

**Galaxy Pipeline Assets Bidco Limited**

*Company Number 131580*

**Report of Directors and Financial Statements**

**For the year ended 31 December 2021**

# Galaxy Pipeline Assets Bidco Limited

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# Galaxy Pipeline Assets Bidco Limited

## Company Information

<b>Directors</b>	Cleveland Stewart (resigned 26 November 2021) Jon Le Sueur (appointed 26 November 2021) Robert Lucas Felipe Ortiz Marco Bartolini Camille Depoutot Gregg Myers Charles Thomazi Martin Catchpole Wooshick Kim
<b>Corporate Administrator</b>	Maples Fiduciary Services (Jersey) Limited 2nd Floor Sir Walter Raleigh House 48-50 Esplanade St Helier JE2 3QB Jersey
<b>Company Secretary</b>	Maples Company Secretary (Jersey) Limited 2nd Floor Sir Walter Raleigh House 48-50 Esplanade St Helier JE2 3QB Jersey
<b>Solicitor</b>	Maples and Calder (Jersey) LLP 2nd Floor Sir Walter Raleigh House 48-50 Esplanade St Helier JE2 3QB Jersey
<b>Registered office</b>	2nd Floor Sir Walter Raleigh House, 48-50 Esplanade St Helier, JE2 3QB, Jersey
<b>Banker</b>	HSBC Bank PLC 9 Canada Square London E145HQ United Kingdom
<b>Auditor</b>	Ernst & Young Chartered Accountants Harcourt Centre, Harcourt Street Dublin 2 D02 YA40 Ireland

# Galaxy Pipeline Assets Bidco Limited

## Report of Directors

The Directors present the audited financial statements of Galaxy Pipeline Assets Bidco Limited (the “Company”) for the financial year ended 31 December 2021.

### Incorporation

The Company was incorporated in Jersey on 26 May 2020.

### Principal activities

The Company’s principal activity is to hold an investment in an associate on behalf of Galaxy Pipeline Assets Holdco Limited (the “Parent Company”) and to obtain external financing.

The authorised share capital of the Company is USD5,000,000,000 divided into 5,000,000,000 shares of a par value of USD 1.00 each. The Company issued 2 shares at par on the date of incorporation to Maples Nominees (Jersey) No.1 Limited. On 1 June 2020, Maples Nominees (Jersey) No.1 Limited transferred all its shares to Galaxy Pipeline Assets Holdco Limited. On 13 July 2020, the Company issued additional 1,979,221,355 shares at par to Galaxy Pipeline Assets Holdco Limited to partly finance the investment in ADNOC Gas Pipeline Assets LLC.

On 23 June 2020, the Company entered into an Initial Bank Facilities Agreement (the “Loans Facility”) with various banks. The total commitment under the Loans Facility was USD7,960,000,000 and was repayable after 24 months after the Loans Facility closing date subject to 12 months extension at the option of the Company. On 14 July 2020, the Company drew the USD7,960,000,000 to finance the equity investment in ADNOC Gas Pipeline Assets LLC which represents, in total, 47.7% of the entire issued share capital of ADNOC Gas Pipeline Assets LLC. On 03 November 2020, the Company refinanced portion of the Loans Facility by issuing the following senior secured bonds (the “Bonds”) which were subsequently listed on the Global Exchange Market (“GEM”) of the Euronext Dublin:

Series	Currency	Maturity Date	Principal (USD)
A	USD	30-Sept-2027	1,100,000,000
B	USD	31-Mar-2036	1,550,000,000
C	USD	30-Sept-2040	1,350,000,000
Total			<b>4,000,000,000</b>

The Company used the proceeds from issuance of the above Bonds to repay principal amounting to US\$3,953,567,077 on the Loans Facility of which US\$2,323,726,000 was paid directly to the Loans facility agent.

On 16 February 2021, the Company refinanced the remaining portion of the Loans Facility by issuing additional senior secured bonds which were subsequently listed on the GEM of the Euronext Dublin. The details of the additional bonds are as follow:

Series	Currency	Maturity Date	Principal (USD)
D	USD	31-Mar-2034	1,750,000,000
E	USD	30-Sept-2040	2,170,000,000
Total			<b>3,920,000,000</b>

The Company used the proceeds from issuance of the above Bonds to substantially repay principal amounting to US\$4,066,432,923 on the Loans Facility of which US\$2,248,261,561 was paid directly to the Loans facility agent.

