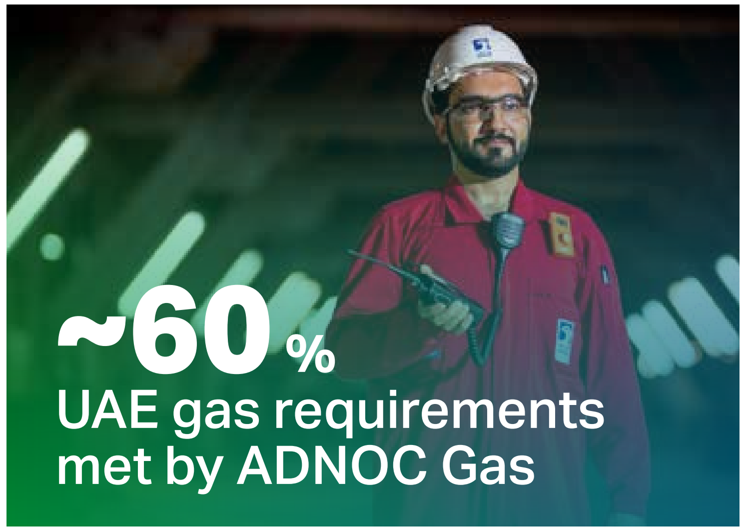
AT A GLANCE

Who we are

ADNOC Gas is a large-scale, integrated gas processing company and a subsidiary of ADNOC, one of the world's largest integrated energy companies.

As a leading global gas player with access to capacity of around 10 billion standard cubic feet of gas per day (bscfd) and 29 million tonnes per annum (mtpa) of liquids, we serve a wide range of domestic and international customers. We supply around 60% of the UAE's gas needs and export natural gas and related products to a diverse customer base in over 20 countries.





What we do

ADNOC Gas' operations represent a highly integrated and comprehensive gas management platform, covering the full range of processing, transmission, transportation and marketing activities, with eight sites located across the UAE.

We work closely with our stakeholders in the upstream sector of ADNOC's business, taking raw gas produced from the UAE's vast reserves.

We process this raw gas into a range of products including natural gas and liquefied petroleum gas (LPG), sold to utilities and industrial users; ethane and naphtha feedstock used in the manufacture of polymers; industrial gases like oxygen and nitrogen; and chemicals such as sulphur that have a wide range of industrial uses.

Our products are brought to market through an extensive network of pipelines and dedicated export facilities at both Das Island and the Ruwais Industrial Complex.

At every stage, we have an unwavering focus on ensuring the health and safety of everyone associated with our operations and achieving continual improvement of our environmental performance.

Our operations are comprised as follows:

Gas Processing
Operating at the heart of the UAE's hydrocarbon value chain, we receive raw gas from ADNOC's onshore and offshore production operations, and produce a mixture of domestic gas, natural gas liquids (NGLs) and sulphur to serve our local and international downstream customers.

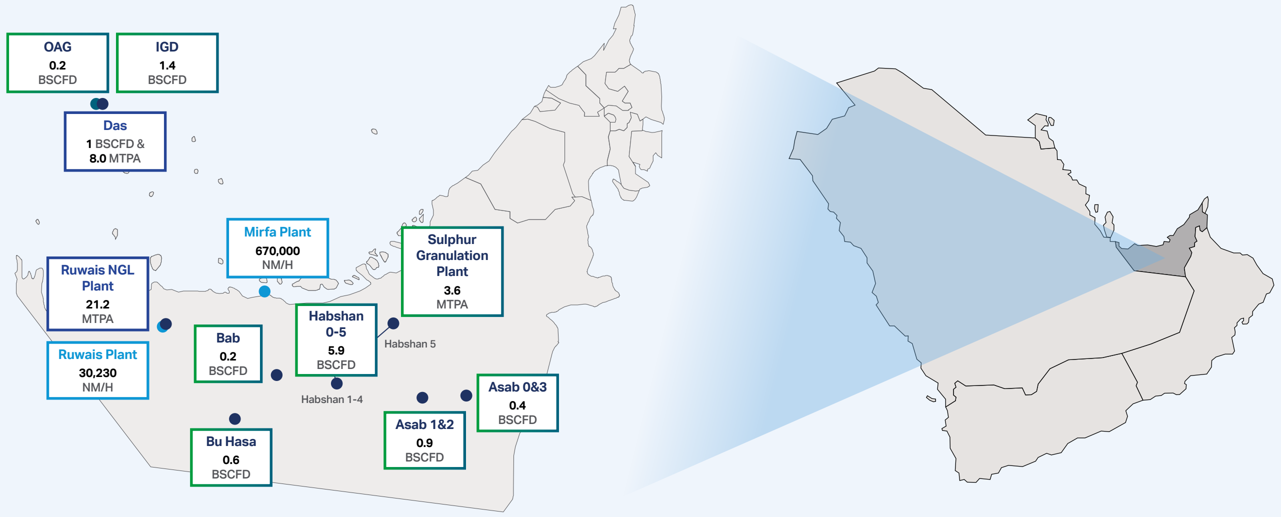
LNG Operations
Our liquefaction facilities supply liquefied natural gas (LNG) from gas produced in ADNOC's offshore operations for export to customers around the globe.

Pipeline Network
Our extensive gas pipeline network enables delivery of domestic gas to customers across Abu Dhabi, Dubai and the Northern Emirates, meeting ~ 60 % of the UAE's gas requirements.

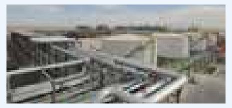
Industrial Gases
We are one of the UAE's major suppliers of industrial gases, primarily nitrogen and oxygen.

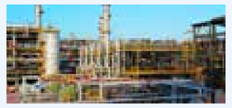
Where we operate

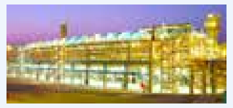
Our asset base is spread across onshore and offshore Abu Dhabi, comprising gas processing, LNG and industrial gases operations as shown here:

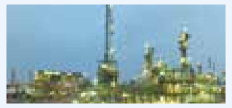


Gas Processing

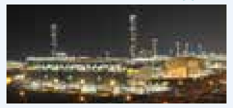

Habshan 0-5

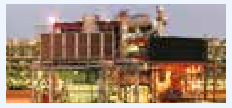

Asab 1&2


Bu-Hasa


Ruwais NGL Plant


Sulphur Granulation Plant


IGD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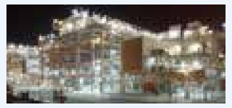
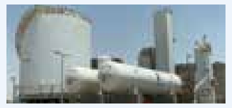

OAG / IGD-E2

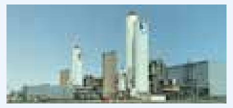

Bab

LNG


Das

Industrial Gas


Ruwais Plant


Mirfa Plant

Gas Processing JV Operation   LNG JV Operation

OUR HISTORY

1970
ALNG
H.H. Sheikh Zayed issued directive to cease non-technical flaring

1977
ALNG
First ever gas production in UAE and first LNG shipment delivered to TEPCO

1980
AGP
Asab, Bab and Buhasa processing plants start up (associated gas)

2001
AGP
GASCO merged with ATHEER, adding three gas processing plants: Habshan 0, 1, 2 with a 3,000 mmscfd processing capacity and pipeline network. The merger more than doubled the size of AGP, making it one of the world's largest gas processing companies

2011
AGP
Habshan 3, Asab 2, Ruwais Train 3 start up

2021
ADNOC
Clean Energy Agreement with EWEC for supply of power to ADNOC from clean sources, with net-zero emissions

2023
ADNOC Gas PLC
ALNG and AGP reorganized to create ADNOC Gas PLC

ADNOC Gas PLC listed on the Abu Dhabi Securities Exchange

1973
ALNG
ALNG established as a joint venture company between ADNOC (70%), Mitsui & Co (15%), BP (10%) and Total Energies (5%)

1978
AGP
AGP established as a 30-year joint venture between ADNOC (68%) and shareholders Shell (15%), TotalEnergies (15%) and PTTEP (2%)

1981
AGP
Start of operations and first NGL shipment

2010
ALNG
Offshore Associated Gas Project commissioned with low pressure offshore gas export capacity of 200 mmscfd

2018
AGP
Taweelah Gas Compression Project commissioned, ensuring uninterrupted gas supplies to major Abu Dhabi industries and the UAE Northern Emirates

2022
ADNOC Gas Ltd.
ADNOC Gas Ltd. established as a private company limited by shares

For each historical event that occurred prior to the 2023 reorganization, we have indicated the entity at which such event occurred or to which such event related.

OPERATIONAL, ESG AND FINANCIAL HIGHLIGHTS

Operational and ESG Highlights 2023

Largest ever IPO in MENA in March, raising **US$ 2.5bn** from the sale of 5% total shareholding in the Company

Sales volumes increased to **3,540 tn** British thermal units (BTU), up by **3%** versus 2022

Top quartile plant reliability of **99.1%**

EPC contracts awarded for key growth projects MERAM and ESTIDAMA with contractual values of **US$ 3.6bn** and **US$ 1.3bn** respectively

First quartile Total Recordable Injury Rate (TRIR) of **0.06**

Signed LNG agreements with Indian Oil, JAPEX, Petrochina and JERA, bringing the total value of LNG supply deals since the ADNOC Gas listing to between **US$ 9bn** and **US$ 12bn**

In December, **ADNOC** signed a long-term LNG Heads of Agreement for Ruwais low-carbon LNG project with a 15-year tenure for the sale of 1 mtpa

The first ever LNG cargo delivered from the Middle East to Germany

Largest MENA carbon capture project awarded for the Habshan gas processing plant with a **1.5 mn** tonnes per annum (mtpa) carbon emission reduction capacity (c. 8% of ADNOC Gas emissions) by 2026

Financial Highlights 2023

Solid, sustainable adjusted EBITDA margin of 34% (flat YoY) on the back of flexible profit-sharing arrangement

Net Income of US$ 4.7bn, aided by shift to higher value liquids

Free Cash Flow of US$ 4.5bn, exceeding the proposed annual dividend for 2023 of US$ 3,250mn by 37%

Inaugural interim dividend of US$ 1,625mn paid in December

Asset Base: US$ 22.7bn long-life assets generate attractive long-term value, unlevered balance sheet to support further growth

Liquidity: funding requirements fully secured with US$ 6bn credit facilities

YEAR IN REVIEW

January

ADNOC's new world-scale gas processing, operations and marketing company established

February

First Middle East LNG cargo to Germany successfully delivered by ADNOC

March

13 March, ADNOC Gas lists 5% of its shares on the Abu Dhabi Securities Exchange, raising AED 9.18 billion (US$ 2.5 billion) at an issue price of AED 2.37 per share

May

ADNOC Gas signs 3-year LNG Supply Agreement with TotalEnergies

July

ADNOC Gas awards US$ 1.3 billion in contracts for new natural gas pipeline to the Northern Emirates

ADNOC Gas announces US$ 7-9 billion, 14-year LNG Supply Agreement with Indian Oil Corporation Ltd.

August

ADNOC Gas awards US$ 3.6 billion contract to expand its gas processing infrastructure

ADNOC Gas signs 5-Year LNG Supply Agreement with Japan Petroleum Exploration Co. Ltd. (JAPEX)

September

ADNOC Gas signs US$ 450-550 million LNG Supply Agreement with PetroChina International Co. Ltd.

October

ADNOC Gas awards US$ 615 million contract for one of MENA's largest integrated carbon capture projects

ADNOC Gas signs US$ 500-700 million LNG Supply Agreement with JERA Global Markets

November

ADNOC Gas announces inaugural interim cash dividend of US$ 1,625 million

STRATEGIC REVIEW

A MESSAGE FROM OUR CHAIRMAN

I am delighted to share with you that in 2023 ADNOC Gas moved from a private to a public company. This was the largest Initial Public Offering (IPO) on the ADX as well as the largest in the emerging markets last year. Total demand during the IPO amounted to more than US$ 124 billion, which was 50 times oversubscribed and illustrated the attractiveness of our gas business to both domestic and international investors. With a market capitalization of US$ 67 billion we are one of the top 20 oil and gas companies in the world.

In 2023 the Company achieved strong financial results, recording a net income of US$ 4.7 billion, despite a much less favorable pricing environment, and clearly showing the resilience of our business. Our costs came down structurally by US$ 0.2 billion, operations showed industry leading levels of reliability at 99% and production volumes increased by 4%, resulting in higher sales volumes.

We provide more than 60% of the UAE's gas demand and are the largest supplier to the petrochemical sector in the country. We are the second largest exporter of Liquefied Petroleum Gas (LPG) in the world and export our products to more than 20 countries.

Our international sales gained momentum in 2023 with the signing of Liquefied Natural Gas (LNG) export agreements worth up to US$ 12 billion, securing our LNG returns in the coming years, and confirming our position as a preferred export partner in global natural gas markets.

The Company is well positioned to benefit from the growth that the UAE will deliver when oil and gas production increases from four to five million barrels per day by the year 2027 which will contribute to the increase of associated gas production.

The Company has created remarkable value for our shareholders on the back of our 2023 achievements. The total return, including the annual dividend, reached 35 percent.

As part of our five-year business plan, the Company will be investing more than US$ 13 billion in domestic and international growth opportunities.

As part of our five-year business plan (2024-2028), the Company will be investing more than US$ 13 billion in domestic and international growth opportunities, our predictable margin business is expected to grow our earnings before interest, tax, depreciation, and amortization (EBITDA) by up to 40% in the coming years. We already awarded US$ 5 billion of contracts for expansion of our gas processing facilities and the natural gas pipeline network to our existing and new customers in the Emirates in early 2026. These projects will give us additional sales volumes of up to 20%.

In addition, we are looking to increase our export volumes of LNG in a growing global LNG market. Our intent is to acquire the new Ruwais LNG plant and more than double our LNG production capacity by 2028.

The Company is also seeking to grow internationally and acquire new positions in the gas value chain in Europe, India, China and South-East Asia with the aim of enhancing the UAE's presence in international LNG markets and generating an additional return that enhances our current business.

ADNOC Gas has a strong balance sheet with US$ 25 billion of capital employed and the potential to access more than US$ 12 billion in financing to support the implementation of our growth strategy. These ambitions are supported by decades of expertise in managing large-scale projects.

As part of our efforts to harness the great potential of AI and digital solutions that support our operational performance, since 2016 we have been implementing solutions that include predictive analytics and real-time optimization which have helped reduce costs, increase efficiency, and improve equipment availability, contributing to cost savings of US$ 1 billion.

In order to keep pace with the future, in 2024 we have set out to establish ADNOC's leading position in AI applications and will continue to assess new technologies such as robotics and unmanned operations for better cost management and operational efficiency. These technologies are expected to contribute to savings of up to US$ 400 million annually over the next five years.

On the sustainability front, ADNOC Gas is proud to have launched a landmark project at a cost of US$ 615 million to capture and use carbon at our facilities, with the aim of reducing carbon dioxide emissions by 1.5 million tons per year. We have started several abatement projects that align with our unwavering commitment to emissions reduction. These projects cover a spectrum of approaches, ranging from clean power, electrification, carbon capture, energy efficiency, renewables, and others.

The Company has created remarkable value for our shareholders on the back of our 2023 achievements. The total return, including the annual dividend, reached 35%. Looking forward, we expect our investments to deliver up to 40% EBITDA growth in the coming years. This allows us to grow the dividend of US$ 3.25 billion by 5% annually. We are confident that by investing in the business and through the delivery of exceptional results, we are striking the right balance between growth and returns for our shareholders.

Finally, I would like to express my appreciation to the Company's employees, its senior management, and the Board of Directors, who played an essential role in this great success and the qualitative shift that the Company has witnessed. I am confident that ADNOC Gas, as a prominent supplier of transitional fuels, will continue to play a key role in the local and global energy markets for many years to come.

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

Since 2016 we have been implementing solutions including predictive analytics and real-time optimization as part of our efforts to harness the great potential of AI.

CEO'S STATEMENT

In 2023, a year filled with challenges and uncertainties, our team's resilience, creativity, and unwavering commitment to our mission has been remarkable. ADNOC Gas has remained strategically focused on delivering growth, driving expansion, and fulfilling our commitments to shareholders and stakeholders. Our landmark listing on the Abu Dhabi Securities Exchange (ADX) was the largest-ever market debut and we achieved another year of strong operational and financial performance, whilst expanding our geographic footprint and customer base, globally.

Demonstrating ADNOC Gas's unique proposition and strong reputation, our market value increased from around US$ 50 billion at the time of listing to US$ 65 billion by year end, resulting in a share price appreciation of 30% for investors and a total shareholder return of 33% (accounting for the Interim Cash Dividend).

This endorsement reflects the Company's financial strength and demonstrates the resounding confidence of the market in our future growth. Among the many capital market transactions in 2023, this milestone in our history was recognized as the 'Middle East and North Africa's Oil & Gas Transaction of the Year' at the IJInvestor Global Awards.

Building on the momentum of our IPO, we delivered an exceptional performance across the board in 2023. Our sales volumes increased by 3% to 3,540 TBTU and we maintained a world-class reliability score of 99.1%. We delivered total adjusted revenues of US$ 22.7 billion* and recorded an adjusted EBITDA of US$ 7.6 billion* with a margin of 34%. Most importantly, we generated a free cash flow of US$ 4.5 billion, exceeding the annual dividend of US$ 3.25 billion by 37%.

In 2023, to further our growth ambitions, we entered strategic partnerships with Indian Oil, JAPEX, PetroChina and JERA, signing LNG deals worth an estimated value of up to US$ 12 billion. We also awarded a number of contracts that support our stated growth strategy. In July, we awarded a contract valued at US$ 1.3 billion to extend our network to over 3,500 km (ESTIDAMA project), which will enable the transportation of higher volumes of natural gas to customers in the Northern Emirates of the UAE. In August, we awarded the US$ 3.6 billion MERAM Contract (Methane Extraction Recovery and Maximization) for commissioning a new gas processing facility which aims to increase methane extraction by 35-40% from the Habshan complex.

In summary, our diverse project portfolio will leverage upstream growth, increase processing capacity, and enhance our product mix to extract value from existing streams. These projects will boost capacity, drive efficiency gains, and enable margin expansion.

Demonstrating ADNOC Gas's unique proposition and strong reputation, our market value increased from around US$ 50 billion at the time of listing to US$ 65 billion by year end, an increase of 30% for investors.

With global demand for natural gas expected to increase by 15% in the mid-term, our diversification and sustainable growth will create vast opportunities to expand our international footprint.

In recognition of our commitment to a greener planet for future generations, ADNOC Gas was recognized at the Abu Dhabi Sustainable Business Leadership Awards for our exceptional achievements in inspiring change and innovation in a rapidly evolving world. We were honored with the 'Best Energy Management Initiative Award' and 'Sustainability Manager of the Year' at the Abu Dhabi Sustainable Business Leadership Awards 2023.

Our commitment to minimizing our environmental footprint has never been stronger. In 2023, a US$ 615 million contract was awarded to construct carbon capture units, pipeline facilities and a network of wells for carbon dioxide injection at the Habshan gas processing plant. Habshan Carbon Capture, Utilization and Storage (CCUS) is one of the largest projects of its kind in the Middle East and these ambitious plans align with our sustainability values.

We continued to prioritize the health, safety, and engagement of our people, who have always been the driving force behind our outstanding achievements. Their safety is paramount, and we ensure that all ADNOC Gas sites provide secure environments where risks are actively monitored, mitigated and minimized. In 2023, we continued our commitment to our employees' welfare and we are proud to report an improved Total Recordable Injury Rate of 0.06, which is in the top industry quartile of the International Oil and Gas Producers Benchmark.

As we welcome 2024, we are poised for greater growth than ever before. ADNOC Gas has access to 95% of the UAE's natural gas reserves, the 7th largest in the world. We currently supply more than 60% of the UAE's sales gas needs, as well as provide a reliable supply to a diverse customer base in over 20 countries. With global demand for natural gas expected to increase by 15% in the mid-term, our diversification and sustainable growth will create vast opportunities to expand our international footprint.

None of these successes, however, would have been made possible without the efforts and commitment of our people and the support of our shareholders, customers, and partners. We have celebrated a truly transformative year, and I am confident that we have the capacity and the capabilities to accelerate our growth and deliver even greater achievements in the future.

Dr. Ahmed Mohammed Alebri
Chief Executive Officer

* See page 55 for reconciliation of non-IFRS Financial Measures.

BOARD OF DIRECTORS

The Board consists of 7 Directors, all of whom are Non-Executive Directors.

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020 as the COP28 President, as a member of the Supreme Council for Financial and Economic Affairs since December 2020, as UAE Cabinet Member since March 2013, as Minister of State from March 2013 up to July 2020, as the UAE's special envoy for Climate Change since November 2020 having previously served in that role from 2010 to 2016, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several ADNOC Group companies, Chairman of Masdar, Chairman of Emirates Development Bank, Chairman of FAB Misr and Chairman of the Board of Trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Advanced Technology Research Council, Mubadala Investment Company, Emirates Global Aluminium, Emirates Investment Authority and First Abu Dhabi Bank.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

H.E. Kamal Ishaq Abdulla Ismail Almaazmi
Director

H.E. Kamal Ishaq Abdulla Ismail Almaazmi serves as the Director General of Strategic Financial Affairs at the Department of Finance in Abu Dhabi. He oversees various offices including government investments, debt management, petroleum and natural resources affairs, fiscal policy, and economic affairs. He holds board positions and chairs the Audit Committee at EDGE Group, Abu Dhabi Securities Exchange (ADX), and Emirates Electricity and Water Company (EWEC). With previous roles at Mubadala Investment Company and experience with McKinsey & Company, he brings a wealth of expertise. H.E. holds an MBA from the Wharton School, University of Pennsylvania, and a Bachelor's in electrical and electronic engineering.

H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi
Director

H.E. Mohamed Hassan Alsuwaidi serves as the Minister of Investment under the Emirates Investment Authority (EIA) since 2023. He also holds the role of Managing Director and CEO at Abu Dhabi Development Holding Company PJSC (ADQ) since 2019. With leadership positions at Abu Dhabi National Energy Company (TAQA), Abu Dhabi Future Energy Company (Masdar), and Aldar Properties, he plays a pivotal role in UAE's investment landscape. H.E. Alsuwaidi is a board member at various organizations including ADNOC Distribution, Emirates Nuclear Energy Corporation (ENEC), and Lulu Group International. His previous experience at Mubadala Investment Company spans diverse sectors. He holds a Bachelor's degree in accounting from United Arab Emirates University.

Mr Khaled Salmeen Anber Salmeen
Director

Mr. Khaled Salmeen Anber Salmeen, Executive Director of Downstream Industry, Marketing and Trading at ADNOC, leads trading, downstream operations, and industry growth. He oversees refining, petrochemicals expansion, and TA'ZIZ industrial ecosystem development. With previous roles as CEO of Khalifa Industrial Zone Abu Dhabi and COO of Tabreed, Salmeen drives strategic overseas storage and global expansion for ADNOC. Holding a Bachelor's in engineering from Colorado School of Mines and an Executive MBA from INSEAD, he serves on boards of companies including Borouge PLC and Fertiglobe plc, and chairs entities such as ADNOC Trading and Borouge PTE.

Mr Abdulmunim Saif Hamoud Ahmed AlKindi
Director

Mr. Abdulmunim Saif Hamoud Ahmed AlKindi serves as an Executive Director of ADNOC Upstream Directorate. Prior to that, he served as an Executive Director of People Technology and Corporate Support Directorate at ADNOC. Additionally, he also serves as a Board Member of several ADNOC affiliated companies including ADNOC Drilling Company PJSC. and Abu Dhabi Aviation. He holds a Master of Business Administration (MBA) degree from Brunel University, UK, and a Bachelor of Science (B.Sc.) in mechanical engineering from the UK.

Mr Musabbeh Helal Musabbeh Ali Alkaabi
Director

Mr. Musabbeh Al Kaabi is the Executive Director for ADNOC's Low Carbon Solutions & International Growth Directorate. In the past, he served as the Chief Executive Officer of Mubadala's UAE Investments platform and Mubadala Petroleum (2014-2017). He holds a Master of Science (M.Sc.) degree in petroleum geoscience from Imperial College, London, UK, and a Bachelor of Science (B.Sc.) degree in geophysical engineering from Colorado School of Mines, US.

Ms. Fatema Mohamed Abdulla Alshaibeh Al Nuaimi
Director

Ms. Fatema Mohamed Al Nuaimi, Executive VP of Downstream Business Management at ADNOC, oversees downstream industry companies. Formerly CEO of ADNOC LNG, she brings 20 years of experience within the ADNOC Group, including roles in supply chain management at Borouge and gas strategy at ADNOC. Ms. Al Nuaimi chaired ADNOC's gender balance committee and serves on boards including Emirates General Petroleum (Emarat), National Gas Shipping Company (NGSCO), and ADNOC Offshore. She holds an MBA from the American University in Dubai and a Bachelor's in chemical engineering from UAE University.

EXECUTIVE MANAGEMENT

Dr. Ahmed Mohammed Alebri
Chief Executive Officer

Dr. Alebri has over 18 years of experience in the oil and gas industry. He previously served as CEO of ADNOC Gas Processing, the UAE's major supplier of gas and gas-related products and as General Manager of ADNOC Industrial Gases, UAE's supplier of nitrogen and liquid oxygen to the oil and gas sector.

Dr. Alebri holds a Doctorate in Business Administration from University of Wales in the United Kingdom, a Master's degree in Business Administration from Abu Dhabi University, and a Bachelor's degree in Mechanical engineering from the University of Missouri.

Peter van Driel
Chief Financial Officer

Mr. van Driel joined ADNOC Gas in 2023. He is a highly experienced finance executive who has developed broad, deep and international experience over 30 years in senior roles in the energy sector. Mr. van Driel joined Shell plc in 1991, after graduating with a Master's degree in Business Administration from Rotterdam School of Management in the Netherlands.

Mohammed Al Hashemi
Acting Chief Operating Officer

Mr. Al Hashemi joined ADNOC in 2002 and has over 20 years' experience in operations, production planning and transmission. He successfully set up the maintenance section in the largest ADNOC Gas Processing Plant (Habshan) as a part of the company's restructuring, before assuming leadership of Buhasa plant. Subsequently, he advanced to the position of SVP Production Planning, Pipeline and Optimization. Mr. Al Hashemi graduated in 2001 with a Bachelor's degree in Electrical Engineering from the University of Tulsa, Oklahoma, USA.

John King
General Counsel

Mr. King is an energy law expert, with a focus on international oil and gas development. He has more than 25 years' experience in the energy and resources sector, with a strong focus on upstream oil and gas developments, particularly LNG projects. Mr. King graduated in 1991 with a Bachelor's Degree in law from the University of Bond, Australia.

Maitha Balfaqeeh
Acting Senior Vice President, Shared Services

Ms. Maitha Balfaqeeh, an integral member of ADNOC Group since 2011, brings a wealth of experience from the gas and petrochemical industries. Her leadership is instrumental in overseeing Human Capital, Digital, Procurement, and Business Support Divisions, driving organizational excellence. As a graduate of the ADNOC Future Leaders programme, she spearheaded global compensation and benefits structures compliant with local labour laws. Notably, she led the implementation of a shared service model in ADNOC Gas. Ms. Balfaqeeh holds a Bachelor's in Finance from Zayed University and a Master's in Human Resources Management from Abu Dhabi University.

Rashid Al Mazrouei
Senior Vice President, Marketing

Mr. Al Mazrouei has over 22 years' industry experience. He started his career at ADNOC LNG (ALNG) in 2000 where he carried out several roles including 11 years in ALNG's office in Japan managing key customers. Most recently, he has led ALNG's strategy and commercial activities. Mr. Al Mazrouei graduated in 2000 with a Bachelor's degree in Business Administration, Marketing, from the American University of Dubai.

Naser Saif Al Yafei
Senior Vice President, Strategy, Sustainability & Transformation

Mr. Al Yafei has 18 years' experience and has worked at ADNOC since 2005. He specializes in Strategic Relations & Competitive Intelligence Management and Stakeholders. Mr. Al Yafei holds a degree in Chemical Engineering, MBA, and a degree in Diplomacy & International Relations from the Anwar Gargash Diplomatic Academy.

Ameen Abdulla Al Hosani
Vice President, Audit & Assurance

Mr. Al Hosani has been VP of Audit & Assurance since January 2023 and has more than 19 years in the oil and gas industry. He joined ADNOC in 2004 and has served in a number of roles in petroleum engineering, construction, project engineering management, project management, project quality management and corporate assurance. Mr. Al Hosani holds a Master's degree in Project Management from the British University in Dubai and a Bachelor's degree in Chemical Engineering from the University of Tulsa, Oklahoma, USA.

Saud Mohamed Al Hammadi
Vice President, Health, Safety & Environment (HSE)

Mr. Al Hammadi joined ADNOC in 2014 and has over 18 years' industry experience in Health, Safety & Environment (HSE), Compliance & Assurance, Technical & Operational Safety, Crisis Management, Incident Prevention and Business Continuity. Mr. Al Hammadi graduated in 2005 with a Bachelor's degree in Science, Environmental Sciences from the American University of Sharjah.

BUSINESS MODEL

ADNOC Gas 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 our long-life operations for gas processing and fractionation, to the sale of our products to domestic and international customers.

Demand for natural gas is expected to grow as the world looks to decarbonize its energy systems. ADNOC Gas is also well positioned to benefit from the significant investments being made in the energy sector by ADNOC and the UAE, including ADNOC's announced US$ 150 billion Group investment programme for 2023 to 2027.

ADNOC Gas is a predictable margin business, supported by an attractive growth profile

FOUNDATIONS

Access to Abu Dhabi's vast natural gas reserves

World's 7th largest gas resources

Unique, long-term gas supply agreement with ADNOC, sole processor of ADNOC upstream gas

25 year contract

Access to the UAE and key international natural gas markets

Large scale gas processing asset base

10+ Bscf gas processing capacity

29 mtpa liquids processing capacity

~3,300 km gas pipelines

Ideally positioned to capture future growth in domestic and international gas demand

KEY STRATEGIC DRIVERS

Growth:

Diversified portfolio, fuelling domestic industrial growth and increase in international demand

Leveraging ADNOC Upstream expansion, maximizing our processing capacity and product mix enhancement

Future-proofing:

Focused on maintaining world-class asset reliability and the integration of technology solutions to enhance efficiency

Resilience:

Industry leading cost base, reinforced through constant asset improvement initiatives to sustain stable margins

Culture renovation:

Diversified workforce embedding a culture of high performance and accountability, anchored by ADNOC's Values and behavior

ESG:

Ambitious decarbonization roadmap supporting the UAE's bold energy transition efforts, while sustaining a first-quartile HSE performance

STAKEHOLDERS & VALUE CREATION

Shareholders:

Robust margins to facilitate attractive cash flow generation across various commodity price scenarios, access to growth, attractive dividend policy

Communities:

Strong sense of responsibility towards local communities and the development of local industries and services

Employees:

Inclusive culture, improving employee satisfaction

Customers:

Providing reliable natural gas supplies across the UAE, and strategically situated to serve international markets

Partners and suppliers:

Joint venture partnerships with industry leading corporations

STRATEGY

Introduction

ADNOC Gas is a subsidiary of ADNOC, the national oil company of the United Arab Emirates. The Company is responsible for producing, processing, distributing and marketing natural gas and its derivatives in the UAE and abroad. ADNOC Gas operates a network of pipelines, processing plants, storage facilities and export terminals that supply gas to various sectors, including power generation, water desalination, petrochemicals, industries and households. The Company also exports liquefied natural gas (LNG) and liquefied petroleum gas (LPG) to regional and international markets. ADNOC Gas plays a key role in supporting ADNOC's integrated gas strategy, which aims to unlock the potential of unconventional gas resources and achieve gas self-sufficiency for the UAE. ADNOC Gas is committed to delivering safe, reliable and sustainable gas solutions that create value for its customers, shareholders and the nation.

Our business

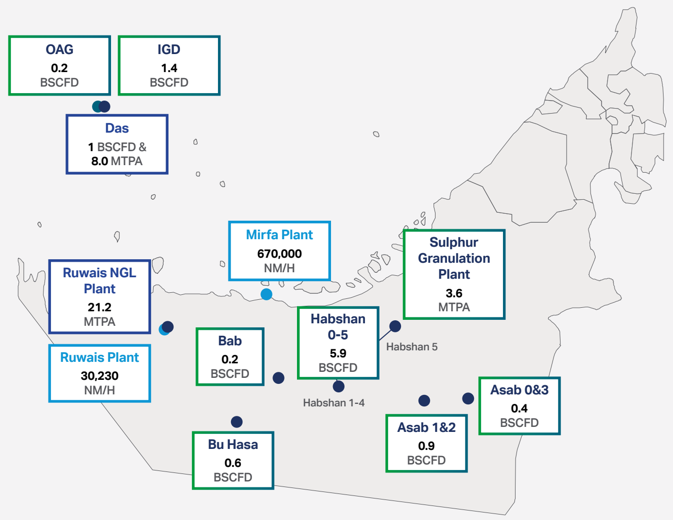
We are a world-class integrated gas processing company that is vital to ADNOC and to the Abu Dhabi and UAE energy ecosystems.

