

ADNOC Murban RSC LTD

**REVIEW REPORT AND UNAUDITED INTERIM
CONDENSED FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND NINE-MONTH PERIOD
ENDED 30 SEPTEMBER 2024**

OPERATING AND FINANCIAL SUMMARY
for the nine-month period ended 30 September 2024

	Opening Receivable (USD'000)	Invoiced (USD'000)	Receipts (USD'000)	Closing Receivable (USD'000)
<u>30 September 2024</u>				
ADNOC Trading	1,719,691	5,176,321	(6,264,647)	631,365
ADNOC*	1,164,865	17,508,439	(16,790,669)	1,882,635
Total	2,884,556	22,684,760	(23,055,316)	2,514,000
<u>30 September 2023</u>				
ADNOC Trading	1,965,359	15,330,479	(15,746,123)	1,549,715
ADNOC*	934,071	6,892,781	(6,953,167)	873,685
Total	2,899,430	22,223,260	(22,699,290)	2,423,400
			For nine- month period ended 30 September 2024 USD'000	For nine- month period ended 30 September 2023 USD'000
Total crude oil value lifted				
ADNOC Trading (refer to note 4 & 5)			5,176,321	15,330,479
ADNOC (refer to note 4 & 5)			17,508,439	6,892,781
			22,684,760	22,223,260

*During nine-month period ended 30 September 2024, ADNOC lifted crude oil amounting to USD 17,508 million (30 September 2023: USD 6,893 million) for which no revenue was recognised (refer to note 4 & 5).

Receivable from ADNOC excludes USD 1.0 million receivable in respect of share capital.

OPERATING AND FINANCIAL SUMMARY (continued)
for the nine-month period ended 30 September 2024

	As at and for the nine-month period ended 30 September 2024 USD'000	As at and for the nine-month period ended 30 September 2023 USD'000
Cash received from ADNOC Trading	6,264,647	15,746,123
Cash received from ADNOC	16,790,669	6,953,167
	23,055,316	22,699,290
Receivables		
ADNOC Trading on account of crude oil delivered (refer to note 7)	631,365	1,549,715
ADNOC on account of partial settlement of financial asset at FVTPL (refer to note 7)	1,882,635	873,685
	2,514,000	2,423,400
	**	***
Repayment of capital contribution to ADNOC (refer to note 9)	(27,198,727)	(22,235,268)
Cash and cash equivalents	2,678,888	2,465,027

** During nine-month period ended 30 September 2024, repayments amounting to USD 27,199 million of capital contribution were made based on collections in the nine month period ended 30 September 2024, amounting to USD 23,056 million, collection of finance income amounting to USD 5.8 million, net proceeds from issuance of interest-bearing bonds amounting to USD 3,946 million, opening cash balance of USD 2,939 million leaving a closing cash balance as of 30 September 2024 amounting to USD 2,679 million after payment of USD 69 million on account of extra cash that was received from ADNOC Trading during the year ended 31 December 2023.

*** During nine-month period ended 30 September 2023, repayments amounting to USD 22,235 million of capital contribution were made based on collections in the nine-month period ended 30 September 2023 amounting to USD 22,699 million, collection of finance income amounting to USD 6.7 million and opening cash balance of USD 1,995 million leaving a closing cash balance as of 30 September 2023 amounting to USD 2,465 million after a payment of USD 0.8 million to suppliers for their services.

ADNOC Murban RSC LTD

**Review report and interim condensed financial statements
For the nine-month period ended 30 September 2024**

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ADNOC Murban RSC LTD

Directors' report for the nine-month period ended 30 September 2024

The Directors have pleasure in submitting their report, together with the interim condensed financial statements of ADNOC Murban RSC LTD ("the Company") for the nine-month period ended 30 September 2024.

Principal activities

The principal activities of the Company are limited to receiving its assigned interest in Murban Crude Oil from ADNOC ("Crude Oil") and the sale of such Crude Oil under the relevant material contracts (see note 2 of the interim condensed financial statements). In connection with the Company's establishment, the Company entered into (i) the Assignment Agreement with ADNOC and (ii) the Offtake Agreement with ADNOC Trading and ADNOC (see note 2 of the interim condensed financial statements).

Results for the period

The Company generated cash flows from operating activities of USD 22,986 million (during nine-month period ended 30 September 2023: USD 22,698 million) and used it along with its opening cash balance for repayment of capital contribution amounting to USD 27,199 million (during nine-month period ended 30 September 2023: USD 22,235 million). Further, the Company generated net proceeds of USD 3,946 million (during nine-month period ended 30 September 2023: USD Nil) from issue of interest-bearing bonds. In addition, the Company made a profit of USD 14,675 million during the nine-month period ended 30 September 2024 (during nine-month period ended 30 September 2023: a loss of USD 4,730 million) mainly due to non-cash fair value changes to the financial asset carried at fair value through profit or loss.