# Galaxy Pipeline Assets Bidco Limited

## Report of Directors (continued)

### Principal risks and uncertainties (continued)

#### Results and dividend

The profit for the financial year, after taxation, amounted to USD 319,710,502 (1 August 2020 to 31 December 2020: profit after tax of USD370,805,704).

#### Principal risks and uncertainties

The Company, in the course of its business activities, is exposed to various risks including credit risk, market risk, liquidity risk and operational risk.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument held by the Company fails to meet its contractual obligations.

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Operational risk is the risk of indirect or direct loss arising from a wide variety of causes associated with the Company's operations. The Company's objective is to manage operational risk and does so primarily by outsourcing all administration functions to a professional service provider. The Company was incorporated with the purpose of engaging in those activities outlined in this report. All corporate administration functions are outsourced to Maples Fiduciary Services (Jersey) Limited.

The most significant risks that the Company faces are market risk, credit risk and operational risk. Separately all service providers have invoked their business continuity plans and are actively reporting to management. The Company continues to actively manage the situation as it unfolds so that it is prepared to take additional actions to mitigate the impact.

A more detailed discussion of the risks the Company is exposed to is set out in Note 17.

#### Directors

The Directors who held office during the period and subsequently at the date of this report were as follows:

Cleveland Stewart (resigned 26 November 2021)

Jon Le Sueur (appointed 26 November 2021)

Robert Lucas

Felipe Ortiz

Marco Bartolini

Camille Depoutot

Gregg Myers

Charles Thomazi

Martin Catchpole

Wooshick Kim

None of the Directors or Secretary who held office on 31 December 2021 held any shares, debentures, warrants or options in the Company or any group Company at that date, or during the year. Two of the current Directors are employees of the Corporate Administrator and as such had an interest in the Corporate Administration fees in their capacity as Directors.

# Galaxy Pipeline Assets Bidco Limited

## Report of Directors (continued)

### Company secretary

The Company Secretary who held office during the period and subsequently at the date of this report is Maples Company Secretary (Jersey) Limited.

### Registered office

The Company's registered office is at 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade St Helier, JE2 3QB, Jersey.

### Going concern

The Company's financial statements for the financial period ended 31 December 2021 have been prepared on a going concern basis. The Directors anticipate that the investment in associate will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The Directors have also considered the impact of COVID-19 on the ability of the Company to continue as a going concern. The Directors anticipated that there might be negative impact on the performance of the Company in the future but the Company is still expected to operate until 21 June 2023, which is 12 months from the date of approval of these financial statements due to the following reasons:

- The Company is expected to receive cash dividends based on the performance of ADNOC Gas Pipeline Assets LLC.
- The cash dividends from ADNOC Gas Pipeline Assets LLC will cover the financial liabilities that will fall due.

The Company is aware of the recent conflict in Ukraine and the Directors are not aware of any business operations or direct impacts the conflict will have on going concern.

For these reasons, the Directors believe that the going concern basis is appropriate.

### Independent Auditor

Ernst & Young, Chartered accountants has been appointed as auditor to the Company and have expressed willingness to continue in office.

### Subsequent events

Refer to Note 20 of the financial statements for details of subsequent events.

There were no other subsequent events identified up to the date of approval of the financial statements which would require adjustment to, or disclosure in, the financial statements.

This report was approved by the Board of Directors and signed on behalf of the Board.



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**Jon Le Sueur**  
Director



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**Robert Lucas**  
Director

Date: 21 June 2022

# Galaxy Pipeline Assets Bidco Limited

## Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The directors have elected to prepare the financial statements according to International Financial Reporting Standards (IFRS) as issued by the EU. The financial statements of the company are required by law to give a true and fair view of the state of affairs of the company at the period end and of the profit or loss of the company for the period then ended. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements prepared by the company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements comply with the aforementioned requirements.



