

ADNOC GAS PLC (AG)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2024**

ADNOC GAS PLC (AG)

**Review report and interim condensed consolidated financial statements
for the three-month period ended 31 March 2024**

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF ADNOC GAS PLC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ADNOC Gas PLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2024. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 ‘*Interim Financial Reporting*’ as issued by International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

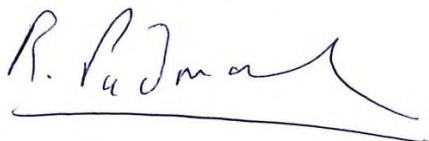
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 ‘*Interim Financial Reporting*’.

Deloitte & Touche (M.E.) LLP



Rama Padmanabha Acharya
6 May 2024
Abu Dhabi
United Arab Emirates

ADNOC GAS PLC (AG)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

| | <i>Notes</i> | <i>For the three-month period ended 31 March 2024 USD'000 (unaudited)</i> | <i>For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited)</i> |
|---|--------------|---|---|
| Revenue | 3 | 4,560,345 | 4,094,906 |
| Gas costs: | | | |
| - Minimum price | 4 | (853,463) | (726,885) |
| - Profit sharing | 4 | (1,868,968) | (1,681,006) |
| - Fuel gas payment | 4 | (48,564) | (41,343) |
| Other operating income | 5 | 301,865 | 245,977 |
| Employee costs | 6 | (309,545) | (216,824) |
| Depreciation and amortisation | | (281,965) | (254,336) |
| Inventory consumption | | (9,442) | (16,155) |
| Other operating costs, net | | (102,414) | (71,317) |
| Other expenses | | (44,100) | (30,241) |
| Share of operating costs in equity accounted investee | 10 | (57,508) | (64,490) |
| Share of results of equity accounted investee | 10 | 143,245 | 89,146 |
| Recharges to related parties | 12 | 173,299 | 53,367 |
| | | <hr/> | <hr/> |
| Operating profit | | 1,602,785 | 1,380,799 |
| Finance income | | 20,827 | 2,503 |
| Finance costs | | (19,908) | (38,306) |
| | | <hr/> | <hr/> |
| Profit before tax for the period | | 1,603,704 | 1,344,996 |
| Current income tax expense | 7 | (414,685) | (373,657) |
| Deferred tax (charge)/credit | 7 | (1,885) | 303,876 |
| | | <hr/> | <hr/> |
| Profit and total comprehensive income for the period | | 1,187,134 | 1,275,215 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Earnings per share: | | | |
| Basic and diluted (USD) | 8 | 0.015 | 0.021 |

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

ADNOC GAS PLC (AG)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

| | <i>Notes</i> | 31 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|--|--------------|--|---|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 20,656,648 | 20,578,960 |
| Intangible assets | | 119,156 | 103,971 |
| Right-of-use assets | | 31,237 | 33,297 |
| Investment in equity accounted investees | 10 | 1,247,446 | 1,291,842 |
| Deferred tax assets | 7 | 565,364 | 567,249 |
| Prepayments and other receivables | 11 | 175,069 | 173,662 |
| Total non-current assets | | 22,794,920 | 22,748,981 |
| Current assets | | | |
| Inventories | | 204,626 | 182,482 |
| Trade receivables | | 175,927 | 272,177 |
| Prepayments and other receivables | 11 | 493,227 | 511,058 |
| Contract assets | | 1,596,548 | 1,606,790 |
| Amounts due from related parties | 12 | 529,463 | 368,809 |
| Cash and cash equivalents | 13 | 4,496,813 | 3,329,091 |
| Total current assets | | 7,496,604 | 6,270,407 |
| Total assets | | 30,291,524 | 29,019,388 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | | 19,187,855 | 19,187,855 |
| Actuarial gains on defined benefit obligations | | 9,360 | 9,360 |
| Retained earnings | | 2,656,965 | 3,094,934 |
| Total equity | | 21,854,180 | 22,292,149 |
| Non-current liabilities | | | |
| Provision for employees' end of service benefits | | 157,348 | 154,773 |
| Lease liabilities | 12 | 19,256 | 28,325 |
| Decommissioning provision | 14 | 2,740,691 | 2,700,618 |
| Total non-current liabilities | | 2,917,295 | 2,883,716 |
| Current liabilities | | | |
| Shareholder loans | 12, 15 | 500,000 | 500,000 |
| Trade and other payables | 16 | 1,189,457 | 1,178,623 |
| Amounts due to related parties | 12 | 1,905,169 | 1,980,115 |
| Lease liabilities | 12 | 9,377 | 9,337 |
| Income tax payable | 7, 12 | 290,943 | 175,448 |
| Dividend payable | 12, 21 | 1,625,103 | - |
| Total current liabilities | | 5,520,049 | 3,843,523 |
| Total liabilities | | 8,437,344 | 6,727,239 |
| Total equity and liabilities | | 30,291,524 | 29,019,388 |

