ADNOC Gas

ADNOC GAS PLC
Q3 AND YTD 2023 RESULTS

NOVEMBER 14, 2023

ADNOC GAS

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SPEAKERS

Ahmed Alebri
Chief Executive Officer

Peter van Driel
Chief Financial Officer

Q3 2023 HIGHLIGHTS

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Operational

- Sales volumes increased to 946 MMBTU, up by 4% against Q3 22 underpinned by a world-class reliability of 98.6% across our operations
- Shift to higher margin liquids demonstrates flexibility in operations

Financial

- Revenues grew to $5,807m in Q3 2023, up by 8% against Q2 23 in line with an improving price environment and higher sales volumes
- Net income amounted to $1,116m in Q3 2023, a 13% increase against Q2 23 bringing first 9 months 2023 net income to $3,375m
- Free-cash flow generation stood at $3,625m after 9 months, fully covering annual dividend of $3,250m
- Interim dividend of $1,625m approved, payment expected by 14 Dec 2023

Growth

- EPC contracts awarded for key growth projects MERAM and Estidama with a contractual value of $3.6bn and $1.3bn, respectively
- ADNOC Gas signed LNG agreements with Indian Oil, JAPEX, Petrochina and JERA bringing the total value of LNG supply deals since ADNOC Gas' listing to between $9 billion and $12 billion

Sustainability & HSE

- Largest MENA carbon capture project awarded for the Habshan gas processing plant with a 1.5mtpa carbon emission reduction capacity (c. 8% of ADNOC Gas)
- First quartile Total Recordable Injury Rate of 0.09 sustained

ROBUST DEMAND DRIVERS

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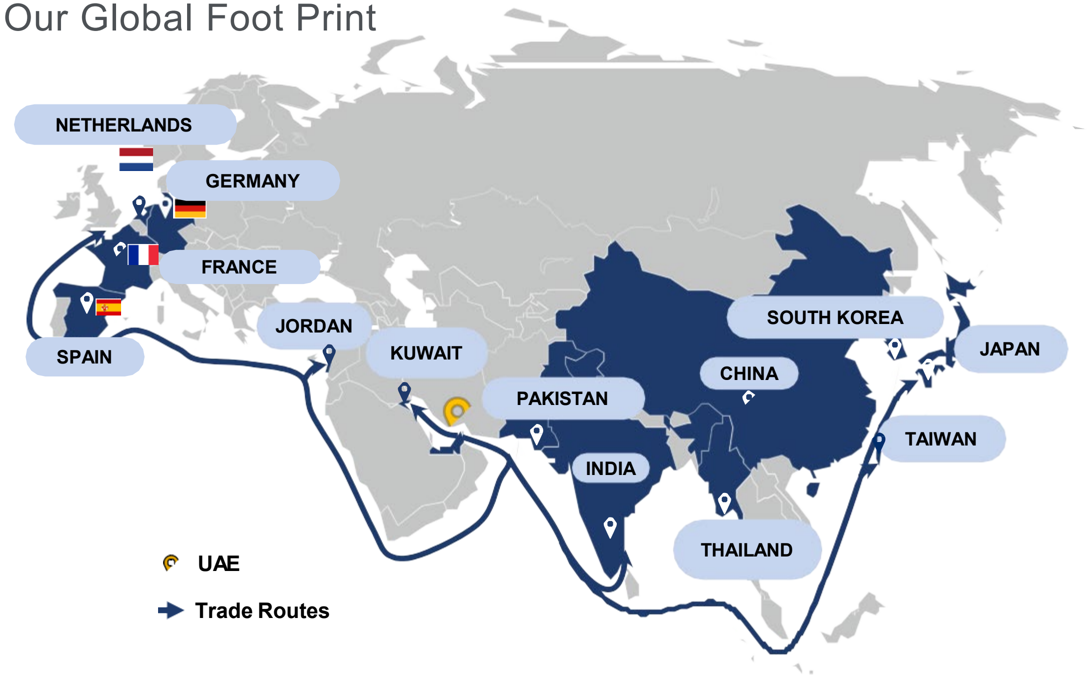
- ✓ Global **demand for natural gas** is expected to see a 25% increase in the next 25-30 years[1]
- ✓ **Located in a strategically situated corridor** with easy access to the largest and growing gas markets
- ✓ Increasing demand for product **from low emissions intensity producers**; Abu Dhabi is the 4th lowest emitting producer, globally
- ✓ **Benefitting from bold UAE Government** investment intentions, leadership ambition and growth outlook

Our Global Foot Print



Average Forecast GDP Growth per annum (2022 – 2028)[2]

UAE	World	Emerging/Developing	Advanced Economies
4.5%	3.1%	4.0%	1.8%

Source: 1. Wood Mackenzie; 2. International Monetary Fund, April 2023

CLEAR GROWTH STRATEGY

LEVERAGING AND ENABLING GROWTH AND DIVERSIFICATION

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

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

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

...to enable

Increased returns
Elevated margin through higher-value product and world-class operations

Improved Energy Security
Enabling UAE gas self-sufficiency

De-risked Demand
Elevating capacity to meet national ambition and global demand

CORE GROWTH PROJECTS

RICH SET OF OPPORTUNITIES

ADNOC

Select	Define	Execute
Bab Gas Cap LNG 2.0	Project 5.0	1 IGD-E2 2 ESTIDAMA 3 Meram 4 CO2 recovery & injection (Habshan)

	FID	Execution Start	Commissioning
1	✓	✓	Q2 - Q3 2024
2	✓	✓	Q3 2025
3	✓	✓	Q4 2025
4	✓	✓	Q1 2026

For details of the individual projects refer to Growth projects slide in the Appendix