Today, our operations are the only route to monetize Abu Dhabi's vast gas reserves. We provide the asset base that connects ADNOC's raw gas feedstock to ADNOC Group, as well as end customers looking to purchase our products. This includes providing products necessary to the operations of ADNOC's downstream companies and the UAE's industrial base and petrochemicals industry. We also supply critical re-injection gas to ADNOC upstream to facilitate enhanced oil and condensate recovery, and improve reservoir management. This increases the amount of raw gas feedstock which is richer in liquids that we receive under our 25 year Gas Supply and Purchase Agreement (GSPA) with ADNOC.

In addition, our operations comprise of key infrastructure assets that are a vital part of the Abu Dhabi and UAE energy ecosystems. As a result, we are at the heart of ADNOC and integral to the UAE's gas and energy ambitions of self-sufficiency and becoming a net gas exporter.

We market our products ourselves or through ADNOC to end customers in over 20 countries. Our domestic gas processing products (sales gas and ethane, referred to as "domestic gas") are mostly transported through our managed pipeline network. Whilst our international gas processing products are mostly sold to ADNOC Global Trading ("AGT") to be marketed globally, and our LNG is marketed globally through Abu Dhabi Gas Liquefaction Company Limited ("ALNG") which is part of the Group.

The following diagram sets out our position within the ADNOC and UAE gas ecosystem:



	Assets	Products
Gas Processing	Bab ✱	Sales Gas and NGLs
	Habshan 0-5	Sales Gas, NGLs, Condensate and Sulphur
	Ruwais Sulphur Granulation Plant	Sulphur
	Ruwais NGL Plant	C2, C3 C4 & C5+
	Asab 0&3 ✱	Sales Gas and NGLs
	Asab 1&2	Sales Gas, NGLs, Condensate
	Bu Hasa ✱	Sales Gas and NGLs
	IGD	Feedstock gas to Gas Processing Plants
	OAG	Feedstock gas to Gas Processing Plants
LNG	Das ✱	LNG, LPG, C5, Sulphur
Industrial Gases	Ruwais Plant	Gaseous Nitrogen, Liquid Nitrogen, Liquid Oxygen
	Mirfa Plant	Gaseous Nitrogen

✱ Gas Processing JV Operation ✱ LNG JV Operation

Our products

Natural gas:
Primary gas produced after processing the raw feed gas. Mainly distributed as sales gas through our UAE pipeline network

Ethane:
A product of natural gas liquid (NGL) fractionation. Used as petrochemical feedstock for the production of polymers

LPG:
Consisting primarily of butane and propane produced by NGL fractionation. Used for residential and commercial heating, cooking fuel and petrochemical feedstock

Paraffinic naphtha:
A product of NGL fractionation. It is composed of pentane and slightly heavier material. Used as a petrochemical feedstock

Condensate:
A light hydrocarbon liquid separated from the feed gas stream. Used in refineries as feedstock to produce Liquefied Petroleum Gas (LPG), diesel, naphtha and jet fuel

LNG:
Super-cooled natural gas. Exported by ship and, after regasification, is utilized for power generation or fed into national gas networks

Sulphur:
A by-product processed to produce granulated sulphur. Used as feedstock in manufacture of fertilizers, pharmaceuticals and many everyday items

Nitrogen:
Produced by cryogenic air separation. Used mainly for purging and blanketing applications in industry and as feedstock in a variety of chemicals processes, including production of ammonia for fertilizer manufacture and as a hydrogen fuel carrier

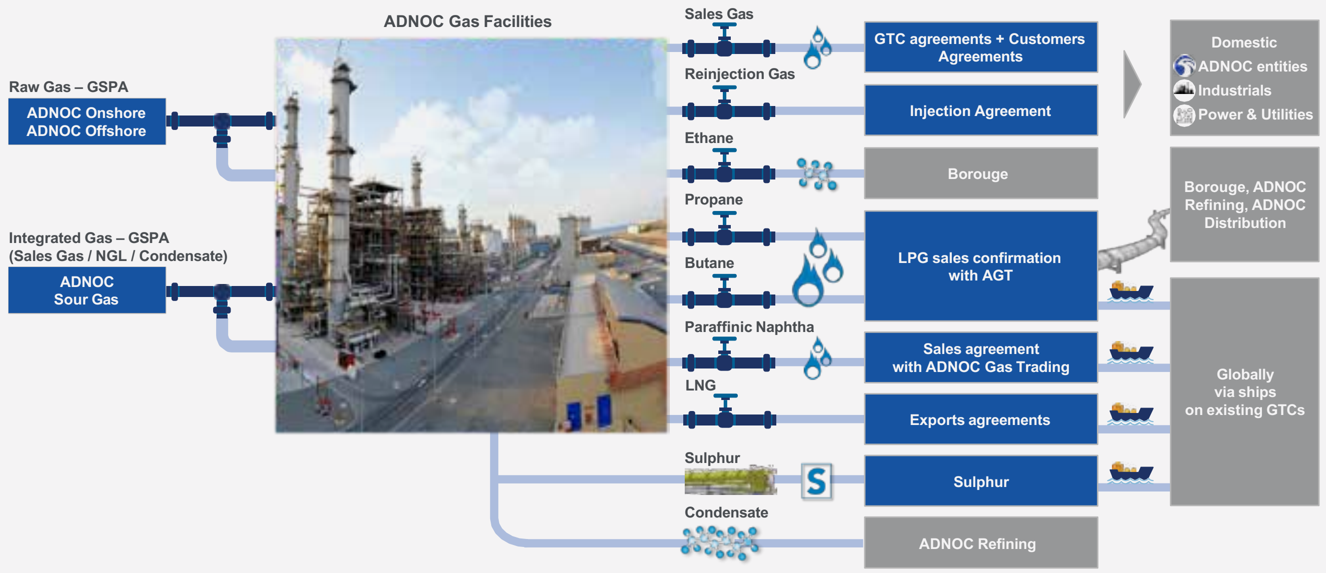
Oxygen:
Produced by cryogenic air separation. Used in a variety of industrial processes and medical facilities

Xenon & Krypton:
Produced by cryogenic air separation. Inert gas used primarily for a variety of lighting applications

STRATEGY *continued*

Operation and Production

Our asset base is spread across Abu Dhabi and consists of gas processing operations, LNG operations and industrial gases operations as set out below:



Our operations have access to over 10 bscfd of gas processing capacity (of which 9 bscfd is processed directly by ADNOC Gas and 1 bscfd is processed by ADNOC Sour Gas (ASG) before being sold to us through ADNOC as an integrated gas resource under the GSPA) and liquid processing capacity of 29 mtpa (excluding the Ruwais Sulphur Granulation Plant). Our core operations for each business line are as follows:

Gas processing

Our gas processing operations include separation and sweetening, NGLs extraction and fractionation, condensate processing, dehydrated sulphur handling, NGLs and sulphur shipping, compression and fuel gas treatment, with total gas processing and handling capacity of 8 bscfd and liquids processing capacity of approximately 21 mtpa (excluding the Ruwais Sulphur Granulation Plant capacity of 3.5 mtpa) in 2023.

LNG

Our offshore LNG operations in Das island has gas processing and handling capacity of approximately 1 bscfd. The operations, which receive a mix of associated and non-associated gas, have total LNG liquefaction capacity of 6 mtpa and 2 mtpa of non-LNG liquids, including LPG, paraffinic naphtha and sulphur.

Industrial gases

Our industrial gas operations include cryogenic air separation and industrial gas handling, comprising two state-of-the-art facilities: the Ruwais IGP, which currently has an air separation plant with a total capacity of approximately 30,320 m³ /hr, and the Mirfa IGP, which has a nitrogen plant and total capacity of approximately 670,000 m³ /hr.

In addition, we manage and operate a vast network of pipelines that span around 3,300 km in length, of which we own approximately 2,640 km and the remainder of which are owned by ADNOC and operated by us under the Pipelines Use and Operation Agreement. These pipelines transmit our sales gas molecules throughout our operations and across the UAE to our diverse client base.

Gas Supply and Purchase Agreement (GSPA) provides a favorable cost structure
Through our 25 year GSPA with ADNOC, we benefit from access to the world's 7th largest gas reserves and one of the lowest-cost upstream resource bases.

The GSPA contains a pricing formula with a profit-sharing mechanism whereby we receive the feedstock for an agreed minimum gas price in exchange for sharing with ADNOC a portion of the earnings from our products.

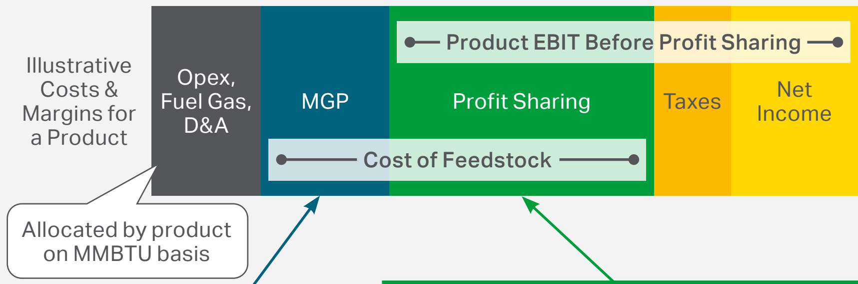
Due to ADNOC's low-cost production relative to the gas production market globally, our feedstock is more resilient to commodity price cycles than other upstream operations with higher production and development costs, which contributes to our attractive margins.

Hence our pricing formula allows us to operate profitably under most pricing scenarios, while realizing a sizeable portion of our earnings through our stable domestic gas business (sales gas and ethane) yet enabling us to benefit from commodity prices in a rising price environment.

Key Gas Supply and Payment Agreement Terms

- ✓ Commitment from existing reservoirs
- ✓ Long term supply contracts for 25 years
- ✓ Clear pricing formulas, which also accommodated new streams
- ✓ MGP set at a level that ensures alignment between ADNOC and ADNOC Gas
- ✓ Annual volumes planning and alignment with ADNOC
- ✓ Agreement on future resources development

Feedstock Cost (Paid to ADNOC)



Minimum Gas Payments (MGP)

- **$ per MMBTU** payments
- MGP set to ensure sustainable operations in all oil prices environment
- Different MGPs for raw gas sources *(lower)* compared to integrated gas sources *(higher)*

Profit Sharing

- Based on **EBIT before profit sharing and % sharing for each product**
- Segregated profit sharing % for raw gas sources *(lower)* and integrated gas sources *(higher)*

Profit Sharing = Product EBIT x Profit Sharing %

Product EBIT = Revenue – MGP – Processing Costs (Opex, Fuel Gas and D&A)

STRATEGY *continued*

Our Strategy

ADNOC Gas's growth strategy rests on 3 pillars:

1 **Leveraging upstream supply growth**
enabled by ADNOC's intent to increase oil production to 5 million bpd by 2027

2 **Adding and maximizing processing capacity and infrastructure**
via committed projects that will significantly increase our processing capability by 2030

3 **Expanding and enhancing our product mix**
Increasing the volume of higher margin Export & Traded liquids relative to domestic gas sales

Leveraging upstream supply growth
ADNOC Gas is well positioned to benefit from ADNOC's plans to accelerate monetization of Abu Dhabi's hydrocarbon resources while advancing the UAE's objectives of becoming a gas net-exporter and of gas self-sufficiency.

We are focused on increasing our production capacity to maximize output in order to benefit from ADNOC's 2030 integrated strategy, which includes increasing capacity of oil, gas and low-carbon/renewable energy production as part of its accelerated growth strategy. Due to our critical role within the UAE's entire hydrocarbon chain, growth in our downstream operations is expected to be supported through an increase in ADNOC's feedstock supply to us. By increasing our processing capacity at our plants, we believe we will benefit from ADNOC's plans to expand upstream production and accelerate the growth of Abu Dhabi's energy resources.

With this in mind, we work closely with ADNOC and other ADNOC entities to support ADNOC's 2030 strategy which aims to advance the UAE's objective of becoming a gas net-exporter while also ensuring gas self-sufficiency.

ADNOC and the UAE have made significant investments in the energy sector and expect to continue to do so, with ADNOC announcing in late 2022 its US$ 150 billion group investment programme for the five-year period 2023 to 2027. This is expected to serve as a major growth catalyst, providing numerous opportunities to our business both directly and indirectly. ADNOC's sizeable investment programme is aiming to deliver transformative steps to make the lower carbon intensity energy that the world requires available today, while investing in new energies.

ADNOC is aiming to meet upstream growth ambitions through the expansion of oil production capacity (expected to increase from 4 mmbpd to up to 5 mmbpd by the end of 2027) and the development of new (including unconventional) non-associated gas reservoirs (such as Hail and Ghasha), and the continuous exploration of new hydrocarbon prospects.

Adding and maximizing processing capacity and infrastructure
In addition to benefitting from ADNOC's upstream development plans, our growth strategy relies on upgrading and debottlenecking our gas processing capacity and enhancing the growth of our liquids recovery and liquefaction capacity. We believe this will result in an increase in the share of high-margin products output. To this end we have gas processing projects at various stages of development with potential to deliver approximately 3 bscfd of incremental gas processing capacity and approximately 6 mtpa of additional liquids production capacity (excluding Ruwais LNG) by 2028.

Expanding and enhancing our product mix
Whilst supporting the UAE's ambitions to achieve self-sufficiency in terms of natural gas supply, we are committed to enhancing our product mix towards high-margin products as demonstrated in 2023. We will strive to maintain this flexibility for the benefit of higher cash-flow generation in the upcoming period.

Growth Projects in detail

Over the mid-term investment cycle, we are expecting a sizeable growth capital expenditure programme for both our gas processing and LNG operations.

The total gross growth capital expenditure anticipated to be spent on major projects across our gas processing and LNG operations is estimated to be approximately US$ 13.4 billion until 2028.

Below is a summary of the major projects we are anticipating in the near-term by segment:

Gas Processing projects

Bab Gas Cap

Greenfield development for a "New Gas Processing Plant" at Bab area to process rich gas, and "New Ruwais NGL Fractionation Train, Storage Tanks".

The project is necessary to receive onshore upstream Bab Gas Cap development, focused on recovery of condensates, Ethane for petrochemicals and NGL products The integrated project is expected to extend the ADNOC value chain, attract foreign direct investment (FDI) and support ADNOC's growth and strategic plans for petrochemicals development, TA'ZIZ 2.0, and ADNOC Gas business through producing additional NGL and condensate.

MERAM (Maximization of ethane recovery and monetization)

Maximize ethane recovery of existing streams to supply anticipated Borouge 4 demand (2 mtpa sustainable) by 2025.

The project covers sourcing feedstock from the following ADNOC Gas facilities to MERAM:

- BuHasa (residue gas from BuHasa feeds)
- Habshan (residue gas from Habshan 1, Habshan 2 and Habshan 5)

Comprises 160km of pipelines, with tie-ins and brownfield works at Habshan and Ruwais.

ESTIDAMA
(Sales Gas Pipeline Network Enhancement)

The overall objective of the Sales Gas Pipeline Network Enhancement Project is to design and construct the new Gas Compression Plant and new gas pipelines to enhance and supply gas to current and future customers including in the northern Emirates.

In addition, ensuring the ADNOC Gas business maintains an integrated pipeline network for gas self-sufficiency and debottlenecking of existing gas network constraints and enabling LNG growth in Ruwais.

P 5.0

Modifications in Asab, Bu Hasa, Habshan, Habshan 5 and Ruwais plants to accommodate additional rich gas coming or associated with oil production growing to 5.0 MBOPD.

Habshan CO_2 Recovery and Injection

Significant CO_2 emission reduction at the Habshan gas processing plant, as part of ADNOC's accelerated decarbonization plan (8% of ADNOC Gas) Enhance condensate and oil recovery and monetize carbon credit.

IGD-E2
(Integrated Gas Development Expansion 2)

IGD-E2 project was conceptualized to de-couple oil production from LNG production by capturing additional Low Pressure (LP) gases and enabling rejuvenation of LNG trains 1 and 2. The project will create an additional capacity to transfer 370 mmscfd low-pressure associated gases from Das Island to Habshan. The process, utility and offsite facilities of the IGD-E2 project will be stand-alone systems.

STRATEGY *continued*

LNG projects

LNG 2.0

New Train 4:

- Maximize ethane extraction (MERAM) from ALNG Trains 1, 2 and 3 and export to Ruwais to enable petrochemical growth
- Debottlenecking ALNG Trains 1, 2 and 3 to re-instate LNG Production due to ethane extraction and to increase production to process fuel gas saving as a result of Electrification

Electrification of LNG Trains to reduce GHG emissions. Lower carbon LNG achieved through replacing the major steam turbine driven compressors with electric motor.

Ruwais LNG

Monetization methane and enable the downstream industrialization plans of ADNOC.

Lower-carbon fuels to global market targeting a near Net Zero CO_2 emission.

ADNOC Gas will be supporting ADNOC in delivering the 9.6 mtpa Ruwais LNG project which is expected to be commissioned by 2028. The Ruwais LNG plant, which we believe will be the first electric LNG plant in the MENA region, is an important project for ADNOC to accelerate the monetization of its hydrocarbon reserves and aligns with its ambition of becoming a net gas exporter. It will comprise of 2 electric trains and capitalize on 1,500 mmscfd of sales gas.

BUILDING A SUSTAINABLE FUTURE

His Highness Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in Al Dhafra Region, visited Das Island to lay the cornerstone of a new hospital and residential complex. The infrastructure expansion marks an important milestone in ADNOC's low-carbon growth strategy as the Company accelerates its efforts to deliver the maximum energy safely and sustainably with minimum emissions the world needs.

During the visit, H.H. Sheikh Hamdan bin Zayed said: ***"I am proud to see the tangible progress ADNOC is making to build a more sustainable future for all. The world needs more and cleaner energy, and the UAE is leading the way. In the Year of Sustainability, ADNOC's efforts to increase gas capacity and decarbonize its operations will help accelerate the world's energy transition."***

INVESTMENT CASE

We are a world-class integrated gas processing Company that is vital to ADNOC and to the Abu Dhabi and UAE energy ecosystems.

ESG is at the core of our operations, and in line with ADNOC's vision. We are focused on decarbonization efforts and believe it can help drive the energy transition in the UAE.

Our exceptional asset base delivers optimized yields and volumes, capacity utilization, availability and reliability, which has translated into strong pro forma returns.

Our differentiated platform benefits from a combination of favourable cost structure with rich, largely contracted molecules that mix attractive margins with dependable demand.

We expect to benefit from projected robust, long-term global demand through our tangible growth opportunities.

We have a highly experienced management team with a strong track record, backed by a highly supportive shareholder.

We have a progressive dividend policy where we expect to grow the dividend per share by 5% per annum over 2024 – 2027.

Stable Cash Generative Business with Multiple Growth Avenues

Integral to ADNOC Group and the UAE

- Owns, processes and sells ADNOC gas and gas products
- Reliable, cost-advantaged and low-emission feedstock
- Growth underpinned by ADNOC's expansion plans

World-Class Operations

- One of the highest gas and liquid processing capacities
- Long history of safe and reliable operations
- One of the world's lowest-emission resource bases

Leading Margins

- Contracted offtake providing a stable revenue stream
- Rich mix of high-in-demand molecules
- Robust margins facilitate attractive cash flow generation

Multiple Growth Avenues

- Gas is the energy transition fuel of choice
- High growth in global gas demand in the medium term
- Stretching the value of molecules and capturing new ADNOC demand centres

Reliable Feedstock

Access to World's
7th Largest
Gas Reserves

Large Scale

10+ BSCFD
Nameplate Processing Capacity

29 MTPA
Liquid Processing Capacity

Operational Excellence

99.1%
Average 2023 Asset Reliability

0
Loss of Primary Tier 1 Containment in 2023

Proven Track Record

>45 Years
of Strategic Supply to the UAE and Global Gas Markets with ESG at its Heart

c. 65%
of Production Underpinned by Long-Term Sales Gas Contracts with High-quality Offtakers

Tangible Growth Plans

3 BSCFD / 6 MTPA
Gas Processing & Liquid Processing Capacity Additions in the Next Five Years

Strong Profitability

US$ 7.6 Bn*
Adjusted EBITDA 2023

US$ 4.7 Bn
Net Income for 2023

34%
Adjusted EBITDA Margin 2023

19%
Net Income margin for 2023

Focus on Decarbonization

25%
GHG Emissions Intensity Reduction Target by 2030

Zero
Net Zero Emission Ambition by 2045

Robust Cash Flows

US$ 5.5 Bn*
2023 Adjusted Cash Flow from Operations

US$ 4.5 Bn
2023 Free Cash Flow

* See page 55 for reconciliation of non-IFRS Financial Measures.

MARKET OVERVIEW

Our global footprint

Average forecast GDP growth per annum (2024 – 2028)[2]

UAE	World	Emerging/ Developing	Advanced economies
4.3%	3.1%	4.0%	1.7%

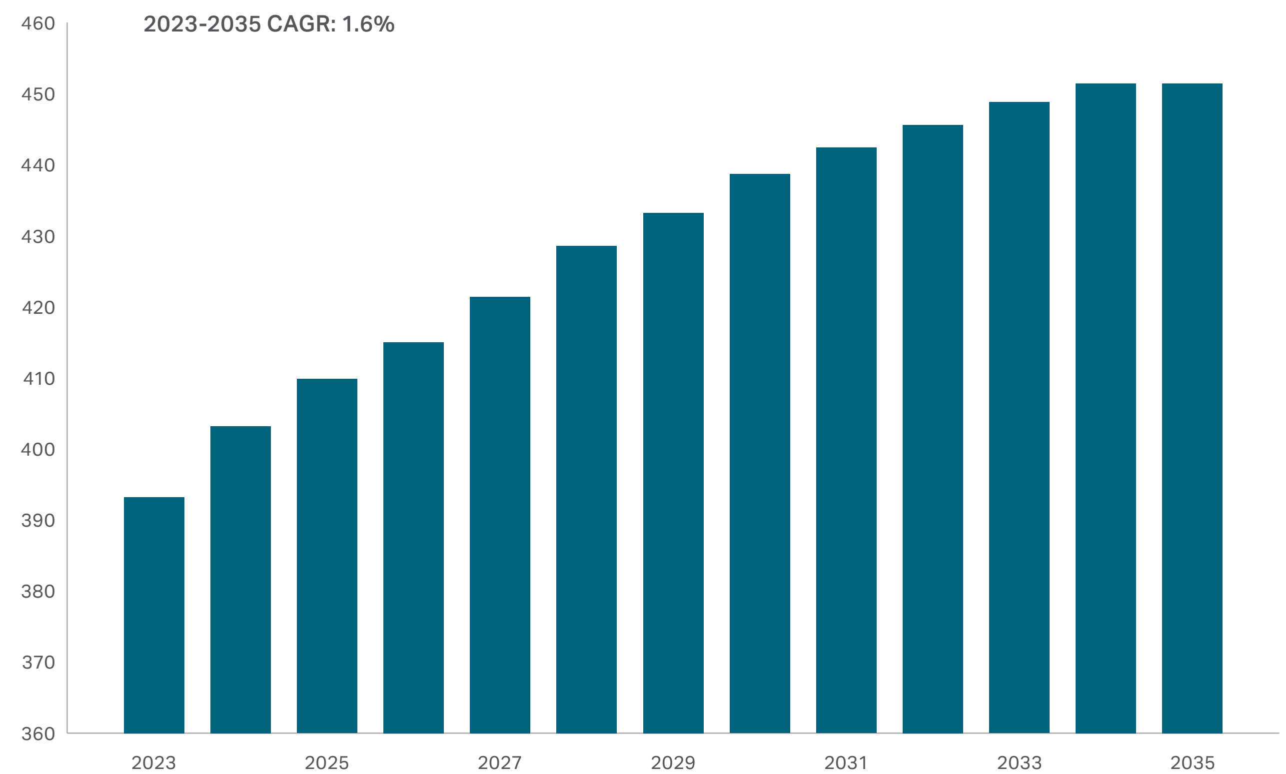
- Global **demand for natural gas** is expected to see a 15% increase in the next 10 years[1]
- **Located in a strategically situated corridor** with easy access to the largest and growing gas markets
- Increasing demand for product **from low emissions intensity producers**; Abu Dhabi is the 4th lowest emitting producer, globally
- **Benefitting from bold UAE Government** investment intentions, leadership ambition and growth outlook

Source: [1]Rystad Energy. [2]IMF World Economic Outlook, October 2023

Overall ADNOC Gas holds a valuable position in the broader natural gas market with access to an attractive domestic market as well as key international markets with high growth potential.

The outlook for the global natural gas industry is positive, with demand expected to increase by 15% in the next 10 years and peak at approximately 450 bcf/d in 2035 as countries commit to transition to less energy intensive fuels (Figure 1). In this respect, ADNOC benefits from being one of the lower emitting producers on a global scale.

Figure 1: Global Gas Demand (bcf/d)



Source: Rystad Energy

ADNOC Gas further benefits from the UAE being located in a strategically situated corridor with easy access to the largest and fastest growing gas markets to the East and West, with a majority shareholder and national leadership that is very ambitious and bold in its growth agenda.

MARKET OVERVIEW *continued*

UAE: Our key products – Domestic gas

Product	Use	Customers	Market growth potential
Sales gas	Raw natural gas, after processing to remove liquid petroleum gas, condensate and carbon dioxide that includes methane	Power generation, aluminium, steel, cement	
Ethane	Ethane is a desirable petrochemical feedstock for the steam cracking (ethylene production) Ethylene is the world's most-produced petrochemical by volume	Borouge	
Reinjection gas	Lean gas is currently injected in a number of upstream reservoirs Lean gas injection forms a key demand area and plays a vital role in balancing the Abu Dhabi and UAE gas markets	ADNOC	

2/3rd of volumes

INTERNATIONAL: Our key products – Export, traded liquids

Product	Use	Customers	Market growth potential
LPG (liquefied petroleum gas)	Primarily produced as an associated product either from crude oil or natural gas production in the form of propane or butane LPG is mainly used as a fuel gas, in heating appliances, cooking equipment, and vehicles	Global markets	
Naphtha	Petrochemical feedstock used for the production of ethylene, a fundamental building block for polymer production	Global markets	
Condensate	A mixture of liquid hydrocarbons similar, in their physical properties, to very light crude oil Mostly consumed in refining and petrochemicals	ADNOC	
LNG (liquefied natural gas)	A mixture of liquid hydrocarbons similar, in their physical properties, to very light crude oil Mostly consumed in refining and petrochemicals	Global markets	
Sulphur	Predominantly consumed in the production of fertilizers (via ammonium sulphate) and phosphoric acid (via sulphuric acid)	Global markets	

1/3rd of volumes

UAE Overview

The UAE is a major hydrocarbon producing and exporting country located on the Arabian peninsula. The country is a confederation of seven states, or Emirates, of which Abu Dhabi and Dubai are the leading political and economic Emirates of the UAE.

According to Rystad Energy, most of the UAE's oil and natural gas production (over 95%) is in Abu Dhabi. Abu Dhabi started producing oil in the early 1960s and became a member of OPEC in 1967. Currently, the UAE is the third largest OPEC producer, behind Saudi Arabia and Iraq, and holds the 5th largest commercial oil and gas reserves globally. The UAE currently has about 290 Trillion Cubic Feet (TCF) in gas reserves, the 7th largest gas reserves globally. It produced around 3.1 million b/d of crude, around 1.2 million b/d of condensate and NGLs, and 5.6 bcfd of lean gas, in 2023.

Abu Dhabi National Oil Company (ADNOC) P.J.S.C., formed in 1971, is the state energy company for Abu Dhabi responsible for the extraction and management of Abu Dhabi's petroleum and gas resources. It is the largest national oil company within the country and accounted for approximately 97.5% of UAE's liquid production and approximately 99% of UAE's gas production in 2023.

1. Macroeconomics

The macroeconomic outlook for the UAE overall is positive. Population is expected to grow at an annual pace of 1.8% over 2024-2028. Over the same period, GDP is forecast to grow at approximately 4.3% driven by tourism, construction and real estate-related developments. Fiscal and external surpluses remain high on the back of high energy prices. These macroeconomic, demographic and market fundamentals are key determinants of gas demand within the UAE.

2. Regulatory Structure

The UAE's oil and gas regulatory structure allows individual Emirates to govern their own oil and gas industries. These regulatory bodies have formal and informal discussions with the federal authorities to ensure decisions align with the national interest of the UAE. The UAE has 3 active energy markets: Abu Dhabi, Dubai and Sharjah. While the other Emirates have some upstream activity, the former 3 Emirates account for nearly all of the oil and gas production and refining. Within Abu Dhabi, the Supreme Council for Financial and Economic Affairs (the "SCFEA") is responsible for, amongst other matters, organising, setting and approving public policies for Abu Dhabi in relation to all financial, investment, economic, petroleum and natural resources affairs. Its mandate includes supervising the performance of the relevant entities (including ADNOC and its group companies) to ensure compatibility with the general policies approved by the SCFEA and the Emirate of Abu Dhabi's leadership, while allowing those relevant entities (including ADNOC and its group companies) the corporate autonomy to develop and execute their own strategies. Dubai Supreme Council of Energy (DSCE) is the governing body tasked with policy development, planning and coordinating with concerned authorities and energy bodies within Dubai. In Sharjah, the Sharjah Petroleum Council develops and administers oil and gas policy.

3. Role & Future Use of Gas in the UAE

Sale of gas produced in the UAE began in Abu Dhabi in 1977 through LNG exports, followed by supplies into the domestic market in the early 1980s. There are also low gas volumes produced in the other Emirates (~100 mmcfd).

The UAE is targeting self-sufficiency in gas by 2030 and investing to increase domestic gas production and capacity.

MARKET OVERVIEW *continued*

Natural Gas Demand in the UAE

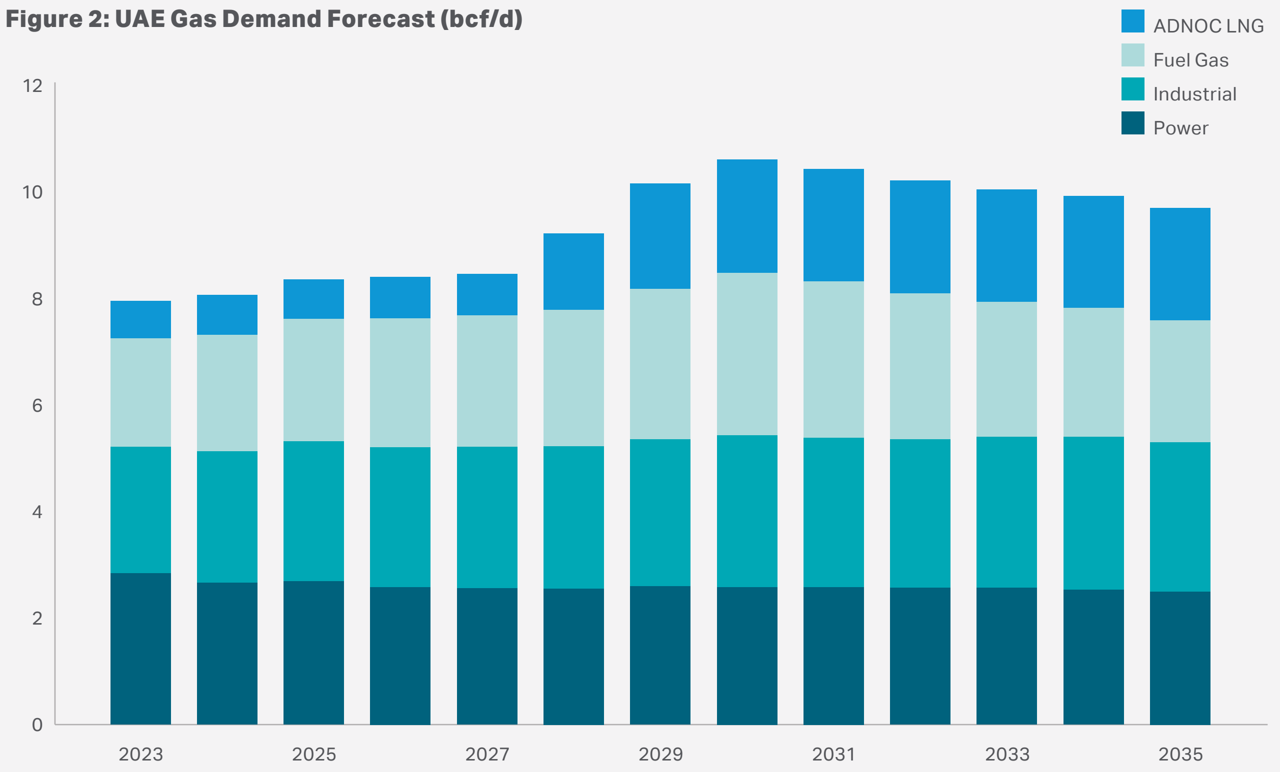
The power and industrial sectors are strongholds of gas demand in the UAE, with most electricity generation currently supplied by gas. Additionally, the manufacturing sector in the UAE depends on fuel gas which is projected to sustain consistent growth until 2030.

As per Figure 2, natural gas in the UAE will continue to play an important role in the long term, serving as a "transition fuel", and reflecting a strategic alignment with evolving energy demands and global sustainability objectives.