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



Peter Van Driel
CFO



Dr. Ahmed Mohamed Alebri
CEO



H.E. Dr. Sultan Ahmed Al Jaber
Chairman

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

ADNOC GAS PLC (AG)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2024

| | <i>Share capital</i> USD'000 | <i>Actuarial gains on defined benefit obligations</i> USD'000 | <i>Retained earnings</i> USD'000 | <i>Total equity</i> USD'000 |
|---|---------------------------------|--|---|------------------------------------|
| Balance at incorporation | 50 | - | - | 50 |
| Additional shares issued upon Group Reorganisation | 19,187,805 | - | - | 19,187,805 |
| Profit and total comprehensive income for the period | - | - | 1,275,215 | 1,275,215 |
| Balance at 31 March 2023 (unaudited) | 19,187,855 | - | 1,275,215 | 20,463,070 |
| Balance at 1 January 2024 (audited) | 19,187,855 | 9,360 | 3,094,934 | 22,292,149 |
| Profit and total comprehensive income for the period | - | - | 1,187,134 | 1,187,134 |
| Dividend proposed and approved (note 21) | - | - | (1,625,103) | (1,625,103) |
| Balance at 31 March 2024 (unaudited) | 19,187,855 | 9,360 | 2,656,965 | 21,854,180 |