Directors

The Directors of the Company during the nine-month period ended 30 September 2024 were as follows:

- Mr. Ahmed Khalfan Salem Muftah Almansoori;
- Mr. Khalfan Rashed Khalfan Rashed Aldahmani;
- Mr. Ahmed Hamad Al Shamsi
- Ms. Huda Abdulla Al Hanaee

There have been no changes in the Directors of the Company subsequent to the nine-month period ended 30 September 2024.

Directors' statement to the disclosure to auditors

In so far as the Directors are aware, there is no relevant information of which the Company's auditors are unaware.

The Company's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of these interim condensed financial statements.

Signed on behalf of the Board of Directors



Mr. Ahmed Khalfan Salem Muftah Almansoori
Chairperson

Abu Dhabi



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REPORT ON REVIEW OF

INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDER OF

ADNOC MURBAN RSC LTD

Introduction

We have reviewed the accompanying interim condensed financial statements of ADNOC Murban RSC Ltd (the “Company”) as at 30 September 2024, comprising of the interim condensed statement of financial position as at 30 September 2024 and the related interim condensed statement of profit and loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed statement of changes in equity and interim condensed statement of cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements 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 financial statements are not prepared, in all material respects in accordance with IAS 34.

For Ernst & Young

Raed Ahmad
Registration No 811

12 December 2024
Abu Dhabi, United Arab Emirates

**Interim condensed statement of profit or loss and other comprehensive income
for the three-month and nine-month period ended 30 September 2024**

		Three-month period ended 30 September 2024	Three-month period ended 30 September 2023	Nine-month period ended 30 September 2024	Nine-month period ended 30 September 2023
	Notes	USD'000 (un-audited)	USD'000 (un-audited)	USD'000 (un-audited)	USD'000 (un-audited)
Revenue	5	1,846,884	4,870,030	5,176,321	15,330,479
Cost of goods sold		(1,846,884)	(4,870,030)	(5,176,321)	(15,330,479)
		<hr/>	<hr/>	<hr/>	<hr/>
Gross margin		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Change in fair value of financial asset at FVTPL	6	22,621,934	(35,324,176)	14,680,106	(4,736,090)
Administrative expenses		(78)	(78)	(348)	(734)
Finance cost	10	(10,144)	-	(10,144)	-
Finance income		1,771	2,098	5,768	6,663
		<hr/>	<hr/>	<hr/>	<hr/>
Profit / (loss) for the period		22,613,483	(35,322,156)	14,675,382	(4,730,161)
		<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/ (loss) for the period		22,613,483	(35,322,156)	14,675,382	(4,730,161)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**Interim condensed statement of financial position
as at 30 September 2024**

	Notes	30 September 2024 USD'000 (un-audited)	31 December 2023 USD'000 (audited)
ASSETS			
Non-current asset			
Financial asset at FVTPL	6	506,862,406	513,148,927
Current assets			
Financial asset at FVTPL	6	25,369,033	27,087,166
Due from related parties	7	2,515,000	2,885,556
Cash and cash equivalents	8	2,678,888	2,939,070
		<u>30,562,921</u>	<u>32,911,792</u>
Total assets		<u>537,425,327</u>	<u>546,060,719</u>
EQUITY			
Share capital	9	1,000	1,000
Capital contributions	9	549,991,514	577,190,241
Accumulated losses		(16,525,021)	(31,200,403)
Total equity		<u>533,467,493</u>	<u>545,990,838</u>
Non-current liabilities			
Interest-bearing bonds	10	3,946,370	-
Current liabilities			
Due to related parties	7	1,265	69,785
Other payables and accruals		10,199	96
		<u>11,464</u>	<u>69,881</u>
Total liabilities		<u>3,957,834</u>	<u>69,881</u>
Total equity and liabilities		<u>537,425,327</u>	<u>546,060,719</u>



Mr. Ahmed Khalfan Salem Muftah Almansoori
Director



Mr. Khalfan Rashed Khalfan Rashed Aldahmani
Director

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

**Interim condensed statement of changes in equity
for the nine-month period ended 30 September 2024**

	Share capital USD'000	Capital contributions USD'000	Accumulated losses USD'000	Total equity USD'000
Balance as at 1 January 2023 (audited)	1,000	606,905,245	(49,902,387)	557,003,858
Repayment of capital contribution (note 9) (un-audited)	-	(22,235,268)	-	(22,235,268)
Total comprehensive loss for the period (un-audited)	-	-	(4,730,161)	(4,730,161)
Balance as at 30 September 2023 (un-audited)	1,000	584,669,977	(54,632,548)	530,038,429
Balance as at 1 January 2024 (audited)	1,000	577,190,241	(31,200,403)	545,990,838
Repayment of capital contribution (note 9) (un-audited)	-	(27,198,727)	-	(27,198,727)
Total comprehensive income for the period (un-audited)	-	-	14,675,382	14,675,382
Balance as at 30 September 2024 (un-audited)	1,000	549,991,514	(16,525,021)	533,467,493