FINANCIAL PERFORMANCE

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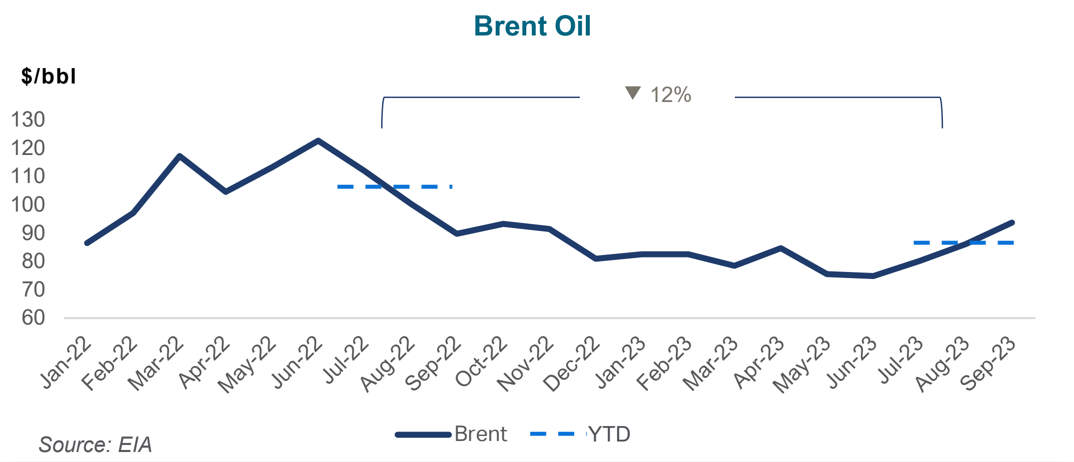
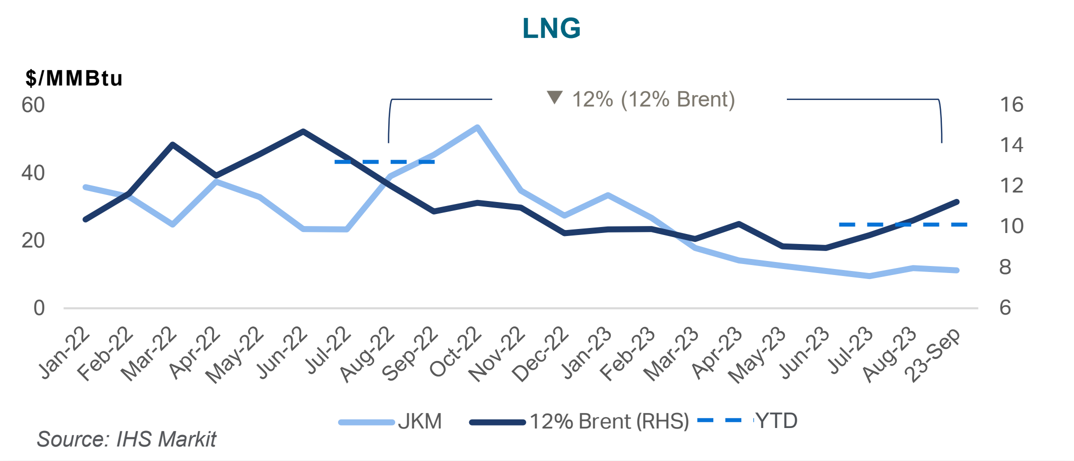
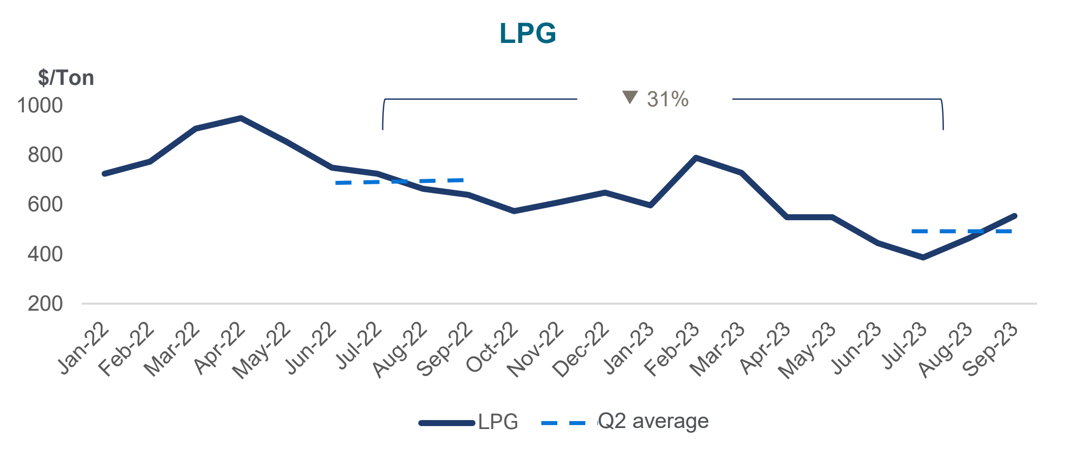
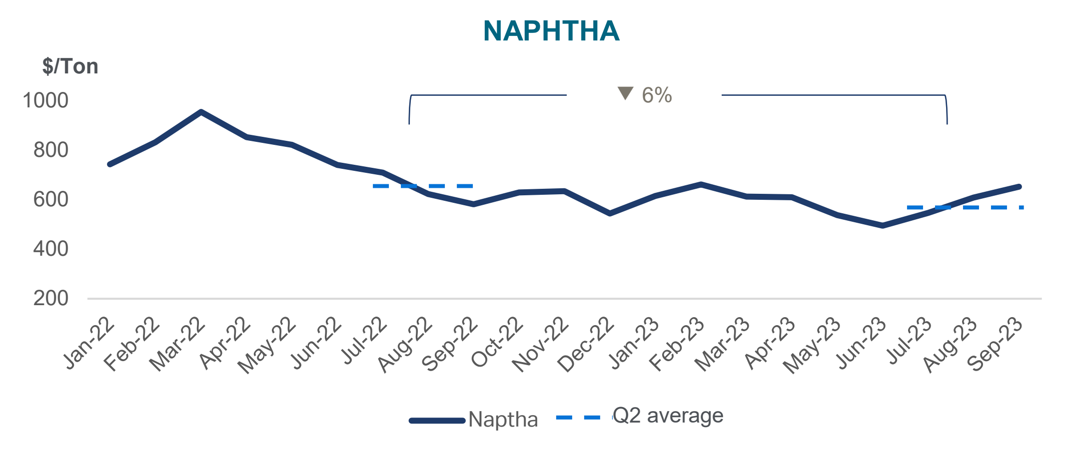
PRICING ENVIRONMENT 2022-2023