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

ADNOC GAS PLC (AG)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

For the three-month period ended 31 March 2024

| | <i>Notes</i> | <i>For the three-month period from 31 March 2024 USD'000 (unaudited)</i> | <i>For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited)</i> |
|--|--------------|--|---|
| OPERATING ACTIVITIES | | | |
| Profits after tax for the period | | 1,187,134 | 1,275,215 |
| <i>Adjustments for:</i> | | | |
| Depreciation on property, plant and equipment | 9 | 270,863 | 247,021 |
| Depreciation on right-of-use assets | | 2,060 | 1,574 |
| Amortisation of intangible assets | | 9,042 | 5,741 |
| Allowance for slow moving and obsolete inventories | | (1,733) | 2,001 |
| Share of results of equity accounted investees | 10 | (143,245) | (89,146) |
| Share of operating costs of equity accounted investees | 10 | 57,508 | 64,490 |
| Deferred tax charge/(credit) | 7 | 1,885 | (303,876) |
| Current income tax expense | 7 | 414,685 | 373,657 |
| Charge for the employees' end of service benefits | 6 | 6,226 | - |
| Finance income | | (20,827) | (2,503) |
| Finance costs | | 19,908 | 38,306 |
| <hr/> | | | |
| Net cash flows from operating activities before changes in working capital | | 1,803,506 | 1,612,480 |
| <i>Changes in working capital:</i> | | | |
| Increase in inventories | | (20,411) | (25,870) |
| Decrease/(increase) in trade receivables | | 106,492 | (301,612) |
| Decrease/(increase) in prepayments and other receivables | | 35,466 | (103,423) |
| Increase in amounts due from related parties | | (216,285) | (1,178,601) |
| Increase/(decrease) in trade and other payables | | 208,784 | (130,454) |
| (Decrease)/increase in amounts due to related parties | | (74,718) | 1,225,615 |
| <hr/> | | | |
| Cash flows from operating activities | | 1,842,834 | 1,098,135 |
| Employees' end of service benefits paid | | (3,877) | - |
| Taxes paid | 7 | (299,190) | (264,588) |
| <hr/> | | | |
| Net cash flows generated from operating activities | | 1,539,767 | 833,547 |
| <hr/> | | | |
| INVESTING ACTIVITIES | | | |
| Payments for purchase of property, plant and equipment and intangible assets | | (564,131) | (117,015) |
| Dividends received | | 186,655 | - |
| Finance income | | 20,827 | 2,503 |
| Cash and cash equivalents arising on Group Reorganisation | | - | 86,540 |
| <hr/> | | | |
| Net cash flows used in investing activities | | (356,649) | (27,972) |
| <hr/> | | | |
| FINANCING ACTIVITIES | | | |
| Net movement in Shareholder loans | 15 | - | 1,350,000 |
| Share capital | | - | 50 |
| Repayment of lease liabilities | | (9,337) | (6,279) |
| Finance costs paid | | (6,059) | (6,000) |
| <hr/> | | | |
| Net cash flows (used in)/generated from financing activities | | (15,396) | 1,337,771 |
| <hr/> | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,167,722 | 2,143,346 |
| <hr/> | | | |
| Cash and cash equivalents, at the beginning of the period | | 3,329,091 | - |
| <hr/> | | | |
| CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD | 13 | 4,496,813 | 2,143,346 |
| <hr/> | | | |
| Non-cash transactions: | | | |

Refer note 20

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

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024

1 GENERAL INFORMATION

ADNOC Gas Ltd. (“AG” or “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 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.

Details of the Company’s subsidiaries as at 31 March 2024 and 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, liquefaction 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, liquefaction 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”.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

1 GENERAL INFORMATION continued

Details of the Company's associates as at 31 March 2024 and 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. |

1.1 Group Reorganisation

ADNOC transferred its ownership interests in the sole risk operations ("ASR"), AGP JV, ALNG JV and AIG, with effect from 1 January 2023 to AGF. This transfer is hereafter referred to as the "Group Reorganisation". As a result, certain balances were transferred to AGF. The following table summarises the book value of the assets and liabilities transferred to AGF at the date of the Reorganisation under Intra-Group Asset Transfer Agreement and various Share / Participation Interest Transfer Agreements with effect from 1 January 2023, Project Wisdom – Notice for Closing Payment under Capitalisation Agreement dated 31 December 2022 and Project Wisdom – Notice in respect of Adjustment Consideration under Capitalisation 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 | Totals USD'000 |
|---|----------------|-----------------------|------------------------|-----------------------|-------------------|--------------------|-------------------|
| Assets | | | | | | | |
| Property, plant and equipment and intangible assets | 46,069 | 13,393 | 2,764,143 | - | - | 16,609,892 | 19,433,497 |
| Decommissioning assets | 6,563 | 20,766 | 2,747 | - | - | 804,135 | 834,211 |
| Right-to-use assets | 300 | 1,170 | - | - | - | 40,808 | 42,278 |
| Investments in equity accounted investees* | - | - | - | 879,893 | 381,030 | - | 1,260,923 |
| Deferred tax assets (note 7) | - | - | - | 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 |
| Totals assets | 79,130 | 121,262 | 2,773,672 | 981,480 | 420,364 | 17,736,080 | 22,111,988 |
| Liabilities | | | | | | | |
| Decommissioning liabilities (note 14) | 6,415 | 36,924 | 100,640 | 314,747 | 145,119 | 1,548,138 | 2,151,983 |
| Lease liabilities | 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 |
| Totals liabilities | 13,884 | 69,112 | 244,695 | 314,747 | 145,119 | 2,136,626 | 2,924,183 |
| Net assets acquired on Group Reorganisation | 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.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting” and the applicable provisions of the Abu Dhabi Global Market (“ADGM”) Companies Regulations 2020. The interim condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the period from 8 December 2022 (date of incorporation) to 31 December 2023. In addition, results for the period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 Functional and presentation currency