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**Jon Le Sueur**  
*Director*



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**Robert Lucas**  
*Director*

Date: 21 June 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED**

### **Opinion**

We have audited the financial statements of Galaxy Pipeline Assets Bidco Limited (the "Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 21 June 2023 which is at least 12 months from the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

## **INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED (Continued)**

### **Overview of our audit approach**

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Key audit matters	<ul style="list-style-type: none"><li>• Calculation and recording of Share of Net Profit in Associate Using Equity Method.</li></ul>
Materiality	<ul style="list-style-type: none"><li>• Overall materiality of USD 36,773,942 which represents 2% of Equity.</li></ul>

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### **An overview of the scope of our audit**

#### **Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED (Continued)**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Risk</b>	<b>Our response to the risk</b>	<b>Key observations communicated to the Board of Directors</b>
<p><b>Calculation and recording of Share of Net Profit in Associate Using Equity Method.</b></p> <p>Share of net profit of associate accounted for using the equity method:</p> <p>31 December 2021: USD468,180,123 (31 December 2020: USD209,958,599)</p> <p>Investment in an associate:</p> <p>31 December 2021: USD9,534,530,316 (31 December 2020: USD9,926,869,008)</p> <p>Refer to the; Accounting policies (note 3(c)) (Page 20); and Note 6 and 9 of the Financial Statements (page 24 and 25)</p> <p>The audit team have determined that Share of net profit of associate accounted for using the equity method is a key audit matter. The measurement of share of net profit in associate accounted for using the equity method is a key driver of the Company’s performance and net asset value.</p> <p>There is a risk that revenue may not be measured correctly. The nature and size of the balance and its importance to the Company are such that we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Assessed the appropriateness of policies governing the accounting treatment and measurement of share of net profit in the associate.</li> <li>• Reviewed the signed financial statements of the associate.</li> <li>• Inspected the agreements that support the Company’s claim over the revenue generated by the associate</li> <li>• Reviewed the mathematical accuracy of the share of Net Profit entitled to the Company.</li> </ul>	<p>Our planned audit procedures were completed, and no material exceptions were noted.</p>



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED (Continued)**

### **Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### **Materiality**

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be USD 36,773,942 (31 December 2020: USD 19,792,214), which is 2% (31 December 2020: 1%) of Equity (31 December 2020: Total Equity excluding retained earnings). We believe that Equity is the most appropriate basis as the Shareholders of the Company are the key users of the financial statements, whose expectation will be to assess the profitability of the entity.

During the course of our audit, we reassessed initial materiality and did not change the basis or percentages used.

### **Performance materiality**

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (31 December 2020: 50%) of our planning materiality, namely USD 27,580,456(31 December 2020: USD 9,896,107).

### **Reporting threshold**

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of USD1,838,697 (31 December 2020: USD 989,611), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### **Other information**

The other information comprises the information included in the Report of Directors and Statement of Directors' Responsibilities set out on pages 3 to 6. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED (Continued)**

### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY PIPELINE ASSETS BIDCO LIMITED (Continued)**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies (Jersey) Law 1991 and International Financial Reporting Standards ("IFRS") as adopted by the EU;
- We understood how Galaxy Pipeline Assets Bidco Limited is complying with those frameworks by inquiring with management as to the procedures in place for ensuring compliance with the frameworks;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by understanding the processes of the Company and identifying the key measures of the Company's performance (Share of net profit in associate);
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved engaging IFRS technical reviewers to assist with the review of the compliance of the Company's financial statements with IFRS as adopted by the EU. We also sought EY Jersey assistance in relation to the aspects of the Companies (Jersey) Law 1991 that impact the preparation and presentation of financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ramakrishnan Ramanathan**  
**For and on behalf of**  
**Ernst & Young Chartered Accountants**  
**Dublin**  
**21 June 2022**

# Galaxy Pipeline Assets Bidco Limited

## Statement of Comprehensive Income

For the financial year ended 31 December 2021

	Note	Year ended 31 December 2021 USD	Period from 1 August 2020 to 31 December 2020 USD
<b>Income</b>			
Share of net profit of associate accounted for using the equity method	6,9	468,180,123	209,958,599
Net gain on derivatives	13	81,766,204	248,132,334
		549,946,327	458,090,933
<b>Expenses</b>			
Interest expense	7	(224,789,741)	(85,774,581)
Administrative expenses	8	(5,446,084)	(1,510,648)
		(230,235,825)	(87,285,229)
<b>Profit before taxation</b>		<b>319,710,502</b>	<b>370,805,704</b>
Tax expense	5	-	-
<b>Profit after taxation</b>		<b>319,710,502</b>	<b>370,805,704</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year/ period</b>		<b>319,710,502</b>	<b>370,805,704</b>

The results above are from continuing operations.