KEY MARKER PRICES MOMENTUM TURNED POSITIVE IN Q3 2023





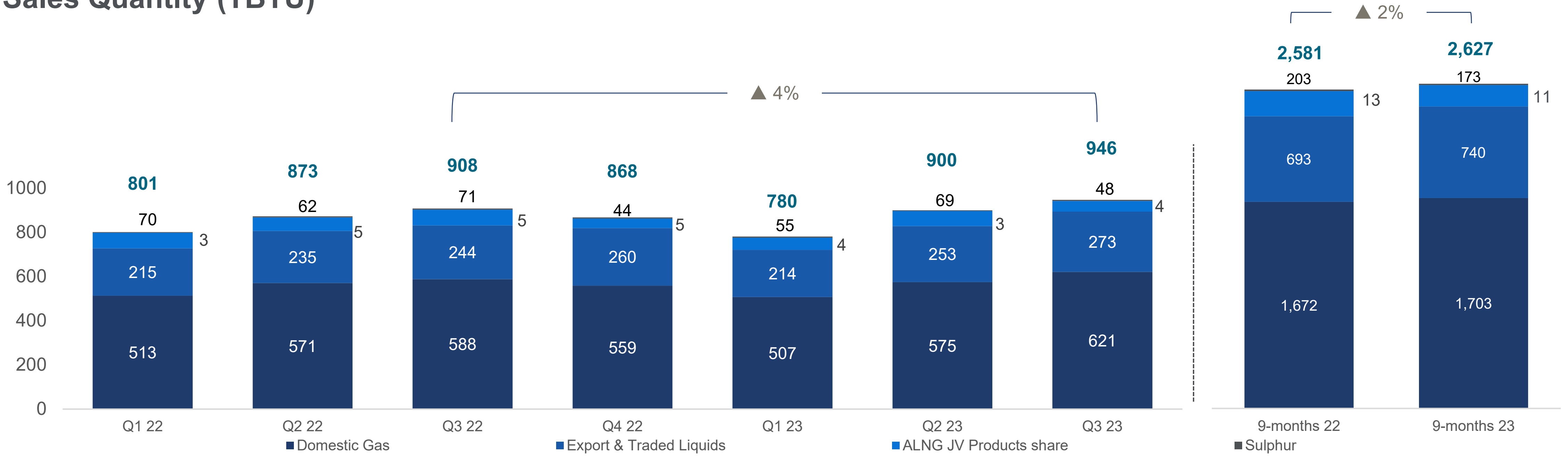




SALES QUANTITY EVOLUTION

ON TRACK TO MEET SALES GUIDANCE OF 3,385 – 3,465 TBTU

Sales Quantity (TBTU)



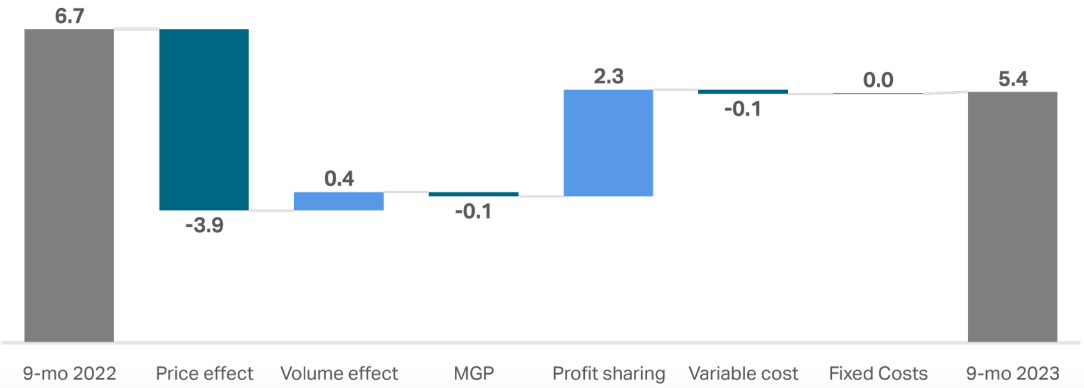
- Highest quarterly sales volumes achieved in Q3 2023 since Q1 2022 supported by strong domestic demand, less scheduled shutdowns across our facilities than in H1 2023
- Strong Q3 2023 sales volumes supported by significant uplift in domestic gas sales and LPG
- Shift towards higher-margin liquids continues