These interim condensed 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 Summary of material accounting policy information

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the period from 8 December 2022 (date of incorporation) to 31 December 2023, except for the adoption of the following new standards and interpretations effective as of 1 January 2024 which have not caused any material impact on the Group’s interim condensed consolidated financial statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s interim condensed 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 International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

2 BASIS OF PREPARATION continued

2.3 Summary of material accounting policy information continued

New and revised IFRSs in issue but not yet effective and not early adopted

| <u>New and revised IFRSs</u> | <u>Effective for annual periods beginning on or after</u> |
|--|---|
| 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 | Effective date not yet decided |
| Amendment to IAS 21 - Lack of Exchangeability | 1 January 2025 |
| IFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update | Effective date not yet decided |
| IFRS Accounting Taxonomy 2023 - Update 1 International Tax Reform - -Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability | Effective date not yet decided |
| IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information | Effective date not yet decided by the regulator in the United Arab Emirates |
| IFRS S2 Climate-related Disclosures | Effective date not yet decided by the regulator in the United Arab Emirates |

The above stated new standards and amendments are not expected to have any significant impact on these interim condensed 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 interim condensed consolidated financial statements of the Group.

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the period from 8 December 2022 (date of incorporation) to 31 December 2023.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

3 Revenue

Set out below is the disaggregation of the Group's revenue by product type from contracts with customers:

| Product type | For the three-month period ended 31 March 2024 | | | For the period from 8 December 2022 to 31 March 2023 | | |
|------------------|--|-----------------------------------|----------------------|--|-----------------------------------|----------------------|
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| | Third parties (unaudited) | Related parties (unaudited) | Total (unaudited) | Third parties (unaudited) | Related parties (unaudited) | Total (unaudited) |
| NGL products | - | 1,988,843 | 1,988,843 | - | 1,863,077 | 1,863,077 |
| Non-NGL products | 821,089 | 321,760 | 1,142,849 | 680,288 | 327,022 | 1,007,310 |
| Others | - | 1,428,653 | 1,428,653 | - | 1,224,519 | 1,224,519 |
| Total | 821,089 | 3,739,256 | 4,560,345 | 680,288 | 3,414,618 | 4,094,906 |

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 599,070 thousand and gas costs amounting to USD 297,205 thousand resulting in net other operating income amounting to USD 301,865 thousand) from sale of re-injection gas to ADNOC (period from 8 December 2022 to 31 March 2023: revenue amounting to USD 478,897 thousand and gas costs amounting to USD 232,920 thousand resulting in net other operating income amounting to USD 245,977 thousand). 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.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

6 Employee costs

| | For the three-month period ended 31 March 2024 USD'000 (unaudited) | For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited) |
|--|---|---|
| Salaries | 286,851 | 199,130 |
| Pension costs | 16,468 | 12,809 |
| Employees' end of service benefits expense | 6,226 | 4,885 |
| | <u>309,545</u> | <u>216,824</u> |

The average number of persons employed by the Group for the three-month period ended 31 March 2024 are 6,414 (period from 8 December 2022 to 31 March 2023: nil). The employees were previously under the joint venture entities.