The accompanying notes form part of these financial statements.

# Galaxy Pipeline Assets Bidco Limited

## Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 USD	31 December 2020 USD
<b>Non - current assets</b>			
Investment in an associate	9	9,534,530,316	9,926,869,008
Derivative financial instruments	13	-	42,988,296
		<b>9,534,530,316</b>	<b>9,969,857,304</b>
<b>Current assets</b>			
Other assets	10	558,749	614,065
Cash and cash equivalents	11	220,628,962	186,822,232
		<b>221,187,711</b>	<b>187,436,297</b>
<b>Total assets</b>		<b>9,755,718,027</b>	<b>10,157,293,601</b>
<b>Non-current liabilities</b>			
Financial liabilities held at amortised cost	12	(7,477,113,449)	(7,938,533,435)
		<b>(7,477,113,449)</b>	<b>(7,938,533,435)</b>
<b>Current liabilities</b>			
Financial liabilities held at amortised cost	12	(387,800,900)	(23,485,000)
Interest payable	7	(51,838,911)	(16,725,347)
Other payables	14	(269,690)	(52,826)
		<b>(439,909,501)</b>	<b>(40,263,173)</b>
<b>Total liabilities</b>		<b>(7,917,022,950)</b>	<b>(7,978,796,608)</b>
<b>Equity</b>			
Called up share capital	15	(1,979,221,357)	(1,979,221,357)
Retained deficit / (income)		140,526,280	(199,275,636)
<b>Total equity</b>		<b>(1,838,695,077)</b>	<b>(2,178,496,993)</b>
<b>Total liabilities and equity</b>		<b>(9,755,718,027)</b>	<b>(10,157,293,601)</b>

The accompanying notes form part of these financial statements.

This report was approved by the Board of Directors and signed on behalf of the Board:



**Jon Le Sueur**  
Director



**Robert Lucas**  
Director

Date: 21 June 2022

# Galaxy Pipeline Assets Bidco Limited

## Statement of Changes in Equity

*For the financial year ended 31 December 2021*

	<b>Share capital</b>	<b>Retained (deficit) / income</b>	<b>Total equity</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balance at 1 January 2021	1,979,221,357	199,275,636	2,178,496,993
Profit for the year	-	319,710,502	319,710,502
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	319,710,502	319,710,502
Dividend distribution	-	(659,512,418)	(659,512,418)
Balance at 31 December 2021	<b>1,979,221,357</b>	<b>(140,526,280)</b>	<b>1,838,695,077</b>
	<b>Share capital</b>	<b>Retained (deficit) / income</b>	<b>Total equity</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balance at 1 August 2020	1,979,221,357	(171,530,068)	1,807,691,289
Profit for the period	-	370,805,704	370,805,704
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	370,805,704	370,805,704
Balance at 31 December 2020	<b>1,979,221,357</b>	<b>199,275,636</b>	<b>2,178,496,993</b>

The accompanying notes form part of these financial statements.

# Galaxy Pipeline Assets Bidco Limited

## Statement of Cash Flows

For the financial year ended 31 December 2021

	Note	Year ended 31 December 2021 USD	Period from 1 August 2020 to 31 December 2020 USD
<b>Cash flows from operating activities:</b>			
Profit before taxation		319,710,502	370,805,704
Adjustments for:			
Share of net profit of associate accounted for using the equity method	6,9	(468,180,123)	(209,958,599)
Interest expense	7	198,486,962	51,420,700
Amortisation of transaction cost on financial liabilities at amortised cost	7	26,302,779	34,353,881
Net gain on derivatives	13	(81,766,204)	(248,132,334)
Decrease / (increase) in other assets	10	55,316	(494,065)
Increase / (decrease) in other payables	14	216,864	(3,579,567)
<b>Net cash used in operating activities</b>		<b>(5,173,904)</b>	<b>(5,584,280)</b>
<b>Cash flows from investment activities</b>			
Proceeds from derivative settlement	13	124,754,500	6,035,000
Dividends received	9	860,518,815	207,780,764
<b>Net cash from investment activities</b>		<b>985,273,315</b>	<b>213,815,764</b>
<b>Cash flows from financing activities</b>			
Repayment of loans	12	(4,006,432,923)	(3,953,567,077)
Proceeds from issuance of bonds	12	3,920,000,000	4,000,000,000
Repayment of bonds	12	(23,485,000)	-
Transaction cost related to issuance of loans and bonds	12	(13,488,942)	(22,543,322)
Interest paid on loans		(163,373,398)	(39,522,593)
Swap payments	13	-	(9,898,268)
Dividends paid		(659,512,418)	-
<b>Net cash used in financing activities</b>		<b>(946,292,681)</b>	<b>(25,531,260)</b>
<b>Net increase in cash and cash equivalents</b>		<b>33,806,730</b>	<b>182,700,224</b>
Cash and cash equivalents at beginning of the year / period		186,822,232	4,122,008
<b>Cash and cash equivalents at end of the year / period</b>	11	<b>220,628,962</b>	<b>186,822,232</b>