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

**Interim condensed statement of cash flows
for the nine-month period ended 30 September 2024**

	Notes	Nine-month period ended 30 September 2024 USD'000 (un-audited)	Nine-month period ended 30 September 2023 USD'000 (un-audited)
Cash flows from operating activities			
Cash receipts from ADNOC Trading on account of crude oil sales		6,264,647	15,746,123
Cash receipts from ADNOC on account of partial settlement of financial asset at FVTPL		16,790,669	6,953,167
Cash settlement towards ADNOC Trading on account of excess cash received		(68,670)	-
Payment to suppliers		(239)	(840)
		<hr/>	<hr/>
Net cash generated from operating activities		22,986,407	22,698,450
		<hr/>	<hr/>
Cash flows from investing activity			
Finance income received		5,768	6,663
		<hr/>	<hr/>
Net cash generated from investing activity		5,768	6,663
		<hr/>	<hr/>
Cash used in financing activities			
Proceeds from issue of interest-bearing bonds	10	3,946,370	-
Repayment of capital contribution to ADNOC	9	(27,198,727)	(22,235,268)
		<hr/>	<hr/>
Net cash used in financing activities		(23,252,357)	(22,235,268)
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		(260,182)	469,845
Cash and cash equivalents at the beginning of the period	8	2,939,070	1,995,182
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	8	2,678,888	2,465,027
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The accompanying notes form an integral part of these interim condensed financial statements.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

1 Introduction

ADNOC Murban RSC LTD (the “**Company**”) was incorporated on 19 August 2021 as a restricted scope company, with registration number 000006216, pursuant to the Abu Dhabi Global Market Companies Regulations 2020. The Company is a wholly owned subsidiary of Abu Dhabi National Oil Company (ADNOC) P.J.S.C. (“**ADNOC**” or the “**Parent Company**”) which is wholly owned by the Emirate of Abu Dhabi. The registered office of the Company is 28th Floor, Al Sarab Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The principal activities of the Company are limited to receiving its assigned interest in Murban Crude Oil from ADNOC (“**Assigned Crude Oil**” or “**Crude Oil**”) and the sale of such Crude Oil under the relevant material contracts (see note 2). In connection with the Company's establishment, the Company entered into (i) the Assignment Agreement with ADNOC and (ii) the Offtake Agreement with ADNOC Trading and ADNOC (see note 2).

In September 2024, the Company issued medium and long-term debt securities and used the proceeds from each issuance for (1) a partial repayment of the capital contribution made to the Company for the assignment by ADNOC of the rights under the Assignment Agreement; and (2) for payment of all costs and expenses relating to such offering of medium and long-term debt securities.

These interim financial statements were approved by the Board of Directors and authorised for issue on 25 November 2024.

2 Material contracts

Assignment Agreement

On 1 January 2022, the Company entered into a 30-year assignment agreement (the “**Assignment Agreement**”) with ADNOC. Pursuant to the Assignment Agreement, ADNOC assigned to the Company for thirty (30) years one million barrels per day (“**Volume Availability Commitment**”) of Murban Crude Oil (“**Assigned Crude Oil**” or “**Crude Oil**”) from ADNOC's rights to receive Murban Crude Oil from the onshore concessions located in Abu Dhabi. In addition, ADNOC may in the future (at ADNOC's absolute discretion) assign additional volumes of Crude Oil to the Company. ADNOC's concessions are granted by the Supreme Council for Financial and Economic Affairs (formerly the Supreme Petroleum Council) on behalf of the Government of Abu Dhabi to ADNOC and certain international companies, granting ADNOC and certain international companies the exclusive right to explore, develop and produce hydrocarbon resources over certain onshore fields through individual operating companies.

Under the terms of the Assignment Agreement, ADNOC has committed to deliver to the Company an aggregate quantity not less than one (1) million barrels per day of the Assigned Crude Oil for the term of the Assignment Agreement for a total consideration of USD 637,650 million which shall be paid in any manner and at any point in time, at the Company's discretion. In the event of ADNOC's failure to deliver the Volume Availability Commitment, ADNOC shall make payments for shortfall quantities of Crude Oil multiplied by the simple average official selling price (“**OSP**”) applicable during the reconciliation period (being a period of six months in each contract year or as otherwise agreed in writing by the Company and ADNOC).

OSP for Crude Oil is defined in the Assignment Agreement as the official selling price as announced by the Government of Abu Dhabi from time to time or if, for any period of time, no official selling price has been announced by the Government of Abu Dhabi, such other price as the Company and ADNOC may agree in writing.

Notes to the interim condensed financial statements for the nine-month period ended 30 September 2024

2 Material contracts (continued)

Assignment Agreement (continued)

In the event that the Assignment Agreement is terminated by the Company due to material breach, or insolvency of ADNOC, payment default by ADNOC or termination of the concessions prior to expiry of the term of the Assignment Agreement, the Company shall be entitled to termination payment from ADNOC equal to the fair value of Crude Oil (minus all quantities delivered or otherwise paid for by ADNOC) as of the date of termination of the Assignment Agreement. ADNOC can terminate the Assignment Agreement without any termination payment in case of breach by the Company or if the Company becomes insolvent.