More specifically, gas-for-power and industrial demand sectors remain strong. Despite an increased expansion of nuclear energy within the power mix, gas-to-power demand would still remain strong. Gas demand from the industrial sector is primarily attributed to four industrial segments – aluminium, steel, cement and others (which include fertilizers, petrochemicals, ports and city gas) – showing an equal long-term stability at around 3 bcfd for the next 20 years.

Demand growth from fuel gas peaks in 2030 at 3.1 bcfd and shows a remarkable average growth rate of approx. 6% per annum until the end of the decade, driven by ADNOC's oil and gas expansion plans. Beyond 2030, there will be more re-direction of fuel gas usage towards the ramp-up phase of the Ruwais LNG Terminal.

Figure 2: UAE Gas Demand Forecast (bcf/d)

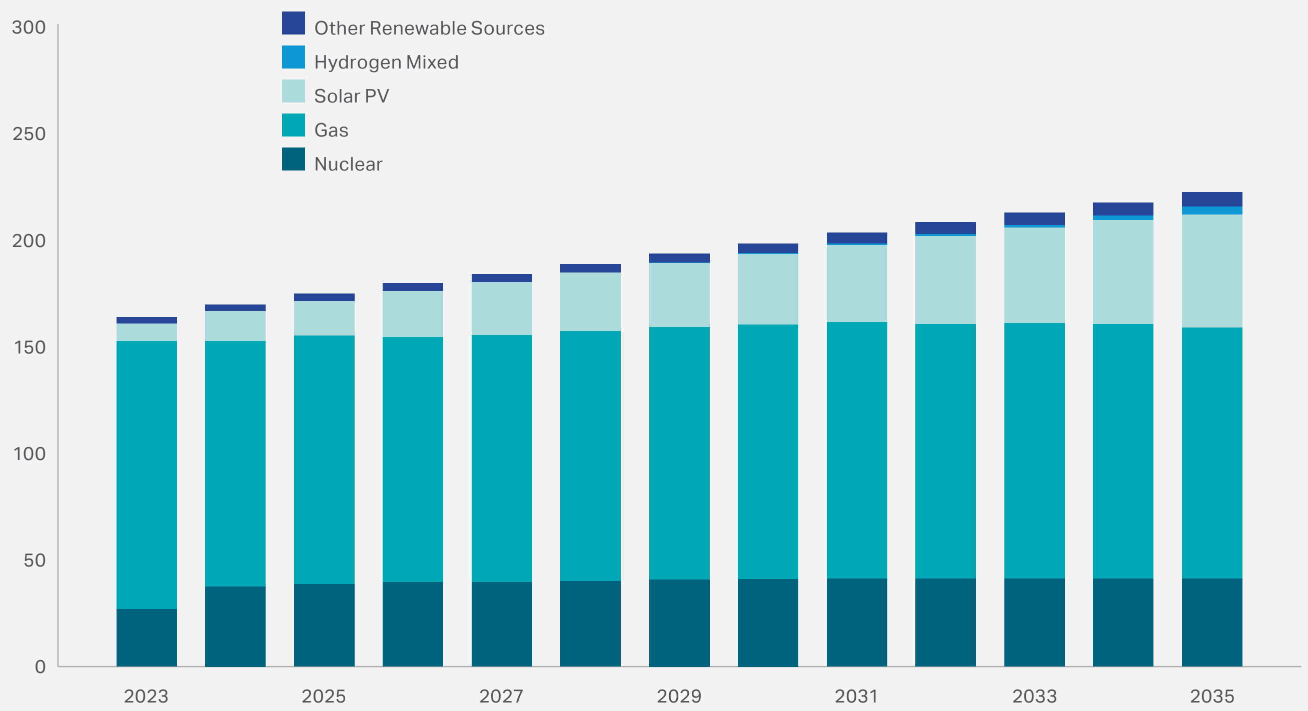


Source: Rystad Energy

1. Gas Demand in the Industrial Sector
Forecasted growth of gas demand in the Industrial Sector is chiefly credited to an increase in cement capacity, resultant of a strong construction forecast. ADNOC Gas expects the UAE construction sector to increase by ~4.8% between 2024-2027, with a stabilization at ~3.0% over the long term. Some fuel switching from fuel oil to natural gas is anticipated within the UAE cement sector, additionally influencing resulting gas demand positively. While cement and steel are expected to witness capacity enhancement, the aluminium sector (EGA refinery and smelter) does not have any announced capacity enhancements, thus, in this segment, gas demand is expected to stay flat.

2. Gas Demand from Power
Between 2023 and 2035, Rystad Energy expects UAE power demand to grow from 164 TWh to well above 200 TWh following a 2.0% CAGR.

Figure 3: UAE Power Generation Outlook (TWh)



Source: Rystad Energy

In Rystad Energy's base case for the UAE, total gas for power demand has already peaked, caused by the commissioning of 3 nuclear power units. With the expected commissioning of one more unit in 2024, nuclear power generation in the UAE will stabilize at 41.2 TWh over the long term, making a sizeable impact.

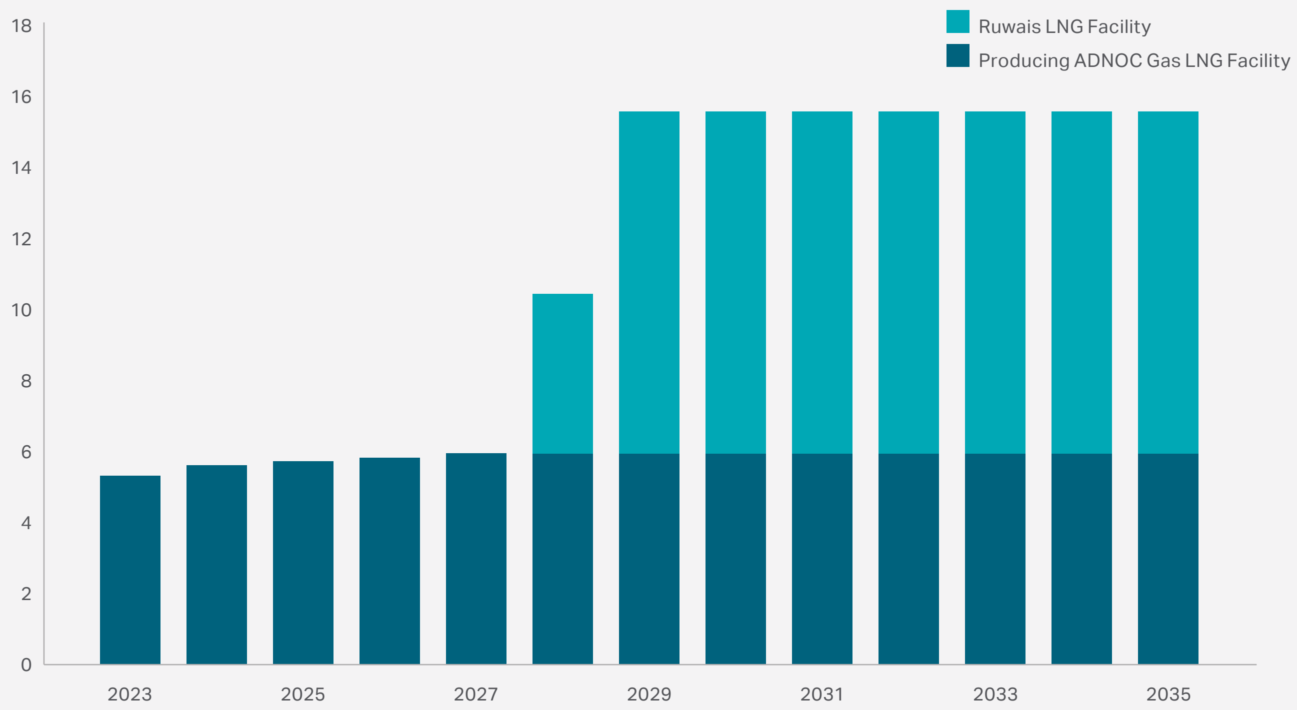
The UAE's solar strategy is also expected to accelerate over the next two decades, from 8.4 TWh in 2023 to reach 98 TWh by 2045, representing a CAGR of 12% over the same period.

Although the growth of nuclear and solar is expected to directly impact the share of natural gas in the overall power mix, gas demand in this segment will stay relatively stable in the long term, at an average 110 TWh over the long term.

MARKET OVERVIEW *continued*

3. Gas Demand from LNG
Gas demand for LNG exports is expected to grow substantially due to the commissioning of the Ruwais LNG Terminal. ADNOC is actively progressing towards a final investment decision for the Ruwais project, aiming to create one of the world's lowest carbon intensive production facilities. The new terminal will add 9.6 mmtpa capacity to the existing 6.0 mmtpa capacity of the ADNOC Gas LNG plant.

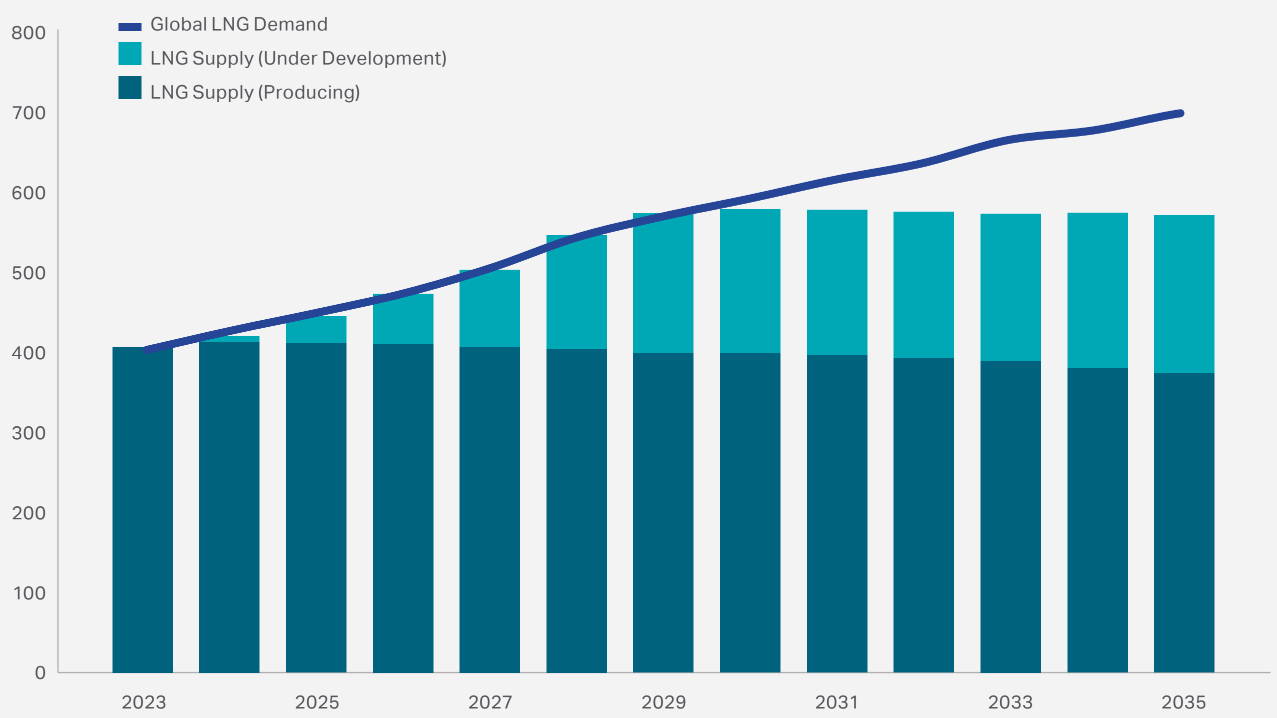
Figure 4: UAE LNG Production Outlook (mtpa)



Source: Rystad Energy

Equally, beyond the UAE, Rystad Energy also forecasts robust LNG demand growth. To this end, Figure 5 shows projected global LNG growth at > 5% per annum through to 2030, highlighting natural gas's role and importance in facilitating the global shift towards Net Zero.

Figure 5: Global LNG Supply and Demand Outlook (mtpa)



Source: Rystad Energy

MARKET OVERVIEW *continued*

Other Gas Products

In addition to sales gas, several valuable gas products are realized at the fields that provide Abu Dhabi's gas supply. These include condensates, NGLs and sulphur. These products are used within ADNOC's downstream operations (ADNOC Refining, Borouge, Fertiglobe), sold domestically, or exported to international markets. An outlook and key drivers for each of these products markets, or their derivative products, is provided below.

1. Ethylene and Polyethylene
ADNOC Gas is the sole provider of ethane to the Borouge petrochemicals complex, where it is converted through a variety of processes into the primary building blocks for a number of chemicals.

Ethane is a desirable petrochemical feedstock as it is usually the lowest-cost feedstock for the steam cracking (ethylene production) industry. Because ethane is relatively challenging to liquefy and transport in bulk, it has traditionally not been traded in global markets, finding a home instead in facilities adjacent to where it is processed.

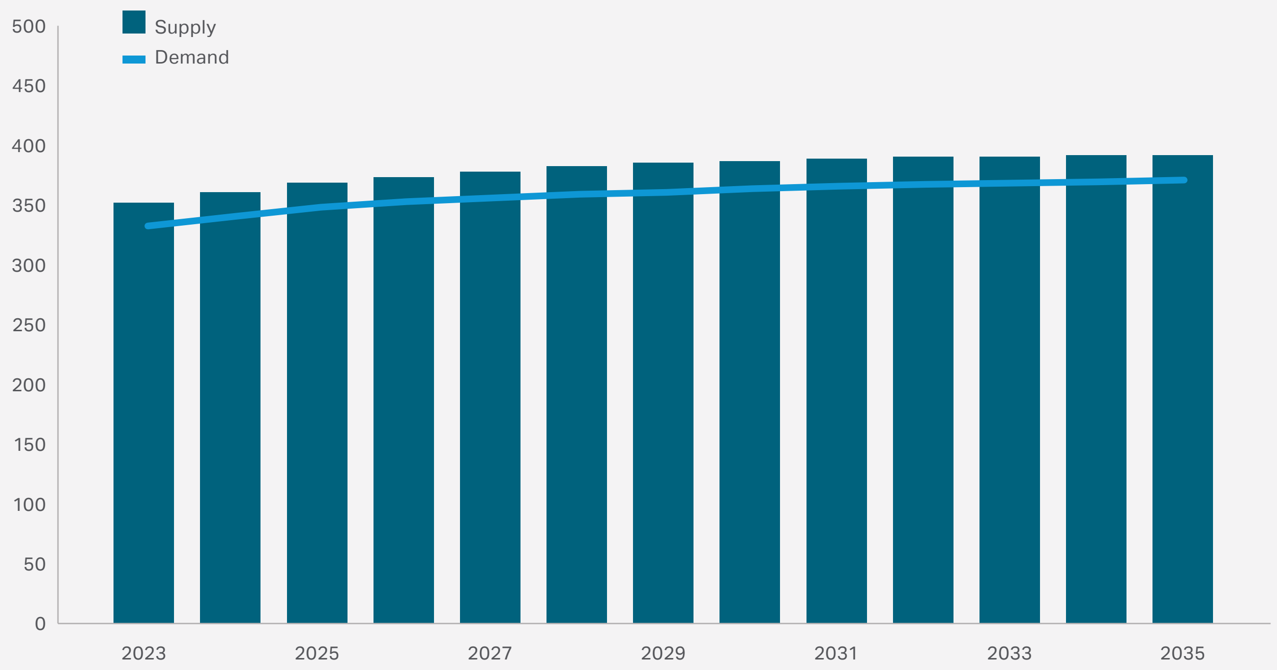
Ethylene is the world's most-produced petrochemical by volume, with a demand of over 190 million tonnes in 2022. Ethylene is also the largest source of demand for ethane and is often used as a proxy for ethane. All of ADNOC's existing ethane production is currently sold domestically to Borouge.

2. LPG
LPG is a "supply push" product, as it is primarily produced as an associated product either from crude oil or natural gas production with a limited supply from crude oil refining. LPG describes two natural gas liquids: propane and butane, or a mix of the two. Within the ADNOC system LPG comes from ADNOC Gas and is either used domestically or exported to international markets.

The chart below shows S&P Global's projections for global LPG supply and demand. The largest increases in LPG production will occur in North America and the Middle East, primarily driven by investments in the natural gas sector. Most supply growth will be consumed in the residential/commercial and chemicals markets. With the global economy still in recovery, as pandemic measures wind down, short to mid-term consumer demand for LPG will be strong, with increased saturation and transition to alternative fuels over the longer term.

As per Figure 6, 2024-2025 CAGR will be ~ 2.5%, both for LPG supply and demand, with a long term stabilization at ~ 0.5% per annum.

Figure 6: Global LPG Outlook (Demand & Supply), mtpa



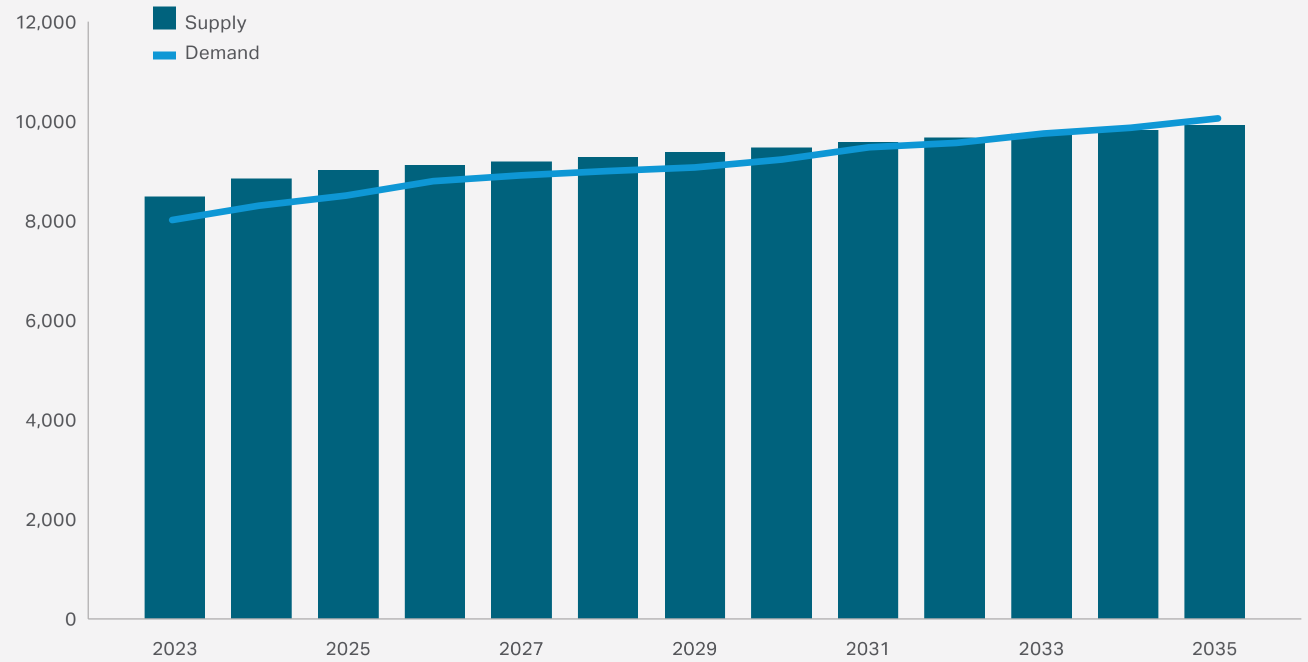
Source: S&P Global

3. Naphtha
Naphtha is a petrochemical feedstock for the production of ethylene, a fundamental building block for polymer production, and various by-products. Similar to LPG, naphtha within the ADNOC system comes from ADNOC Refining and ADNOC Gas and is either used domestically or exported to international markets.

Global naphtha demand is forecasted to grow at a CAGR of 1.6% between 2023 and 2035, outpacing supply at 1.2%. In this context, Asia will keep its position as the major demand centre, requiring flows from all exporting parts of the world. From a supply perspective, the Middle East is the largest supplier, accounting for nearly a quarter of all available flows, both through its refining system and crude oil associated production.

Asia, the core market for ADNOC, will continue to be the major demand centre for LPG and naphtha, using up excess supply from other regions.

Figure 7: Global Naphtha Outlook (Demand & Supply), '000s bbl/d



Source: S&P Global

4. Condensate
Condensate is typically a mixture of liquid hydrocarbons similar, in their physical properties, to very light crude oil. It is defined as liquids extracted from gas streams that have had the light fractions removed to allow storage and transportation without pressurization. It also has an industry designation of an API gravity greater than 50° and is outside any OPEC quota mechanisms. All condensate produced by ADNOC Gas is sent to ADNOC Refining.

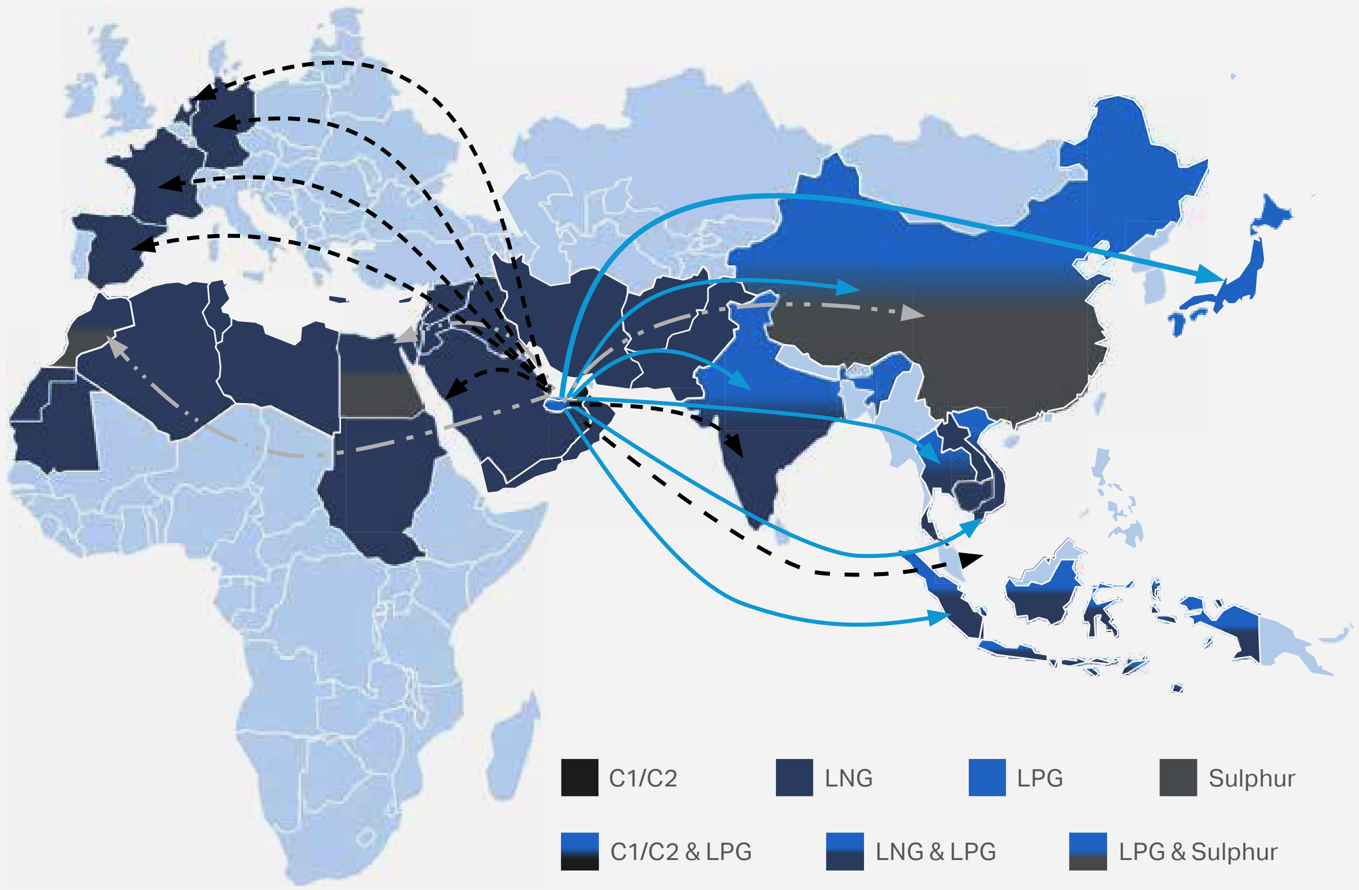
OPERATING REVIEW

ADNOC Gas operations demonstrated its strength and agility in 2023, successfully overcoming challenges to achieve remarkable results.

The integration of ADNOC Gas Processing (AGP) and ADNOC LNG (ALNG) followed by the IPO listing were major events that enhanced our Company's scale, competitiveness and value creation. We reaffirmed our commitment to operational excellence, financial discipline, sustainability and innovation, positioning ourselves as a leading gas producer and a trusted partner in the global energy market.

The integration and IPO presented their own challenges that required swift and effective responses and solutions. For example, we had to manage the integration of the merged entities, standardize processes and systems, and align the culture and values of our workforce. We also had to adapt to volatility and uncertainty in the gas market marked by consumer and geo-political pressures, procurement constraints, and balance supply disruptions and demand dynamics while optimizing our product portfolio and pricing strategies. Additionally, we had to meet the growing demand for cleaner and lower-carbon energy sources, diversify our gas product mix and keep pace with the energy transition.

ADNOC Gas's Key Products and Regional End Markets



Strategic priorities

Overall, the Operations strategic intent in 2023 was to deploy our operating philosophy efficiently and effectively, which can be summarized as follows:

Maximizing product yields:
Our focus remained on enhancing the yields of each product group with effective allocation of gas to high yield plants for maximum gain. The implementation of the Integrated Real Time Optimizer (iRTO) is a significant step towards digitalizing and optimizing production yields of natural gas liquids (NGLs) in real time at our processing sites. The transition from a traditional iterative 'trial and error' method to a precise real-time, data-driven solution has demonstrated significant performance enhancement and improved process knowledge through its complex modelling capabilities.

Assets capacities enhancement:
We conducted a thorough study of our processing plants that included asset adequacy checks, safeguarding memorandum, SIL (Safety Integrity Level) revalidation, and HAZOP (Hazard and Operability) revalidation in order to establish the feasibility of increasing the unit feed throughput.

The results of these studies and performing TH-B test run at 940 MMSCFD to maximize the offshore feed to the rich trains, enabled Habshan plants to reach their highest NGL and Condensate production ever. This achievement demonstrates the Company's commitment to continuously improving its operations and maximizing its production capabilities. In addition, the revamp of Ruwais train-2 for capacity enhancement, where a higher NGL feed rate was processed, boosted the NGL trains' processing capacity.

Eliminating process bottlenecks:
To increase operational efficiency we are also looking at eliminating process bottlenecks. A great example of this was the reinstatement of the refrigerant sub-cooler in the processing plant NGL recovery unit that will help gain full plant capacity utilization and subsequent product increment during summer. Another example is the removal of process bottlenecks in Ruwais fractionation trains, whilst the Rejuvenation Project at DAS LNG Plant will extend the life of LNG Trains 1 and 2 to 2040.

Alignments and standardization of process & procedures:
Streamlining processes and procedures for ADNOC Gas across all assets is indeed a critical element to safeguard operations, safety and integrity. The integration of new facilities provides us opportunities to implement best practices across all facilities.

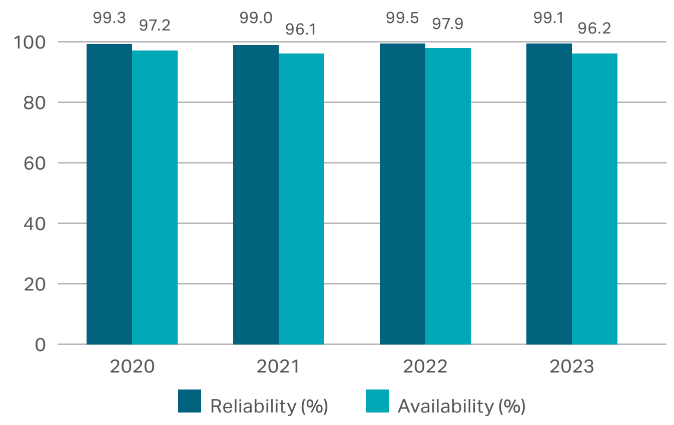
Assets uptime:
The Company has maintained high availability and reliability of all plant assets, performed maintenance optimization, and executed preventive maintenance as per schedule.

As a result of these efforts in 2023, we were able to exceed our business plan targets for each product volume – while maintaining high standards of safety, reliability and efficiency throughout the year, ensuring uninterrupted supply of gas to the domestic and international markets.

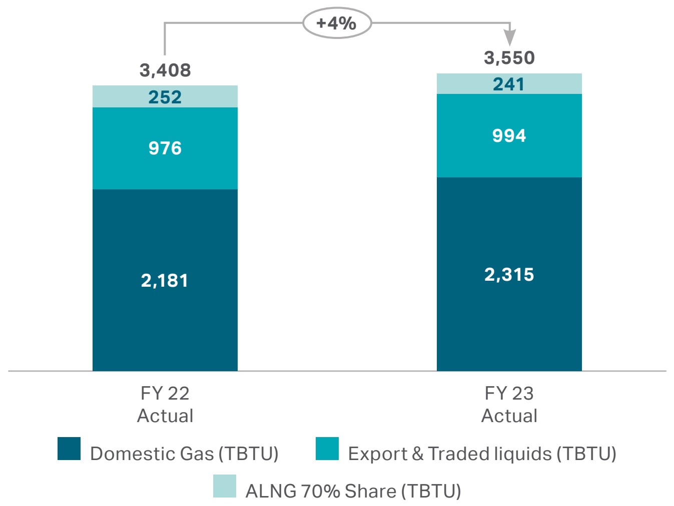
OPERATING REVIEW *continued*

2023 achievements

In 2023, ADNOC Gas increased its total production by 4% to 3,550 TBTU by maintaining high availability and reliability of all plant assets. Safe operations were managed at a sustainable rate, running all plants at maximum capacity to meet production targets. This resulted in a remarkable revenue increase for ADNOC Gas through exceptional production increases of condensate, NGL and sales gas. The process enhancement and capacity test run at Habshan plants allowed the Company to reach the highest production ever. Additionally, the Company achieved a Unit Production Cost (UPC) of 0.54 US$/MMBTU, 2% lower than 2022. All these achievements demonstrated the Company's commitment to continuously improving its operations and maximizing its production capabilities.



Domestic Gas production growth was 6% to 2,315 TBTU in 2023 while Export & Traded liquids increased 2% to 994 TBTU. This was achieved by maintaining higher asset availability and accommodating increase in oil production and feed intake from upstream in line with ADNOC's strategic drive for economic growth.



In terms of growth, ADNOC Gas Awarded a US$ 3.6 billion contract to expand its gas processing infrastructure: The strategic Maximising Ethane Recovery and Monetization (MERAM) project has dual objectives; firstly, to increase ethane extraction, by a range of 35 – 40%, from ADNOC Gas's existing onshore facilities in the Habshan complex through the construction of new gas processing facilities; and secondly, to unlock further value from existing feedstock and deliver it to Ruwais via a dedicated 120 kilometre (km) natural gas liquids (NGL) pipeline.

ADNOC Gas also awarded US$ 1.34 billion in contracts for a new natural gas pipeline to the Northern Emirates. Under the sales gas pipeline network enhancement (ESTIDAMA) project, the new pipeline will extend ADNOC Gas's existing pipeline network from approximately 3,300 km to over 3,500 km, enabling the transportation of higher volumes of natural gas to customers in the Northern emirates of the UAE. This strategic pipeline extension will drive further growth for ADNOC Gas in support of the Company's strategy to increase its market share and enhance its customer base.

A third project highlight of 2023 was the launch of the Carbon Capture, Utilization and Storage (CCUS) project, which aimed to reduce the Company's carbon footprint and enhance its environmental performance. The programme involved capturing CO_2 emissions from the Company's gas processing plants and injecting them into its oil fields to boost oil recovery. The project was aligned with ADNOC's target of lowering its greenhouse gas intensity by 25% by 2030 and supporting the UAE's and ADNOC's ambitions towards Net Zero by 2045.

ADNOC Gas successfully completed major shutdowns ahead of schedule, on cost and safely, in close coordination with neighbouring OPCOs and partner contracting companies. The scope was optimized through new innovative practices. For example, the turnaround for Ruwais static equipment was optimized to deliver a 56% reduction in the scope of work.

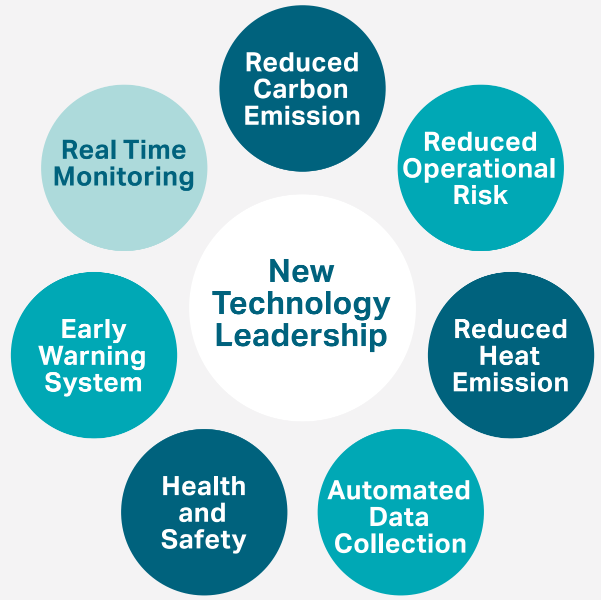
It is rewarding to note that ADNOC Gas was able to support a major domestic customer in October that had an unplanned shutdown. This demonstrates the Company's commitment to customer satisfaction and its ability to adapt to unexpected situations.