FINANCIAL PERFORMANCE: EBITDA

Q3 23 EBITDA GROWTH SUPPORTED BY IMPROVING PRICES, VOLUMES VS Q2 23

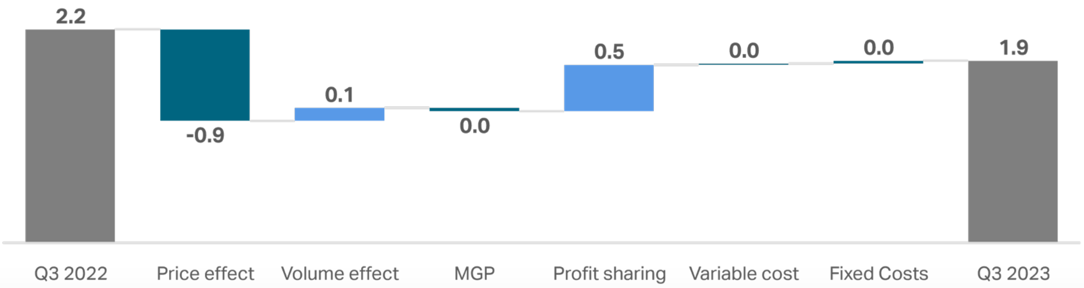
EBITDA – 9-months 22 vs. 9-months 23

$, Billions



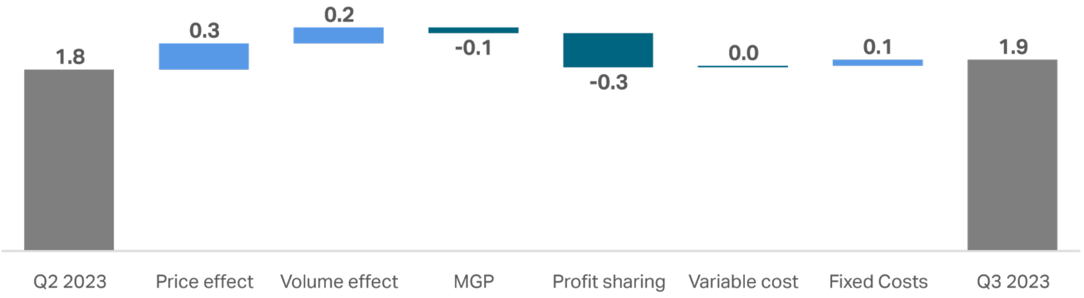
EBITDA – Q3 22 vs. Q3 23 (YoY)

$, Billions



EBITDA – Q2 2023 vs. Q3 2023 (QoQ)

$, Billions



- **9m 23 vs. 9m22:** Price dynamics negatively impacted 9m 23 EBITDA versus 9M 22, resulting in EBITDA being 20% lower at $5,403m. The price effect was partially compensated by lower COGS.
- **Q3 23 vs. Q3 22:** The negative price dynamics were also the major factor in a lower EBITDA for Q3 23 versus a year earlier
- **Q3 23 vs. Q2 23:** Higher volumes and better pricing enable better sequential results with Q3 23 EBITDA improving 5% vs. Q2 33 to $1,863m.

*MGP: Minimum Gas Payment

FINANCIAL PERFORMANCE: NET INCOME

PRICE IMPACT PARTLY OFFSET BY INCREASED VOLUMES

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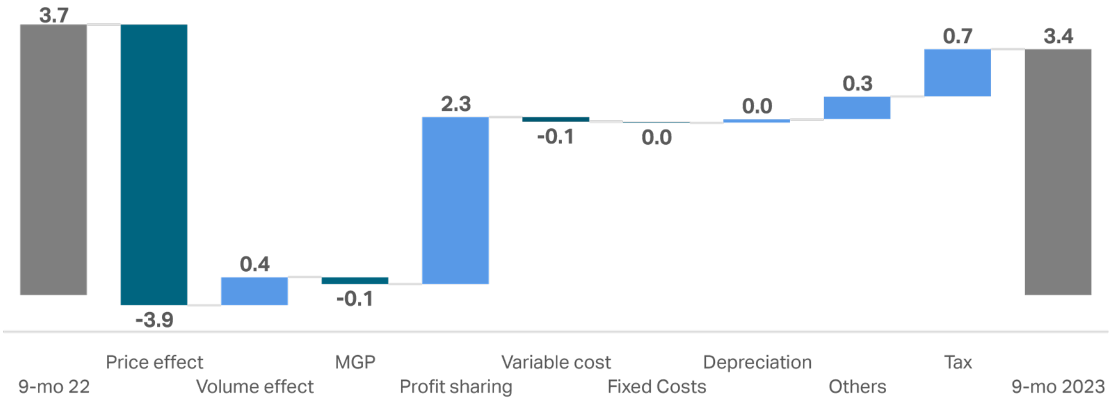
Net Income – 9-months 22 vs. 9-months 23

$, Billions

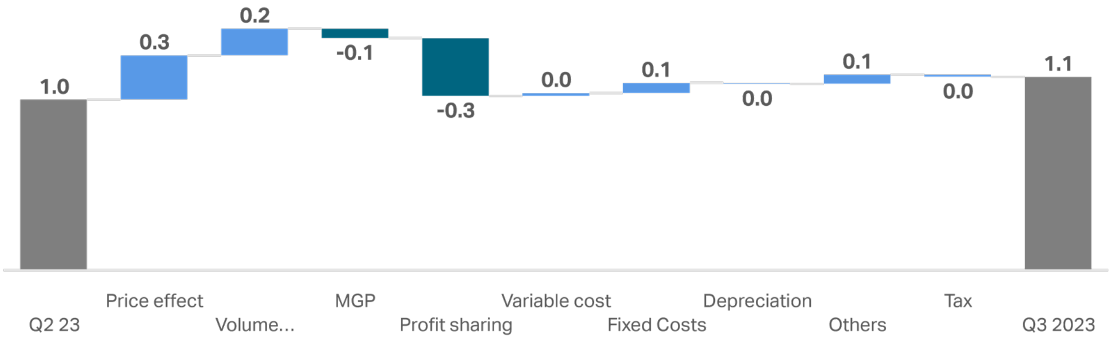


Net Income – Q3 22 vs. Q3 23 (YoY)

$, Billions

Net Income – Q2 2023 vs. Q3 2023 (QoQ)