The accompanying notes form part of these financial statements.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 1. General information

### Company background

The Company was incorporated in Jersey on 26 May 2020. The Company's principal activity is to hold investment on behalf of the parent entity and to obtain external financing.

The authorised share capital of the Company is USD5,000,000,000 divided into 5,000,000,000 shares of a par value of USD 1.00 each. The Company issued 2 shares at par on the date of incorporation. On 13 July 2020, the Company issued additional 1,979,221,355 shares at par to partly finance the investment on ADNOC Gas Pipeline Assets LLC.

On 23 June 2020, the Company entered into an Initial Bank Facilities Agreement ("the Loans Facility") with various banks. The total commitment under the Loans Facility was USD7,960,000,000 and is repayable after 24 months after the Loans Facility closing date subject to extension. On 14 July 2020, the Company drew the USD7,960,000,000 to finance the equity investment in ADNOC Gas Pipeline Assets LLC which represents, in total, 47.7% of the entire issued share capital of ADNOC Gas Pipeline Assets LLC. On 03 November 2020, the Company refinanced portion of the Loans Facility by issuing the following senior secured bonds (the "Bonds") which were subsequently listed on the Global Exchange Market ("GEM") of the Euronext Dublin:

Series	Currency	Maturity Date	Principal (USD)
A	USD	30-Sept-2027	1,100,000,000
B	USD	31-Mar-2036	1,550,000,000
C	USD	30-Sept-2040	1,350,000,000
Total			<u><u>4,000,000,000</u></u>

The Company used the proceeds from issuance of the above Bonds to repay principal amounting to US\$3,953,567,077 on the Loans Facility.

On 16 February 2021, the Company refinanced the remaining portion of the Loans Facility by issuing additional senior secured bonds which were subsequently listed on the GEM of the Euronext Dublin. The details of the additional bonds are as follow:

Series	Currency	Maturity Date	Principal (USD)
D	USD	31-Mar-2034	1,750,000,000
E	USD	30-Sept-2040	2,170,000,000
Total			<u><u>3,920,000,000</u></u>

The Company used the proceeds from issuance of the above Bonds to substantially repay principal amounting to US\$4,006,432,923 on the Loans Facility of which US\$2,248,261,561 was paid directly to the Loans facility agent.

## 2. Basis of preparation

### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

The financial statements have been prepared on a going concern basis.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## **2. Basis of preparation (continued)**

### **(a) Statement of compliance (continued)**

The Directors anticipate that the investment in associate will continue to generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The Directors have also considered the impact of COVID-19 on the ability of the Company to continue as a going concern. The Directors anticipated that there might be negative impact on the performance of the Company in the future but the Company is still expected to operate until 21 June 2023, which is 12 months from the date of approval of these financial statements due to the following reasons:

- The Company is expected to receive cash dividends based on the performance of ADNOC Gas Pipeline Assets LLC.
- The cash dividends from ADNOC Gas Pipeline Assets LLC will cover the financial liabilities that will fall due.

For these reasons, the Directors believe that the going concern basis is appropriate.

### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for derivatives, which are carried at fair value. The derivatives were terminated in 2021 and the Company had no derivatives as at 31 December 2021.

### **(c) Functional and presentation currency**

These financial statements are presented in USD, the functional currency of the Company. 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 loans and share capital issued by the Company are denominated in USD.

### **(d) Use of judgements and estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. There were no significant judgements or estimates applied in preparing these financial statements.