An onshore benchmarking study was completed for all onshore facilities, and the Company scored in the first quartile in HSE and the second quartile for overall operational excellence. This is a significant achievement and demonstrates the Company's commitment to safety and operational excellence.

By updating 270,000 maintenance plans, we elevated our Predictive Maintenance (PdM) efficiency from 2% to 13%, demonstrating our commitment to continual improvement and goal achievement.

We also had a seamless rollout of the ADNOC Group framework for Unified Asset Integrity & Process Safety (AIPS) at all ADNOC Gas Divisions.

Subsequently, ADNOC Gas has successfully established a comprehensive and integrated AIPS Enhancement Programme for operating assets, reinforcing our commitment to elevating AIPS standards and operational excellence in our operations.



In today's digital economy, we realize that it is simply not good enough to continuously improve existing operations. Therefore, we are modernizing and transforming our core operations to create operational agility and respond to evolving customer, market and regulatory dynamics. It involves leveraging automation, data and analytics to optimizing the use of tools and assets, increase process productivity and cost efficiency, and create impactful user experiences. We are engaging with all partners in our transformation journey.

Our Company is committed to creating value in all its operations. We have a clear understanding of the business problems that we aim to address and we are focused on achieving results through our digitalization programme.

We have partnered with many technological players in the field as part of our transformation strategy. Recently, we have conducted a technical collaboration workshop with Emerson Electric Co and Honeywell for implementation of new technologies such as remote junction box, wireless operated MOV, methane emission detection, online valve seat leak detection, and cloud-based solutions.

Additionally, we are taking the lead in becoming the first company to pilot new technologies rather than rely on existing options.

- iRTO – Integrated Real Time Optimizer – digitalization and optimizing production yields of NGLs in real time
- Levidian LOOP 20 – technology to produce high-value graphene from methane
- Shell Turbo Technology
- PI Vision – intuitive web-client visualization tool for fast, secure access to PI System data
- Anti-surge Valve Exerciser – test tool for operational compressor without risk of increasing compressor surge
- Control Room Assistant – based on multi-flow modelling and AI, alerts Control Room operators, with root causes, consequences and actions for abnormal plant conditions
- Centralized Predictive Analytics Diagnostics – powerful predictive maintenance platform to optimize operations and underpin asset integrity
- IAMS – predictive maintenance tool for early detection and notification of critical failures

Reliability

99.1%

99%+ reliability maintained in line with prior years

Production

3,550TBTU

Total gas production (including our share of ALNG) increased by 4% year on year

Unit operating cost

0.54US$/MMBTU

Very competitive unit operating costs supported by our efficiency improvement efforts

Major projects announced

3

Significant progress with strategic projects: MERAM, ESTIDAMA and Habshan CCUS projects sanctioned post-IPO

FINANCIAL REVIEW

2023 was a very successful year for ADNOC Gas. Our IPO in March was oversubscribed more than 50 times, reflecting the markets' appreciation of our investment story. By year end, our share price had increased 30%.

Our financial results for 2023 demonstrated the strength of our business model through a strong operational performance, focus on increased efficiency, product margin enhancement and growth.

After all, ADNOC Gas is a predictable margin business, underpinned by sustainable growth initiatives.

As part of our IPO, we promised a dividend of US$ 3.250 billion, and in 2023 we paid 50%, with the remaining US$ 1.625 billion to be paid in the second quarter of 2024.

ADNOC Gas delivered adjusted revenue of US$ 22.7 billion*, adjusted EBITDA of US$ 7.6 billion* and net income of US$ 4.7 billion in 2023.

Our annual sales volumes increased 3% to 3,540 TBTU, ahead of the 2023 upgraded capital markets guidance.

		2022 Actual	FY 23 Upgraded Guidance	2023 Actual	2023 delivery vs upgraded guidance
Financial	Adjusted EBITDA Margin %	34%	~33%	34%	✓
Sales Volumes	*(in TBTU)*				
	Domestic Gas Products	2,231	2,225 – 2,250	2,293	✓
	Exports & Traded Liquids	954	950 – 975	997	
	ALNG JV Products	247	210 – 240	232	
Net Profit Unit Margins	*(in $/MMBTU)*				
	Domestic Gas Products	0.78	0.85 – 0.95	0.95	✓
	Exports & Traded Liquids	2.23	1.60 – 1.70	1.69	
	ALNG JV Products	2.41	1.65 – 1.75	1.79	

* See page 55 for reconciliation of non-IFRS Financial Measures.

Fuel prices were down from their 2022 peaks but markets remained volatile. Also, as the geopolitical climate and global inflation levels of 2022 began to subside in 2023, ADNOC Gas saw Brent crude prices fall 18% year-on-year. Similarly, LNG, LPG and naphtha prices also declined 18%, 21% and 17% respectively versus 2022.

Inevitably, our adjusted revenues were impacted by the less favourable pricing environment in 2023 and fell 12% to US$ 22.731 billion*, but still this was less than the underlying decline in commodity prices.

Due to our well-designed Gas Supply and Payment Agreement (GSPA) with ADNOC Upstream, we were able to navigate the price declines successfully, as this 25-year contract enables ADNOC Gas to share in any price upside while also providing downside protection in a less favourable price environment.

As a result of the GSPA benefits, the Company's adjusted EBITDA margin was 33.5%, in line with 2022 (33.6%), highlighting the resilient nature of our business model.

Full year 2023 net income was US$ 4.720 billion, only 2% below the stellar result recorded in 2022. This remarkable performance can be attributed to several key factors: a shift to higher margins liquids; lower cost of sales arising from the GSPA; lower taxes and a one-off gain from a non-recurring item of US$ 298 million from recognizing a deferred tax asset following the formation of ADNOC Gas.

Adjusted Cash Flow from Operations was resilient, declining only 9% year on year to US$ 5.515 billion*, while our adjusted CAPEX increased 46% year on year to US$ 1.267 billion* after we awarded US$ 4.9 billion in EPC contracts as part of our major investment plan for the next five years.

Delivery of dividends
We aim to generate value for shareholders by providing a progressive dividend with an annual growth of five percent. As part of our IPO, we promised a dividend of US$ 3.250 billion for the full year, and in 2023 we paid 50% as an interim dividend, with the final dividend of US$ 1.625 billion to be paid in the second quarter of 2024. In 2023 ADNOC Gas generated US$ 4.5 billion of free cash flow, which exceeded our proposed annual dividend payment of US$ 3.250 billion by 37%. Once again, we delivered.

Ideally positioned for ADNOC's growth ambitions
In late 2022, ADNOC Group outlined an investment programme of US$ 150 billion for the five-year period from 2023 to 2027.

The accelerated monetization of Abu Dhabi's hydrocarbon resources provides many significant growth opportunities for ADNOC Gas.

Over the next five years, we will invest US$ 13.4 billion leveraging the upstream supply growth, increasing processing capacity at existing plants and infrastructure as well as expanding and enhancing our product mix.

We have a strong balance sheet and apply a disciplined approach to capital investments. At the end of the year, our net cash position was US$ 2.8 billion.

Our growth plan contains a healthy mix of projects that will enable ADNOC Gas to increase returns through higher margin products while enabling UAE gas self-sufficiency.

Our global reach
ADNOC Gas expanded its reach to new clients in new territories throughout 2023, partnering with noteworthy energy suppliers in the most significant world economies.

Our marketing in action

US$ 7-9 billion
14-year Indian Oil Corp supply deal

US$ 1.2 billion
three-year TotalEnergies supply deal

US$ 450-550 million
five-year JAPEX LNG supply deal

US$ 450-550 million
PetroChina International Company supply deal

US$ 500-700 million
JERA Global Markets supply deal

FINANCIAL REVIEW *continued*

Cleaner and greener growth
In terms of Sustainability, we play a pivotal role in achieving ADNOC Group's goals, which include a 25% reduction in greenhouse gas intensity by 2030 and the attainment of Net Zero operations by 2045.

Already, as part of ADNOC's wider carbon management strategy, we have launched one of the largest CCUS projects. The Habshan Carbon Capture, Utilization and Storage (CCUS) project is one of the largest carbon capture projects in the Middle East and North Africa (MENA) region and will have the capacity to capture and permanently store 1.5 million tonnes per annum (mtpa) of CO_2 within geological structures deep underground. ADNOC Gas will be responsible for building, operating and maintaining the project on behalf of ADNOC.

Adjusted Revenues

US$ 22.7 billion*

Adjusted revenues for 2023 were US$ 22.731 billion, down 12% year on year as a consequence a lower pricing environment but offset in part by the higher volumes

Adjusted EBITDA

US$ 7.6 billion*

Adjusted EBITDA for the 2023 was US$ 7.614 billion, down 12% versus 2022. However, the adjusted EBITDA margin at 33.5% (versus 33.6% a year earlier) demonstrates the Company's resilience. This performance was aided by lower cost of sales and lower profit sharing as a result of the GSPA agreement with ADNOC

Net Income

US$ 4.7 billion

2023 Net Income was US$ 4.720 billion, down only 2% year on year. Adjusted Net Income was US$ 4.421 billion excluding a gain from a one-off deferred tax credit of US$ 298 million

Decarbonization: key initiatives

Expansion of electrification and clean energy use across our operating sites

Combined cycle power generation units with efficient waste heat recovery technology

Development of carbon capture initiatives

Sustained flaring reduction and deployment of flare gas recovery systems

Pursuit of solar power projects

Water recycling and reuse

Total Equity	Net Cash	Return on Capital Employed	Return on Equity
22.3 (US$ billion)	2.8 (US$ billion)	24%	21%

Key year on year financials – Statement of Profit and Loss

US$ billion	2022	2023	% change
Adjusted Revenues	25.785	22.731*	-12%
COGS	-15.126	-13.079	-14%
Opex	-1.985	-2.037	3%
Adjusted EBITDA	8.674	7.614*	-12%
Net Income	4.797	4.720	-2%
Adjusted EBITDA Margin	34%	34%	–
Net Income Margin	19%	19%	–

Adjusted Cash Flow from Operations

US$ 5.5 billion*

Adjusted Cash Flow from Operations fell by 9% to US$ 5,515 billion in 2023, due mainly to the aforementioned weaker pricing environment

Free Cash Flow

US$ 4.5 billion

2023 Free Cash Flow fell by 18% to US$ 4.459 billion, due a combination of the lower adjusted cash flow from operations and an increase in capex arising from the initiation of the 2023-2028 growth plan

Adjusted Capital Expenditure

US$ 1.3 billion*

The Company incurred adjusted capex of US$ 1.267 billion. This was an increase of 46% versus 2022 but in line with guidance for the five year growth plan

Interim Dividend

US$ 1.625 billion

ADNOC Gas paid a US$ 1.625 billion Interim Dividend in December, which was in line with the Company's commitment at the time of the IPO to pay a dividend of US$ 3.250 billion in two tranches in respect of the full year 2023. The final dividend for 2023 of US$ 1.625 billion is expected to be paid in Q2 2024

US$ billion	2022	2023	% change
Adjusted Cash Flow from Operations	6.082	5.515*	-9%
Adjusted Capital Expenditure	0.870	1.267*	46%
Free Cash Flow	5.212	4.460	-14%

* See page 55 for reconciliation of non-IFRS Financial Measures.

SHAREHOLDER INFORMATION

Trading of ADNOC Gas shares on the Abu Dhabi Securities Exchange (ADX) commenced on 13 March 2023, under the symbol ADNOCGAS.

The shares were offered at a price of AED 2.37 per share on 13 March 2023 following an Intention To Float (ITF) announcement issued on 17 February 2023. The Company's paid up share capital is AED 70,467 billion, divided into 76,751,422,012 shares, each with a nominal value of AED 0.918 (US$ 0.25) per share.

The IPO raised over US$ 2.5 billion, making the ADNOC Gas IPO the largest-ever ADX listing to date and the largest globally in 2023 at that time. The share offering saw significant interest with total gross demand for the IPO amounting to over US$ 124 billion, implying an oversubscription level in excess of 50 times.

ADNOC Gas was the third largest company on the ADX, based on a market capitalization at listing of approximately US$ 50 billion.

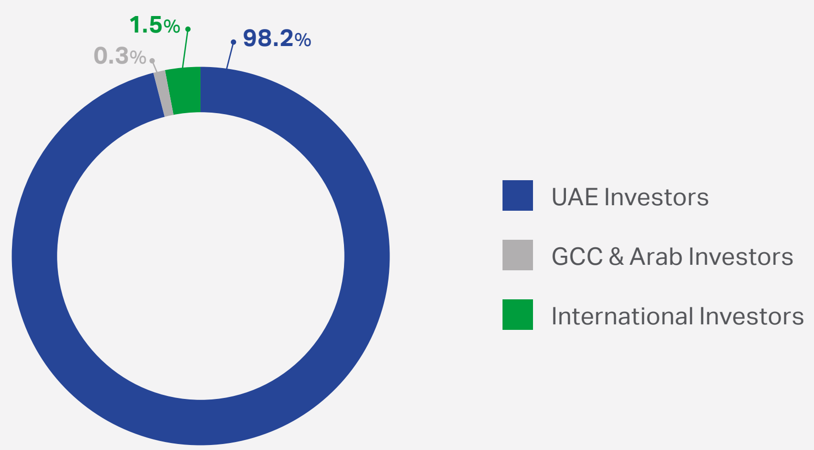
On 31 December 2023, the share price was AED 3.09 and the Company's market capitalization was AED 237 billion (c. US$ 65 billion).

ADNOC Gas share ownership structure

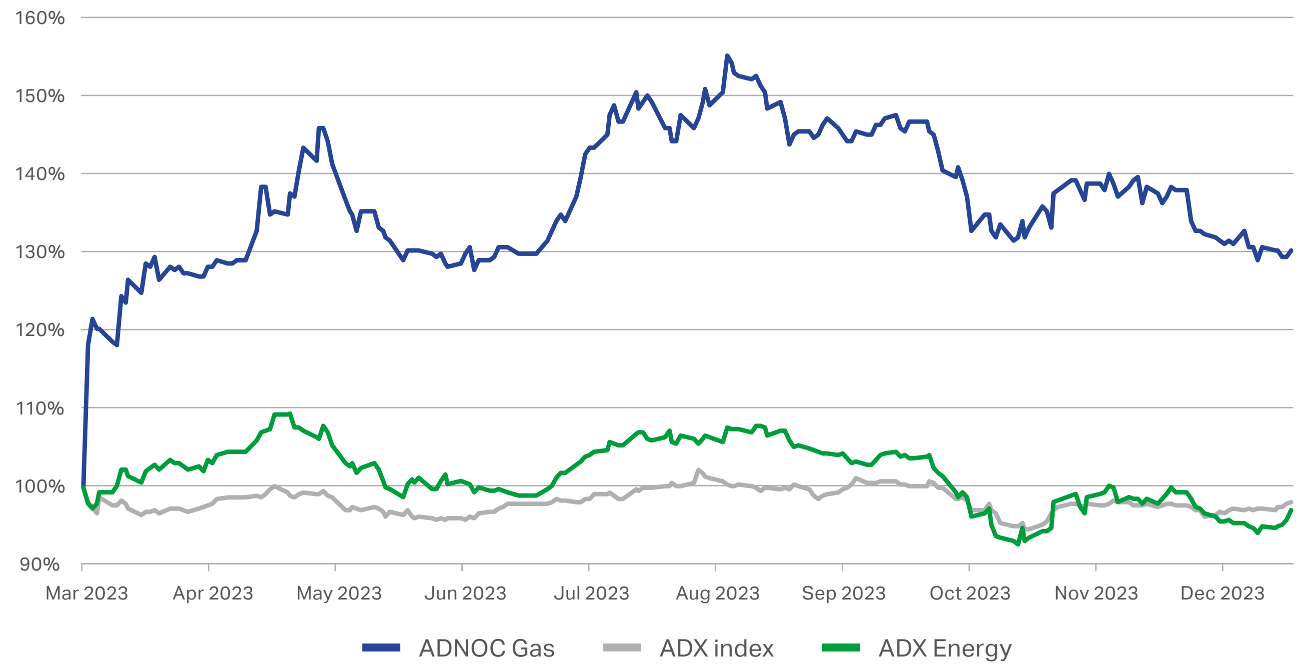
As of 31 December 2023, Abu Dhabi National Oil Company (ADNOC), the parent company, owned 90% of the outstanding shares. The UAE and other GCC institutions, international institutions and individual retail investors owned varying percentages of the outstanding shares respectively, as shown in the table below:

Shareholders' classification	Percentage of owned shares (%)			
	Individuals	Companies	Government	Total (%)
Local (UAE)	1.0	96.9	0.3	98.2
GCC	0.0	0.1	0.1	0.2
MENA (Arab)	0.1	0.0	0.0	0.1
Foreign	0.1	1.4	0.0	1.5
Total	1.2	98.5	0.4	100

The total number of shareholders as of 31 December 2023 was 28,171.



The Company's 2023 share price performance post-IPO compared with our sector index



Stock Exchange Listing
Abu Dhabi Securities Exchange (ADX)

Date listed on the stock exchange
13 March 2023

Currency
AED (United Arab Emirates Dirham)

International Securities Identification Number (ISIN)
AEE01195A234

ADX symbol
ADNOCGAS

Reuters Instrument Code (RIC)
ADNOCGAS.AD

Bloomberg symbol
ADNOCGAS UH

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CSD & Registry Services Department
Telephone : +971 2 6277 777
ADX Toll Free : 800 ADX (239)
E-mail : csd@adx.ae

ADNOC Gas Investor Relations contact:
ir@adnocgas.ae

Investor Relations website:
adnocgas.ae/en/investor-relations

DIVIDEND POLICY

The Board has adopted a robust dividend policy designed to return to shareholders a substantial portion of its distributable free cash flow after expenditure on growth opportunities and while maintaining an investment grade credit profile. To the extent the Board determines to pay a dividend in respect of a given period, we intend to distribute cash dividends twice each financial year (each, a "reference year"), with an initial payment in the fourth quarter of the reference year in relation to the financial performance for the first six months of that financial year and a second payment in the second quarter of the financial year following the reference year in relation to the financial performance of the last six months of the reference year, subject to the approval of Shareholders at a general meeting.

The Company's ability to pay dividends is dependent on a number of factors, including:

- the availability of positive net income distributable reserves, the Company's capital expenditure plans, credit rating considerations and other cash requirements in support of our strategy in future periods;
- market conditions, the then-current operating environment in our markets and the outlook for the Group's business;
- the level of expected future profits and our business plan (including our ability to perform in accordance with the expectations in our business plan);
- the discretion of our Board, based on our outlook for our business; and
- approval of any dividend payment at a general meeting of our shareholders.

Subject to the foregoing, and while there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be, the Company paid a fixed dividend amount of US$ 1.625 billion in the fourth quarter of 2023 in respect of the first half of the year ended 31 December 2023; and is targeting to pay a further US$ 1.625 billion in the second quarter of 2024 in respect of the second half of the year ended 31 December 2023.

Thereafter, we expect to grow the proposed annualized dividend for the year ended 31 December 2023 of US$ 3.25 billion by 5% per annum on a dividend per share basis over the period 2024-2027.

This progressive dividend policy is designed to reflect our expectation of strong cash flow and our expected long-term earning potential, while allowing us to retain sufficient flexibility to fund continued investment in long-term growth opportunities.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Revenue (US$ billion)	2023
Total Revenue (as reported in 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)	0.029
ADNOC Gas Revenue (incl. proportionate ADNOC Gas consolidation of JVs)	**22.731**

EBITDA (US$ billion)	2023
Total EBITDA (as per Consolidated Statement of Profit and Loss)	**7.034**
Adjustment related to AGP (mostly depreciation)	0.045
Adjustment related to ALNG (mostly tax & depreciation)	0.559
Others	(0.024)
ADNOC Gas EBITDA (incl. proportionate ADNOC Gas consolidation of JVs)	**7.614**

Cash Flow from Operations (US$ billion)	2023
Cash flow from operating activities (as per statement of cash flow)	**4.680**
Mainly changes in the working capital as per statement of cashflow	0.835
Cash flow from operating activities (as per annual report)	**5.515**

Capital expenditure (CAPEX) (US$ billion)	2023
Capital expenditure (as per financial statement note 11 & 12)	**1.108**
Mostly AGP JV and LNG JV (associates) CAPEX	0.159
Capital expenditure (as per annual report)	**1.267**

GOVERNANCE

OVERVIEW

ADNOC Gas 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 our large, long-life operations for gas processing and fractionation to the sale of our products to domestic and international customers. Our products serve customers in over twenty countries spanning multiple continents. The Company's integrated platform is currently the only pathway for the monetization of Abu Dhabi's vast gas resources. We are also critical to the Abu Dhabi and wider UAE economies, as we provide the UAE with more than 60% of its sales gas needs to power homes, businesses, industries, and other commercial establishments overall supporting the UAE's goal of gas self-sufficiency.

We believe we are a progressive energy company with a determined focus on sustainability across our business. We contribute to the UAE's and ADNOC's ambitious expansion plans and to the decarbonization agenda of the country. We believe that ADNOC Gas is a critical catalyst for the development of the UAE economy and an enabler for its diversification and decarbonization and preparing the UAE's industry for the future.

Given ADNOC Gas's vital position in energy supply within the UAE as well as international markets, we are aware of our responsibility to continuously develop and maintain our corporate governance system that drives enhanced management accountability, creates value for our shareholders and protects the interests of all stakeholders and the communities we serve.

The purpose of this report is to provide an overview of ADNOC Gas's corporate governance systems and procedures in line with the requirements of the Securities and Commodities Authority (SCA).

CORPORATE VALUES

Collaborative

We work closely with our partners and peers, leveraging collective strengths to deliver mutually beneficial results. We strive to raise teamwork to a higher level, solve issues together and innovate faster. By recognising efforts and results, we build trust–based relationships, encourage information sharing and deliver constructive feedback.

Progressive

We foster the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry. Daily, we go beyond 'business as usual', do things differently and embrace new ways of thinking. Our culture empowers us to be change agents, where we share creative ideas, overcome challenges together and adapt to the evolving energy landscape quickly.

Responsible

We devote our efforts to making a positive difference in our community while maintaining an unwavering commitment to health, safety, and the environment. We take the initiative to identify new opportunities, honour our obligations and stay responsible for our contributions. By adopting a 'can do' approach, we motivate each other, demonstrate a spirit of excellence, and achieve amazing results.

Efficient

We are a performance–driven company dedicated to achieving gas self-sufficiency for the benefit of our people, our community, our partners, and our nation. We also strive for excellence while minimizing wastage of resources. We take an energetic approach towards carrying out our responsibilities, look for continuous improvement, see projects through to completion and inspire others to do the same.

Respectful

We encourage a culture of inclusivity and mutual respect, and always operate to the very highest professional and ethical standards. We look out for each other and promote open communication that supports our development as individuals and as an organization. We support constructive dialogue and active listening while respecting cultural diversity.

CORPORATE GOVERNANCE OVERVIEW

We are committed to having a corporate governance framework that is compliant with all corporate governance requirements applicable to public joint stock companies in the UAE and consistent with international best practices.

Below is a summary of the key policies under which we operate:

Code of Conduct

Our Code of Conduct demonstrates ADNOC Gas's commitment to upholding ADNOC values and ethical behavior in all that it does. The core values in which the Company strongly relies include 'Collaborative', 'Respectful', 'Responsible', 'Efficient' and 'Progressive' which form the bedrock of the philosophy on which the Company conducts itself every day in several aspects of business.

The policy (a) outlines the minimum standard of conduct that we expect from anyone working for, or on behalf of, ADNOC Gas to ensure that our business is conducted in an ethical and compliant manner and in accordance with our core values; and (b) provides a set of basic mandates in form of training and annual declaration for all employees to ensure compliance.

Inside Information and Prevention of Insider Dealing Standard

The requirement to have fair and transparent dealings in our securities is of paramount importance to us and we take a zero-tolerance approach to insider dealing. Accordingly, we have implemented an Insider Dealing Standard to ensure that the obligations and responsibilities of our ADNOC Gas personnel with respect to dealings in our securities are clearly defined.

Related Party Transactions Standard

Our Related Party Transactions Standard is designed to ensure that: (a) transactions with related parties are conducted on arm's length terms; (b) the Board of Directors and Executive Management are aware of the steps required to approve transactions with related parties; and (c) a legitimate business case is present, and which supports the relevant related party transactions, including their arm's length nature.

In ADNOC Gas, the Board has established an Executive Committee which has the responsibility of reviewing related party transactions and, if appropriate, further reporting such transactions to the Board.

Anti–Bribery and Anti–Corruption Standard

We are committed to doing business lawfully, ethically and with integrity, and we expect all our employees and representatives to act accordingly. Consistent with this commitment, we take a zero-tolerance approach to fraud, bribery and all other forms of corruption. The Company adheres to the group level Anti-Money Laundering Standard and Anti-Bribery and Corruption Standard and towards these efforts we have also implemented a Company level Gifts and Entertainment Standard, to set rules and regulations with respect to the exchange of gifts among various third parties. The policy ensures that all employees and associated parties are aware of the gifting parameters and no employee or representative shall engage in the associated activities such as bribery, corruption, and money laundering.

Compliance Investigations Standard

Our commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. Our Compliance Investigations Standard and supporting procedures set out our approach to investigations relating to alleged violation: of (a) ethical business practices; (b) integrity in our interactions and arrangements with third parties; and (c) applicable laws, regulations, policies, and procedures relating to ethical business practices and integrity. This standard outlines the process of internal investigation and requires all employees to cooperate fully and truthfully with all investigations and to avoid engaging in certain activities that may hinder or interfere with an investigation.

Conflict of Interests Standard

We understand that our employees, officers, and directors will engage in legitimate social, financial, and business activities outside the scope of their work for us. Our Conflicts of Interest Standard sets out our requirements for the avoidance and management of conflicts of interest that may arise because of these other activities, including the avoidance of situations that have the appearance of a conflict of interest. Under this standard, conflicts of interest must be promptly disclosed so that the appropriate course of action can be taken to protect ADNOC Gas's interests.

Whistleblowing and Non-Retaliation Standard

Having an open, honest, and transparent culture supports our commitment to integrity and ethical work culture. The group Whistleblowing and Non-retaliation Standard encourages all employees to report any violations/suspected breaches about unethical, illegal, or questionable activities in connection with our business by assuring confidentiality and by protecting good faith whistleblowers from retaliation.

Information Disclosure and Transparency Standard

In line with the requirement to safeguard the rights of investors and promote sound governance practices, we have developed the ADNOC Gas Information Disclosure and Transparency Standard in line with market rules and regulations. By disclosing and making transparent certain information to the stakeholder, the regulator and the public, ADNOC Gas increases public trust in the organization and improves credibility.

Gender Diversity Standard

At ADNOC Gas, we strive to promote gender diversity and offer everyone an equal opportunity to learn, succeed and thrive within our organization, which in turn feeds our drive for excellence and innovation. ADNOC Group's leaders ensure that the 'tone-from-the-top' cascades through the organization, driving a culture of diversity through the Group, supported by structures and systems which ensure that everyone, irrespective of caste, gender, or nationality, can develop their careers and move into higher management and leadership roles.

Board Evaluation Standard

Our Board Evaluation Standard is in the process of being implemented; this will outline the criteria for evaluating the performance of the Board, Board sub-committees, the Chairman, individual Directors and Executive Management. The evaluation process supports the commitment of ADNOC Gas to improving the overall performance and effectiveness of the Board and its sub-committees, to maximize its strengths and take corrective actions where necessary.

BOARD OF DIRECTORS

Our Board comprises of seven Directors. Pursuant to our Articles of Association, the Board shall be elected at every third annual general meeting of the Company.

H.E. Dr. Sultan Ahmed Al Jaber was appointed as the Chairperson of the Board on the 3 February 2023.

The table below summarizes the details of the ADNOC Gas Board of Directors:

Name	Committee Role	Appointment Date
H.E. Dr. Sultan Ahmed Sultan Essa Al Jaber	Chairperson	3 February 2023
H.E. Kamal Ishaq Abdulla Ismail Almaazmi	Member	3 February 2023
H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi	Member	3 February 2023
Khaled Salmeen Anber Salmeen	Member	3 February 2023
Abdulmunim Saif Hamoud Ahmed Alkindi	Member	3 February 2023
Musabbeh Helal Musabbeh Ali Alkaabi	Member	3 February 2023
Fatema Mohamed Abdulla Alshaibeh Al Nuaimi	Member	3 February 2023

H.E. Dr. Sultan Ahmed Sultan Essa Al Jaber – Chairperson
H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020 as the COP28 President, as a member of the Supreme Council for Financial and Economic Affairs since December 2020, as UAE Cabinet Member since March 2013, as Minister of State from March 2013 up to July 2020, as the UAE's special envoy for Climate Change since November 2020 having previously served in that role from 2010 to 2016, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several ADNOC Group companies, Chairman of Masdar, Chairman of Emirates Development Bank, Chairman of FAB Misr and Chairman of the Board of Trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Advanced Technology Research Council, Mubadala Investment Company, Emirates Global Aluminium, Emirates Investment Authority and First Abu Dhabi Bank.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

H.E. Kamal Ishaq Abdulla Ismail Almaazmi – Director
H.E. Kamal Ishaq Abdulla Ismail Almaazmi is the Director General of Strategic Financial Affairs at the Department of Finance in Abu Dhabi where he heads the office of government investments, debt management office, office of petroleum and natural resources affairs, fiscal policy strategic and economic affairs office. H.E is a Board Member and the Chairperson of the Audit Committee of EDGE Group, Abu Dhabi Securities Exchange (ADX) and Emirates Electricity and Water Company (EWEC) and the Chairperson of EWEC's growth committee. Prior to this, he was a part of the private equity team of Mubadala Investment Company, working on direct and indirect investments internationally. Additionally, he has experience working with McKinsey & Company and Emirates Advance Investment – Raytheon JV. He holds a Master of Business Administration (MBA) degree (finance and strategic management) from the Wharton School of the University of Pennsylvania, US, and a Bachelor's degree in electrical and electronic engineering.

H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi – Director
H.E. Mohamed Hassan Alsuwaidi is the Minister of Investment appointed in 2023, under the Emirates Investment Authority (EIA), a federal cabinet in the UAE. H.E. is also the Managing Director and Chief Executive Officer at Abu Dhabi Development Holding Company PJSC (ADQ), appointed in 2019. Additionally, H.E. holds the position of Chairperson of Abu Dhabi National Energy Company (TAQA); Deputy Chairperson of Abu Dhabi Future Energy Company (Masdar) and second Vice-Chairperson of Aldar Properties. Moreover, H.E is a Board Member at ADNOC Distribution, Abu Dhabi Pension Fund, Emirates Nuclear Energy Corporation (ENEC), Louis Dreyfus Company (LDC), Al Dahra Holding, Lulu Group International and MiZa.

Prior to joining ADQ, H.E. garnered experience across multiple sectors in his tenure with Mubadala Investment Company, where he held several investment management positions covering sectors such as metals and mining, real estate, hospitality, infrastructure, technology, and agriculture. H.E holds a Bachelor's degree in accounting, from United Arab Emirates University, UAE.

Mr. Khaled Salmeen Anber Salmeen – Director
Mr. Khaled Salmeen Anber Salmeen is the Executive Director of Downstream Industry, Marketing and Trading ("DM&T") at ADNOC. In this role, he leads ADNOC's trading and supply functions, as well as its downstream and industry operations. This includes the growth of its existing refining and petrochemicals business, development of TA'ZIZ, a globally competitive industrial eco-system in Ruwais that aims to support Abu Dhabi and the UAE's industrial growth ambitions, and ADNOC's evaluation of new business opportunities within Hydrogen. Mr. Salmeen is also responsible for ADNOC's strategic overseas storage and enhancing the company's global presence through ADNOC Marketing International. Previously, he served as Chief Executive Officer of Khalifa Industrial Zone Abu Dhabi, Chairperson of Abu Dhabi Terminals, and Chief Operating Officer (COO) of Tabreed (National Central Cooling Company). He also led ADNOC's transformation efforts in the capacity of programme management office director from 2016 to 2017, during a period of significant transformation for the ADNOC Group. He holds a Bachelor of Science degree in engineering from the Colorado School of Mines in the United States and an Executive Master of Business Administration (MBA) degree from European Institute of Business Administration (INSEAD). At ADNOC, Mr. Salmeen is a Board Member of several companies including Borouge PLC, Fertiglobe plc, Abu Dhabi Marine Business and Services Company PJSC, Abu Dhabi Oil Refining Company (Takreer), ADNOC Global Trading and Abu Dhabi National Oil Company for Distribution PJSC. He is also the Chairperson of several companies including Borouge PTE, ADNOC Trading, and Abu Dhabi Chemical Derivatives Company RSC Ltd (TA'ZIZ).