$, Billions



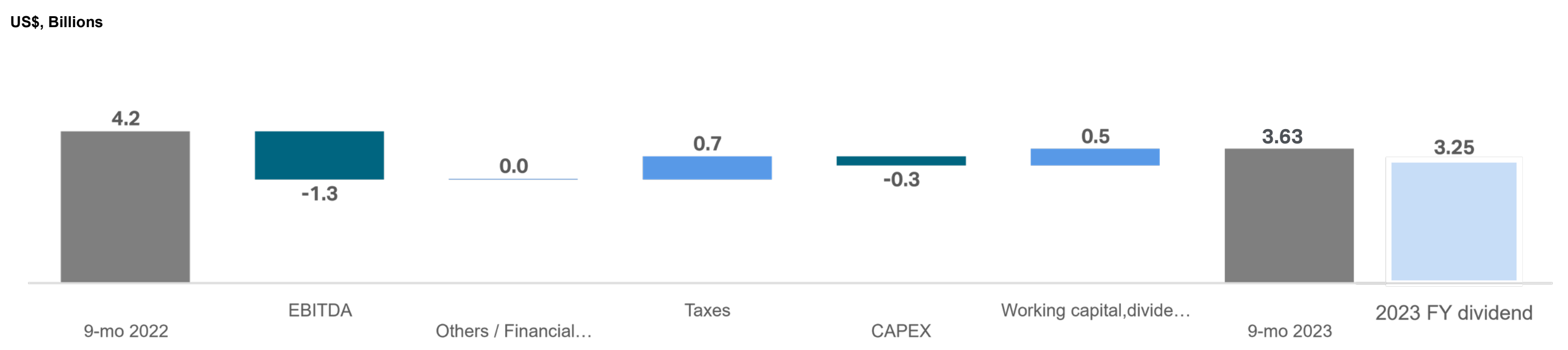
*MGP: Minimum Gas Payment

- **9m 23 vs. 9m22:** Net Income of $3,375m was 10% lower YoY with higher volumes, lower COGS and taxes helping offset the negative pricing dynamics.
- **Q3 23 vs. Q3 22:** Net Income at $1,116m was 4% down on a year, again due mainly to the price dynamics and mostly offset by higher volumes, lower COGS and taxes
- **Q3 23 vs. Q2 23:** Better price realisations and higher volumes resulted in a 13% increase in Q3 23 Net Income vs. Q2 23.

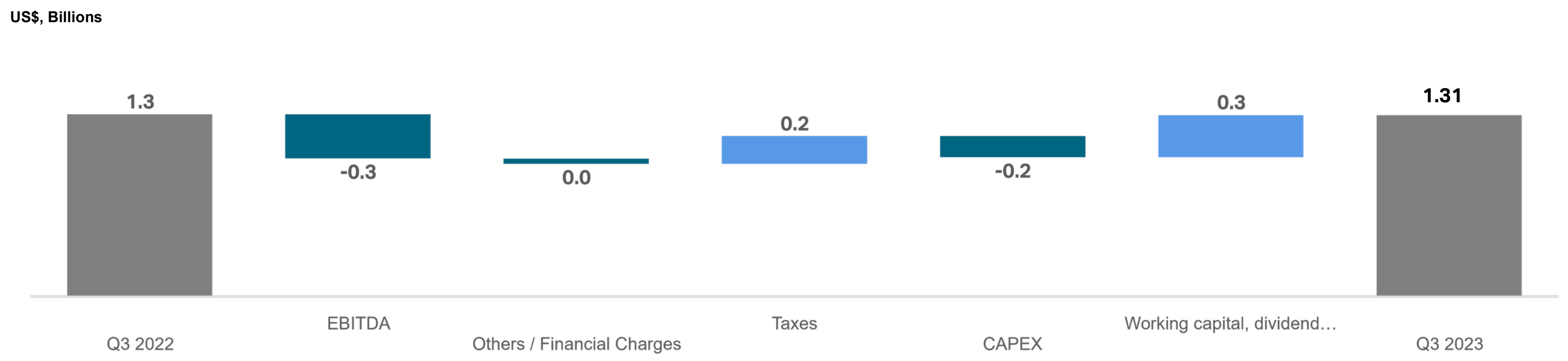
FINANCIAL PERFORMANCE: CASH-FLOW

9M 23 FREE CASH FLOW COVERS FY23 ANNUAL DIVIDEND OF $3.25 BILLION

Free Cash Flow – 9-months 22 and 9-months 23



Free Cash Flow – Q3 22 and Q3 23



- 9M 23 Free Cash Flow generation of $3.625 million
- The main impact was in EBITDA due to the much stronger pricing environment seen in 9m

- Q3 23 Free Cash Flow US$1,307 million
- Again, the main impact was in EBITDA due to the YoY price evolution plus an increase in capex that was only partially offset by lower tax

Note: Free Cash Flow is a summation of FCF of ALNG JV 70% Share and ADNOC Gas Facilities

FINANCIAL SUMMARY

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$ Million	9M 22[1]	9M 23[2]	*YoY %* *9M 23 vs. 9M 22*	Q3 22[1]	Q2 23[2]	Q3 23	*YoY %* *Q3 23 vs. Q3 22*	*QoQ %* *Q3 23 vs. Q2 23*
Revenue	19,898	**16,430**	-17%	6,613	5,397	**5,807**	-12%	8%
COGS	-11,681	**-9,481**	-19%	-3,908	-3,078	**-3,466**	-11%	13%
Opex	-1,468	**-1,546**	5%	-521	-553	**-479**	-8%	-13%
EBITDA	6,748	**5,403**	-20%	2,185	1,766	**1,863**	-15%	5%
Net Income	3,713	**3,375**	-9%	1,161	984	**1,116**	-4%	13%
EBITDA Margin	34%	**33%**	-1%	33%	33%	**32%**	-1%	-1%
Net Income Margin[2]	19%	**19%**	0%	18%	18%	**19%**	1%	1%
Capital Expenditure	-482	**-746**	55%	-193	-226	**-347**	80%	54%
Free Cash Flow[3]	4,205	**3,625**	-14%	1,324	1,599	**1,307**	-1%	-18%

1. ADNOC Gas was incorporated in the Abu Dhabi Global Market, Abu Dhabi, UAE on December 8, 2022 and the relevant assets were contributed to ADNOC Gas effective January 1, 2023 as part of a reorganization (the "Reorganization") that included the entry into a gas supply and purchase agreement, a transitional marketing and transportation agreement, a Sulphur sales and marketing agreement, a pipelines use and operation agreement, a re-injection gas sale agreement and certain lease agreements. The unaudited pro forma financial results for 9M 2022 presented in this document give effect to the impact of the Reorganization as if the Reorganization had taken place on January 1, 2022.