### **(e) Accounting standards, amendments and interpretations**

#### **New standards, amendments and interpretations**

The Company applied for the first-time the standards and amendments to standards listed below. These accounting standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 unless otherwise stated.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 2. Basis of preparation (continued)

### (e) Accounting standards, amendments and interpretations (continued)

#### New standards, amendments and interpretations (continued)

*Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments have no material impact to the financial statements of the Company.

#### New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations below that are relevant to the Company are effective for annual periods beginning after 1 January 2022.

Description	Effective date (financial period beginning)*
Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	01 April 2021
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	01 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	01 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	01 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023

\*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## **3. Accounting policies**

### **(a) Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

### **(b) Taxation**

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

### **(c) Investment in an associate**

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

The Company's investment in an associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost plus transaction costs. Transaction cost includes all costs directly attributable to the acquisition of the investment. Subsequently, the carrying amount of the investment is adjusted to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss, and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate is recognised as a reduction in the carrying amount of the investment.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value, and then recognises the loss in the Statement of Comprehensive Income.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the investment in associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 3. Accounting policies (continued)

### (d) Financial instruments

The financial instruments held by the Company include the following:

- Financial assets; and
- Financial liabilities.

#### Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### *Financial assets*

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

#### *Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category cash and cash equivalents and receivables.

#### *Financial assets measured at fair value through profit or loss (FVTPL)*

Under IFRS 9, a financial asset is measured at fair value through profit or loss if:

- a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category its derivative financial instruments in asset position. The derivatives were terminated in 2021 and the Company had no derivatives as at 31 December 2021.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## **3. Accounting policies (continued)**

### **(d) Financial instruments (continued)**

#### *Financial liabilities*

##### *Financial liabilities measured at FVTPL*

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. The Company includes in this category derivative contracts in a liability position. The derivatives were terminated in 2021 and the Company had no derivatives as at 31 December 2021.

##### *Financial liabilities measured at amortised cost*

The Company's financial liabilities at amortised cost include interest payable, other payables, bonds and loans.

#### **Recognition**

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

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

#### **Initial measurement**

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue.

#### **Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as at FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in fair value of financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Interest earned or paid on these instruments is recorded separately in interest income or expense in the Statement of Comprehensive Income.

Derivatives are subsequently re-measured at fair value. Gains and losses arising from changes in the fair value of derivatives are included in the Statement of Comprehensive Income in the financial period in which they arise. Fair value is determined by the swap counterparties.

Financial assets and liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets and liabilities are derecognised, as well as through the amortisation process.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 3. Accounting policies (continued)

### (d) Financial instruments (continued)

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- a) Transferred substantially all of the risks and rewards of the asset; or
- b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the

Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

In the current year, the Company refinanced the remaining portion of the Loans Facility by issuing the senior secured bonds. The Company derecognised the refinanced portion of the Loans Facility including the related unamortised transaction cost. The unamortised transaction cost relating to derecognised portion of the Loans Facility is included in the Statement of Comprehensive Income under Interest Expense.

#### Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

### (e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 3. Accounting policies (continued)

### (f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (g) Interest expense

Interest expense includes interest on the financial liabilities which is recognised in the Statement of Comprehensive Income using the effective interest rate method, and amortisation of loan transaction cost which is amortised over the life of the loan using the effective interest rate method.

### (h) Income and expenses

All other income and expenses are accounted for on an accrual basis.

## 4. Determination of fair value

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

## 5. Tax expense

The Company is subject to Jersey income taxation at 0%.

## 6. Share of net profit of associate accounted for using the equity method

	31 December 2021 USD	1 August 2020 to 31 December 2020 USD
Share of net profit of associate accounted for using the equity method	468,180,123	209,958,599
	<u>468,180,123</u>	<u>209,958,599</u>

## 7. Interest expense

	31 December 2021 USD	1 August 2020 to 31 December 2020 USD
Interest expense on loans and bonds	(198,486,962)	(51,420,700)
Amortisation of transaction cost on financial liabilities at amortised cost (Note 12)	(26,302,779)	(34,353,881)
	<u>(224,789,741)</u>	<u>(85,774,581)</u>

Interest payable outstanding at year end amounted to USD51,838,911 (31 December 2020: USD16,725,347) .