Mr. Abdulmunim Saif Hamoud Ahmed AlKindi – Director
Mr. Abdulmunim Saif Hamoud Ahmed AlKindi is the Executive Director of ADNOC Upstream Directorate. Prior to that, he served as an Executive Director of People Technology and Corporate Support Directorate at ADNOC. Additionally, he also serves as a Board Member of several ADNOC affiliated companies including ADNOC Drilling Company PJSC. and Abu Dhabi Aviation. He holds a Master of Business Administration (MBA) degree from Brunel University, UK, and a Bachelor of Science (B.Sc.) in mechanical engineering from the UK.

Mr. Musabbeh Helal Musabbeh Ali Alkaabi – Director
Mr. Musabbeh Al Kaabi is the executive director for ADNOC's Low Carbon Solutions & International Growth Directorate. In the past, he served as the Chief Executive Officer of Mubadala's UAE Investments platform and Mubadala Petroleum (2014-2017). He holds a Master of Science (M.Sc.) degree in petroleum geoscience from Imperial College, London, UK, and a Bachelor of Science (B.Sc.) degree in geophysical engineering from Colorado School of Mines, US.

BOARD OF DIRECTORS *continued*

Ms. Fatema Mohamed Abdulla Alshaibeh Al Nuaimi – Director
Ms. Fatema Mohamed Al Nuaimi currently serves as Executive Vice President, Downstream Business Management within the Downstream Industry, Marketing and Trading ("DM&T") at ADNOC. Her role includes functional oversight of downstream industry companies. Ms. Al Nuaimi previously served as the Chief Executive Officer of ADNOC LNG. During her 20-year career in the ADNOC Group, Ms. Al Nuaimi has held a variety of management and technical positions. Ms. Al Nuaimi was the Senior Vice President of supply chain management in Borouge, where she oversaw both the supply of feedstock to production plants and the supply of petrochemical products across a global network of receiving hubs. Ms. Al Nuaimi also held the position of gas strategy and master planning unit manager in ADNOC, where she was responsible for providing strategic insight across the group's natural gas resources, with a focus on maximising value and profitability as well as meeting the UAE's future domestic gas demand. In this role, Ms. Al Nuaimi led the development of the gas master plan and oversaw implementation of the plan across ADNOC Group. Ms. Al Nuaimi was appointed the first Chairperson of the ADNOC gender balance committee, which was created in 2016. She is a Board Member of Emirates General Petroleum (Emarat) Establishment, a Board Member of National Gas Shipping Company (NGSCO) as part of ADNOC Logistics and Services, and a Board Member of ADNOC Offshore. She is a member of the International Association for Energy Economics. Ms. Al Nuaimi holds a Master of Business Administration (MBA) degree from the American University in Dubai (AUD), UAE and a Bachelor's degree in chemical engineering from the UAE University (UAEU), UAE.

Female representation in the Board of Directors

We recognize the importance of creating an engaged, diverse and capable organization for the long-term success of the Company. Embracing diversity enables us to attract and retain talented people. We are committed to fostering an inclusive culture, and to providing equal opportunities for career development and advancement, regardless of gender, ethnicity, age, and culture, in line with ADNOC's overarching diversity and inclusion policies and practices. ADNOC Gas strives to achieve a fair female representation within the Board of Directors; accordingly, Ms. Fatema Mohamed Abdulla Alshaibeh Al Nuaimi was elected as a member of the Board of Directors.

The secretary of the Board of Directors

The position of the Board Secretary is held by Mr. Ahmad Ma'abreh from Allen & Overy. Mr. Ma'abreh is a partner in the corporate team of Allen & Overy's Abu Dhabi office. Allen & Overy is a multinational law firm headquartered in London.

Directors' remuneration

At the date of the issuance of this Report, the Board of Directors have not approved the remuneration to be paid to the members of the Board of Directors for the year of 2023 and therefore no payments have been made. The amount of the 2023 remuneration is expected to be approved by the annual general meeting to be held in 2024.

Board meetings attendance records

Our Articles of Association require that the Board of Directors meets no less frequently than four (4) times per year, and the quorum shall constitute by attendance at least a simple majority of Directors. Since the Company's ADX listing in March 2023, our Board has convened three times to deliberate on various matters pertaining to our strategic direction, financial performance, and overall governance. The following table sets forth the meetings held by our Board of Directors in year 2023:

Board Member	Position on the Board	10 May 2023	4 Aug 2023	14 Nov 2023
H.E. Dr. Sultan Ahmed Sultan Essa Al Jaber	Chairperson	P	P	P
H.E. Kamal Ishaq Abdulla Ismail Almaazmi	Member	P	P	P
H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi	Member	P	P	P
Khaled Salmeen Anber Salmeen	Member	P	P	P
Abdulmunim Saif Hamoud Ahmed Alkindi	Member	P	A	P
Musabbeh Helal Musabbeh Ali Alkaabi	Member	P	P	P
Fatema Mohamed Abdulla Alshaibeh Alnuaimi	Member	P	A	P

P – Present, A – Absent

During 2023, the Board considered and took decisions in relation to general business matters, all being within the approved internal policies and procedures and in compliance with the relevant commercial legislations. The list of decisions taken through Board Resolutions in the past year are as below:

Key Decisions	Date
Approval to appoint Mr. Ahmad Ma'abreh as new Board Secretary	10 Apr 2023
Approval to appoint a new Senior Vice President Strategy, Sustainability and Transformation position	10 May 2023
Approval to authorize Executive Committee to approve LNG Contracts up to a certain threshold	29 May 2023
Approval to enter into a long-term LNG sale agreement	12 Jul 2023
Approval for budget enhancement of a maximizing ethane recovery and monetization project	26 Jul 2023
Approval of the revised net-income and unit processing cost KPIs targets for 2023	4 Aug 2023
Approval of the interim consolidated financial statements for period 8 December 2022 to 30 September 2023	14 Nov 2023
Approval of the consolidated budget for the year 2024	14 Nov 2023
Approval of the interim cash dividend for the year 2023	14 Nov 2023

BOARD OF DIRECTORS *continued*

Statement of Board duties and powers, and delegation of authority details

Matters reserved to the Board of Directors and delegated to management
The Board of Directors has issued a Delegation of Authority to our Chief Executive Officer, Dr. Ahmed Mohammed Alebri under which the Board has delegated to him the authority to conduct the daily management activities of ADNOC Gas, subject to appropriate limits. Under the Delegation of Authority, Dr. Alebri has the authority to sub-delegate activities to other members of ADNOC Gas's management.

Notwithstanding the authority that has been delegated to Dr. Alebri, the Board of Directors maintains oversight over these activities, and Dr. Alebri is regularly required to report to the Board of Directors with respect to the activities undertaken by him pursuant to the terms of the ADNOC Gas Delegation of Authority.

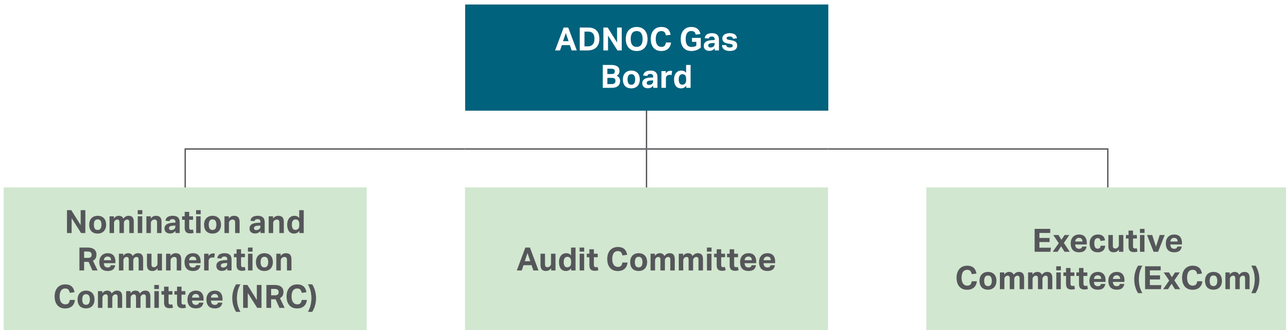
Details of the Delegation of Authority
Dr. Ahmed Mohammed Alebri
Chief Executive Officer.

Scope of authority
Authority to conduct the daily management activities of ADNOC Gas, subject to appropriate limits as set down by the Board of Directors from time to time.

Duration of delegation
Until the authority is revoked by the Board of Directors.

BOARD COMMITTEES

The Board has established three permanent committees under its supervision and control for discharging its duties and responsibilities effectively – an Audit Committee, a Nomination and Remuneration Committee (NRC) and an Executive Committee.



A high-level overview of the mandate of each of these committees, as at Listing, is set out below.

Audit Committee

The Audit Committee will assist the Board in discharging its responsibilities relating to financial reporting, external and internal audits, including reviewing and monitoring the integrity of our financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the Abu Dhabi Global Market (ADGM), the Securities and Commodities Authority (SCA) and the Abu Dhabi Securities Exchange (ADX). In addition, the Audit Committee provides the oversight on strategic risk management, internal controls over financial reporting and compliance processes of ADNOC Gas.

In accordance with approved Audit Committee Terms of Reference, ADNOC Gas Audit Committee has been established with three Non-Executive and Independent Directors and two members with financial audit, statutory reporting, and internal audit experience. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board from time to time. The members of the Audit Committee are appointed in accordance with the relevant Terms of Reference. The Audit Committee will meet not less than four times per year. All members of the Audit Committee will be required to comply with the Company's insider trading policy which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

As part of his role as the Chairperson of the Audit Committee, H.E. Kamal Ishaq Abdulla Ismail Almaazmi acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation, and ensuring its effectiveness.

The Audit Committee held six meetings in 2023, as set forth in the following table:

Member	Position on the Committee	26 April 2023	9 May 2023	25 July 2023	3 Aug 2023	1 Nov 2023	7 Nov 2023
H.E. Kamal Ishaq Abdulla Ismail Almaazmi	Chairperson	P	P	P	P	P	P
Omar Abdulla Al Nuaimi	Member	P	P	P	P	P	P
Abdulmunim Saif Al Kindy	Member	P	P	A	P	A	P
Fatema Mohamed Abdulla Alshaibeh Al Nuaimi	Member	P	A	P	P	P	A
Ahmed K. Matar Abujarad	Member	P	P	P	P	P	P

P – Present, A – Absent

BOARD COMMITTEES *continued*

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") will assist the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating certain matters relating to the Company's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board, and monitoring the independent status of the independent directors. In addition, and subject to the Articles of the company, the NRC will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive management remuneration and decisions on certain of the group's human capital policies, setting the over-arching principles, parameters and governance framework of our remuneration policy and overseeing remuneration and benefits packages.

The Board will delegate to the NRC decisions in relation to the appointment, removal, and replacement of personnel reporting directly to the Company's Chief Executive Officer, Senior Vice-Presidents of the group and management personnel reporting directly to the Group's Senior Vice-Presidents.

The Terms of Reference of the NRC requires that the committee shall comprise of four members, whereby at least three of the members of the Nomination and Remuneration Committee will need to be Non-Executive Directors (of whom at least two will need to be independent), in each case within the meaning of those terms in the Governance Rules. It is also noted that the Chairperson of the Board shall not be a member of the NRC as specified in the Terms of Reference document to ensure independence of the NRC. The NRC shall meet at least two times per year, and otherwise from time to time based on the Company's requirements.

As part of his role as Chairperson of the NRC, H.E. Mohamed Hassan Alsuwaidi acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation, and ensuring its effectiveness.

The following table sets out the meetings held by the NRC in 2023:

Member	Position on the Committee	3 May 2023
H.E. Mohamed Hassan Alsuwaidi	Chairperson	P
Khaled Salmeen Anber Salmeen	Member	P
Musabbeh Helal Musabbeh Ali Alkaabi	Member	P
Ayesha Al Hammadi	Member	P

P – Present, A – Absent

Executive Committee

The Executive Committee established under the Board, consists of six members, appointed by the Board in accordance with the committee's Terms of Reference document. The committee assists the Board in discharging its responsibilities in matters such as the review and approval of related party transactions; approval of any matters delegated to it under the Company's delegation of authority matrix; and the review, and, if requested by the Board, the endorsement of matters relating to the Company's commercial, financial and operational performance, and planning. It is the duty of the committee to report to the Board, before the Board meeting, all decisions taken by committee along with evaluations, matters and any other item so requested by Board from time to time. The reference document of the committee requires that the committee shall meet every four to six weeks. The committee held three meetings in year 2023.

As part of his role as the Chairperson of the Executive Committee, Mr. Khaled Salmeen Anber Salmeen acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation, and ensuring its effectiveness.

The following table sets out the meetings held by the Executive Committee in 2023:

Member	Position on the Committee	2 May 2023	28 July 2023	7 Nov 2023
Khaled Salmeen Anber Salmeen	Chairperson	P	P	P
Fatema Mohamed Abdulla Alshaibeh Al Nuaimi	Member	P	A	A
Omar Abdulla Al Nuaimi	Member	-	P	P
Mike Baker	Member	P	P	P
Nasser Al Muhairi	Member	-	P	P
Tasnim Al Mzaini	Member	-	P	P
Butti Yaed Al Qubaisi	Past Member	P	-	-
Mohammed Abubaker	Past Member	P	-	-
Ahmed Al Sheebani	Past Member	P	-	-

P – Present, A – Absent

SHARE DEALINGS

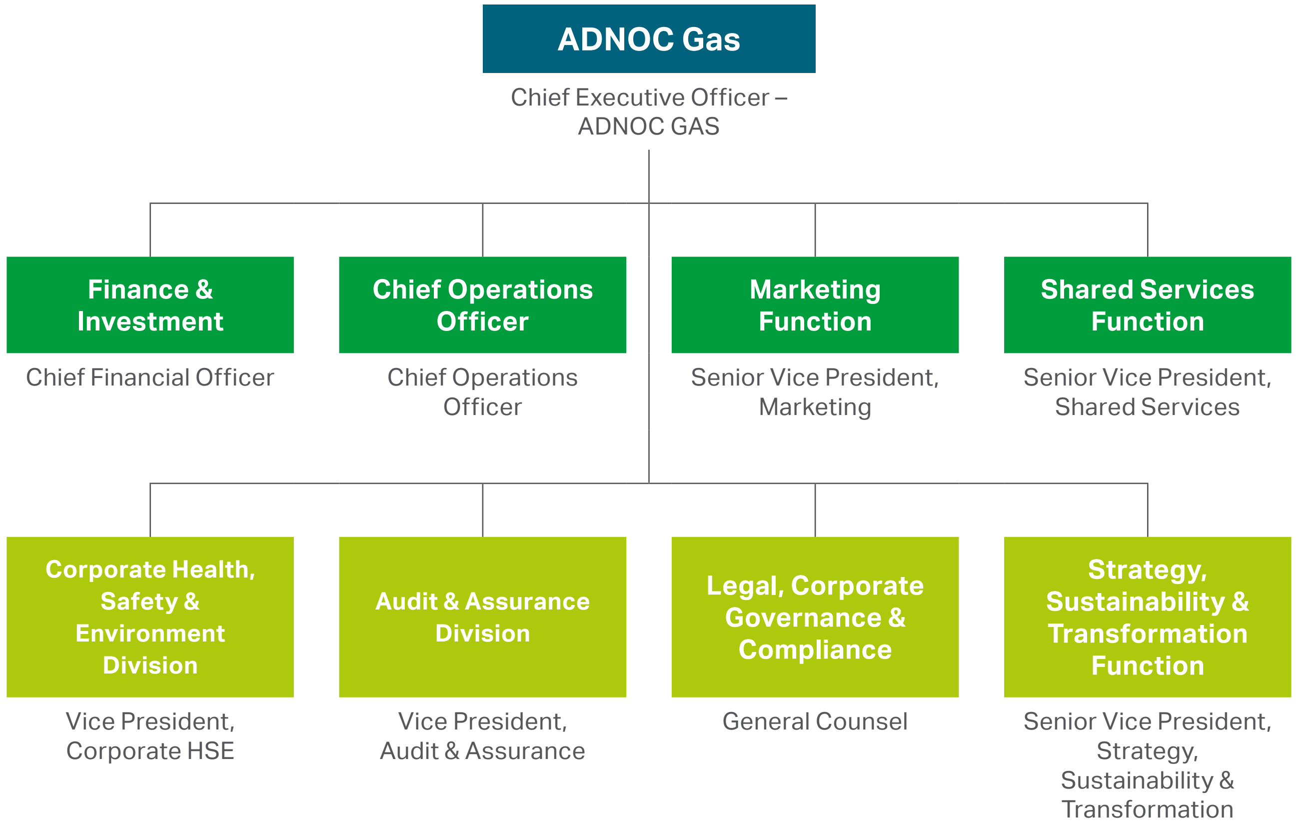
Purchases and sales of ADNOC Gas shares and other transactions involving our securities by employees and representatives are governed by the Securities and Commodities Authority (SCA) regulations and our Inside Information and Prevention of Insider Dealing Standard. It is the policy of ADNOC Gas that inside information must not be used by any ADNOC Gas personnel and their connected persons for personal gain. ADNOC Gas expects that all its employees, as well as the other persons with whom ADNOC Gas transacts, abide by this standard, and in doing so adhere to the applicable laws on inside information and dealings. It is the responsibility of the ADNOC Gas Insider Committee to oversee processes related to Inside Information and Insider Dealing Standard. The committee is composed of the Chief Financial Officer (CFO), the General Counsel, and the Vice President of Investor Relations.

The following table sets out the details of all purchases and sales of our shares undertaken by our directors, their spouses, and their children in 2023:

Director	Position	Shares held at 31/12/2023	Total sale transactions	Total purchase transactions
H.E. Dr. Sultan Ahmed Sultan Essa Al Jaber	Chairperson (Independent Member)	–	–	–
H.E. Kamal Ishaq Abdulla Ismail Almaazmi	Director (Independent Member)	210,970	–	–
H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi	Director (Independent Member)	–	–	–
Khaled Salmeen Anber Salmeen	Director (Independent Member)	980,109	–	–
Abdulmunim Saif Hamoud Ahmed Alkindi	Director (Independent Member)	980,108	–	–
Musabbeh Helal Musabbeh Ali Alkaabi	Director (Independent Member)	980,108	–	–
Fatema Mohamed Abdulla Alshaibeh Al Nuaimi	Director (Independent Member)	485,232	–	–

EXECUTIVE MANAGEMENT

ADNOC Gas Organization Chart



Introduction of Executive Management

In addition to the members of the Board of Directors, the day-to-day management of the Company's operations are conducted by its senior management team, as follows:

Dr. Ahmed Mohammed Alebri – Chief Executive Officer
Dr. Ahmed Mohammed Alebri is the Chief Executive Officer of ADNOC Gas. His professional experience spans 18 years in the oil and gas industry. He previously served as Chief Executive Officer of ADNOC Gas Processing, the UAE's major supplier of gas and gas-related products and as General Manager of ADNOC Industrial Gases, the UAE's supplier of nitrogen and liquid oxygen to the oil and gas sector. His value-driven leadership style varies from accelerating the impact of tech-enabled transformation and innovative tactics in engineering services to the smart delivery of strategic projects leading to sustainable growth across the UAE hydrocarbon value chain. Dr. Alebri holds a Doctorate in Business Administration from University of Wales in the UK, a Master of Business Administration (MBA) from Abu Dhabi University, UAE, and a Bachelor's degree in mechanical engineering from the University of Missouri, US.

Peter van Driel – Chief Financial Officer
Mr. Peter van Driel joined ADNOC Gas in 2023. He is an experienced finance executive who has developed broad, deep and international experience over 30 years in senior roles in the energy sector. Mr. Van Driel joined Shell plc in 1991, after attaining a Master of Business Administration (MBA) from Rotterdam School of Management in the Netherlands.

Mohammed Al Hashemi – Acting Chief Operating Officer
Mr. Mohamed Al Hashemi joined ADNOC in 2002 and has over 20 years of experience in operations, production planning and transmission. During his first couple of years at ADNOC, Mr. Al Hashemi successfully set up the maintenance section in the largest ADNOC Gas Processing Plant (Habshan) as a part of the Company's restructuring, before assuming leadership of Buhasa plant. Subsequently, he advanced to the position of Senior Vice President Production, Planning, Pipeline and Optimization. He graduated in 2001 with a Bachelor's degree in electrical engineering from the University of Tulsa, Oklahoma, US.

EXECUTIVE MANAGEMENT *continued*

John King – General Counsel
Mr. John King is an energy law expert, with a focus on international oil and gas development. Mr. King has more than 25 years' experience in the energy and resources sector, with a strong focus on upstream oil and gas developments, particularly LNG projects. Mr. King graduated in 1991 with a Bachelor's degree in law from the University of Bond, Australia.

Naser Saif Al Yafei – Senior Vice President, Strategy, Sustainability & Transformation
Mr. Naser Saif Al Yafei has 18 years of experience and has worked at ADNOC since 2005. He specializes in Strategic Relations & Competitive Intelligence Management and Stakeholders. Mr. Naser holds a Bachelor's degree in chemical engineering, a Master's degree in Business Administration (MBA), and a post-graduate diploma degree in UAE diplomacy & international relations from the Anwar Gargash Diplomatic Academy, UAE.

Rashid Al Mazrouei – Senior Vice President, Marketing
Mr. Rashid Al Mazrouei has over 22 years of industry experience. He started his career at ADNOC LNG (ALNG) in 2000 where he carried out several roles including 11 years in ALNG's office in Japan managing key customers. More recently, he has led ALNG's strategy and commercial activities. Mr. Rashid graduated in 2000 with a Bachelor's degree in business administration (marketing) from the American University in Dubai, UAE.

Maitha Balfaqeeh – Acting Senior Vice President, Shared Services
Ms. Maitha Balfaqeeh joined ADNOC Group in 2011, bringing experience from both gas and petrochemical industries. She is playing a pivotal role in enabling the organization by overseeing the Human Capital, Digital, Procurement, and Business Support Divisions.

Ms. Maitha accomplished significant achievements throughout her employment in ADNOC Group, including the establishment of compensation and benefits structures for new locations around the world, in line with their local labour law and union legislations. Moreover, recently she has efficiently driven the implementation of the group shared service model in ADNOC Gas, facilitating the smooth delivery of services across different sites, providing a customer centric experience. Ms. Maitha is holds a bachelor's degree in finance, and master's degree in human resources management.

Saud Mohamed Al Hammadi – Vice President, Health, Safety & Environment
Mr. Saud Mohamed Al Hammadi joined ADNOC in 2014 and has over 18 years' industry experience in Health, Safety & Environmental (HSE) Compliance & Assurance, Technical & Operational Safety, Crisis Management, Incident Prevention and Business Continuity. Mr. Al Hammadi graduated in 2005 with a Bachelor's degree in environmental sciences from the American University of Sharjah, UAE.

Ameen Abdulla Al Hosani – Vice President, Audit & Assurance
Mr. Ameen Abdulla Al Hosani has been Vice President of Audit & Assurance since January 2023 and has more than 19 years' experience in the oil and gas industry. Mr. Al Hosani joined ADNOC in 2004 and has served in several roles related to petroleum engineering, construction, project engineering management, project management, project quality management and corporate assurance. Mr. Al Hosani holds a Bachelor's degree in chemical engineering from the University of Tulsa, US, and a master's degree in project management from the British University, Dubai, UAE.

The following table sets out the executive remuneration in 2023:

Name	Position	Appointment date	Annual salary and allowances (AED)	Bonuses* (AED)	Other benefits (AED)
Dr. Ahmed Alebri	Chief Executive Officer	2023	2,203,200	–	247,424
Mohamed AlHashmi	Acting Chief Operations Officer	2023	1,720,908	–	176,653
Peter van Driel	Chief Financial Officer	2023	1,956,000	–	–
Naser Al Yafei	Senior Vice President, Strategy, Sustainability & Transformation	2023	1,758,852	–	168,680
Rashed Almazrouei	Senior Vice President, Marketing	2023	1,603,080	–	–
Saud Al Hammad	Vice President, HSE (Corporate)	2023	1,467,792	–	195,000
John King	General Counsel	2023	1,008,708	–	–
Ameen Al Hosani	Vice President, Audit & Assurance	2023	1,289,784	–	160,000
Maitha Balfaqeeh	Acting Senior Vice President, Shared Services	2023	1,256,796	–	90,000

* At the time of publication of this Annual Report, Bonuses for 2023 were not approved by the Nomination and Remuneration Committee.

EXTERNAL AUDITOR

The Company has appointed Deloitte & Touche (M.E.) LLP as its independent auditors for the financial year ending 31 December 2023.

Name of the audit office and partner auditor	Deloitte & Touche (M.E.) LLP Rama Padmanabha Acharya
Number of years he served as the Company's external auditor	1 year
The number of years that the partner auditor spent auditing the Company's accounts	1 year
Total audit fees for 2023 in (AED)	Total audit fees – AED 3,365,185 Financial statements audit – AED 1,838,013 Reasonable assurance report on internal controls – AED 699,391 Quarterly reviews – AED 827,781 The above fees include fees for ADNOC Gas PLC and its two subsidiaries (ADNOC Gas Facilities – Sole Proprietorship L.L.C. ("AGF") and ADNOC Gas Operations and Marketing L.L.C. ("AGO&M"))
Fees and costs of other private services other than auditing the financial statements for 2023 (AED), if any, and in case of absence of any other fees, this shall be expressly stated	None
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly	None
Statement of other services that an external auditor other than the company accounts auditor provided during 2023 (if any). In the absence of another external auditor, this matter is explicitly stated	None

INTERNAL CONTROLS

Responsibility of the Board of Directors

The Board of Directors hereby acknowledges its responsibility for overseeing the implementation of the internal control system and for the periodic review of this system and its effectiveness through the Audit Committee.

Our Internal Control System

The key objectives of the internal control system are:

1. creating control mechanisms that ensure efficient business processes and the implementation of ADNOC Gas's objectives;
2. ensuring the safety of ADNOC Gas's assets and efficient use of its resources;
3. protecting the interests of ADNOC Gas's shareholders and preventing and resolving conflicts of interest;
4. creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and
5. ensuring that ADNOC Gas is compliant with applicable laws and requirements of regulators.

In addition to the functions and remit of the Board of Directors, ADNOC Gas's internal control system is embedded in ADNOC Gas at three levels:

i. Level 1: the business units and divisions within ADNOC Gas are responsible for assessing and managing risks and building an efficient control system by complying with the standard and procedures, KPIs, corporate and or divisional performance contracts;

ii. Level 2: appropriate internal departments and committees (enterprise risk management, quality and compliance functions) are responsible for facilitating and guiding the risk assessment process, developing, communicating, and monitoring the appropriate standards, processes, and procedures; and

iii. Level 3: the Audit and Assurance Division conducts independent assessments of the efficiency of the internal control system.

Audit and Assurance

The Board of Directors has approved and implemented governance functions and structures, including an Audit and Assurance Division that is independent of our Executive Management and reports directly to ADNOC Gas's Audit Committee. The key aim of the Audit and Assurance Division is to provide assurance and advice on the adequacy of ADNOC Gas's internal control environment, corporate governance framework and risk management processes.

Our Audit and Assurance Division is led by Mr. Ameen Abdulla Al Hosani who was appointed as Vice President Audit and Assurance in 2023. Mr. Al Hosani is responsible for reporting the Audit and Assurance Division's internal audit findings to the Executive Management and the Audit Committee on a regular basis.

To enhance the independence of our Audit and Assurance Division, it reports functionally to our Audit Committee and administratively to ADNOC Gas's Chief Executive Officer. Audit and Assurance's charter, policies, procedures, methodologies and risk–based internal audit plans are presented to and approved by the Audit Committee.
A team of appropriate, qualified and experienced Auditors performs the Audit and Assurance activities. Audit and Assurance Division also serves as an independent advisor to provide value–added services that are critical to efficient and effective governance, risk management and internal control processes. Additionally, the Audit and Assurance division has a systematic approach to track and follow up the implementation of management remedial actions.

INTERNAL CONTROLS *continued*

Legal, Compliance and Governance

ADNOC Gas has established and maintains an internal control framework that provides our Executive Management and Board of Directors with reliable assurances on the health of our internal controls. These controls are designed to ensure that we can:

a) continually meet the operational and financial objectives of ADNOC Gas;

b) effectively manage risks;

c) ensure the validity and transparency of the information we provide to our stakeholders; and

d) comply with applicable laws and regulations.

Our Legal, Compliance and Governance Division is responsible for ensuring that the Company conducts its business in full compliance with all relevant laws and regulations, as well as professional standards, accepted business practices and internal standards. Our compliance and control function performs several tasks that are designed to ensure that our internal control system is effectively implemented and managed. These include:

a) Discussing the internal control system with the Board of Directors;

b) Considering the results of investigations in internal control issues;

c) Studying internal control reports and following up the implementation of corrective measures arising from the findings of such reports;

d) Implementing a whistleblowing policy and channels that enable staff to confidentially report any potential violations in financial reports, and internal control; and

e) Studying the legal, compliance and governance risks and regularly updating controls to minimize any observed risks.

Mr. John King, in his role as General Counsel of ADNOC Gas, oversees ADNOC Gas's Legal, Compliance and Governance Division, and is responsible for ensuring that, through the input of these functions, we consistently operate in accordance with the regulatory compliant business practices and highest international standards.

Identified issues and recent developments

No significant issues were identified with respect to our compliance and control system in 2023.

Violations committed during 2023

No significant or material violations were committed by ADNOC Gas in 2023.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are described below. In addition, the value of all related party transactions undertaken by ADNOC Gas during 2023 was as follows:

Name	Nature of relationship
ADNOC Gas & ADNOC Refining	Intra-group project management services agreement for AR CFP project tie-in request at Ruwais RSHT-1
ADNOC & ADNOC Gas Processing	Amending the Commercial Building Lease (REF: ADB009MLT106-18) between ADNOC & AGP in relation to AIG & AGP utilized spaces & terminated contract (ADB009L07T107/18)
ADNOC & ADNOC Gas Processing	Intra group project management services agreement for construction and accommodation for ADNOC Gas Facilities (AGF)
ADNOC Gas & ADNOC	Intra-group warehouse lease with landlord works & operation ADNOC Core Lab and Archive Centre, Abu Dhabi reference number ADGWHGFT135-23
ADNOC Gas Processing & ADNOC	Intra – Group Project Management Services Agreement for New Gayathi Accomodation Building at Bu Hasa
ADNOC Gas Processing & ADNOC Onshore	Cost Sharing Agreement for Provision of Pipeline Inspection and Maintenance works – AGP & AON
ADNOC Refining, ADNOC Gas Processing & ADNOC Industrial Gases Company Limited	Accession and Amendment agreement in respect of shared services for Ruwais site integration

GENERAL INFORMATION

Following the completion of the successful Initial Public Offering (IPO), which was the largest placement in 2023 in the UAE, trading of ADNOC Gas shares commenced on the ADX on 13 March 2023. The Company's total issued share capital is US$ 19,187,855,503 consisting of 76,751,422,012 shares of US$ 0.250 each. ADNOC Gas's market capitalization reached AED 237 billion on 31 December 2023.