   The unaudited pro forma financial results for Q3 2022 have been prepared for illustrative purposes only and are based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the Reorganization taken place on January 1, 2022.

2. Net Income in 9M 2023 includes a $298 million benefit incurred in Q1 2023 from recognizing a deferred tax asset, a non-reoccurring item, following the formation of ADNOC Gas.

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

DIVIDENDS & OUTLOOK

INTERIM DIVIDEND

- In line with ADNOC Gas Dividend Policy ADG expects to pay a dividend of $3,250mn in respect of 2023.
- ADG proposes to pay an interim dividend of $1,625mn in Dec 2023.
- ADG demonstrated strong performance in the Q1-Q3 2023 period, which supports the payout of the interim dividend.
- Moreover, the full year outlook provides further assurance that that ADG will be able to pay the full $3,250mn amount relating to the 2023 year later in 2024 (subject to further BoD and AGM approval).

Financial Position

$3.4 Bn
Retained Earnings
(Sep 23)

$3.6 Bn
Free Cash Flow
(Sep 23)

$4.1 Bn
Cash at Bank
(Sep 23)

Proposed Interim dividend – payment December 2023

$1.625 Bn (AED 5.968 Bn)

7.776 Fils/ share

14 Nov	22 Nov	23 Nov	24 Nov	14 Dec
Q3 results	**Entitlement Date**	**Ex-Div Date**	**Record Date**	**Dividend Payment**
Interim dividend announced	**Last day to buy ADG share** to be eligible for the dividend		**Shareholders** on ADG share register on this date are **eligible for the dividend**	

FORWARD LOOKING GUIDANCE (1/2)

				FY 23 Guidance	
Financial		**Q3 23 Actual**	**9-months 23 Actual**	**Updated Range**	**Previous Range**
	EBITDA Margin %	32	33	~33	33-35
Production volume	***(in TBTU)***	**Q3 23 Actual**	**9-months 23 Actual**	**Updated Range**	**Previous Range**
	Domestic Gas Products	627	1,719	2,225 - 2,250	2,150 - 2,250
	Exports & Traded Liquids	268	734	950 - 975	900 - 950
	ALNG JV Products[1]	53	177	210 - 240	200 - 250
Net Profit Unit Margins	***(in $/MMBTU)***	**Q3 23 Actual**	**9-months 23 Actual**	**Updated Range**	**Previous Range**
	Domestic Gas Products	0.97	0.91	0.85 – 0.95	0.80 - 0.90
	Exports & Traded Liquids	1.53	1.63	1.60 - 1.70	1.70 - 1.80
	ALNG JV Products	1.48	1.64	1.65 – 1.75	1.60 - 1.80

1. ADNOC Gas' proportionate 70% share of volumes includes LNG, LPG, Naphtha and Sulphur

FORWARD LOOKING GUIDANCE (2/2)

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Capital Structure	• Company expects to gradually increase leverage to fund growth capex requirements • Conservative long-term leverage target of up to 1.5x net debt / EBITDA
Growth Capex	• $14bn over 2023-28 (peak Capex in 2025-26) • LNG JV: $2bn over 2023-28 (peak Capex in 2025-26)*
Maintenance Capex	• $300-400m p.a. • LNG JV: $50m p.a.*
Dividends	• Targeting to pay a fixed interim dividend amount of $1,625 million in Q4 2023 by 14 Dec 2023 and a further interim dividend of $1,625 million in Q2 2024 • Fully funded dividend: $3,625 million of Free Cash Flow generation over the 9-month period 2023, fully covering the annual committed $3,250 million dividend • Target dividend growth rate of 5% per annum on a dividend per share basis over the period 2024-2027

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

SUMMARY

ADNOC Gas

Q&A

APPENDIX

WORLD-CLASS GAS PLATFORM

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LARGE SCALE

10+ BSCFD
Nameplate Processing Capacity[1]

29 MTPA
Liquid Processing Capacity[2]

>3,250km
Pipeline Network[3]

TANGIBLE GROWTH PROJECTS

3 BSCFD / 6 MTPA
20%+ vs. current production

Gas Processing & Liquid Processing Capacity Additions in the Next Five Years[4]

RELIABLE FEEDSTOCK

Access to World's **7th** Largest Gas Reserves

FOCUSED ON DECARBONIZATION

25%
GHG Emissions Intensity Reduction Target by 2030

Zero
Net Zero Emission Ambition by 2045

OPERATIONAL PERFORMANCE

98.6%
Asset reliability (Q3 2023)

PROVEN TRACK RECORD

c.65%
Of production underpinned by Long-Term Sales Gas Contracts [5]

1. Accessed directly and in directly
2. Capacity figure for LNG, C3+ products and Sulphur; Excludes Ruwais Sulphur Granulation Plant production capacity of 3.5MTPA
3. Pipelines managed by ADNOC Gas
4. Capacity addition excluding Ruwais LNG
5. Based on FY 2022 volumes

OUR VALUE PROPOSITION

LEVERAGING AND ENABLING GROWTH AND DIVERSIFICATION

ADNOC Gas

Critical Infrastructure	❯	1	Vital to Abu Dhabi and the UAE Energy Ecosystem
	❯	2	One-of-a-Kind Integrated Gas Platform
Sustainable and Evolving Yield	❯	3	Exceptional Asset Base Delivering Returns…
	❯	4	…With Attractive and Resilient Margins…
Growth	❯	5	…And Tangible Growth
ESG	❯	6	Driving Energy Transition and Reducing Emissions