7 Income tax

Tax charge for the period is as follows:

| | For the three-month period ended 31 March 2024 USD'000 (unaudited) | For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited) |
|-------------------------------|---|---|
| Current income tax expense | 414,685 | 373,657 |
| Deferred tax charge/(credit)* | 1,885 | (303,876) |
| | <u>416,570</u> | <u>69,781</u> |

Recognised deferred taxes of the Group relates to the tax effects of the following:

| | 31 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|--|--|---|
| Net temporary differences arising from carrying values of | | |
| - decommissioning liabilities and related assets in excess of their tax base | 1,366,515 | 1,278,839 |
| - provision for employees' end of service benefits | 157,574 | 154,773 |
| | <u>565,364</u> | <u>567,249</u> |
| Deferred tax assets | <u>565,364</u> | <u>567,249</u> |

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

7 Income tax continued

Movement of deferred tax assets is as follows:

| | 31 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|---|--|---|
| At 1 January | 567,249 | - |
| Balance arising on Group Reorganisation | - | 140,921 |
| Change in opening balance due to change in the effective tax rate** | (12,928) | - |
| Credit for the period* | 11,043 | 426,328 |
| | 565,364 | 567,249 |

*includes USD nil (31 March 2023: USD 298,572 thousand) related to deferred tax credit on decommissioning liabilities transferred to AGF as part of Group Reorganisation.

**this is on account of change in the estimated weighted average tax rate as at 31 March 2024 as compared to 31 December 2023.

An amount of USD 299,190 thousand (period from 8 December 2022 to 31 March 2023: USD 264,588 thousand) for the three-month period ended 31 March 2024 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 March 2024, an amount of USD 290,943 thousand (31 December 2023: USD 175,448 thousand) is payable to the Department of Finance.

8 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 three-month period ended 31 March 2024 (unaudited) | For the period from 8 December 2022 to 31 March 2023 (unaudited) |
|--|---|--|
| Profit attributable to owners of the Company (USD'000) | 1,187,134 | 1,275,215 |
| Weighted average number of shares in issue ('000) | 76,751,422 | 59,677,464 |
| Earnings per share (USD) | 0.015 | 0.021 |

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

9 Property, plant and equipment

| | Operating assets USD'000 | Capital work-in- progress (CWIP) USD'000 | Total USD'000 |
|---|---|---|--------------------------|
| Cost | | | |
| Balance at incorporation | - | - | - |
| Balance arising on Group Reorganisation | 39,549,273 | 2,435,162 | 41,984,435 |
| Transfers from related parties | 9,065 | 9,956 | 19,021 |
| Additions | 20,495 | 1,081,120 | 1,101,615 |
| Additions to decommissioning assets | 368,211 | - | 368,211 |
| Transfers from CWIP | 369,231 | (369,231) | - |
| Transfers to intangible assets | - | (9,820) | (9,820) |
| | <u>40,316,275</u> | <u>3,147,187</u> | <u>43,463,462</u> |
| At 31 December 2023 (audited) | 40,316,275 | 3,147,187 | 43,463,462 |
| At 1 January 2024 (audited) | 40,316,275 | 3,147,187 | 43,463,462 |
| Additions | 844 | 365,337 | 366,181 |
| Additions to decommissioning assets | 6,598 | - | 6,598 |
| Transfers from CWIP | 368,326 | (368,326) | - |
| Transfers to intangible assets | - | (24,228) | (24,228) |
| | <u>40,692,043</u> | <u>3,119,970</u> | <u>43,812,013</u> |
| At 31 March 2024 (unaudited) | 40,692,043 | 3,119,970 | 43,812,013 |
| Accumulated depreciation | | | |
| Balance at incorporation | - | - | - |
| Balance arising on Group Reorganisation | 21,819,588 | - | 21,819,588 |
| Depreciation charge for the period | 1,064,914 | - | 1,064,914 |
| | <u>22,884,502</u> | <u>-</u> | <u>22,884,502</u> |
| At 1 January 2024 (audited) | 22,884,502 | - | 22,884,502 |
| Depreciation charge for the period | 270,863 | - | 270,863 |
| | <u>23,155,365</u> | <u>-</u> | <u>23,155,365</u> |
| At 31 March 2024 (unaudited) | 23,155,365 | - | 23,155,365 |
| Carrying amount | | | |
| 31 March 2024 (unaudited) | 17,536,678 | 3,119,970 | 20,656,648 |
| | <u>17,431,773</u> | <u>3,147,187</u> | <u>20,578,960</u> |
| 31 December 2023 (audited) | 17,431,773 | 3,147,187 | 20,578,960 |