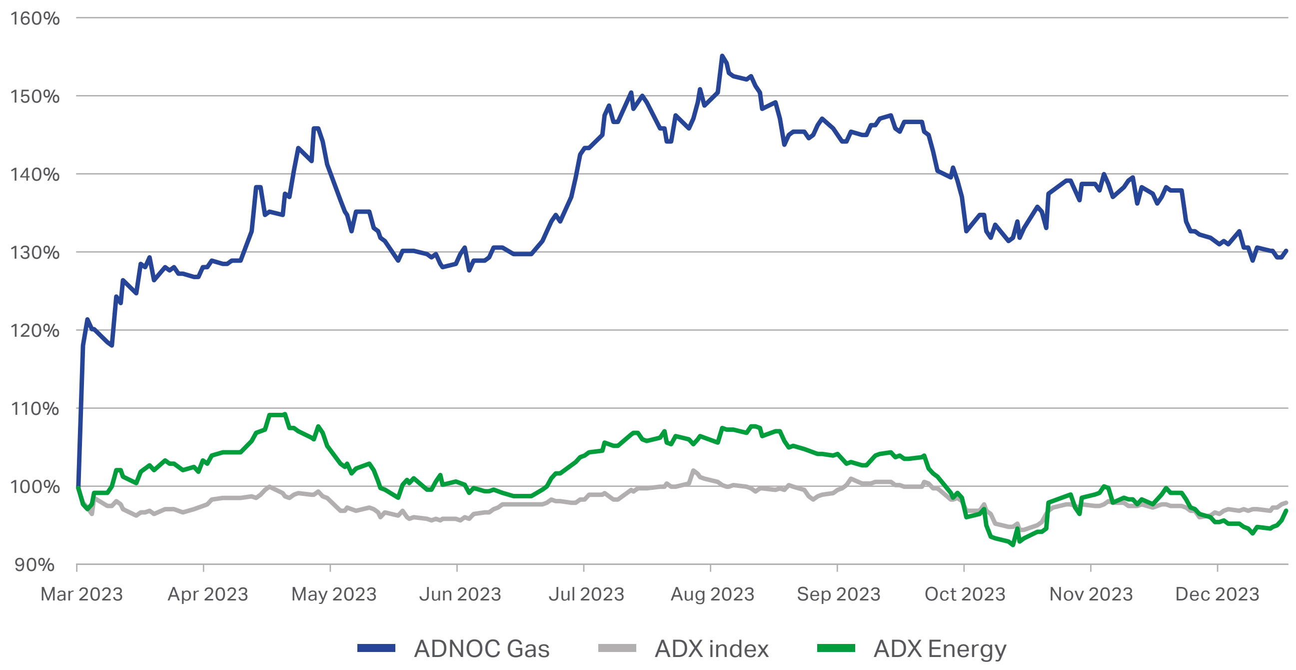
Share price evolution

ADNOC Gas's share price increased by 30.4% since the IPO and reached AED 3.09 by 31 December 2023. This represented a significant outperformance of the market benchmark indices such as the ADX and DFM index for 2023. The following table sets out the closing price and the high and low share prices of our shares at the end of each month during 2023:

Month	High (AED/share)	Low (AED/share)	Close (AED/share)
March	3.11	2.77	3.00
April	3.31	2.99	3.21
May	3.51	3.04	3.09
June	3.15	3.02	3.08
July	3.62	3.08	3.46
August	3.71	3.40	3.44
September	3.53	3.38	3.48
October	3.50	3.08	3.21
November	3.35	3.15	3.28
December	3.29	3.05	3.09

Statement of the comparative performance with the general market index and sector index:

ADNOC Gas share price chart vs ADX and Sector



Statement of the shareholders' ownership distribution by region at the end of 2023:

Shareholders' classification	Percentage of owned shares (%)			
	Individuals	Companies	Government	Total (%)
Local	1.0	96.9	0.3	98.2
GCC	0.0	0.1	0.1	0.2
MENA (Arab)	0.1	0.0	0.0	0.1
Foreign	0.1	1.4	0.0	1.5
Total	1.2	98.5	0.4	100

Statement of the shareholders' ownership distribution by size of equity as a percentage of the total share capital:

Shares owned	Number of shareholders	Total number of shares	Percentage of total shares
Less than 50,000	26,510	118,821,435	0.15%
From 50,000 to less than 500,000	1,252	203,868,569	0.27%
From 500,000 to less than 5,000,000	307	471,081,604	0.61%
More than 5,000,000	102	75,957,650,404	98.97%

Statement of shareholders who held 5% or more of ADNOC Gas capital as of 31 December 2023:

Name	Number of shares held	% of share capital
ADNOC	69,076,279,812	90%
TAQA	3,837,571,100	5%

No other shareholder owns 5% or more of the Company's shares.

GENERAL INFORMATION *continued*

Investor relations contact

The Vice President of Investor Relations is Zoltan Pandi, who can be contacted at ir@adnocgas.ae. Additional Investor Relations information can be found on our website in English and Arabic at adnocgas.ae/en/investor-relations

Major events and important disclosures in 2023

ADX disclosure	Date
ADNOC Gas to Distribute Inaugural Interim Cash Dividend of $1.625 Billion	14 Nov 2023
ADNOC Gas Reports Q3 2023 Net Income of $1.1 Billion	14 Nov 2023
ADNOC Gas Signs $500-700 Million LNG Supply Agreement with JERA Global Markets	18 Oct 2023
ADNOC Gas Awards $615 Million Contract for One of MENA's Largest Integrated Carbon Capture Projects	3 Oct 2023
ADNOC Gas Signs $450-550 Million LNG Supply Agreement with PetroChina International Co. Ltd	7 Sep 2023
ADNOC Gas Signs 5-Year LNG Supply Agreement with Japan Petroleum Exploration Co. Ltd	17 Aug 2023
ADNOC Gas Awards $3.6 Billion Contract to Expand its Gas Processing Infrastructure	9 Aug 2023
ADNOC Gas Reports H1 2023 Net Income of $2.3 Billion	4 Aug 2023
ADNOC Gas Announces a $7-9 Billion,14-year LNG Supply Agreement with Indian Oil Corporation Ltd.	18 Jul 2023
ADNOC Gas Awards $1.34 Billion in Contracts for New Natural Gas Pipeline to the Northern Emirates	3 Jul 2023
ADNOC Gas Reports Q1 2023 Net Income of $1.3 Billion	11 May 2023
ADNOC Gas Signs 3-year LNG Supply agreement with TotalEnergies Gas and Power	1 May 2023
Approval of ADNOC Gas PLC Listing Prospectus	8 Mar 2023
Approval of ADNOC Gas PLC Article of Association	8 Mar 2023

Statement of Emiratization ratio

The Emiratization ratio stood at 63% for the year ending 31 December 2023.

Corporate Social Responsibility spend in 2023

Relevant data for the year ended 31 December 2023 is unavailable as the Company's 2023 CSR activities were carried out utilizing existing agreements and contracted scopes of work, with no dedicated standalone budget for measurement purposes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Our Commitment to ESG

2023 was a pivotal year for ADNOC Gas. We took great pride in showcasing our sustainability performance in the year marked by the UAE as the Year of Sustainability and the year in which our nation hosted COP28.

Since the inception of ADNOC Gas' operations, sustainability has been embedded into our DNA due to our foundational commitment to eliminate gas flaring from ADNOC's oil production. Natural gas remains a key fuel in the energy transition era and is expected to drive high and growing demand for our products around the world. The visionary directive by H.H. Sheikh Zayed bin Sultan Al Nahyan to cease flaring of associated gas inspired us to be environmentally cautious while strengthening the country's energy security needs.

Being among the top tier of lowest-carbon intensity oil and gas producers, ADNOC is rapidly decarbonizing today's energy system while investing in the low and zero carbon energy system of tomorrow.

Our long-standing dedication to sustainability is exemplified by our ongoing efforts, and our strategic priorities to create sustainable value for all our stakeholders – our customers, our employees, our communities and our shareholders.

ESG Reporting at ADNOC Gas

Reporting Standards and Scope
We are delighted to publish our first ESG data set as ADNOC Gas PLC, prepared with reference to the Global Reporting Initiative (GRI) 2021 Sustainability Reporting Standards (GRI Standards) and ADX ESG Disclosure Guidelines. Further information on sustainability related disclosures is available in our Sustainability Report 2023. Unless otherwise stated, this report contains data for the full year 2023 (1 January – 31 December). In terms of organizational and reporting boundaries the disclosed data pertains to the consolidated results of ADNOC Gas PLC, which consolidates the operations of ADNOC Gas Processing, ADNOC LNG, and ADNOC Industrial Gases. The geographical presence of these entities is within the UAE.

Materiality Assessment at ADNOC Gas

ADNOC Gas has conducted a materiality assessment to identify its material topics, defined as those that represent an organization's most significant impacts on the economy, environment, and people. Reflecting the careful consideration of internal and external stakeholder perspectives, the process resulted in the list of eight topics underpinning ADNOC Gas' Sustainability Report disclosures:

- Health and Safety
- Net Zero, Energy Transition, and Resilience
- Asset Integrity and Critical Incident Management
- Business Ethics
- Environmental Compliance
- Employment and Training
- Air Emissions
- Governance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) *continued*

Our ESG-related Awards

As ADNOC Gas strives for excellence in our sustainability performance, we obtained external recognition awards for 2023 as presented below:

- **Best Energy Management Initiative Award,** recognized by Abu Dhabi Sustainability Group for the success achieved in reducing CO_2 emissions through energy consumption, optimization and compressor technology under the Applying Engineering Solutions program
- **Best Sustainability Manager of the Year,** presented to Mr. Eissa Al Jneibi by Abu Dhabi Sustainability Group for his exemplary commitment to sustainability and excellent professional management of implementing sustainable responses to environmental, social, or economic challenges

ADNOC Gas Sustainability Strategy

We have developed ADNOC Gas Sustainability Strategy that includes our vision, ESG pillars and focus areas across our material topics and our commitments. Our three overarching ESG pillars are aligned with our strategic direction, as outlined below. This strategic endeavor has been executed in alignment with national and international mandates, ADNOC Group's corporate vision and mission, and its 2030 Sustainability Strategy.

ADNOC Gas Sustainability Strategy

Purpose
To forge an enduring path toward sustainable growth by embedding material environmental, social, and governance considerations into the essence of our business operations, decision-making, and strategic direction.

Vision
To create long-lasting value for our stakeholders through cultivating a culture of responsible growth, ensuring social inclusivity while strategically contributing to the future of the global energy transition, and empowering low-carbon transformations for a resilient and responsible energy future.

Our ESG Pillars

Fostering Environmental Stewardship	Enhancing Societal Impact	Embodying Business Excellence
Championing and promoting responsible resource management and conservation practices to safeguard our planet	Empowering our people and communities through sustainable development initiatives programs	Pursuing operational efficiency and ethical practices to foster sustainable growth and corporate leadership

Fostering Environmental Stewardship

At ADNOC Gas, we recognize the importance of environmental responsibility in shaping a sustainable future, working towards reducing the footprint of our operations and managing potential environmental impacts.

Decarbonization, Net Zero, and Climate Resilience
ADNOC Gas remains committed to decarbonizing its operations in alignment with ADNOC's Net Zero by 2045 ambition and has developed a roadmap encompassing abatement levers including energy efficiency and operational excellence across the value chain, clean power from grid, electrification projects, large-scale implementation of carbon capture, utilization and storage (CCUS) and the use of renewable energy sources. Through this ambition and through leveraging our partnerships to invest in and integrate lower-carbon technologies and solutions, we are committed to ensuring a cost-effective decarbonization pathway and supporting the UAE's drive towards net zero carbon.

We follow a robust emissions calculation approach in line with the American Petroleum Institute (API) Compendium of GHG Emission and the Environmental Performance Reporting Guideline. In 2023 our GHG emissions were as follows:

Type of Emissions	2023* (Million tCO_2e)
Scope 1 GHG emissions	18.89
Scope 2 GHG emissions	0.23
Total	**19.12**

In 2023, the targeted GHG reduction projects helped ADNOC Gas achieve the following:

GHG Emissions Reduced	2023* (Million tCO_2e)
Scope 1 GHG emissions reduced as a direct result of reduction initiatives	0.11
Scope 2 GHG emissions reduced as a direct result of reduction initiatives	0.68
Total GHG emissions reduced as a direct result of reduction initiatives	**0.79**

CCUS Project
We recognize the urgency of addressing climate change and are fully committed to driving positive change. On behalf of ADNOC, ADNOC Gas will be responsible for building, operating, and maintaining one of the largest carbon capture projects in the Middle East and North Africa (MENA) region. The Habshan Carbon Capture, Utilization and Storage (CCUS), with the project value of US$ 615 million, will have the capacity to capture 1.5 million tons per annum (mtpa) of CO_2 seamlessly aligning with our decarbonization strategy. The captured CO_2 will be utilized for Enhanced Oil Recovery (EOR) purposes. In addition to reducing the CO_2 levels in the atmosphere, it also replaces reservoir gas re-injection.

* Emission numbers are subject to assurance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) *continued*

ADNOC Gas will continue contributing to ADNOC Group's decarbonization agenda through investing in innovative and ambitious projects aimed at reducing our GHG emissions, including the following.

- Retirement of low efficiency Single Cycle Gas Turbines at Asab, Bu Hasa, and Ruwais sites, that is continued to other sites
- Clean Energy Agreement with Emirates Water and Electricity Company (EWEC) through ADNOC sourcing over 50% of our current power import from renewable energy sources
- MoU with MASDAR to explore integrating renewable energy into our operations
- Implementing Leak Detection and Repairs (LDAR) program to minimize fugitive emissions as part of ADNOC endorsement to Oil and Gas Methane partnership (OGMP 2.0)
- Piloting innovative technologies such as Flare.IQ to reduce our methane emissions

Air Emissions
At ADNOC Gas, we implement measures targeting non-GHG emissions, focusing on preventing and mitigating the impact of our operations on air quality. We have implemented initiatives such as retrofitting conventional turbine with Dry Low NOx (DLN) burners reducing NOx emissions and undertaking comprehensive studies to reduce SO_2 emissions. Furthermore, we are implementing a sophisticated real-time air emissions monitoring system that provides oversight of our air emissions at all our sites as part of 'Air Emission Management System (AEMS)' project.

Air Emissions	2023 (tonnes)
NOx	27,079
SOx	328,096
Volatile organic compounds (VOC)	5,958
Particulate matter (PM)	76.50
Carbon Monoxide (CO)	12,211
Ozone Depleting Substances (kg of CFC-11 equivalent)	0.99

Waste Management
Our approach to managing hazardous and non-hazardous waste is largely aimed at boosting waste recycling and circularity. For this purpose, we are collaborating with Abu Dhabi Waste Management (TADWEER) approved external partners, enabling recycling of hazardous waste such as spent garnet, waste oil, spent catalyst, mol sieves among others, not only reducing environmental impact but also resulting in cost savings, contributing to profit generation.

Our waste generation and disposal are tracked through the TADWEER Bolisaty System (e-Manifest).

Type of Waste	2023 (tonnes)
Total Hazardous Waste generated	9,253
Total Non-Hazardous Waste generated	2,937
Total Hazardous and Non-Hazardous waste generated	**12,190**
Total waste diverted from landfilling through recycling and reuse	**4,185**

Environmental compliance
ADNOC Gas is committed to enhancing our environmental performance and ensuring environmental protection. We pursue an approach of strong adherence to environmental standards and regulations in the UAE. To monitor compliance status, we undergo a series of internal and external audits covering all environmental aspects, in line with ADNOC HSE Management System and ISO 14001:2015 standard requirements, including the following:

i. ISO 14001 Internal and External Audit (BVQI)

ii. Level-2 Environmental Management Audit (Internal)

iii. Level-3 Environmental Management Audit (External, including ADNOC)

iv. Internal Audit Department Audits (Internal)

v. JV Audits (External)

Commitment to Biodiversity Protection
ADNOC Gas places an emphasis on environmental responsibility of our operational sites, including managing biodiversity. Environmental Impact Assessment (EIA) is conducted as a standard practice for all our projects and operations, aimed at identifying and evaluating impacts on species and habitats within ecosystems in the area. Due to our facilities being located within designated industrial areas, the significant impacts on biodiversity are minimal. Currently, there are no identified natural habitats or priority biodiversity features on the site that would be impacted.

Enhancing Social Impact

Our strong performance culture is driven by our exceptional people who remain core to our organization's success and play a key role towards future-proofing our business. We will continue to walk the path to create sustainable value for all our stakeholders and leave a lasting impact on the socio-economic development of the UAE.

Diversity and Inclusion
We champion diversity and inclusion as a core focus that enriches our organizational culture. We embrace a diverse range of perspectives, skills, and experiences, **with 63% of our workforce comprising of UAE nationals and the remaining 37% consisting of expatriates from 67 different countries**.

The gender breakdown within our company indicates that 89% of our workforce is male, and 11% are female. Entry level positions are 89% held by men, and 11% by women, while middle-level management positions are 85% by men, and 15% by women. For senior management, it is 82% males and 18% females. To foster a more balanced gender representation, we have implemented initiatives such as the Gender Balance Committee. This committee is dedicated to steering new initiatives focused on women's empowerment throughout the organization.

Our Median Gender Pay Ratio stands at 1:1, reflecting our commitment to gender equality in compensation practices.

Talent Acquisition
Our employees are at the heart of our organization's success, and we prioritize their professional development. We actively seek top talent and invest in employee retention, following ADNOC Group's recruitment policy to ensure fairness and transparency in our hiring processes. Our commitment to nurturing talent is evident in our recruitment success and employee retention rates. We foster a performance-driven culture characterized by deep industry expertise, which is reflected in our success in operations, project execution, and digital transformation initiatives.

Employee Training
We take pride in offering a comprehensive suite of training courses tailored to empower professionals across diverse industries. We continue to focus on employee education and development to ensure a skilled workforce capable of meeting the evolving demands of our industry. We offer e-learning opportunities through our Learning Management System (LMS), SAP, and Computer-Based Training (CBT) courses. With around 114 different technical training courses, ranging from one-day courses to 20-day programs to ensure that our workforce is equipped with essential and advanced skills relevant to the oil and gas sector.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) *continued*

Approximately 20% of our workforce falls under the Youth category, and initiatives such as the Youth Development Program (YDP) and Youth Committee are in place to support their development. The YDP is a structured, competency-based program that aims to support Entry Point Employees (EPEs), including on-the-job training to execute their jobs efficiently and accountably delivering clear and measurable results.

Occupational Health and Safety

Every single employee is considered a safety leader, empowering our people to address any unsafe acts and conditions, intervene, and ensure everyone complies with our procedures. In alignment with ADNOC's HSE policy, we integrate best-in-class HSE standards across our operations to ensure the health of our people, business, and environment.

We have established a central command and control center for managing all crisis and business continuity events and have invested heavily in digitalization and automated key HSE processes. As a result of our efforts, we have sustained a total recordable injury rate in the top quartile of The International Oil and Gas Producers (IOGP) benchmark. In 2023, we successfully implemented the HSE Culture Transformation Strategy and road map, involving:

- Continuing implementation of HSE Standards
- Conducting Behavior-Based Safety Training and Group Exercises for all staff and contractors
- Cascading Learning from Incident (LFI) through the LFI committee and sharing best practices
- Analyzing HSE observations and interventions through the Observation & Intervention committee, identifying areas for improvement
- Ensuring effectiveness of the Electronic Work Management System across all sites, monitoring performance indicators
- Promoting a safe and just culture through the HSE recognition and accountability framework, which recognizes positive behaviors and applies consequence management for HSE violations

We offer comprehensive occupational health and safety training covering areas such as first aid, healthy lifestyle promotion, hearing protection, heat stress prevention, and respiratory protection.

Employee Well-being

We place paramount emphasis on employees' well-being, recognizing that a healthy and engaged workforce is instrumental in achieving organizational success. We are dedicated to fostering a workplace culture that prioritizes the physical, mental, and emotional health of employees. A nursery is available for toddlers at our headquarters in the Sheikh Khalifa Energy Complex aiming to support working mothers.

Corporate Social Responsibility

Our involvement in various CSR initiatives and projects across the UAE underscores our commitment to making a positive impact beyond our business operations. The Seed of Legacy initiative which took place in 2022 demonstrates the collective power of our employees, highlighting our dedication to environmental sustainability and community engagement. **The initiative witnessed the enthusiastic participation of 138 contributors who joined hands to plant a total of 1,375 mangrove trees.** Through collaborative efforts, we strive to continuously create meaningful change and leave a legacy for future generations.

Embodying Business Excellence

Board Diversity

In 2023, female leadership comprised 14% of the Board and we are actively seeking opportunities to increase female representation on our Board in line with our commitment to gender diversity.

Executive Compensation

We recognize the importance of adequately defined incentives in driving performance, and sustainability is no exception. Our Annual Performance Scorecard, which serves as a basis for variable executive compensation, includes a range of ESG KPIs, such as Emiratization, GHG emissions reduction, and ICV contribution.

Additionally, ADNOC Gas embodies the value of transparency, reporting on executive remuneration as part of our regulatory filing.

CEO Pay Ratio to median Full-time Equivalent (FTE)	
2023	5:1

Code of Conduct

ADNOC Code of Conduct sets the minimum standard of conduct for all employees and representatives, including contracted staff and secondees. Furthermore, our contractors, suppliers, and business partners are expected to align with the code and comply with the ADNOC's Supplier and Partner Code of Ethics. We abide by all government laws, including the UAE Federal Labor Law, which strictly prohibits any form of forced, compulsory, or child labor, and ensure that no such violations occur across any of our workplaces.

Anti-Bribery and Corruption

ADNOC Gas embodies a zero-tolerance approach towards bribery, corruption, and fraud, both within our organization and the business partners we collaborate with. Our efforts are governed by applicable laws, such as the UAE Penal Code, the UK Bribery Act of 2010, and the U.S. Foreign Corrupt Practices Act, as well as the Anti-Bribery and Anti-Corruption Standard.

Sustainability Governance

Our focus on driving sustainability within our organization is enabled by a defined sustainability governance structure that facilitates strategic decision-making and execution of efforts addressing our material topics. Following the steps of ADNOC Group, we have formed a sustainability steering committee chaired by the CEO that spearheads programs and sets ambitious ESG targets with a focus on aligning workstreams with ADNOC Gas sustainability priorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) *continued*

ADX ESG Disclosures Index

ADNOC Gas references the ADX Disclosure Guidance for Listed Companies in its Sustainability Report. Below is a summary index illustrating metrics for 2023 across Environment, Social, and Governance dimensions.

Data	Metric	Page number(s), link, and/or direct answer
	ENVIRONMENTAL	
E1. GHG Emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1	Refer page 83
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)	Refer page 83
	E1.3) Total amount, in CO_2 equivalents, for Scope 3 (if applicable)	ADNOC Gas is currently not reporting the Scope 3 emissions.
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	0.25 tCO_2 e/MT
	E2.2) Total non-GHG emissions per output scaling factor	4.94 Kg/MT
E3. Energy Usage	E3.1) Total amount of energy directly consumed	249,851,420 GJ
	E3.2) Total amount of energy indirectly consumed	Not applicable
E4. Energy Intensity	Total direct energy usage per output scaling factor	3.31 GJ/MT
E5. Energy Mix	Percentage: Energy usage by generation type	Compressed Natural Gas (CNG): 92.6% Solar: 0.004% Electricity consumption (Power from Grid): 7.4% (including clean power)
E6. Water Usage	E6.1) Total amount of water consumed	7.7 million m^3
	E6.2) Total amount of water reclaimed	0.98 million m^3
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	Yes
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	Yes
	E7.3) Does your company use a recognized energy management system?	Yes. ISO 50001:2018 is implemented
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues Yes/No	Yes
E9. Environmental Oversight	Does your Board oversee and/ or manage sustainability issues? Yes/No	Yes
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	5% of total Capex spending in the reporting period

Data	Metric	Page number(s), link, and/or direct answer
	SOCIAL	
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	Refer page 87
	S1.2) Does your company report this metric in regulatory filings? Yes/No	Yes
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	1:1
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Male: 1.5% Female: 0.2% Employees age group 18-30: 0.6% Employees age group 31-50: 0.9% Employees age group 50+: 0.2%
	S3.2) Percentage: Year-over-year change for part-time employees	Not applicable
	S3.3) Percentage: Year-over-year change for contractors/consultants	The service order contractors/ consultants are not considered in the employee headcount, so this is not being reported
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Refer page 85
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Refer page 85
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Refer page 85
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Not applicable
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	The service order contractors/ consultants are not considered in the employee headcount, so this is not being reported
S6. Non- Discrimination	Does your company follow non-discrimination policy? Yes/No	Yes
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Employees: Total recordable injury rate: 0.164 per million man hours worked Contractors: Total recordable injury rate: 0.040 per million man hours worked
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) *continued*

Data	Metric	Page number(s), link, and/or direct answer
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	Yes
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes
S11. Nationalisation	Percentage of national employees	Refer page 85
S12. Community Investment	Amount invested in the community, as a percentage of company revenues.	<1%
	GOVERNANCE	
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	Refer page 87
	G1.2) Percentage: Committee chairs occupied by men and women	Male: 100%
G2. Board Independence	G2.1) Does your company prohibit CEO from serving as board chair? Yes/No	Yes
	G2.2) Percentage: Total board seats occupied by independent board members	100%
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Refer page 87
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No	Refer page 87
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%

Data	Metric	Page number(s), link, and/or direct answer
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No	Yes
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	Yes
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No	Yes, a Sustainability Report will be published for 2023
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Yes
G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	The Sustainability Report 2023 is not externally assured. However, we intend to assure upcoming reports

FINANCIALS

DIRECTORS' REPORT

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

The Directors present their annual report together with the audited consolidated financial statements of ADNOC Gas PLC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the period ended 31 December 2023.

Board of Directors

The Directors of the Company during the period from 8 December 2022 to 31 December 2023 are:

Chairman: H.E. Dr. Sultan Ahmed Al Jaber

Members: H.E. Kamal Ishaq Almaazmi
H.E. Mohamed Hassan Mohamed Hassan Alsuwaidi (resigned w.e.f. 1 January 2024)
Khaled Salmeen
Musabbeh Al Kaabi
Fatema Mohamed Abdulla Alshaibeh AlNuaimi
Abdulmunim Saif Alkindi

Principal activities

The principal activity of the Company is to perform activities of holding companies. The principal activities of the subsidiaries are processing of associated and non-associated gas from onshore oil and gas productions and transmission of related products, marketing and promotion for natural gas, investment in oil and natural gas projects, operation and maintenance services of oil and gas production facilities and supplying of industrial gases to the oil and gas industry.

Results and appropriation of profit

The Group generated total revenue of USD 17,905,119 thousand and reported a net profit of USD 4,720,037 thousand for the period from 8 December 2022 (date of incorporation) to 31 December 2023. The appropriation of the results for the period from 8 December 2022 (date of incorporation) to 31 December 2023 is as follows:

	USD'000
Retained earnings at 8 December 2022	-
Total profit for the period	4,720,037
Dividend paid	(1,625,103)
Retained earnings at 31 December 2023	**3,094,934**

Dividend declaration

The Board of Directors approved an interim dividend of 7.776 fils per share to the shareholders in respect of the first half of fiscal year 2023. The dividend comprised of USD 1,625,103 thousand, which was approved in the Board of Directors Meeting held on 14 November 2023 and was paid on 13 December 2023.

On 9 February 2024, the Board of Directors proposed a final dividend of 7.776 fils per share amounting to USD 1,625,103 thousand to the shareholders in respect of the year ended 31 December 2023. The proposed final dividends are subject to shareholder approval at the General Assembly meeting on 29 March 2024.

Release

The Directors release from liability the management and external auditor in connection with their duties for the period ended 31 December 2023.

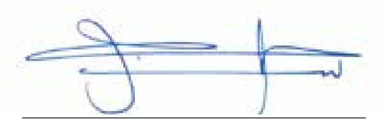
Statement of disclosure to auditors

The Directors certify that as far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditors

A resolution to reappoint Deloitte and Touche (M.E.) LLP as auditors for the ensuing year will be put to the shareholders at the Annual General Meeting.

On behalf of the Board of Directors



Chairman
6 March 2024
Abu Dhabi, UAE

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the consolidated financial statements of ADNOC Gas PLC (formerly ADNOC Gas Ltd.) (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 8 December 2022 (date of incorporation) to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the period from 8 December 2022 (date of incorporation) to 31 December 2023 in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

The key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
REVENUE RECOGNITION	
The Group reported revenue of USD 17.9 billion for the period from 8 December 2022 (date of incorporation) to 31 December 2023. Revenue is earned from the sale of goods and is recognized at the point in time at which the control of the goods has been transferred to the customer. The Group earns a large proportion of its revenue from related parties in the normal course of business. There is inherent risk around occurrence of revenue recognized given a significant portion of the transactions are with related parties. We have considered revenue recognition as a key audit matter as a result of this fact and the materiality of the revenue earned during the period. The Group's accounting policies relating to revenue recognition are presented in note 2.6 to the consolidated financial statements and details about the Group's revenue are disclosed in note 3 to the consolidated financial statements. Significant accounting judgments, estimates and assumptions relating to revenue are presented in note 2.5 to the consolidated financial statements.	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: • Understanding the significant revenue processes and identifying the relevant controls related to revenue recognition; • Evaluating the controls over sales to related parties to determine if they had been appropriately designed and were operating effectively; • Analyzing relevant agreements and determining that transactions were recorded in accordance with the substance of the relevant agreements; • Performing procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the requirements of IFRSs. • Performing test of details on a sample basis to confirm that the revenue was recognized in accordance with the terms of relevant agreements; • Obtaining direct confirmations from related parties and reviewing reconciliations, if any; • Evaluating the business rationale for any significant transactions with related parties outside of the normal course of business; and • Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

INDEPENDENT AUDITOR'S REPORT
continued

Key audit matter	How our audit addressed the key audit matter
GROUP REORGANIZATION	
Abu Dhabi National Oil Company P.J.S.C. ("ADNOC") transferred its ownership interests in certain operations, joint ventures and subsidiary to the Group on 1 January 2023. This was done as part of an overall Group Reorganization. The Group determined that it has acquired a business as the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The Group accounted for this transaction using the pooling of interest method since all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory. IFRSs do not specify the accounting treatment for business combinations under common control and thus the Group elected to apply the aforementioned method to account for this transaction. The assets acquired and liabilities assumed (including investment in equity accounted investees) are reflected at their carrying amounts and the consideration was settled against the issuance of ordinary shares of the subsidiary. Due to the materiality of the amounts involved and significance of this transaction to the Group's financial position and performance, we have considered this to be a key audit matter. The Group's accounting policies relating to business combinations are presented in note 2.6 to the consolidated financial statements and details about the Group's reorganization are disclosed in note 1.1 to the consolidated financial statements.	Our audit procedures relating to this matter included, inter alia, included the following: • Obtaining an understanding of the transaction from the Group's management; • Assessing the controls over the accounting for this transaction to determine if they had been appropriately designed and implemented; • Agreeing the carrying amounts of the assets acquired and liabilities assumed and the acquisition date to the underlying agreements; • Obtaining and reviewing the relevant agreements and assessing if the transaction meets the requirements of business combination under common control; • Involving our internal experts to assist in evaluating the appropriateness of the Group's accounting for this transaction; and • Assessing the adequacy of the disclosures on the Group reorganization made in the consolidated financial statements in accordance with the requirements of the IFRSs.

Key audit matter	How our audit addressed the key audit matter
DECOMMISSIONING PROVISION	
The Group has a decommissioning provision of USD 2.7 billion as at 31 December 2023. The assets subject to decommissioning and their respective decommissioning provision were transferred to the Group as part of the Group Reorganization on 1 January 2023. The Group holds provisions for future dismantling and removal of items of property, plant, and equipment and restoring land to its condition prior to the commencement of gas processing activities in accordance with the applicable regulatory requirements. The provision is initially measured at the present value of the expected cost of dismantling and removing the item and restoring the site on which it is located. It is then increased over the life of the assets using the effective interest method with the resultant interest charged to profit or loss. The amount of the obligation is estimated by the management at current prices and in accordance with local conditions and requirements and an equivalent amount is included in the respective class of asset in property, plant and equipment. Management engaged third party consultants to determine the decommissioning provision. The decommissioning costs are uncertain and cost estimates can vary in response to many factors, in particular inflation and discount rate assumptions. Therefore, significant estimates and assumptions are made in determining the decommissioning provision. Due to the materiality of the amounts involved and use of significant assumptions, we have considered this to be a key audit matter. The Group's accounting policies relating to the decommissioning provision are presented in note 2.6 to the consolidated financial statements and details about the Group's decommissioning provision are disclosed in note 23 to the consolidated financial statements. Significant accounting judgments, estimates and assumptions relating to the decommissioning provision are presented in note 2.5 to the consolidated financial statements.	Our audit approach included a combination of test of controls and substantive procedures, in particular, the following: • Obtaining an understanding of the Group's business process for the identification and recognition of the decommissioning provision; • Identifying the relevant controls relating to the recognition and measurement of the decommissioning provision and assessing these controls to determine if they had been appropriately designed and implemented and were operating effectively; • Performing tests of details on a sample basis to confirm that the additions and deletions were recognized based on the underlying documents; • Verifying the underlying agreements and evaluating if all the relevant assets are considered for decommissioning as required in the agreements. • Concluding on the completeness and accuracy of information provided to third party consultant for calculation of decommissioning provision. • Assessing the competence, qualifications, independence and objectivity of the third party consultant who determined the amount of the decommissioning provision and assessing the scope of their work to determine if it was sufficient for audit purposes. • Assessing the discount rate and inflation factors used in the determination of the decommissioning provision. • Reperforming the mathematical accuracy of the calculation of the decommissioning provision. • Agreeing the amounts determined by the third party consultation to the amounts reported in the consolidated financial statements relating to this matter. • Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

INDEPENDENT AUDITOR'S REPORT
continued

Other Information
Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Group's Annual Report, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the applicable provisions of the Articles of Association of the Company and Abu Dhabi Global Market (ADGM) Companies Regulations, 2020 and Companies Regulations (International Accounting Standards) Rules, 2015, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
As required by the provisions of Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- the consolidated financial statements of the Group have been prepared in accordance with the requirements of the said Rules and Regulations;

- adequate accounting records have been kept by the Group; and

- The Group's consolidated financial statements are in agreement with the accounting records.