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 8. Administrative expenses

	Year ended 31 December 2021	1 August 2020 to 31 December 2020
	USD	USD
Commitment fees	(1,680,932)	-
Corporate administration fees	(181,888)	(127,461)
Rating fees	(2,215,134)	(615,840)
Other expenses	(1,328,309)	(721,902)
Audit fees	(39,821)	(45,445)
	<u>(5,446,084)</u>	<u>(1,510,648)</u>

The Company is administered by the Corporate Administrator and has no employees. The Corporate Administrator provides two directors to the Company as part of its service under the corporate service agreement. See Note 19 for details. The Directors did not receive any remuneration during the year (period ended 31 December 2020: nil).

## 9. Investment in an associate

	31 December 2021	1 August 2020 to 31 December 2020
	USD	USD
At the beginning of the year / period	9,926,869,008	9,924,691,173
Share of net profit of associate accounted for using the equity method	468,180,123	209,958,599
Dividend distribution received	(860,518,815)	(207,780,764)
At the end of the year / period	<u>9,534,530,316</u>	<u>9,926,869,008</u>

The Company holds 47.7% of the share capital of ADNOC Gas Pipeline Assets LLC, a company incorporated in the Emirate of Abu Dhabi. ADNOC Gas Pipeline Assets LLC holds a lease over 38 gas pipelines in the United Arab Emirates.

The table below provides the summarised financial information of ADNOC Gas Pipeline Assets LLC as at 31 December 2021 and 31 December 2020 prepared under IFRS.

<b>Balance sheet</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	USD	USD
Assets		
Non-current assets		
Financial assets	19,987,296,893	20,809,786,025
Current assets		
Other receivables	4,223	2,723
Cash	97,000	140,000
Total assets	<u>19,987,398,115</u>	<u>20,809,928,748</u>

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 9. Investment in an associate (continued)

<b>Balance sheet (continued)</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>USD</b>	<b>USD</b>
Liabilities		
Current liabilities	97,350	115,000
Equity		
Share capital	20,707,964,602	20,707,964,602
Retained (deficit) / earnings	(720,663,837)	101,849,146
Total equity	<u>19,987,300,765</u>	<u>20,809,813,748</u>
Total liabilities and equity	<u>19,987,398,115</u>	<u>20,809,928,748</u>
Company share in the net equity of the associate	47.7%	47.7%
	9,533,942,466	9,926,281,158
Translation difference at the date of acquisition	587,850	587,850
Investment in an associate	<u>9,534,530,316</u>	<u>9,926,869,008</u>

<b>Income Statement</b>	<b>Year ended</b>	<b>31 August 2020 to</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>USD</b>	<b>USD</b>
Finance income	981,654,042	440,267,813
Administrative expenses	(144,350)	(103,038)
Net income	<u>981,509,692</u>	<u>440,164,775</u>
% of shares held	47.7%	47.7%
Company's share of the net profit of associate	468,180,123	209,958,599

During the year, the Company received dividends from the associate amounting to USD860,518,815 (period ended 31 December 2020 : USD207,780,764).

In the opinion of the Directors, the shares in the Company's associate are worth at least the amounts at which they are stated above with no indication of impairment. Therefore, no impairment recorded.

## 10. Other assets

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>USD</b>	<b>USD</b>
Prepayments	558,749	614,065
	<u>558,749</u>	<u>614,065</u>

## 11. Cash and cash equivalents

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	220,628,962	186,822,232
	<u>220,628,962</u>	<u>186,822,232</u>

As at 31 December 2021 and 31 December 2020, the bank accounts are held with HSBC Bank PLC. Refer to note 17(b) for credit risk disclosure relating to cash and cash equivalents.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 12. Financial liabilities at amortised cost

	31 December 2021 USD	31 December 2020 USD
Loans	-	(3,984,210,475)
Bonds	(7,864,914,349)	(3,977,807,960)
	<u>(7,864,914,349)</u>	<u>(7,962,018,435)</u>

As at 31 December 2021, the current portion of the Bonds was USD387,800,900 (2020: USD23,485,000).