SELECT ADNOC GAS GROWTH PROJECT

$14BILLION PORTFOLIO OF STRATEGIC & GROWTH PROJECTS OVER THE NEXT 5 YEARS

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Project	Highlights	Impact	Expected Completion	
A ESTIDAMA	• Extend market reach (new customer in Northern Emirates) • Debottleneck existing network and enable LNG growth	c.300km of pipeline	Q3 2025	2
B IGD-E2	• Longevity and growth • De-couple oil from LNG production • Debottlenecking of compression capacity	370 MMSCFD	Q3 2024	3
C MERAM	• Maximize Ethane recovery to meet the future Ethane demand • Secure supply of Ethane in line with Borouge 4 demand (2 MTPA sustainable)	2.2MTPA of Ethane and 1.8MTPA NGLs	Q4 2025	2 3
D Habshan CO2 Recovery & Injection [*1]	• Significant CO2 emission reduction (8% of ADNOC Gas) • Enhance oil recovery and monetise carbon credit	1.5MTPA reduction in CO2 + Enhanced Oil Recovery	Q1 2026	
E Bab Gas Cap	• High IRR greenfield gas processing plant to process cost advantaged and rich gas • Contributes to development of LNG and Taziz Petrochemical expansion	1,855 MMSCFD	2027 onwards	1 2 3
F Project 5.0	• Modifications in Das Island, Asab, Bu Hasa, Habshan & Habshan 5 • Accommodate additional associated gas with oil production growing to 5.0 MMBOPD	>1,000 MMSCFD	2027 onwards	1 2 3
G LNG 2.0	• Electrification of LNG trains to reduce GHG emissions • Debottlenecking LNG trains • Ethane extraction and export	1.2 MTPA of Ethane, 0.9 MTPA of LNG, and 1.1 MTPA of C3+	2028	2 3
H LNG Project	• Monetize C1 and enable the downstream ambitious industrialization plans • Clean fuel to global market targeting a near net zero CO2 emission	9.6MTPA of LNG	2028	3

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

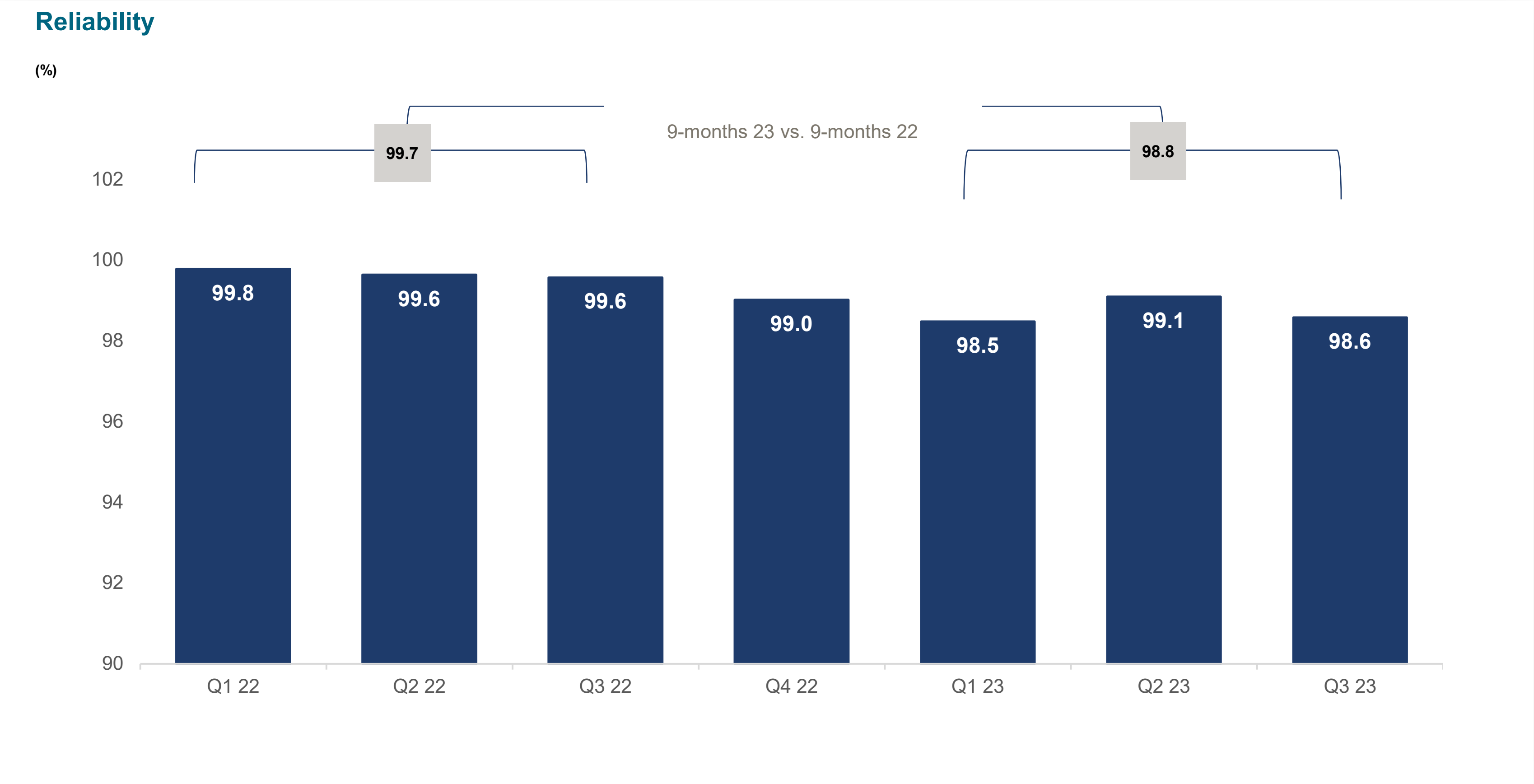
Gas Processing Projects · LNG Projects · 1 Upstream Supply Growth · 2 Processing Capacity Upgrade · 3 Product Mix Enhancement