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

10 Investment in equity accounted investees

Following are the details of movement in investments in associates as at 31 March 2024 and 31 December 2023:

| | 31 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|--|--|---|
| Opening balance/balance at incorporation | 1,291,842 | - |
| Balance arising on Group Reorganisation | - | 1,260,923 |
| Share of results of equity accounted investees * | 141,368 | 395,031 |
| Additions | 891 | 57,920 |
| Dividends ** | (186,655) | (422,032) |
| | 1,247,446 | 1,291,842 |

* includes depreciation on decommissioning asset amounting to USD 2,260 thousand and USD 1,877 thousand related to AGP JV and ALNG JV respectively.

** dividends amounting to USD 81,137 thousand (31 December 2023: USD 81,137 thousand) were received by ADNOC in 2023 and are expected to be transferred to the Group in Q2 2024.

Following are key financial metrics for equity accounted investees:

Summarised statement of financial position

| | ----31 March 2024---- | | ----31 December 2023---- | |
|-------------------------|----------------------------------|-----------------------------------|--------------------------------|---------------------------------|
| | USD'000 AGP JV (unaudited) | USD'000 ALNG JV (unaudited) | USD'000 AGP JV (audited) | USD'000 ALNG JV (audited) |
| Non-current assets | 537,327 | 1,369,628 | 546,066 | 1,365,300 |
| Current assets | 61,748 | 1,202,459 | 45,331 | 1,125,617 |
| Non-current liabilities | (8,524) | (560,470) | (8,621) | (556,988) |
| Current liabilities | (168,151) | (1,030,793) | (134,470) | (882,781) |
| Net assets | 422,400 | 980,824 | 448,306 | 1,051,148 |

Summarised statement of profit or loss

| | For the three-month period ended 31 March 2024 | | For the three-month period ended 31 March 2023 | |
|--|--|-----------------------------------|--|-----------------------------------|
| | USD'000 AGP JV (unaudited) | USD'000 ALNG JV (unaudited) | USD'000 AGP JV (unaudited) | USD'000 ALNG JV (unaudited) |
| Revenue | - | 1,202,111 | - | 911,770 |
| Total expenses, net | - | (777,924) | - | (609,168) |
| Total net processing cost | 84,571 | - | 94,839 | - |
| Net processing fees for the period - charged to Shareholders | (84,571) | - | (94,839) | - |
| Profit before tax | - | 424,187 | - | 302,602 |
| Profit after tax | - | 189,074 | - | 131,388 |

The Group's share of operating costs amounting to USD 57,508 thousand incurred by AGP JV, where the Group is entitled to lift its share of production, is directly routed through the cash call account.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

11 Prepayments and other receivables

Prepayments and other receivables include USD 538,931 thousand (31 December 2023: USD 538,683 thousand) related to advances to suppliers for capital projects.

12 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 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|--|--|---|
| <i>Amounts due from related parties</i> | | |
| ADNOC affiliates* | 529,463 | 368,809 |
| <i>Amounts due to related parties</i> | | |
| Shareholder (ADNOC) | 1,893,806 | 1,970,392 |
| ADNOC affiliates | 11,363 | 9,723 |
| | 1,905,169 | 1,980,115 |
| Balances with related parties: | | |
| | 31 March 2023 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
| <i>Shareholder loans from ADNOC (note 15)</i> | 500,000 | 500,000 |
| <i>Lease liabilities relating to lands leased from ADNOC</i> | 28,633 | 37,662 |
| <i>Contract assets</i> | 1,312,869 | 1,337,568 |
| <i>Dividend payable to ADNOC (note 21)</i> | 1,462,593 | - |
| <i>Income tax payable (note 7)</i> | 290,943 | 175,448 |
| <i>Cash held with a related party (note 13)</i> | 4,455,369 | 3,186,581 |

* net-off allowance for expected credit losses of USD 9,840 thousand (31 December 2023: USD 9,840 thousand).