Offtake Agreement

On 1 January 2022, the Company also entered into 30-year offtake agreement (the “**Offtake Agreement**”) with ADNOC Trading Ltd (“**ADNOC Trading**”) and ADNOC (collectively referred as the “**Buyers**”) pursuant to which the Company will make available to the Buyers at the designated delivery points quantities of Crude Oil for a price equivalent to the OSP. ADNOC will also act as the alternative buyer of such Crude Oil if ADNOC Trading does not intend, or is not able, to take delivery of any quantity of Crude Oil made available for delivery by the Company under the Offtake Agreement. If ADNOC Trading and ADNOC does not take delivery of such Crude Oil, the Company shall be entitled to sell such Crude Oil to any person through ADNOC Trading on back-to-back terms, and therefore, there is no firm commitment from ADNOC Trading or ADNOC to take delivery of the Crude Oil and either ADNOC or ADNOC Trading can choose not to take delivery of Crude Oil.

The Company can terminate the Offtake Agreement if there is material breach, payment default or insolvency of ADNOC or ADNOC Trading (buyers). The buyers can also terminate the Offtake Agreement if there is material breach by the Company. Further, the Company has the option to terminate the Offtake Agreement for convenience.

The above agreements are effective from 1 January 2022.

3 Basis of preparation and material accounting policy information

3.1 Basis of preparation and statement of compliance

These interim condensed financial statements for the nine-month period ended 30 September 2024 have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting*.

These interim condensed financial statements have been prepared on the historical cost basis except for the financial asset at FVTPL which was initially recognised and subsequently remeasured at fair value at each reporting date. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

The interim condensed financial statements do not include all information and disclosures required in the complete set of annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements for the year ended 31 December 2023. In addition, results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

3 Basis of preparation and material accounting policy information (continued)

3.2 Functional and presentation currency

These interim condensed financial statements are presented in United States Dollars (“**Dollar**” or “**USD**”), which is the Company’s functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entity operates. The Directors of the Company believe that USD most faithfully represents the economic effects of underlying transactions, events and conditions as the share capital issued by the Company and the material contracts (see note 2) are denominated in USD. All values are rounded to the nearest thousand except when otherwise indicated.

3.3 Material accounting policy information and application of new standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those applied by the Company in the preparation of the financial statements as at and for the year ended 31 December 2023, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current

These amendments had no significant impact on the interim condensed financial statements of the Company.

3.4 New and revised IFRSs that are issued, but not yet effective and not early adopted

<u>New and revised IFRSs</u>	Effective for annual periods beginning on or after
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Deferred effectivity
Presentation and Disclosures in Financial Statements – IFRS 18	1 January 2027
Subsidiaries without Public Accountability: Disclosures – IFRS 19	1 January 2027
Amendments to the classification and measurement of financial instruments – Amendments IFRS 9 and IFRS 7	1 January 2026

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****4 Critical judgments and key sources of estimation uncertainty**

The preparation of financial statements in compliance with IFRS requires the Company to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical judgements and estimates used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023 and are as follows:

Critical judgements**Shareholder right to terminate the Assignment Agreement**

ADNOC can terminate the Assignment Agreement without any termination payment being made to the Company in case of breach of the Assignment Agreement by the Company or if the Company becomes insolvent.

The Company deems these rights given to ADNOC to terminate the Assignment Agreement to be non-substantive. In reaching such conclusion the Company considered the likelihood of breaching the Assignment Agreement or becoming insolvent and concluded that both events are very unlikely to occur. The Company has also taken into account the fact that voluntary liquidation or dissolution of the Company is defined as a shareholder reserved matter in the Company's articles of association, which also include a declaration of solvency as further explained in note 9. Accordingly, the Company believes it is appropriate to record the capital contributions in equity and a separate financial asset at FVTPL.

Assessment on the Company's sale of Crude Oil to ADNOC Trading under the Offtake Agreement

The Company concluded that it acts as a principal for the sale of Crude Oil to ADNOC Trading under the Offtake Agreement. In reaching such conclusion, the Company considered the following judgments:

- ADNOC Trading is a separate legal entity and is not party to the Assignment Agreement with ADNOC,
- The Offtake Agreement is entered between the Company as seller and ADNOC Trading and ADNOC as buyers.
- The contractual terms of the Offtake Agreement give the right to ADNOC Trading and ADNOC not to take delivery of Crude Oil which then exposes the Company to the risks and rewards associated with the Crude Oil volumes to then sell to third party customers.
- The Offtake Agreement also provides the Company with the right to terminate the Offtake Agreement for convenience and to sell the Crude Oil to third party customers. Though the likelihood of this happening is remote, the Company considered the contractual term that provides ADNOC the ability to cancel the Offtake Agreement unilaterally.
- The Company assessed that it obtains control of Crude Oil before it is delivered to ADNOC Trading since it has primary responsibility for fulfilling the promise to provide the goods.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****4 Critical judgments and key sources of estimation uncertainty (continued)****Critical judgements (continued)****Determination that sales to ADNOC under the Offtake Agreement does not meet the criteria to be recognised as revenue**

As the Assignment Agreement and the Offtake Agreement were entered into at or near the same time between ADNOC and the Company for the same commodity, both agreements are considered in combination, and hence, the economic substance of ADNOC's offtake of Crude Oil under the Offtake Agreement is considered ADNOC's settlement of its obligation under the Assignment Agreement in cash rather than by delivery of Crude Oil, and accordingly, IFRS 15 for revenue recognition is not applicable. As a result, crude oil lifted by ADNOC for the three-month period ended 30 September 2024 amounting to USD 5,827 million and for the nine-month period ended 30 September 2024 amounting to USD 17,508 million (three-month and nine-month period ended 30 September 2023: USD 2,241 million and USD 6,893 million, respectively) was not recognised as revenue.