[*1] ADNOC Gas will be responsible for building, operating and maintaining the project on behalf of ADNOC

Source: Company information

OPERATIONAL HIGHLIGHTS

ROBUST RELIABILITY AND AVAILABILITY



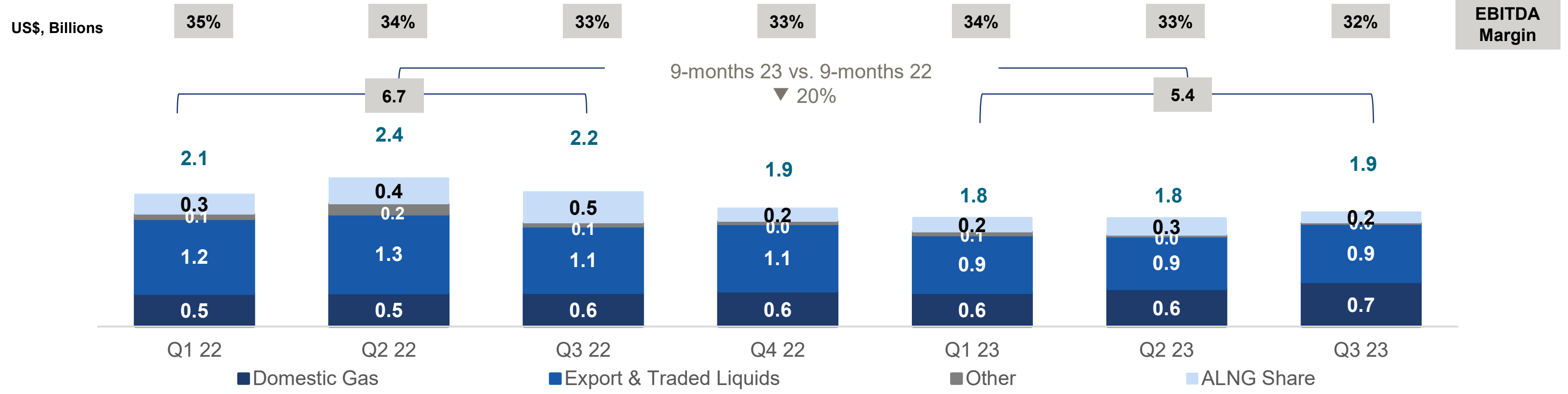
Solid asset management and maintenance programs focused on maintaining world class asset reliability

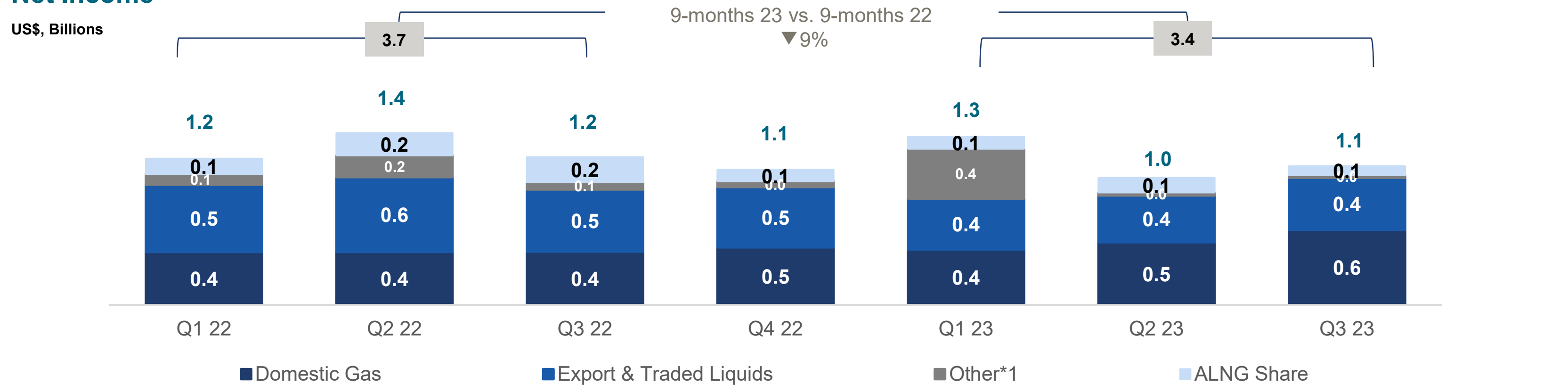
Remain focused on maintaining stable, best-in-class reliability while reducing unit processing costs

- Operational improvement projects
- Strong cost management culture
- Technology and innovation

FINANCIAL PERFORMANCE: QUARTER COMPARISON

QUARTERLY EBITDA MARGIN FLUCTUATED IN THE 32-35% RANGE





Note: 1. Other includes a deferred tax asset gain of US$298 Million

EBITDA

- Q3 23 EBITDA $1,863m was up 5% vs. Q2 23 due mainly to stronger revenues (+$411m) but mostly offset by COGS (-$388m)
- 9M 23 EBITDA at $5,403m was lower by $1,346m YoY due to lower revenues (-$3,468m) partially offset by lower COGS (+$2,200m)

Net Income

- Q3 23 Net Income $1,116m was up 13% QoQ an due to stronger revenues leading to an improved margin of 19.2% vs. 18.2% in Q2 23 and 17.5% a year earlier
- 9M 23 Net income $3,375m was 10% below 9M 23 due to the much lower EBITDA