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

12 Transactions and balances with related parties continued

Transactions with related parties

| | For the three-month period ended 31 March 2024 USD'000 (unaudited) | For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited) |
|---|---|---|
| <i>Shareholder</i> | | |
| Sale of goods (note 3) | 614,137 | 1,581,523 |
| Gas costs | 2,770,995 | 2,449,234 |
| Other operating income | 301,865 | 245,977 |
| Finance costs | 12,983 | 36,065 |
| Payments of lease liabilities relating to lands leased from ADNOC | 9,337 | 6,279 |
| Loans received (note 15) | - | 1,350,000 |
| <i>Other related parties</i> | | |
| Sale of goods (note 3) | 3,125,118 | 1,833,095 |
| Current income tax expense (note 7) | 414,685 | 373,657 |
| Cash call paid to equity accounted investees | 39,916 | 67,320 |
| Finance income | 20,827 | 2,503 |
| Costs recharged to: | | |
| - equity accounted investees* | 118,802 | - |
| - other related parties | 54,497 | 53,367 |
| | 173,299 | 53,367 |
| <i>Compensation of key management personnel</i> | | |
| Short-term benefits | 1,193 | 3,727 |
| Long-term benefits | 106 | 82 |
| <i>Compensation of the Board of Directors**</i> | 6,475 | - |

*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.

** The compensation of the Board of Directors includes 2023 remuneration amounting to AED 19.04 million (USD 5.18 million), which was approved in the Annual General Assembly Meeting held on 29 March 2024. This was paid during the period ended 31 March 2024.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

13 Cash and cash equivalents

| | 31 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|---------------------------------|--|---|
| Cash on hand | 477 | 397 |
| Cash held with bank | 40,967 | 142,113 |
| Cash held with AGTS * (note 12) | 4,455,369 | 3,186,581 |
| | <u>4,496,813</u> | <u>3,329,091</u> |

* The Group has 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.

14 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 March 2024 USD'000 (unaudited) | 31 December 2023 USD'000 (audited) |
|---|--|---|
| At 1 January | 2,700,618 | - |
| Balance arising on Group Reorganisation | - | 2,151,983 |
| Additional provision recognised during the period * | 7,489 | 83,760 |
| Adjustment for change in estimates | - | 342,371 |
| Accretion expense | 32,584 | 122,504 |
| | <u>2,740,691</u> | <u>2,700,618</u> |

The nominal interest rates used to determine the balance sheet obligations as at 31 March 2024 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. No changes are noted in the nominal interest rates when compared to their equivalent rates at the end of 2023.

* Additions include USD Nil (31 December 2023: USD 38,058 thousand) relating 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.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

15 Shareholder loans

| | 31 March 2024 (unaudited) and 31 December 2023 (audited) USD'000 | | |
|----------------------------------|---|------------------|-------------------------|
| | RCF | Term Loan | Total |
| Total facilities | 2,000,000 | 4,000,000 | 6,000,000 |
| Utilised during the period (net) | (500,000) | - | (500,000) |
| Unutilised | <u>1,500,000</u> | <u>4,000,000</u> | <u>5,500,000</u> |

During the period, the Group obtained Shareholder loans - Revolving Credit Facility (RCF) amounting to USD Nil (period from 8 December 2022 to 31 December 2023: USD 1,350,000 thousand) and repaid USD Nil (period from 8 December 2022 to 31 December 2023: USD 850,000 thousand). The outstanding amount of USD 500,000 thousand is expected to be settled in the next twelve months, and is therefore classified as current.