Key sources of estimation uncertainty**Fair valuation of the financial asset at FVTPL**

The determination of fair value for the financial asset at FVTPL is a critical source of estimation uncertainty because there is no observable market price for such contract or other similar contracts.

The valuation methodology used to determine the fair value of the financial asset at FVTPL is discounted cash flow ("DCF") model. The DCF model estimates the value of the financial asset based on its expected future cash flows. The fair value of the financial asset at FVTPL relies on an estimate of the future prices of Crude Oil beyond the standard contract term for Crude Oil futures. In addition, the valuation includes an estimate of when the Volume Availability Commitment will be delivered and the credit risk of the parties to the Assignment Agreement which also impact the fair value of the Assignment Agreement.

The Company determined these inputs as follows:

- A Crude Oil pricing curve has been derived from a build-up approach of underlying benchmark pricing plus a historical differential.
 - A range of pricing curve was determined by applying the following methodology:
 - An underlying benchmark was selected based on data observability and historical price correlation to Crude Oil.
 - A range of forecasts for the underlying benchmark, Brent, was developed by using various data sources over the short, medium, and long-term horizons.
 - A range of applicable differentials between Crude Oil and Brent was estimated based on historical price observed.
 - The range of differentials was applied to the Brent forecasts for the purpose of constructing the Crude Oil real price curves.
 - The resulting Crude Oil curves were tested by comparing the forecast prices in the short end to the Crude Oil futures, as well as performing a lookback analysis by reviewing historical pricing during periods of similar market conditions as of the effective date of the Assignment Agreement.
 - A range of nominal Crude Oil prices was derived from the real price forecasts by an appropriate escalation factor.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****4 Critical judgments and key sources of estimation uncertainty (continued)****Key sources of estimation uncertainty (continued)***Fair valuation of the financial asset at FVTPL* (continued)

- As at 30 September 2024, the valuation which is within the range as determined in the methodology above, was calculated using a curve which was constructed using futures in the short term and a single analyst forecast in the medium to long term.
- Subsequent cash flows are determined from the forecasted Crude Oil price based on the Volume Availability Commitment of one million (1,000,000) barrels of Crude Oil per day; and
- A term structure credit adjusted curve has been considered for discounting purposes. The curve used was the USD Abu Dhabi Sovereign curve on the assumption that ADNOC credit risk is similar to that of the Abu Dhabi Sovereign. The effective discount rate over the tenor of the instrument was 4.78% (31 December 2023: 4.82%)

As at 30 September 2024, the financial asset at FVTPL was valued at USD 532,231 million (31 December 2023: USD 540,236 million) and is categorised under Level 3 in the fair value hierarchy. Refer to Note 6 for quantitative sensitivity analysis on significant unobservable inputs.

5 Revenue

During the nine-month period ended 30 September 2024, the Company has recognised revenue of USD 5,176 million (nine-month period ended 30 September 2023: USD 15,330 million), on account of Crude oil lifted by ADNOC Trading under the Offtake Agreement. However, for the Crude oil quantities lifted by ADNOC under the Offtake Agreement amounting to USD 17,508 million (nine-month period ended 30 September 2023: USD 6,893 million), no revenue has been recognised as explained in the critical judgements (refer to note 4).

During the three-month period ended 30 September 2024, the Company has recognised revenue of USD 1,847 million (three-month period ended 30 September 2023: USD 4,870 million), on account of Crude oil lifted by ADNOC Trading under the Offtake Agreement. However, for the Crude oil quantities lifted by ADNOC under the Offtake Agreement amounting to USD 5,827 million for the three-month period ended 30 September 2024 (for the three-month period ended 30 September 2023: USD 2,241 million), no revenue has been recognised as explained in the critical judgements (refer to note 4).

Revenue is recognised at a point in time upon lifting of Crude oil by ADNOC Trading.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

6 Financial asset at FVTPL

	30 September 2024 USD'000 (un-audited)	31 December 2023 USD'000 (audited)
At the beginning of the period/year	540,236,093	552,109,501
Change in fair value	14,680,106	18,694,132
Settlement of financial asset	(22,684,760)	(30,567,540)
	<hr/>	<hr/>
Balance at period / year end	532,231,439	540,236,093
	<hr/> <hr/>	<hr/> <hr/>
Current	25,369,033	27,087,166
Non-current	506,862,406	513,148,927
	<hr/> <hr/>	<hr/> <hr/>
	532,231,439	540,236,093
	<hr/> <hr/>	<hr/> <hr/>

Financial asset at FVTPL represents the Assignment Agreement, which gives the Company the right to receive the Volume Availability Commitment per day of Crude Oil for 30 years (see notes 2 and 4).