Further, as required by the ADAA Chairman Resolution No. 88 of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the period ended 31 December 2023, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2023:

i) its Articles of Association; and

ii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

Deloitte & Touche (M.E.) LLP

Rama Padmanabha Acharya
6 March 2024
Abu Dhabi
United Arab Emirates

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Notes	For the period from 8 December 2022 to 31 December 2023 USD'000
Revenue	3	**17,905,119**
Gas costs:		
– Minimum price	4, 19	**(3,433,920)**
– Profit sharing	4, 19	**(7,385,461)**
– Fuel gas payment	4, 19	**(180,243)**
Other operating income	5, 19	**1,105,386**
Employee costs	34	**(983,825)**
Depreciation and amortization	6	**(1,100,133)**
Inventory consumption		**(66,606)**
Other operating costs	7	**(451,338)**
General and administration expenses		**(72,608)**
Share of operating costs in equity accounted investee	14	**(246,598)**
Share of results of equity accounted investee	14	**402,473**
Recharges to related parties	1, 19	**441,527**
OPERATING PROFIT		**5,933,773**
Finance income		**95,444**
Finance costs	8	**(206,957)**
PROFIT BEFORE TAX FOR THE PERIOD		**5,822,260**
Current income tax expense	9	**(1,528,551)**
Deferred tax credit	9	**426,328**
PROFIT FOR THE PERIOD		**4,720,037**
EARNINGS PER SHARE:		
Basic and diluted (USD)	10	**0.066**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

	Note	For the period from 8 December 2022 to 31 December 2023 USD'000
PROFIT FOR THE PERIOD		**4,720,037**
Other comprehensive income		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Re-measurement gain on employees' end of service benefit obligations	22	**9,360**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,729,397**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	31 December 2023 USD'000
ASSETS		
Non-current assets		
Property, plant and equipment	11	**20,578,960**
Intangible assets	12	**103,971**
Right-of-use assets	13	**33,297**
Investment in equity accounted investees	14	**1,291,842**
Deferred tax assets	9	**567,249**
Prepayments and other receivables	17	**173,662**
TOTAL NON-CURRENT ASSETS		**22,748,981**
Current assets		
Inventories	15	**182,482**
Trade receivables	16	**272,177**
Prepayments and other receivables	17	**511,058**
Contract assets	18	**1,606,790**
Amounts due from related parties	19	**368,809**
Cash and cash equivalents	20	**3,329,091**
TOTAL CURRENT ASSETS		**6,270,407**
TOTAL ASSETS		**29,019,388**
EQUITY AND LIABILITIES		
Equity		
Share capital	21	**19,187,855**
Actuarial gains on defined benefit obligations	22	**9,360**
Retained earnings		**3,094,934**
TOTAL EQUITY		**22,292,149**
Non-current liabilities		
Provision for employees' end of service benefits	22	**154,773**
Lease liabilities	13, 19	**28,325**
Decommissioning provision	23	**2,700,618**
TOTAL NON-CURRENT LIABILITIES		**2,883,716**
CURRENT LIABILITIES		
Shareholder loans	19, 24	**500,000**
Trade and other payables	25	**1,178,623**
Amounts due to related parties	19	**1,980,115**
Lease liabilities	13, 19	**9,337**
Income tax payable	9, 19	**175,448**
TOTAL CURRENT LIABILITIES		**3,843,523**
TOTAL LIABILITIES		**6,727,239**
TOTAL EQUITY AND LIABILITIES		**29,019,388**

To the best of our knowledge, the consolidated financial statements present fairly in all material respects, the consolidated financial position, financial performance and cash flows of the Group as of, and for, the period presented therein.

H.E Dr. Sultan Ahmed Al Jaber	**Dr. Ahmed Mohamed Alebri**	**Peter Van Driel**
Chairman	CEO	CFO

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share capital USD'000	Actuarial gains on defined benefit obligations USD'000	Retained earnings USD'000	Total equity USD'000
Balance at incorporation	50	-	-	50
Additional shares issued upon Group Reorganization (note 1.1)	19,187,805	-	-	19,187,805
Profit for the period	-	-	4,720,037	4,720,037
Other comprehensive income	-	9,360	-	9,360
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**9,360**	**4,720,037**	**4,729,397**
Dividends paid (note 31)	-	-	(1,625,103)	(1,625,103)
BALANCE AT 31 DECEMBER 2023	**19,187,855**	**9,360**	**3,094,934**	**22,292,149**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Notes	For the period from 8 December 2022 to 31 December 2023 USD'000
OPERATING ACTIVITIES		
Profits after tax for the period		4,720,037
Adjustments for:		
Depreciation on property, plant and equipment	11	1,064,914
Depreciation on right-of-use assets	13	8,214
Amortization of intangible assets	12	27,005
Allowance for slow moving and obsolete inventories	15	9,388
Share of results of equity accounted investees	14	(402,473)
Share of operating costs of equity accounted investees	14	246,598
Deferred tax credit	9	(426,328)
Current income tax expense	9	1,528,551
Charge for the employees' end of service benefits	22	4,691
Finance income		(95,444)
Finance costs		206,957
Net cash flows from operating activities before changes in working capital		6,892,110
Changes in working capital:		
Increase in inventories		(68,300)
Increase in trade receivables		(1,798,567)
Increase in prepayments and other receivables		(607,718)
Increase in amounts due from related parties		(494,719)
Increase in trade and other payables		275,555
Increase in amounts due to related parties		1,839,392
Cash flows from operating activities		6,037,753
Employees' end of service benefits paid	22	(4,432)
Taxes paid	9	(1,353,103)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		4,680,218
INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment and intangible assets		(657,031)
Dividends received		340,895
Finance income		95,444
Cash and cash equivalents arising on Group Reorganization	1.1	86,540
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(134,152)
FINANCING ACTIVITIES		
Net movement in Shareholder loans	24	500,000
Dividends paid		(1,625,103)
Share capital		50
Repayment of lease liabilities	13	(9,021)
Finance costs paid		(82,901)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(1,216,975)
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,329,091
Cash and cash equivalents at incorporation		-
CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD	20	3,329,091

Non-cash transactions:
Refer note 32

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1 GENERAL INFORMATION

ADNOC Gas Ltd. ("AG" "the Company") was incorporated on 8 December 2022 in the Abu Dhabi Global Market as a private company limited by shares pursuant to Abu Dhabi Global Market Companies (Amendment No. 1) Regulations 2020. Its registered office is at Floor, 28, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

At the date of incorporation, the Company was a wholly-owned subsidiary of Abu Dhabi National Oil Company (ADNOC) P.J.S.C. ("ADNOC"). The initial share capital of the Company comprised of 50 thousand shares of USD 1 each and was fully paid.

The principal objective of the Company is to perform activities of holding companies. The principal activities of the subsidiaries are processing of associated and non-associated gas from onshore oil and gas productions and transmission of related products, marketing and promotion for natural gas, investment in oil and natural gas projects, operation and maintenance services of oil and gas production facilities and supplying of industrial gases to the oil and gas industry.

On 21 December 2022, the Company entered into agreements for the transfer of shares of ADNOC Gas Facilities LLC ("AGF") and ADNOC Gas Operations and Marketing LLC ("AGO&M") wherein ADNOC transferred 100% of its holding in these entities to the Company for nil consideration. Both these subsidiaries had a share capital of 100 shares of AED 10 thousand (USD 2,723) each.

1.1 Group Reorganization

ADNOC historically conducted its gas processing and liquefied natural gas operations:

a) on a sole risk basis ("ASR");

b) through its interest in two Joint Ventures ("JVs") namely Abu Dhabi Gas Industries Limited (ADNOC Gas Processing) ("AGP JV") and Abu Dhabi Gas Liquefaction Company Limited (ADNOC LNG) ("ALNG JV"); and

c) through a wholly owned subsidiary, namely ADNOC Industrial Gases Company Limited ("AIG").

ADNOC transferred its ownership interests in the above-mentioned operations, JVs and AIG, with effect from 1 January 2023 to AGF. This transfer is hereafter referred to as the "Group Reorganization".

The Group Reorganization was affected pursuant to the following agreements:

a) ASR assets that were reflected within the ADNOC financial records through the Intra-Group Asset Transfer Agreement ("ASR Asset Transfer Agreement");

b) Activities carried out by joint ventures on behalf of ADNOC for the ASR assets reflected in the ADNOC ASR financial statements:

– Abu Dhabi Gas Industries Limited (ADNOC Gas Processing) – Sole Risk Operations ("AGP ASR").

– Abu Dhabi Gas Liquefaction Company Limited (ADNOC LNG) – Sole Risk Operations ("ALNG ASR").

– ADNOC Industrial Gases Company Limited – Sole Risk Operations ("AIG ASR"), through the ASR Asset Transfer Agreement.

c) Joint venture interest of 68 percent in AGP JV through the AGP Participation Interest Transfer Agreement;

d) Joint venture interest of 70 percent in ALNG JV through the ALNG Share Transfer Agreement; and

e) AIG, through the AIG Share Transfer Agreement.

together referred to as the "**Operations**".

As a result, following completion of the Group Reorganization, AGF acquired ownership of the Operations with effect from 1 January 2023.

Pursuant to the Project Wisdom Capitalization Agreement entered between ADNOC, the Company and AGF effective 1 January 2023, in consideration for the transfer by ADNOC of all its interests in the Operations, AGF issued and allotted shares in AGF to the Company. Consequently, the Company issued and allotted 19,187,805 thousand ordinary shares at par value of USD 1 per share in the Company to ADNOC, following which ADNOC continued to hold, immediately prior to listing, 100% of the total issued and outstanding share capital of the Company.

The aforementioned transfer of the interest in the Operations is a common control transaction as the Operations are continued to be controlled by ADNOC before and after the Group Reorganization.

Therefore, the Group Reorganization is considered to be outside the scope of *IFRS 3 Business Combinations*. On completion of the Group Reorganization, the Group has applied the book value accounting.

Accordingly, for the purpose of these consolidated financial statements:

- The assets and liabilities of the Operations (including investment in equity accounted investees) are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination that would otherwise be recognized under the acquisition method.
- No goodwill is recognized as a result of the combination. Any difference between the consideration transferred and the acquired net assets is reflected within equity.
- The consolidated statement of profit or loss and other comprehensive income reflects the results of the Operations from the date of transfer.

1 GENERAL INFORMATION continued

1.1 Group Reorganization continued

Additionally, effective 1 January 2023, ADNOC and AGF entered into the following agreements:

- Gas Supply and Payment Agreement
- Marketing and Transportation Services Agreement
- Sulphur Sales and Marketing Agreement
- Pipelines Use and Operation Agreement
- Re-injection Gas Supply Agreement
- Transitional Support Services Agreement

together referred to as the "Group Reorganization Agreements" to carry out the operations and trading activities of AGF.

In connection with the Group Reorganization, AGF entered a fiscal arrangement (the "Fiscal Arrangement") with Abu Dhabi Supreme Council for Financial and Economic Affairs effective 1 January 2023, setting out the fiscal regime applicable to the Operations.

These consolidated financial statements incorporate the impact of the Group Reorganization, the Group Reorganization Agreements and the Fiscal Arrangement.

The following table summarizes the book value of the assets and liabilities transferred to AGF at the date of the Reorganization under Intra-Group Asset Transfer Agreement and various Share/Participation Interest Transfer Agreements (refer note above) with effect from 1 January 2023, Project Wisdom – Notice for Closing Payment under Capitalization Agreement dated 31 December 2022 and Project Wisdom – Notice in respect of Adjustment Consideration under Capitalization Agreement dated 1 February 2023:

	AIG USD'000	AIG ASR USD'000	ALNG ASR USD'000	ALNG JV USD'000	AGP JV USD'000	AGP ASR USD'000	Total USD'000
Assets							
Property, plant and equipment and intangible assets notes 11 and 12)	46,069	13,393	2,764,143	-	-	16,609,892	19,433,497
Decommissioning assets (note 11)	6,563	20,766	2,747	-	-	804,135	834,211
Right-to-use assets (note 13)	300	1,170	-	-	-	40,808	42,278
Investments in equity accounted investees* (note 14)	-	-	-	879,893	381,030	-	1,260,923
Deferred tax assets (note 9)	-	-	-	101,587	39,334	-	140,921
Inventories	732	1,598	6,495	-	-	114,745	123,570
Trade and other receivables	822	9,844	-	-	-	69,734	80,400
Amount due from related parties	10,566	6,020	-	-	-	93,062	109,648
Cash and bank balances	14,078	68,471	287	-	-	3,704	86,540
TOTAL ASSETS	**79,130**	**121,262**	**2,773,672**	**981,480**	**420,364**	**17,736,080**	**22,111,988**
Liabilities							
Decommissioning liabilities (note 23)	6,415	36,924	100,640	314,747	145,119	1,548,138	2,151,983
Lease liabilities (note 13)	323	1,170	-	-	-	40,808	42,301
Trade and other payables	1,886	15,352	-	-	-	434,718	451,956
Amount due to related parties	5,260	15,666	144,055	-	-	112,962	277,943
TOTAL LIABILITIES	**13,884**	**69,112**	**244,695**	**314,747**	**145,119**	**2,136,626**	**2,924,183**
NET ASSETS ACQUIRED ON GROUP REORGANIZATION	**65,246**	**52,150**	**2,528,977**	**666,733**	**275,245**	**15,599,454**	**19,187,805**

*includes decommissioning assets amounting to USD 133,995 thousand and USD 76,182 thousand relating to ALNG JV and AGP JV respectively.

By a written resolution passed by the Sole Shareholder (ADNOC) on 1 February 2023, it was resolved that the Company be re-registered as a public company limited by shares in the Abu Dhabi Global Market (ADGM) by the name of "ADNOC Gas PLC". The re-registration took place on 4 February 2023.

At a general meeting held on 10 February 2023, ADNOC resolved, amongst other things, that: (i) each ordinary share of the Company with a nominal value of USD 1 should be sub-divided into 4 shares with a nominal value of USD 0.25 each (so that the Company's total issued share capital became USD 19,187,855 thousand divided into 76,751,422 thousand shares with a nominal value of USD 0.25 each).

Pursuant to the resolution of Shareholder, the Company was listed on Abu Dhabi Securities Exchange whereby 10% of its shares were offered in an Initial Public Offering ("IPO"). As of the reporting date, ADNOC holds 90% of the issued share capital of the Company while remaining 10% is held by institutional investors and general public.

These are the first set of consolidated financial statements of the Company and accordingly no comparative information is presented.

Details of the Company's subsidiaries as at 31 December 2023 are as follows:

Name of subsidiaries	Ownership interest	Country of incorporation	Principal activities
ADNOC Gas Facilities – Sole Proprietorship – L.L.C. ("AGF")	100%	U.A.E.	To own Gas production, liquefication and processing facilities to process, manufacture, supply, transport, trade, store, ship, market and distribute Gas.
ADNOC Gas Operations and Marketing – L.L.C. ("AGO&M")	100%	U.A.E.	To operate and maintain Gas production, liquefication and processing facilities, in addition to the transmission, shipping, storage, distribution, marketing and infrastructure networks and other activities associated with its objectives.
ADNOC Industrial Gases Company Limited ("AIG")	100%	U.A.E.	To provide industrial gases to the oil and gas industry.

The Company together with its subsidiaries is referred to as the "Group".

Details of the Company's associates as at 31 December 2023 are as follows:

Name of associates	Ownership interest	Country of incorporation	Principal activities
Abu Dhabi Gas Industries Limited (ADNOC Gas Processing) ("AGP JV")	68%	U.A.E.	Processing of associated gas produced from various onshore oil fields in the Emirate of Abu Dhabi.
Abu Dhabi Gas Liquefaction Company Limited ("ALNG JV")	70%	U.A.E.	Fuel oil and refinery gases production, natural gas liquefaction and chemical elements manufacturing. The Company is engaged in the processing of natural gas in order to produce and sell liquefied natural gas (LNG), liquefied petroleum gas (LPG) and other associated products.

1 GENERAL INFORMATION continued

1.2 Incorporation of ADNOC Gas Operations and Marketing Company L.L.C. ("AGO&M") and its subsequent operations

AGO&M was incorporated on 12 December 2022 vide an Emiri Decree. ADNOC entered into Joint Development Agreements (JDAs) with AGP JV shareholders and ALNG JV shareholders on 6 December 2022 to provide accession to AGO&M. AGO&M acceded to the JDAs on 23 June 2023 and intend to enter into full form transfer agreements "Operations, Maintenance and Marketing Resources Transfer Agreement" and "Operational Services Agreement" ("AGO&M Agreements") to implement the terms specified in term sheets attached to JDAs relating to transfer of employees and related balances, resources and contracts with effect from 1 July 2023. Following balances as of 30 June 2023, have been transferred from AGP JV and ALNG JV to AGO&M.

Description	AGP JV USD'000	ALNG JV USD'000	Total USD'000
ASSETS			
Property, plant and equipment (note 11)	16,219	2,802	**19,021**
Intangible assets (note 12)	764	11,002	**11,766**
Advances to employees	61,451	15,550	**77,001**
Advances to suppliers	635	49	**684**
TOTAL ASSETS	**79,069**	**29,403**	**108,472**
LIABILITIES			
Provision for employees' end of service benefits (note 22)	141,788	16,362	**158,150**

Effective 1 July 2023, AGO&M commenced operations to take over the operations and marketing functions for ALNG JV, AGP JV, AIG and AGF, on a no profit no loss basis. Further to the implementation of the AGO&M Agreements, contracts between external vendors and AGP JV/ALNG JV have been assigned to AGO&M to transfer related obligations post 1 July 2023. AGO&M records related manpower costs, ADNOC recharges for common services and related third-party costs to be recharged using common cost allocation mechanism (note 19).

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020.

As per the Article of Association, the Company is exempt from United Arab Emirates ("UAE") Federal Law No. (32) of 2021 on commercial companies.

2.2 Functional and presentation currency

These consolidated financial statements are presented in US Dollar ("USD"), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

For financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 inputs are unobservable inputs for the asset or liability that are derived from valuation techniques.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date when the Group gains control until the date when the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

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

2 BASIS OF PREPARATION continued

2.4 Basis of consolidation continued

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income (OCI) are attributed to equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately form the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

A change in the ownership interest of a subsidiary without a loss of control, is accounted for as equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between:

i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or joint venture.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Re-injection gas

Re-injection gas is a derived component from the original feed stock sold by ADNOC to the Group under the Gas Supply and Payment Agreement which is purchased by ADNOC. Accordingly, to that extent the control does not pass on to the Group. Hence, the Group recognizes other operating income on net basis i.e., income from sale of re-injection gas to ADNOC less feed stock cost for the same. There is significant judgement made by management on the assessment of what constitutes the control.

Interests in joint arrangements and associates

Judgement is required to determine the level of control the Group holds in another entity, which requires an assessment of the relevant activities and when the decisions in relation to those activities require the unanimous consent of the parties sharing the control. There is significant judgement made by management on the assessment of what constitutes the relevant activities and control.

Joint control exists only when, there is a contractual agreement to share the control of an arrangement, when decisions about the relevant activities require the unanimous consent of the parties sharing control. In a joint arrangement, no single party controls the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. A joint operation is a joint arrangement whereby parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A party with joint control of an arrangement may prevent any of the other parties, or a group of the parties, from controlling the arrangement. A contractual arrangement may require a minimum proportion of the voting rights to make decisions. Key judgement is applied when that minimum can be achieved by more than one combination of the parties agreeing; in such a scenario, the arrangement is not a joint arrangement unless it specifies which parties (or combination of parties) are required to agree unanimously to decisions about the relevant activities of the arrangement.

If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company neither controls nor jointly controls the entity, it may be in a position to exercise significant influence over the entity, which is then classified as an associate. Accordingly, the Group considers its investments in ALNG JV and AGP JV as investments in associates.

Decommissioning

Decommissioning liability is recognized when the Group establishes that it has a present obligation (legal or constructive) as a result of a past event (the obligating event), payment is probable ('more likely than not'), and the amount can be estimated reliably.

In determining the obligation, the Group's management has concluded that it has constructive obligation for decommissioning relating to all its property, plant and equipment. This key judgement is on the premise that the Group is expected to continue to operate and benefit from all the property, plant and equipment up to the end of their respective useful economic life. The decommissioning liability is reduced by amount of contribution from a third party shareholder (in a Group operation) to the extent they have a legal obligation to settle the liability.

The Group holds provisions for future dismantling and removing items of property, plant, and equipment, and restoring land at the end of gas processing activity. Most of these decommissioning events are many years in the future and the precise requirements that will have to be met when the removal events occur are uncertain. Estimating obligations to dismantle, remove and restore items of property, plant and equipment is complex. The timing and amount of future expenditures relating to decommissioning and environmental liabilities are reviewed annually. The nominal interest rates used to determine the balance sheet obligations at the end of 2023 were 4.44%, 4.87% and 4.91% for the tenor of 10 years, 20 years, and 30 years respectively, based on long-dated Abu Dhabi Government bonds. The weighted average period over which decommissioning and environmental costs are generally expected to be incurred is estimated to be approximately within range of 7-19 years across various sites. Costs at future prices are typically determined by applying an inflation rate of 2% to decommissioning costs.

Further, the Group has recognized a deferred tax asset relating to decommissioning liability on the basis it is deemed to be recoverable in future.

Land lease

Leases are entered into with ADNOC which contain clauses for automatic annual renewal of the lease term, unless either party provides a notice to not extend the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to not exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated. Management considers all facts and circumstances that create an economic incentive to not terminate the lease to determine the appropriate lease terms.

During the period ended 31 December 2023, no significant events or significant change in circumstances occurred that caused management to reassess the lease term of such contracts.

Determination of principal status

The Group measures its revenue at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty, as the Group has determined that it is acting as principal in the transactions. The determination of whether the Group is principal, or agent requires judgement. In making this judgement, the Group evaluates whether it controls each specified good or service before that good or service is transferred to the customer.

Galaxy pipeline

The Group entered into "Pipelines Use and Operation Agreement" with ADNOC. The Group has the right to use, manage and operate the pipelines. However, ownership interest in pipelines is not transferred to the Group. Further, the Group makes tariff payments to ADNOC for use of pipelines based on quantum of molecules flowing through these pipelines. Tariff payments will have a cap based on baseline estimates and do not include any fixed payment or minimum commitments. Tariff is computed based on the unit of molecules and is not dependent on any index or rate.

No lease liability is recognized in the absence of fixed payments, index or rate based variable payments. Instead, the Group recognized a charge for usage of Gas pipelines which is based on actual quantum of molecules flowing through pipelines. There is significant judgement made by management on the assessment of what constitutes control.

Taxes

The amount of income tax payable is determined as per the agreement between the Group and the Supreme Council for Financial and Economic Affairs ("SCFEA").

Deferred tax assets are recognized against differences between tax basis and accounting basis of recording for depreciation on decommissioning assets, charge for decommissioning provision and charge for end of service benefits to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits.

Contingent liabilities

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

2 BASIS OF PREPARATION continued
2.5 Significant accounting judgments, estimates and assumptions continued

Segment information
For management purpose, the Group is organized as one business unit based on the products and services and management has concluded that it has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker ("CODM"). The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM that makes strategic decisions. The financial information reviewed by the CODM is based on the IFRS financial information for the Group.

Cash and cash equivalents
The Group entered into a Cash Pooling and Virtual Accounts Agreement ("cash pooling arrangement") with ADNOC through its subsidiary, ADNOC Group Treasury Services (AGTS). Under the cash pooling arrangement, surplus cash is transferred to and held by AGTS, on which interest is earned. The surplus cash is available on demand to the Group to meet its obligations as it has legal title to the cash balance at any point in time. The assessment of 'insignificant risk of change in value' involves exercise of significant judgement. Based on the assessment, management has concluded that these balances are subject to an insignificant risk of changes in value, thereby meeting the definition of 'cash equivalents'. Accordingly, these balances have been presented under 'cash and cash equivalents'.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the consolidated financial statements when they occur.

Useful lives and residual values of property, plant and equipment and intangible assets
The Group's management determines the estimated useful lives and residual values of the property, plant and equipment and intangible assets based on the historical pattern of useful lives and general standards in the industry. The useful lives and residual values are reviewed for reasonableness by management on an annual basis.

Useful lives of right-of-use assets
The Group's management determines the estimated useful lives of its right-of- use assets for calculating depreciation. The cost of right-of-use assets are depreciated over the estimated useful lives of the assets, which is based on shorter of the lease term and the estimated useful lives of the assets. The Group reviews the estimated useful lives of right-of-use assets at the end of each annual reporting period. Any change in the lease term or pattern of consumption of these assets are adjusted prospectively.

Deferred tax
The terms of the fiscal arrangement provide that decommissioning costs or costs and expense for overhaul at gas processing, production and handling facilities are deductible from income in the year in which such expenditure is actually incurred. The consolidated financial statements include decommissioning liabilities (including accretion from unwinding of discount) and capitalization of decommissioning costs (including depreciation). Therefore, temporary differences arise between carrying amount of decommissioning provision and costs capitalized in the balance sheet and their tax base. For the purpose of computing deferred tax, tax rate at the time of reversal of temporary differences needs to be considered, however, the estimated weighted average tax rate as calculated based on volumes and profitability during the relevant period is considered based on management's best estimate.

Impairment of non-financial assets
Property, plant and equipment, intangible assets and right-of-used assets are assessed for impairment based on assessment of cash flows on individual cash-generating units when there is indication of impairment. Based on the assessment performed, management has not identified any impairment indicators in the current period for property, plant and equipment, intangible assets and right-of-use assets.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

Provision for slow–moving or obsolete inventories
When inventories become old or obsolete, an estimate is made of their net realisable value. Inventory items are categorized based on their aging and accordingly for each category, a provision is recognized for obsolete and slow–moving inventories.

Leases – estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Decommissioning costs estimate
Decommissioning costs resulting from legal or constructive obligation are recognized based on a reasonable estimate in the period in which the obligation arises. The Group assesses its decommissioning provision at each reporting date.

The decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, estimates of the extent and costs of decommissioning activities, the emergence of new restoration techniques or experience at other production sites, cost increases as compared to the inflation rates (2%), and changes in discount rates (ranged from 4% to 5%). The expected timing, extent and amount of expenditure may also change, for example, in response to changes in gas assets or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case-by-case basis, taking into account factors such as the expected gross cost or timing of abandonment, and is approved by the Group's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Changes in assumption in relation to the Group's provisions could result in a material change in their carrying amounts within next financial year. A 1% percentage point increase in the nominal discount rate applied could decrease the Group's provision by approximately USD 248 million. The pre-tax impact on the Group's income statement would be a credit of approximately USD 55 million. A 1% percentage point increase in the inflation rate applied to decommissioning and environment restoration costs could increase the decommissioning and environmental provision by approximately USD 47 million.

The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required and are disclosed in note 23.

2.6 Summary of material accounting policy information
Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19, respectively;
- liabilities or equity instruments related to shared-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquired are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

2 BASIS OF PREPARATION continued
2.6 Summary of material accounting policy information continued

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interests (including joint operations) in the acquired entity is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period ends as soon as the Group receives the necessary information about the facts and circumstances that existed as of the acquisition date or learns that the information is not obtainable. However, the measurement period cannot exceed one year from the acquisition date.

Transactions under common control
A business combination involving entities or business under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Shareholders, are accounted for using the pooling of interest method without restatement of comparative information. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the books of the transferor entity.

The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid and capital of the acquiree is recognized directly in equity.

Property, plant and equipment
Initial recognition
Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Capital/insurance spares are those spares that are critical to the operations and kept in inventory. These insurance spares are included in property, plant and equipment and depreciated over the life of the related asset. Capital/insurance spares are stated at costs less accumulated depreciation and impairment losses, if any.

When a significant part of an item of property, plant and equipment has a different useful life, it is accounted for as a separate component of property, plant and equipment.

Gains and losses, if any, on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in consolidated statement of profit or loss.

Subsequent recognition
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized and charged to operating expenditure. The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income.

Depreciation
Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for intended use. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.

Land is not depreciated. Depreciation on assets other than land is recognized so as to write off the cost less estimated residual values on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Buildings and infrastructure	3 – 30 years
Plant and machinery	3 – 30 years
Oil and gas properties (pipelines)	20 – 30 years
Fixtures, fittings and office equipment	4 – 10 years
Transportation, storage and terminal	4 – 20 years

All other assets are depreciated over a period equal to their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is recognized on idle assets unless the asset is fully depreciated.

Capital work-in-progress
Property, plant and equipment in the course of construction for production, supply of goods or services, or for administrative purposes are carried at cost, less any recognized impairment loss. Cost also includes overheads and, for qualifying assets, borrowing costs capitalized where applicable. Upon the completion of construction, the costs are transferred to the respective class of asset. Depreciation of these assets is made on the same basis as other respective assets, commencing when the assets are ready for their intended use. No depreciation is charged on capital work-in-progress.

Major maintenance and repairs
Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection, turnaround and shutdown costs associated with major maintenance programmes are capitalized and amortized over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets represent computer software with estimated useful life of three to five years and is amortized on a straight-line basis.

These are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the profit or loss in the expense category that is consistent with the function of the intangible assets.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the lease commencement date (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities, and it comprises of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

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

2 BASIS OF PREPARATION continued

2.6 Summary of material accounting policy information continued

depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Lease liabilities

At the lease commencement date, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

Lease payments included in the measurement of the lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in note 13.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as other income in the period in which they are earned.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and it's carrying value, and then recognizes the loss within share of profit/(loss) of an associate and a joint venture in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is determined using the weighted average cost method. The cost of finished goods comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Cost of inventory includes feedstock minimum gas payment to ADNOC and other directly attributable costs. Profit share payment that represents ADNOC's share of raw gas product earnings are considered to be a variable payment that is dependent on the future activity. Accordingly, the Group excludes such variable payments from the cost of inventory and instead recognizes a liability when the condition that triggers the obligation occurs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for obsolete/slow moving items where necessary and is recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in accounting policy on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

2 BASIS OF PREPARATION continued
2.6 Summary of material accounting policy information continued

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

The Group's financial assets at amortized cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and amounts due to related parties.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortized cost (loans and borrowings).

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

iii. Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Impairment of non-financial assets
The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

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

2 BASIS OF PREPARATION continued
2.6 Summary of material accounting policy information continued

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions are included in the cash-flow forecasts in assessing value-in-use amounts.

Employees' end of service benefits
Short-term obligation
An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability in the consolidated statement of financial position.

Employees' end of service benefits (EOSB)
The liability recognized in the consolidated statement of financial position in respect of the defined end of service benefit plan is the present value of the projected defined benefit obligation ("DBO") at the end of the reporting period. The provision for EOSB is calculated by a qualified actuary using the projected unit credit method whilst considering the Group's policy with respect to end of service benefits where it requires the provision to be at least equal to the benefits payable in accordance with the UAE Labour law for their period of service up to the end of the reporting period.

The provision for EOSB is disclosed as a non-current liability.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. Re-measurements are not reclassified to the consolidated statement of profit or loss in subsequent periods. The liability is calculated as the current value of the vested benefits to which the employee is entitled, should the employee leave at the statement of financial position date. Payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the UAE Labour law.

Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined EOSB obligation. The Group recognizes the following changes in the net defined benefit obligation in the consolidated statement of profit or loss within personnel costs:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Pension contributions
With respect to its UAE national employees, the Company makes pension contributions to the Abu Dhabi Retirement Pensions and Benefits Funds in accordance with the Abu Dhabi Retirement Pensions and Benefits Fund's regulations. With respect to its GCC national employees, the Company makes pension contributions to the pension funds or agencies of their respective countries. Such contributions are charged to operating costs during the employees' period of service.

Accruals
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. For lump sum contracts, project related accruals are based on percentage of completion basis.

For contracts based on performance milestones, project related accruals are recognized to the extent of contractual performance milestone achieved up to the reporting date.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions for one-off events (restructuring, environmental clean-up, settlement of a lawsuit) are measured at the most likely amount while the provisions for large populations of events (warranties, customer refunds) are measured at a probability-weighted expected value.

The provisions are reviewed and adjusted at each reporting date, and if outflow is no longer probable, the provision is reversed to income.

Onerous contract
An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

Contingent liabilities
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur.

The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

A contingent liability will be recorded as a liability when there is a possible obligation arising from past events whose existence will be confirmed by future events or a present obligation arises from past events but is not probable that an outflow of resources will arise and/or the amount cannot be measured reliably.

Decommissioning liability
Provisions for decommissioning costs are recognized when the Group becomes legally or constructively obliged to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that liability can be made.

The amount of the obligation is estimated at current prices and in accordance with local conditions and requirements and an equivalent amount is included in the respective class of asset in property, plant and equipment. This is subsequently depreciated or depleted as part of the capital costs of the facility or item of plant. Subsequent to initial recognition, any change, other than unwinding of discount which is recognized in profit or loss, is recognized in property, plant and equipment.

Environmental liabilities are recognized when the Group has a present obligation, legal or constructive, relating to environmental clean-up and remediation of soil and groundwater in areas where the Group operates its facilities. Liabilities for environmental costs are recognized when a clean-up is probable, and the associated costs can be reliably estimated. The liability is measured based on the costs expected to be incurred in relation to the existing situation at the balance sheet date, considering virtually certain future developments in technology and legislation that are known.

Liabilities for decommissioning and restoration costs are recognized, together with a corresponding amount as part of the related property, plant and equipment, when the conditions indicated in the accounting policy "Provisions, Contingent Liabilities and Contingent Assets" are met. Considering the long-time span between the recognition of the obligation and its settlement, the amount recognized is the present value of the future expenditures expected to be required to settle the obligation. Any change due to the unwinding of discount on provisions is recognized within "Finance income (expense)". Such liabilities are reviewed regularly to take into account the changes in the expected costs to be incurred, contractual obligations, regulatory requirements and practices in force in the countries where the tangible assets are located. The effects of any changes in the estimate of the liability are recognized generally as an adjustment to the carrying amount of the related property, plant, and equipment; however, if the resulting decrease in the liability exceeds the carrying amount of the related asset, the excess is recognized in the consolidated statement of profit or loss.

2 BASIS OF PREPARATION continued
2.6 Summary of material accounting policy information continued

Foreign currencies
Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the spot rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at a revalued amount in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Cash and cash equivalents
Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of balances as defined above.