16 Trade and other payables

Trade and other payables include USD 166,101 thousand (31 December 2023: USD 106,279 thousand) related to liabilities assumed on behalf of ALNG JV and AGP JV.

17 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.

ADNOC GAS PLC (AG)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

18 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 interim condensed consolidated financial statements if concluded unfavorably. Total capital commitments and contingencies for the Group as at 31 March 2024 amount to USD 6,641,631 thousand (31 December 2023: USD 6,818,209 thousand) and USD 8,248 thousand (31 December 2023: USD 8,248 thousand) respectively, which include USD 718,082 thousand (31 December 2023: 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 on reimbursement basis.

19 Financial instruments' fair value disclosures

The Group's management considers that the fair values of its financial assets and financial liabilities approximate to their carrying amounts as stated in the interim condensed consolidated statement of financial position.

20 Significant non-cash transactions

| | For the three-month period ended 31 March 2024 USD'000 (unaudited) | For the period from 8 December 2022 to 31 March 2023 USD'000 (unaudited) |
|---|---|---|
| - Refer note 1.1 on Group Reorganisation | | |
| - Accrual for purchase of property, plant and equipment | 197,950 | 44,032 |
| - ALNG JV dividend receivable from ADNOC (note 10) | - | 81,137 |
| - Reversal of upfront fees | 19,042 | - |

21 Dividends

The Shareholders, in the Annual General Assembly Meeting held on 29 March 2024, approved a final cash dividend of 7.776 fils (2.117 cents) per share amounting to USD 1,625,103 thousand for the period ended 31 December 2023. The dividend was fully paid on 26 April 2024.

22 Seasonality of results

The Group is not particularly exposed to seasonality of operations.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three-month period ended 31 March 2024 continued

23 Reclassification of comparative figures

In order to provide more relevant information to users, the Group has voluntarily changed the classification of expenses in the interim condensed consolidated statement of profit or loss and other comprehensive income. The expenses have been classified based on 'nature' in these interim condensed consolidated financial statements as compared to the classification based on 'function' in the interim condensed consolidated financial statements for the period from 8 December 2022 (date of incorporation) to 31 March 2023. Accordingly, certain comparative figures have been reclassified/regrouped, wherever necessary, as to conform to the presentation adopted in these interim condensed consolidated financial statements.

| | As previously reported USD '000 (unaudited) | Reclassification USD '000 (unaudited) | As restated USD '000 (unaudited) | Note reference |
|---|--|---|--|-------------------------------|
| Interim condensed consolidated statement of profit or loss and other comprehensive income for the period from 8 December 2022 to 31 March 2023 | | | | |
| Employee costs | - | 216,824 | (216,824) | (a) |
| Depreciation and amortisation | - | 254,336 | (254,336) | (b) |
| Inventory consumption | - | 16,155 | (16,155) | (c) |
| Other expenses | | (30,241) | (30,241) | (d) |
| Other operating costs | (465,307) | (393,990) | (71,317) | (a), (b), (c), (e) and (f) |
| General and administrative expenses | (79,008) | (79,008) | - | (a), (b) and (d) |
| Other income | 8,809 | 8,809 | - | (e) |
| Recharges to related parties | - | 53,367 | 53,367 | (f) |

- (a) Employee costs amounting to USD 174,238 thousand and USD 42,586 thousand are reclassified from other operating costs and general and administrative expenses respectively.
- (b) Depreciation and amortisation amounting to USD 248,155 thousand and USD 6,181 thousand are reclassified from other operating costs and general and administrative expenses respectively.
- (c) Inventory consumption amounting to USD 16,155 thousand is reclassified from other operating costs.
- (d) General and administrative expenses amounting to USD 30,241 thousand are reclassified to other expenses.
- (e) Other income amounting to USD 8,809 thousand is regrouped under other operating costs.
- (f) Recharges to related parties to USD 53,367 thousand is regrouped under other operating costs.

24 Approval of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issuance on 6th May 2024.