Financial asset at FVTPL is recognised initially at fair value and is subsequently remeasured to fair value at each reporting date, with any fair value gains or losses recognised in the interim condensed statement of profit or loss. Fair value of the financial asset at FVTPL is determined in the manner described in note 4. In addition, the financial asset is adjusted during the period for settlement of the Volume Availability Commitment as per the Assignment Agreement.

During the three-month period ended 30 September 2024, the Company has recognised fair value gain on financial asset at FVTPL of USD 22,621,934 thousand (three month period ended 30 September 2023: loss of USD 35,324,176 thousand)

Significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 September 2024 and as 31 December 2023 are shown below. With all other variables held constant, the Company's profit/loss is affected through the impact on financial asset at FVTPL, as follows:

	<i>Increase/decrease in basis points / %</i>	<i>Effect on profit (loss) USD'million</i>
Discount rate:		
30 September 2024: 4.78%	+100	(55,236)
	-100	65,464
31 December 2023: 4.82%	+100	(57,756)
	-100	68,784

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

6 Financial asset at FVTPL (continued)

	<i>Increase/decrease in basis points / %</i>	<i>Effect on profit (loss) USD 'million</i>
Pricing Curve:		
30 September 2024:		
Range: USD 69.45 - 78.06 / barrel (real price)	+5%	26,612
	-5%	(26,612)
31 December 2023:		
Range: USD 72.99 – 93.59 / barrel (real price)	+5%	27,012
	-5%	(27,012)

There were no transfers into or out of Level 3 fair value measurement during the nine-month period ended 30 September 2024 and the year ended 31 December 2023.

7 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties represent ADNOC and its affiliates, the Government of Abu Dhabi and related departments and institutions, associated companies, joint ventures, shareholders, directors, and key management personnel of the Company and those entities in which they have the ability to control and exercise significant influence in financial and operating decisions. The terms of related party transactions are approved by the Company's Board of Directors. As at 30 September 2024 and 31 December 2023, the Company is a party to certain contracts with ADNOC such as the Assignment Agreement and Offtake Agreement as discussed in note 2.

Balances with related parties mainly comprise:

	30 September 2024 USD'000 (un-audited)	31 December 2023 USD'000 (audited)
Related party balances:		
Financial asset at FVTPL (note 6)	532,231,439	540,236,093
<i>Amounts due from related parties</i>		
ADNOC*	1,883,635	1,165,865
ADNOC Trading**	631,365	1,719,691
	2,515,000	2,885,556

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

7 Related parties (continued)

*Amounts due from ADNOC pertains to the following:

	30 September 2024 USD'000 (un-audited)	31 December 2023 USD'000 (audited)
On account of partial settlement of financial asset at FVTPL***	1,882,635	1,164,865
Share capital	1,000	1,000
	<hr/> 1,883,635 <hr/>	<hr/> 1,165,865 <hr/>
<i>Amounts due to related parties:</i>		
ADNOC****	1,265	1,115
ADNOC Trading*****	-	68,670
	<hr/> 1,265 <hr/>	<hr/> 69,785 <hr/>

***Receivable from ADNOC Trading pertains to quantities of Crude Oil lifted under the Offtake Agreement. The receivable from ADNOC Trading on account of Crude Oil lifted, is non-interest bearing and is recoverable within 30 days from the invoice date.

***Receivable from ADNOC is on account of partial settlement of financial asset at FVTPL. The receivable from ADNOC is non-interest bearing and is recoverable within 30 days from the invoice date.

****Amount due to ADNOC includes corporate services fee amounting to USD 150 thousand for the nine-month period ended 30 September 2024 (USD 150 thousand for the nine-month period ended 30 September 2023) as per the Corporate Services Agreement between ADNOC and the Company. This balance is interest free, unsecured and is expected to be settled in cash within one year.

***** Amount due to ADNOC Trading as of 31 December 2023 represents excess cash received from ADNOC Trading. This has been paid back to ADNOC Trading in January 2024.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

7 Related parties (continued)

Transactions with related parties included in the interim condensed statement of profit or loss and other comprehensive income are as follows:

	Three-month period ended 30 September 2024 USD'000 (un-audited)	Three-month period ended 30 September 2023 USD'000 (un-audited)	Nine-month period ended 30 September 2024 USD'000 (un-audited)	Nine-month period ended 30 September 2023 USD'000 (un-audited)
Revenue	1,846,884	4,870,030	5,176,321	15,330,479
Cost of goods sold	(1,846,884)	(4,870,030)	(5,176,321)	(15,330,479)
Corporate services (included in administrative expenses)	(50)	(50)	(150)	(150)

8 Cash and cash equivalents

	30 September 2024 USD'000 (un-audited)	31 December 2023 USD'000 (audited)
Cash at banks	2,678,888	2,939,070

Bank balance is denominated in US Dollar and earned interest at 4.27% - 4.85% per annum for nine-month period ended 30 September 2024 (Nine-month period ended 30 September 2023: 4.05% - 4.85% per annum).