Revenue from contracts with customers
The Group is in the business of sale of Condensate, Natural Gas, Propane, Butane, Paraffinic Naphtha, Reinjection Gas, Sulphur and Ethane. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For sale of goods, revenue is based on rules for any modes of transport and rules for sea and inland waterway transport established by International Chamber of Commerce (i.e., Incoterms) agreed with the customer, which is taken to be the point in time at which the related control on the goods has been transferred. Revenue from sale of goods is recognized at a point in time upon satisfaction of the performance obligation.

The Group has agreements with various customers for selling its products. A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Specifically, the Group has applied a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognizes revenue in that amount.

Determining transaction price and allocation
The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer. Since sale of goods is the only performance obligation, the entire transaction price is allocated to sale of goods.

Determining the timing of satisfaction of performance obligation
The Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good to customers. An asset is transferred when (or as) the customer obtains control of that asset, which is upon delivery of goods.

Principal versus agent considerations
The Group enters into contracts with its customers for supply of goods. The Group determined that it controls the goods before they are transferred to customers, and it has the ability to direct the use of the goods. The following factors indicate that the Group controls the goods before they are being transferred to customers. Therefore, the Group determined that it is a principle in all its revenue arrangements.

- The Group is primarily responsible for fulfilling the promise to provide the specified goods.
- The Group has inventory risk before the specified goods has been transferred to the customers.
- The Group has discretion in establishing the price for the specified goods.

Consideration of significant financing component in a contract
Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group concluded that there is no significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of goods to the customer.

Significant financing component
The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Contract balances
Contract Assets
Contract assets primarily relates to the Group's right on consideration for goods and services provided but not billed at the reporting date. Any amount recognized as a contract asset is reflected to trade receivable or receivable from related party at the point at which it is invoiced to the customer.

Trade receivables
A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is recognized if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other income
Other income is recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

Dividend income
Dividend income from investments is recognized when the Group's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Borrowing costs
Borrowing costs include interest on loans and transaction costs for loans. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, from the date of incurring of the expenditure relating to the qualifying asset until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the period in which they occur.

Offsetting of income and expenses
Items of income and expense shall not be offset except when it reflects the substance of the transaction or when it does not detract, from the ability of users, both to understand the transactions and conditions that have occurred.

Tax
Tax is computed in accordance with relevant fiscal agreements and any communication received from the Abu Dhabi Supreme Council for Financial and Economic Affairs. Income tax expense/credit comprise of current and deferred tax. Current and deferred taxes are recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax
Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2 BASIS OF PREPARATION continued
2.6 Summary of material accounting policy information continued

Cash dividend
The Group recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the Articles of Association of the Company, the Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends. A corresponding amount is recognized directly in equity.

2.7 Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New and revised IFRSs in issue but not yet effective and not early adopted
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: sale or contribution of assets between an investor and its associate or joint venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

Lease liability in a sale and leaseback (Amendments to IFRS 16) (effective for annual periods beginning on or after 1 January 2024)
The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Non-current liabilities with covenants (Amendments to IAS 1) (effective for annual periods beginning on or after 1 January 2024)
The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

Supplier finance arrangements (Amendments to IAS 7 and IFRS 7) (effective for annual periods beginning on or after 1 January 2024)
The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Lack of exchangeability (Amendments to IAS 21) (effective from 1 January 2025)
The amendments amend IAS 21 to specify when a currency is exchangeable into another currency and when it is not; specify how an entity determines the exchange rate to apply when a currency is not exchangeable and require the disclosure of additional information when a currency is not exchangeable.

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

3 Revenue
Set out below is the disaggregation of the Group's revenue by product type from contracts with customers:

	For the period from 8 December 2022 to 31 December 2023		
Product type	**Third parties USD'000**	**Related parties USD'000**	**Total USD'000**
NGL products	-	7,524,936	7,524,936
Non-NGL products	3,284,136	1,331,571	4,615,707
Others	-	5,764,476	5,764,476
Total	3,284,136	14,620,983	17,905,119

NGL products include Propane, Butane and Paraffinic Naphtha. Non-NGL products include Natural Gas, Ethane and Sulphur. Others include local condensate sales.

4 Gas costs
The Group entered into the Gas Supply and Payment Agreement with ADNOC to procure raw gas and gas from integrated gas resources (together referred to as "feedstock") for its operations. The feedstock is determined through the actual sales volume of the NGL and non-NGL products by taking into account fuel gas cost, minimum gas payment and the profit share components in accordance with the Gas Supply and Payment Agreement with ADNOC. As per the Gas Supply and Payment Agreement, the Group is required to make a quarterly prepayment (based on forecast and invoice issued before the start of the quarter) and then settles it through a true-up (based on actuals) amount calculated at the end of the quarter.

5 Other operating income
This represents net income (revenue amounting to USD 2,152,161 thousand and gas costs amounting to USD 1,046,775 thousand resulting in net other operating income amounting to USD 1,105,386 thousand) from sale of re-injection gas to ADNOC. Re-injection gas is a derived component from the original feedstock sold by ADNOC to the Group under the Gas Supply and Payment Agreement which is repurchased by ADNOC. Accordingly, to that extent the control is not passed on to the Group.

6 Depreciation and amortization

	For the period from 8 December 2022 to 31 December 2023 USD'000
Depreciation of property, plant and equipment (note 11)	1,064,914
Amortization of intangibles (note 12)	27,005
Depreciation of right-of-use assets (note 13)	8,214
	1,100,133

7 Other operating costs

	For the period from 8 December 2022 to 31 December 2023 USD'000
Utilities	194,565
Contract and services	80,714
Repairs and maintenance	57,592
Transportation	34,809
Insurance	22,223
Others	61,435
	451,338

8 Finance costs

	For the period from 8 December 2022 to 31 December 2023 USD'000
Decommissioning provision accretion expense (note 23)	122,504
Finance costs on interest bearing loans	82,901
Interest on lease liabilities (note 13)	1,552
	206,957

9 Income tax

The Group is subject to income tax on its taxable profits in accordance with the fiscal arrangement (the "Fiscal Arrangement") with Abu Dhabi Supreme Council for Financial and Economic Affairs effective 1 January 2023, at the following rates:

NGL products (including export condensate)	55%
Non-NGL products – or each of the first five income tax years (ending on 31 December 2027, the "Tax Holiday Period")	0%
Non-NGL Products – for each income tax year after the Tax Holiday Period:	
– for Non-NGL Products Taxable Income up to and including USD 1 billion	15%
– for Non-NGL Products Taxable Income in excess of USD 1 billion	35%
Industrial Gases Taxable Income	10%
Net Indirect Corporate Income	at effective tax rate
Condensate (local sales)	0%

Tax charge for the period is as follows:

	For the period from 8 December 2022 to 31 December 2023 USD'000
Current income tax expense	1,528,551
Deferred tax credit*	(426,328)
	1,102,223

*includes USD 298,572 thousand related to deferred tax credit on decommissioning liabilities transferred to AGF as part of Group Reorganization.

Recognized deferred taxes of the Group relates to the tax effects of the following:

	31 December 2023 USD'000
Net temporary differences arising from carrying values of	
– decommissioning liabilities and related assets in excess of their tax base	1,278,839
– provision for employees end of service benefits	154,773
Deferred tax assets	567,249

Movement of deferred tax assets is as follows:

	31 December 2023 USD'000
Balance at incorporation	-
Balance arising on Group Reorganization (note 1.1)	140,921
Arising during the period*	426,328
	567,249

*this mainly relates to temporary differences arising from carrying values of decommissioning liabilities and related assets in excess of their tax base for ASR assets under the new fiscal arrangement entered during the period.

The reconciliation of the statutory income tax rate to the effective income tax rate of the Group is as follows:

Estimated effective statutory income tax rate	27.2%
Tax effect of non-deductible expenses and income	3.4%
Effect of deferred taxes	(9.0%)
Effective tax rate	21.6%

An amount of USD 1,353,103 thousand for the period ended 31 December 2023 was paid to the Department of Finance by the Group as per the fiscal agreement with the Supreme Council for Financial and Economic Affairs in the Emirate of Abu Dhabi. As of 31 December 2023, an amount of USD 175,448 thousand is payable to the Department of Finance.

The charge for the period can be reconciled to the profit before tax as follows:

	For the period from 8 December 2022 to 31 December 2023 USD'000
Profit before tax	5,822,260
Applicable tax charge at statutory rates – weighted average of 27.19%	1,582,840
Tax effect of share of results of equity accounted investee	(109,416)
Impact of temporary differences	55,127
Current tax reported in the consolidated statement of profit or loss	1,528,551

10 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of shares outstanding during the period.

	For the period from 8 December 2022 to 31 December 2023 USD'000
Profit attributable to owners of the Company (USD'000)	4,720,037
Weighted average number of shares in issue ('000)	71,747,743
Earnings per share (USD)	0.066

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

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

11 Property, plant and equipment

	Buildings and infrastructure USD'000	Plant, machinery and equipment* USD'000	Transportation Storage and Terminals USD'000	Furniture, fixtures and equipment USD'000	Capital work-in-progress (CWIP) USD'000	Total USD'000
Cost						
Balance at incorporation	-	-	-	-	-	-
Balance arising on Group Reorganization (note 1.1)	3,266,137	30,271,785	5,852,446	158,905	2,435,162	41,984,435
Transfers from related parties (note 1.2)	-	-	-	9,065	9,956	19,021
Additions	3,383	6,716	-	10,396	1,081,120	1,101,615
Additions to decommissioning assets	-	368,211	-	-	-	368,211
Transfers from CWIP	19,059	211,194	39,257	99,721	(369,231)	-
Transfer to intangible assets (note 12)	-	-	-	-	(9,820)	(9,820)
At 31 December 2023	**3,288,579**	**30,857,906**	**5,891,703**	**278,087**	**3,147,187**	**43,463,462**
Accumulated depreciation						
Balance at incorporation	-	-	-	-	-	-
Balance arising on Group Reorganization (note 1.1)	1,451,351	17,688,156	2,541,679	138,402	-	21,819,588
Depreciation charge for the period	118,396	678,274	225,352	42,892	-	1,064,914
At 31 December 2023	**1,569,747**	**18,366,430**	**2,767,031**	**181,294**	**-**	**22,884,502**
Carrying amount						
At 31 December 2023	**1,718,832**	**12,491,476**	**3,124,672**	**96,793**	**3,147,187**	**20,578,960**

*includes carrying amount of decommissioning assets amounting to USD 1,135,732 thousand.

Property, plant and equipment include assets that are still in use and which are fully depreciated amounting to USD 6,738,487 thousand.

12 Intangible assets

	31 December 2023 USD'000
Cost	
Balance at incorporation	**-**
Balance arising on Group Reorganization (note 1.1)	**275,682**
Additions	**6,529**
Transfers from related parties (note 1.2)	**11,766**
Transfers from property, plant and equipment (note 11)	**9,820**
	303,797
Accumulated amortization	
Balance at incorporation	**-**
Balance arising on Group Reorganization (note 1.1)	**172,821**
Amortization charge for the period	**27,005**
	199,826
Carrying amount	**103,971**

13 Leases

A. Right-of-use assets

	31 December 2023 USD'000
Balance at incorporation	**-**
Balance arising on Group Reorganization (note 1.1)	**42,278**
Additions	**2,838**
Other adjustments	**(3,605)**
Depreciation charge for the period	**(8,214)**
	33,297

B. Lease liabilities

	31 December 2023 USD'000
Balance at incorporation	**-**
Balance arising on Group Reorganization (note 1.1)	**42,301**
Additions	**2,830**
Accretion of interest	**1,552**
Payments (note 19)	**(9,021)**
	37,662
Presented as:	
Current	**9,337**
Non-current	**28,325**
	37,662

14 Investment in equity accounted investees

Following are the details of movement in investments in associates as at 31 December 2023:

	31 December 2023		
	AGP JV USD'000	ALNG JV USD'000	Total USD'000
Balance at incorporation	**-**	**-**	**-**
Balance arising on Group Reorganization* (note 1.1)	**381,030**	**879,893**	**1,260,923**
Share of results of equity accounted investees	**(7,442)**	**402,473**	**395,031**
Additions	**30,148**	**27,772**	**57,920**
Dividends **	**-**	**(422,032)**	**(422,032)**
	403,736	**888,106**	**1,291,842**

*includes decommissioning assets amounting to USD 98,888 thousand and USD 152,302 thousand relating to AGP JV and ALNG JV respectively.

**dividends amounting to USD 81,137 thousand were received by ADNOC and are expected to be transferred to the Group in Q1 2024.

A. Abu Dhabi Gas Industries Limited ("ADNOC Gas Processing", "AGP JV")
ADNOC Gas Processing is an associate in which the Group has 68% ownership interest. It was formed to undertake the processing of associated gas produced from various onshore oil fields in the Emirate of Abu Dhabi. As per the joint venture agreement, the Shareholders will continue to arrange funding for the JV operations to enable it to meet its liabilities as they fall due. Accordingly, the Group has classified its interest in ADNOC Gas Processing as an associate.

B. Abu Dhabi Gas Liquefaction Company Limited ("ADNOC LNG", "ALNG JV")
ADNOC LNG is an associate in which the Group has 70% ownership interest. ALNG JV's principal activities are fuel oil and refinery gases production, natural gas liquefaction and chemical elements manufacturing. It is engaged in the processing of natural gas in order to produce and sell liquefied natural gas (LNG), liquefied petroleum gas (LPG) and other associated products.

14 Investment in equity accounted investees continued

The following tables summarize the financial information of ADNOC Gas Processing and ADNOC LNG as included in their respective financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in ADNOC Gas Processing and ADNOC LNG.

Summarized statement of financial position	31 December 2023		
	AGP JV USD'000	ALNG JV USD'000	Total USD'000
Non-current assets	546,066	1,365,300	1,911,366
Current assets	45,331	1,125,617	1,170,948
Non-current liabilities	(8,621)	(556,988)	(565,609)
Current liabilities	(134,470)	(882,781)	(1,017,251)
Net assets	448,306	1,051,148	1,499,454
Group's holding	68%	70%	-
Group's share of net assets	304,848	735,805	1,040,653
Decommissioning assets	98,888	152,302	251,190
Investment in equity accounted investees	403,736	888,107	1,291,843
Cash and cash equivalents included in current assets	2,632	396,534	399,166

Summarized statement of profit or loss	For the period from 1 January 2023 to 31 December 2023		
	AGP JV USD'000	ALNG JV USD'000	Total USD'000
Revenue	-	3,777,543	3,777,543
Operating costs	-	(2,069,483)	(2,069,483)
General and administrative expenses	(303,333)	(335,975)	(639,308)
Depreciation	(55,143)	(94,888)	(150,031)
Provision for slow moving and obsolete inventories	737	8,084	8,821
Finance income	6,039	20,066	26,105
Income tax expense	-	(679,040)	(679,040)
Deferred tax expense	-	(30,909)	(30,909)
Net processing fees for the period – charged to Shareholders	351,700	-	351,700
Profit and total comprehensive income (100%)	-	595,398	595,398
Group's holding	68%	70%	
Group's share of profit	-	416,779	416,779
Depreciation of decommissioning assets	(7,442)	(9,464)	(16,906)
Impact of accounting policies alignment	-	(4,842)	(4,842)
Share of results of equity accounted investees	(7,442)	402,473	395,031

The Group's share of operating costs amounting to USD 239,156 thousand incurred by AGP JV, where the Group is entitled to lift its share of production, is directly routed through the cash call account (note 19).

15 Inventories

	31 December 2023 USD'000
Finished goods	36,800
Spare parts	335,322
	372,122
Allowance for slow moving and obsolete inventories	(189,640)
	182,482

Allowance for slow moving and obsolete inventories

Movement in the allowance for slow moving and obsolete inventories is as follows:	
Balance at incorporation	-
Balance arising on Group Reorganization (note 1.1)	180,252
Charge for the period	9,388
	189,640

16 Trade receivables

	31 December 2023 USD'000
Trade receivables from third parties	272,177

The average credit period on trade receivables is 30 days. No interest is charged on trade receivables.

The Group has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order for sale of goods or rendering of services from any counterparty. Of the trade receivables at the end of the reporting period, an amount of USD 256,385 thousand representing 95% of the trade receivables is due from two customers.

Ageing of trade receivables is as follows:

	31 December 2023 USD'000
Not past due	129,611
Past due but not impaired	
– Less than 30 days	80,274
– 30 to 60 days	26,918
– 61 to 90 days	35,374
	272,177

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting period. Based on this assessment, management believes that no provision for expected credit loss is required against trade receivables.

17 Prepayments and other receivables

	31 December 2023 USD'000
Advances to suppliers*	538,683
Advances to employees	84,847
Other prepayments	21,305
Other receivables**	39,885
	684,720

*advances to suppliers include capital advances amounting to USD 538,683 thousand as at 31 December 2023.

**net-off allowance for expected credit losses of USD 5,077 thousand.

Presented as:

	31 December 2023 USD'000
Non-current	173,662
Current	511,058
	684,720

18 Contract assets

Contract assets primarily relate to the Group's right on consideration for goods and services provided but not billed at the reporting date. Any amount recognized as a contract asset is reflected to trade receivable or receivable from related party at the point at which it is invoiced to the customer. This includes Shareholder and other related parties balances amounting to USD 192,062 thousand and USD 1,145,506 thousand respectively (note 19).

19 Transactions and balances with related parties

Related parties, as defined in International Accounting Standard 24: Related Party Disclosure, comprise the majority shareholder, directors and key management personal of the Company and entities in which they have the ability to control or exercise significant influence.

The Group has elected to use the exemption under IAS 24 for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi other than ADNOC and entities it owns and controls. The Group avails, in the normal course of business, various goods or services (utilities, etc.) from entities owned and controlled by the Government of Abu Dhabi. Further, the Group also sells its products to related parties owned by the Government of Abu Dhabi.

Balances with related parties generally arise from commercial transactions in the normal course of business at agreed terms. Following are the significant balances and transactions with these related parties:

	31 December 2023 USD'000
Amounts due from related parties	
ADNOC affiliates*	368,809
Amounts due to related parties	
Shareholder (ADNOC)	1,970,392
ADNOC affiliates	9,723
	1,980,115
Shareholder loans from ADNOC (note 24)	500,000
Lease liabilities relating to lands leased from ADNOC (note 13)	37,662
Contract assets (note 18)	1,337,568
Income tax payable (note 9)	175,448
Cash held with a related party (note 20)	3,186,581

*net-off allowance for expected credit losses of USD 9,840 thousand.

Transactions with related parties

	For the period from 8 December 2022 to 31 December 2023 USD'000
Shareholder	
Sale of goods (note 3)	1,777,923
Gas costs (note 4)	10,999,624
Other operating income (note 5)	1,105,386
Finance costs (notes 8 and 24)	82,901
Payments of lease liabilities relating to lands leased from ADNOC (note 13)	9,021
Loans received (note 24)	1,350,000
Repayment of loans (note 24)	850,000
Dividend paid to ADNOC	1,462,592
Other related parties	
Sale of goods (note 3)	12,843,060
Current income tax expense (note 9)	1,528,551
Cash call paid to equity accounted investees	249,662
Finance income	95,444
Costs recharged to:	
– equity accounted investees	237,891
– other related parties	203,636
	441,527
Compensation of key management personnel	
Short-term benefits	4,573
Long-term benefits	98

Effective 1 July 2023, AGO&M allocated the following costs to ALNG JV and AGP JV.

	For the period from 1 January 2023 to 31 December 2023		
	AGP JV USD'000	ALNG JV USD'000	Total USD'000
Employee costs	62,527	135,462	197,989
Depreciation and amortization	484	1,229	1,713
Inventory consumption	1,060	4,487	5,547
Other operating costs	19,438	16,682	36,120
Gas costs – fuel gas payment	(1,770)	(1,708)	(3,478)
	81,739	156,152	237,891

Based on the JDAs, all direct costs related to ALNG JV and AGP JV are fully charged to the respective entities. All common costs are allocated based on the specific percentages of each cost pool in accordance with the agreed common cost allocation mechanism.

20 Cash and cash equivalents

	31 December 2023 USD'000
Cash on hand	397
Cash held with bank	142,113
Cash held with AGTS *	3,186,581
Cash and cash equivalents	**3,329,091**

*On 20 January 2023, the Group entered into a Cash Pooling and Virtual Accounts Agreement ("cash pooling arrangement") with ADNOC through its subsidiary, ADNOC Group Treasury Services (AGTS). Under the cash pooling arrangement, surplus cash is transferred to and held by AGTS which is in the nature of cash and cash equivalents. Cash held with AGTS are funds held on behalf of the Group and are available on demand.

21 Share capital

In accordance with the Article of Association of the Company which became effective on 8 December 2022, the Company issued 50 thousand ordinary shares of USD 1 each on its incorporation to ADNOC. By virtue of the Project Wisdom Capitalization Agreement dated 31 December 2022 and Project Wisdom – Notice in respect of Adjustment Consideration under Capitalization Agreement dated 1 February 2023, the Company issued further shares increasing its share capital to USD 19,187,855 thousands divided into 19,187,855 thousand shares, each valued at USD 1 (note 1). At a general meeting held on 10 February 2023, it was resolved that each ordinary share of the Company with a nominal value of USD 1 each should be sub-divided into 4 shares with a nominal value of USD 0.25 each (so that the Company's total issued share capital became USD 19,187,855 thousand divided into 76,751,422 thousand shares with a nominal value of USD 0.25 each).

22 Provision for employees' end of service benefits

The Group provides for employees' end of service benefits (a defined benefit plan) in line with the labour law requirement in the United Arab Emirates. The payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their separation, as defined by the conditions stated in the labour laws of the United Arab Emirates.

Provision for end of service benefits are unfunded where the Group meets the benefit payment obligations as it falls due.

The amounts recognized in the consolidated statement of financial position and the movements in the net defined benefit obligation over the period are as follows:

	31 December 2023 USD'000
Provision for employees' end of service benefits at incorporation	-
Transfer from related parties (note 1.2)	158,150
Adjustment	5,724
Expense recognized in the consolidated statement of profit or loss (note 34)	
– Current service cost	2,993
– Interest cost	1,698
Remeasurements recognized in the consolidated statement of other comprehensive income	
– Experience gains	(6,838)
– Gain from change in financial assumptions	(2,522)
Payments made during the period	(4,432)
Provision for employees' end of service benefits as at 31 December	**154,773**

Significant actuarial assumptions

The significant actuarial assumptions were as follows:

	31 December 2023
Discount rate	5.5%
Salary increase rate for the first five years	4.0%
Expected mortality rate	SOA RP-2014 Total Dataset Mortality with Scale MP-2014
Retirement assumption	60 years
Average service in future years	10.2 years
Number of employees	2,520

Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the principal assumptions is as follows:

	31 December 2023 USD'000
Discount rate + 1%	142,395
Discount rate - 1%	159,852
Salary increase + 1%	160,295
Salary increase - 1%	141,875

23 Decommissioning provision

The decommissioning provision comprises the future cost of decommissioning the Group's plant and equipment at the end of their economic useful lives. The economic useful life and the timing of the decommissioning liabilities are dependent on Government legislation, commodity prices, group's strategic objectives and the future production profiles of the respective assets and the respective JV agreements. In addition, the costs of decommissioning are subject to inflationary/deflationary pressures in the cost of third-party service provision. The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control.

	31 December 2023 USD'000
Balance at incorporation	-
Balance arising on Group Reorganization * (note 1.1)	2,151,983
Additional provision recognized during the period **	83,760
Adjustment for change in estimates	342,371
Accretion expense	122,504
	2,700,618

The nominal interest rates used to determine the balance sheet obligations at the end of 2023 were 4.44%, 4.87% and 4.91% for the tenor of 10 years, 20 years, and 30 years respectively, based on long-dated Abu Dhabi Government bonds.

*includes USD 183,045 thousand and USD 359,157 thousand for decommissioning provision relating to AGP JV and ALNG JV respectively.

**includes USD 38,058 thousand which relates to environmental restoration liability. The environmental provision includes provision for costs related to the control, abatement, clean-up or elimination of environmental pollution relating to soil, groundwater, surface water and contamination.

24 Shareholder loans

	31 December 2023		
	RCF USD'000	TLA USD'000	Total USD'000
Total facilities	2,000,000	4,000,000	6,000,000
Utilized during the period (net)	(500,000)	-	(500,000)
Unutilized	**1,500,000**	**4,000,000**	**5,500,000**

During the period, the Group obtained Shareholder loans – RCF amounting to USD 1,350,000 thousand and repaid USD 850,000 thousand. The outstanding Shareholder loans – RCF amounting to USD 500,000 thousand are classified as current.

A. Unsecured Senior Corporate Revolving Facility (the "RCF")

The Group entered into the RCF with ADNOC (as lender) on 30 January 2023. Under the RCF and subject to its terms, ADNOC agrees to provide the Group a USD 2 billion revolving loan facility for three years.

The RCF is utilized by the Group towards its working capital (which include without limitation the payment of costs and expenses associated with the RCF).

The interest rate on any loan under the RCF is 0.85% per annum plus the applicable published term secured overnight financing rate (SOFR) for a period equal in length to the interest period of the relevant loan. The Group shall pay accrued interest on each loan on the earlier of the last day of each interest period or at six monthly intervals after the first day of the interest period (if the interest period is longer than six months). The Group shall repay each loan on the last day of the loan's interest period, provided that the interest period does not extend beyond the date falling three years from the date of the RCF. The interest period of the loan is 3 months.

Under the terms of the RCF, the Group to pay to ADNOC (i) an agreed upfront fee, (ii) a commitment fee on ADNOC's available commitment for the availability period, and (iii) any increased costs incurred by ADNOC (or any of its affiliates) as a direct result of the introduction of, or any change in, any law or regulation after the date of the RCF, or any compliance therewith.

24 Shareholder loans continued

B. Unsecured Senior Corporate Term Facility Agreement (the "TLA")
The Group entered into the TLA with ADNOC (as lender) on 3 February 2023. Under the TLA and subject to its terms, ADNOC agrees to provide the Group a USD 4 billion loan facility for five years.

The TLA is to be utilized by the Group for working capital and capital expenditure purposes (which include, without limitation, the payment of costs and expenses associated with the TLA).

The interest rate on any loan under the TLA is 1% per annum plus the applicable published term secured overnight financing rate (SOFR) for a period equal in length to the interest period of the relevant loan. The Group shall pay accrued interest on each loan on the earlier of the last day of each interest period and at six monthly intervals after the first day of the interest period (if the interest period is longer than six months). All loans under the TLA are to be repaid on the date which is five years from the date of the TLA.

In connection with providing the TLA, the Group agreed to pay to ADNOC (i) an agreed upfront fee, (ii) a commitment fee on ADNOC's available commitment for the availability period, and (iii) any increased costs incurred by ADNOC (or any of its affiliates) as a direct result of the introduction of, or any change in, any law or regulation after the date of the TLA, or any compliance therewith.

Following are the changes in the borrowings for which cash flows have been classified as financing activities in the consolidated statement of cash flows:

	31 December 2023 USD'000
Balance at incorporation	-
Loans taken	1,350,000
Repayments	(850,000)
Balance as at 31 December 2023	**500,000**

25 Trade and other payables

	31 December 2023 USD'000
Trade payables	64,553
Retention payables	42,564
Accruals	925,487
Liabilities assumed on behalf of ALNG JV and AGP JV	106,279
Other payables	39,740
	1,178,623

26 Segmental reporting

The business activities of the Group are performed on an integrated basis. Therefore, any segmentation of operating income, expenses, assets and liabilities is not relevant and is not performed for internal management reporting purposes.

For internal management purpose, the Group is organized as one business unit based on the products and services and has only one reportable segment. The Group is managed as a single business unit and the financial performance is reported in the internal reporting provided to the Chief Operating Decision-maker ("CODM"). The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the CODM that makes strategic decisions. The financial information reviewed by the CODM is based on the IFRS financial information for the Group. The CODM monitors the operating results for the purpose of making decisions about resource allocation and performance assessment.

The CODM regularly reviews the statement of profit or loss and other comprehensive income. The CODM function is to allocate resources to and assess the performance of the operating segment of the Group.

There are no other economic characteristics within the Group that will lead to determination of other operating segments.

The Group does not have any operating segments that are aggregated. The CODM has considered the following criteria in determining the operating segments of the Group:

- the nature of products and services;
- the nature of the production processes;
- the type or class of customer for their products and services; and
- the methods used to distribute their products or provide their services.

Based on the criteria and evaluation above, the CODM has determined that the Group has only one operating segment, which is 'Gas Business', which is consistent with the internal reporting and performance measurement. Entire revenues are derived within the United Arab Emirates and all the non-current assets are located within the United Arab Emirates.

27 Commitments and contingencies

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's consolidated financial statements if concluded unfavorably. Total capital commitments and contingencies for the Group as at 31 December 2023 amount to USD 6,818,209 thousand and USD 8,248 thousand respectively, which include USD 618,677 thousand relating to AGP JV and ALNG JV whose rights and obligations were transferred to AGO&M with effect from 1 July 2023 (note 1.2) on reimbursement basis.

28 Financial instruments by category

	31 December 2023 USD'000
Financial assets	
Trade and other receivables	396,909
Contract assets	1,606,790
Due from related parties	368,809
Cash and cash equivalents	3,329,091
	5,701,599
Financial liabilities	
Loan from shareholder	500,000
Trade and other payables	1,178,623
Due to related parties	1,980,115
Lease liabilities	37,662
	3,696,400

29 Financial instruments

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market risk management
Foreign exchange risk
Foreign exchange risk is limited as the Group's transactions are principally in UAE Dirhams or US Dollars. As the UAE Dirham is pegged to the US Dollar, balances in AED are not considered to represent significant currency risk.

The following table demonstrates the sensitivity to a reasonably possible change in the Euro, GBP, JPY, Swiss Franc and Bahraini Dinar exchange rates, with all other variables held constant, on the Group's profit before tax.

	Effect on profit before tax USD'000
Increase by 5%	(304)
Decrease by 5%	304

29 Financial instruments continued

Price risk
The Group is exposed to commodity price risk arising from retail prices of the NGL products.

The following table demonstrates the sensitivity to reasonably possible changes in commodity prices, with all other variables held constant, on the Group's profit before tax.

	Effect on profit before tax USD'000
Increase by 1%	**45,024**
Decrease by 1%	**(45,024)**

Interest rate risk
The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, on the Group's profit before tax.

	Effect on profit before tax USD'000
+10 increase in basis point	**(500)**
-10 increase in basis point	**500**

The fair values of the Group's financial instruments are not materially different from their carrying amounts.

Credit risk management
Credit risk arises from balances with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from related parties and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis. The utilization of credit limits is regularly monitored.

The Group's policy is to place cash and cash equivalents with AGTS, reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 16 amounting to USD 272,177 thousand.

Liquidity risk management
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a short term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2023 based on the contractual undiscounted payments.

	Notes	Carrying value USD'000	1 year or less – undiscounted USD'000	More than 1 year – undiscounted USD'000	31 December 2023– undiscounted USD'000
Financial liabilities					
Loan from shareholder	24	**500,000**	**500,000**	**-**	**500,000**
Trade and other payables	25	**1,178,623**	**1,178,623**	**-**	**1,178,623**
Due to related parties	19	**1,980,115**	**1,980,115**	**-**	**1,980,115**
Lease liabilities	13	**37,662**	**9,337**	**30,938**	**40,275**
		3,696,400	**3,668,075**	**30,938**	**3,699,013**

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated statement of financial position plus net debt.

30 IFRS Sustainability Disclosure Standards

On 26 June 2023, the International Sustainability Standards Board (ISSB) published first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

- **IFRS S1** *General Requirements for Disclosure of Sustainability-related Financial Information* – IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
- **IFRS S2** *Climate-related Disclosures* – IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Subject to adoption by the local jurisdiction, both Standards are effective for annual periods beginning on or after 1 January 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statements.

31 Dividends

The Board of Directors, in their meeting held on 14 November 2023, approved an interim cash dividend of 7.776 fils (2.117 cents) per share amounting to USD 1,625,103 thousand. The dividend was fully paid on 13 December 2023.

The Board of Directors, in their meeting held on 9 February 2024, proposed a final cash dividend of 7.776 fils (2.117 cents) per share amounting to USD 1,625,103 thousand.

32 Significant non-cash transactions

	31 December 2023 USD'000
Refer note 1.1 on Group Reorganization	
Refer note 1.2 on Incorporation of ADNOC Gas Operations and Marketing Company L.L.C. ("AGO&M") and its subsequent operations	
Accrual for purchase of property, plant and equipment	**451,113**
ALNG JV dividend receivable from ADNOC (note 14)	**81,137**
Additions to investment in equity accounted investees (note 14)	**57,920**

33 Auditor's remuneration

	For the period from 8 December 2022 to 31 December 2023 USD'000
Audit of financial statements	**788**
Other assurance services	**204**
	992

34 Employee costs

	For the period from 8 December 2022 to 31 December 2023 USD'000
Salaries	**919,797**
Pension costs	**59,337**
Employee's end of service benefits expense (note 22)	**4,691**
	983,825

The average number of persons employed by the Group for the period from 8 December 2022 to 31 December 2023 are 6,809.

35 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issuance on 6 March 2024.

ADNOC Gas

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