9 Share capital and capital contributions

The Company is a wholly owned subsidiary of ADNOC. The authorised and issued share capital of the Company is comprised of 1,000,000 shares of USD 1 per share (31 December 2023: 1,000,000 shares of USD 1 per share). All shares have been fully subscribed by ADNOC. Share capital of the Company remains unpaid as of 30 September 2024 (31 December 2023: Unpaid).

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024**

9 Share capital and capital contributions (continued)

Capital contributions of USD 637,650 million as of 1 January 2022 represent the consideration recognised by the Company in relation to the Assignment Agreement of the Crude Oil (see note 2). Under the Assignment Agreement, the payment of consideration shall be made in any manner and at any point in time, at the Company's discretion and accordingly this is classified as equity within these interim condensed financial statements. The commitments made by ADNOC in the Assignment Agreement are legally enforceable by the Company and are to be funded over 30 years by ADNOC through the daily deliveries of the Volume Availability Commitment or cash settlement of equivalent market value. The Company's Articles of Association has a declaration of solvency which states that prior to any resolution of the Shareholder to dissolve or merge the Company, the Board of Directors shall make a declaration of solvency certifying that the Company is able to pay its debts in full, together with all interest due on its debts (at the contractual rate applicable to such interest and based on any forward-looking assumptions as the Board reasonably determines) for a period of not less than twelve (12) months from the commencement of such Shareholder resolution. The Shareholder has confirmed that such article will not be amended or deleted so long as the Assignment Agreement remains effective.

During the nine-month period ended 30 September 2024, the Company at its sole discretion approved and repaid an amount of USD 27,199 million (nine-month period ended 30 September 2023: USD 22,235 million and the year ended 31 December 2023: USD 29,715 million) as a repayment towards capital contributions made by ADNOC.

10 Interest-bearing bonds

On 11 September 2024, the Company issued USD 4 billion bonds under the newly established Global Medium Term Note Program (the "Program"). These bonds are admitted to trading and listed at the International Securities Market of the London Stock Exchange plc (the "London Stock Exchange") (the "ISM"). The bonds under the Program were issued through three tranches as follows:

Interest-bearing bonds tranche	Coupon rate	Effective interest rate	Maturity	30 September 2024 USD'000 (un-audited)
a five-year USD 1.0 billion	4.250%	4.33%	September 2029	995,135
a ten-year USD 1.5 billion	4.500%	4.64%	September 2034	1,479,750
a thirty-year USD 1.5 billion	5.125%	5.22%	September 2054	1,471,485
				3,946,370

The interest-bearing bonds are recorded at amortised cost using the effective interest rates. Interest of each tranche is payable semi-annually. The principal amount is repayable in one bullet payment at respective maturity of each tranche.

The liability of interest-bearing bonds is stated net of discount and transaction costs incurred in connection with the bond arrangement amounting to USD 39.5 million and USD 14.2 million, respectively.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****10 Interest-bearing bonds (continued)**

The Company has categorised the Interest-bearing bonds into the Level 1 hierarchy for the purpose of disclosing its fair value. As of 30 September 2024, the fair value of five-year interest-bearing bond amounted to USD 996 million (31 December 2023: USD Nil), ten-year interest-bearing bond amounted to USD 1,478 million (31 December 2023: USD Nil) and thirty-year interest-bearing bond amounted to USD 1,475 million (31 December 2023: USD Nil) (Note 15).

Finance cost amounting to USD 10,144 thousand has been accrued in respect of interest-bearing bonds for the three-month and nine-month period ended 30 September 2024 (for the three-month and nine-month period ended 30 September 2023: USD Nil), which is included in other payables and accruals.

11 Financial risk management objectives

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. These risks are monitored by the Directors on a continued basis.

Market risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on Crude Oil. If there is a sustained drop in Crude Oil Price, the amounts payable to the Company under the Offtake Agreement will be reduced and consequently the cashflow of the Company may be significantly impacted, thereby having a material adverse effect on the Company's business, results of operations and financial condition.

The sensitivity analyses for financial asset at FVTPL is presented in note 6. The sensitivity analyses are intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

As a general policy, the Company aims to sell the products at prevailing market prices. In addition, the Company's risk management strategy is to protect the Company against adverse fluctuations in oil prices by reducing its exposure to variability in cash flows to the extent that it is practicable and cost effective to do so.

Interest rate risk

The interest rates for the first, second and third tranches of the interest-bearing bonds issued are fixed at 4.250%, 4.500% and 5.125%, respectively (refer note 10). The Company considers the interest rate risk as low.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the interim condensed statement of profit or loss.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****11 Financial risk management objectives (continued)****Credit risk**

The Company's credit risk primarily relates to concentration of credit attributable to the balance from related parties. The Directors estimate that the credit and concentration risk is not significant as the exposure is with a related party. The Directors have determined that the expected credit loss on receivable from related parties is insignificant considering that these relate to ADNOC which is a wholly-owned subsidiary of the Government of Abu Dhabi.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, which have built an appropriate liquidity risk management framework for the Company's short, medium and long-term funding and liquidity management requirements.

The Company's cash flows may still be significantly impacted if there is a sustained drop in Crude Oil price as the amounts payable to the Company under the Offtake Agreement will be reduced.

The Company limits its liquidity risk by ensuring adequate cash is being generated from revenue generated from delivery of Crude Oil, maintaining adequate reserves, issuance of long-term notes, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. As a result, the liquidity risk for the Company is assessed to be low.

The Company has policies in place to ensure that it has sufficient cash on demand to meet expected operational expenses and payment of its financial obligations. Cash surplus are monitored and managed by the Company through distributions to shareholder or deposits in banks or with the shareholder.

Capital management

For the purpose of the Company's capital management, capital includes issued share capital, capital contributions and accumulated losses measured at USD 533,467 million as of 30 September 2024 (31 December 2023: USD 545,991 million). The primary objective of the Company's capital management is to maximise the shareholder value. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Company manages its capital structure and makes adjustments to it in light of changes in business conditions.

No changes were made in the objectives, policies or processes during the nine-month period ended 30 September 2024.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****12 Segment information**

The business activities of the Company are performed on an integrated basis. As discussed in note 2, the principal activities of the Company are limited to receiving its assigned interest in Crude Oil from ADNOC and the sale of such Crude Oil under the relevant material contracts. Accordingly, the Company has determined that the Company has one operating segment, and therefore, one reportable segment.

All of the Company's operations are in the United Arab Emirates.

13 Corporate Income Tax

On 9 December 2022, the UAE Ministry of Finance published Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) to introduce the Federal Corporate Tax (UAE CT) regime in the UAE. The UAE CT Law applies to Tax Periods commencing on or after 1 June 2023.

Tax periods under the UAE CT Law, mirror each company's financial year end and since the Company's Tax Period commenced from 1 January 2024 (the Company's new financial year commenced after 1 June 2023), the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024.

There is an exemption from UAE CT for income derived by businesses engaged in Extractive Business or Non-Extractive Natural Resource Business (as defined in the UAE CT Law). This exemption applies to income earned from such businesses to the extent they are effectively subject to tax at an Emirate level. The Abu Dhabi Government issued a Fiscal Letter to the Company, which imposes Abu Dhabi Emirate tax on the Company with effect from 1 January 2024. Accordingly, the Company considers itself as exempt from UAE CT from this date.

The Company has considered tax impact under the Fiscal Letter for the period beginning 1 January 2024 and concluded that tax impact under the Fiscal Letter is not material, as the Company has minimal taxable income. Accordingly, no current or deferred tax is recognised by the Company in these interim condensed financial statements.

14 Contingent liabilities and commitments**Contingent liabilities**

As at the end of the reporting period, the Company has the following contingent liabilities.

Guarantees provided by the Company on behalf of ADNOC Group in respect of Rio Grande liquefaction project in South Texas

During the period ended 30 September 2024, ADNOC signed a share purchase agreement to acquire a 11.7% stake in Phase 1 of NextDecade Corporation's, a leading liquefied natural gas (LNG) export project located in Texas, United States, which also includes an offtake agreement. The acquisition is expected to be completed in first half of 2025.

**Notes to the interim condensed financial statements
for the nine-month period ended 30 September 2024****14 Contingent liabilities and commitments (continued)**

Under this transaction, the Company has agreed to provide a guarantee to the sellers with respect to ADNOC Group's obligation to pay the equity contribution. The total expected exposure on this guarantee is approximately USD 689 million and is payable to Rio Grande LNG LLC and will expire once the equity is paid by the ADNOC Group. The fair value of this guarantee is expected to be immaterial on initial recognition and since the likelihood of default by the ADNOC Group is remote there are no future credit losses recognized.

The Company has signed a guarantee on behalf of the ADNOC Group for its purchase of output in terms of the above project. The guarantee applies to ADNOC Group's obligation to make payments for output taken when due to the producer over the period of the offtake agreement, which will commence once the acquisition is completed. The total offtake agreement value is USD 4,841 million over twenty years and is the maximum guarantee exposure under the arrangement. The guaranteed amount at any point in time is limited to the amount owed in a particular month and does not extend beyond the period when the invoice is due. The fair value of this guarantee is immaterial on initial recognition and no future credit losses are recognized since the likelihood of default by the ADNOC Group is remote.

Commitments

There are no commitments required to be disclosed in the interim condensed financial statements (31 December 2023: none).

15 Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of financial asset at FVTPL, amounts due from related parties and cash and cash equivalents. Financial liability consists of amount due to a related party and interest-bearing bonds that are measured at amortised cost.

The fair values of the Company's financial instruments are not materially different from their carrying amounts at the reporting date. For fair value of interest-bearing bonds refer to Note 10.