Movement in financial liabilities at amortised cost

<i>31 December 2021</i>	<b>Loans USD</b>	<b>Bonds USD</b>	<b>Total USD</b>
<i>Principal</i>			
At the beginning of the year	(4,006,432,923)	(4,000,000,000)	(8,006,432,923)
Additions during the year	-	(3,920,000,000)	(3,920,000,000)
Repayments during the year	4,006,432,923	23,485,000	4,029,917,923
As at end of the year	-	(7,896,515,000)	(7,896,515,000)
<i>Capitalised transaction cost</i>			
At the beginning of the year	22,222,448	22,192,040	44,414,488
Additions during the year	-	13,488,942	13,488,942
Amortisation during the year	(22,222,448)	(4,080,331)	(26,302,779)
	-	31,600,651	31,600,651
Financial liabilities at amortised cost, net	-	(7,864,914,349)	(7,864,914,349)
<i>31 December 2020</i>			
	<b>Loans USD</b>	<b>Bonds USD</b>	<b>Total USD</b>
<i>Principal</i>			
At the beginning of the period	(7,960,000,000)	-	(7,960,000,000)
Additions during the period	-	(4,000,000,000)	(4,000,000,000)
Repayments during the period	3,953,567,077	-	3,953,567,077
As at end of the period	(4,006,432,923)	(4,000,000,000)	(8,006,432,923)
<i>Capitalised transaction cost</i>			
At the beginning of the period	56,225,047	-	56,225,047
Additions during the period	53,760	22,489,562	22,543,322
Amortisation during the period	(34,056,359)	(297,522)	(34,353,881)
	22,222,448	22,192,040	44,414,488
Financial liabilities at amortised cost, net	(3,984,210,475)	(3,977,807,960)	(7,962,018,435)

On 23 June 2020, the Company entered into an Initial Bank Facilities Agreement (“the Loans Facility”) with various banks. The total commitment under the Loans Facility was USD7,960,000,000 and was repayable after 24 months after the Loans Facility closing date subject to 12 months extension at the

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 12. Financial liabilities at amortised cost (continued)

option of the Company. The Loans Facility had variable interest based on US LIBOR plus spread of 0.95% per annum for the first 12 months, 1.30% per annum after 12 months up to 24 months, 1.6% per annum after 24 months up to 30 months and 2.0% after 30 months. The interest was payable on a quarterly basis.

On 14 July 2020, the Company drew down the USD7,960,000,000 to finance the investment on ADNOC Gas Pipeline Assets LLC.

On 03 November 2020, the Company refinanced portion of the Loans Facility by issuing the following senior secured bonds (the “Bonds”) which were subsequently listed on the Global Exchange Market (“GEM”) of the Euronext Dublin:

Series	Currency	Interest rate	Maturity Date	Principal (USD)
A	USD	1.75%	30-Sept-2027	1,100,000,000
B	USD	2.63%	31-Mar-2036	1,550,000,000
C	USD	3.25%	30-Sept-2040	1,350,000,000
Total				<u><u>4,000,000,000</u></u>

The Company used the proceeds from issuance of the above Bonds to repay principal amounting to US\$3,953,567,077 on the Loans Facility of which US\$2,323,726,000 was paid directly to the Loans facility agent.

On 16 February 2021, the Company refinanced the remaining portion of the Loans Facility by issuing additional senior secured bonds which were subsequently listed on the GEM of the Euronext Dublin. The details of the additional bonds are as follow:

Series	Currency	Interest rate	Maturity Date	Principal (USD)
D	USD	2.16%	31-Mar-2034	1,750,000,000
E	USD	2.94%	30-Sept-2040	2,170,000,000
Total				<u><u>3,920,000,000</u></u>

The Company used the proceeds from issuance of the above Bonds to substantially repay principal amounting to US\$4,066,432,923 on the Loans Facility of which US\$2,248,261,561 was paid directly to the Loans facility agent.

The principal and interest on Bonds are payable on semi-annual basis every 31 March and 30 September each year pursuant to the amortisation schedule set forth in the offering memorandum.

## 13. Derivative financial instruments

	31 December 2021	31 December 2020
	USD	USD
Interest rate swaps	-	42,988,296
	<u>-</u>	<u>42,988,296</u>

The Company used derivative financial instruments to economically hedge its risks associated primarily with interest rates. The derivatives were not designated as hedging instruments for hedge accounting purposes.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 13. Derivative financial instruments (continued)

In July 2020, the Company entered into pay fixed receive floating interest rate swaps to mitigate the interest rate exposure arising on its Loans Facility, which bears floating interest rate based on US LIBOR.

Below are the details of the interest rate swap at the date of inception:

Currency	Notional Amount	Maturity date	Description
USD	5,434,000,000	28 September 2040	Pay fixed/received floating
USD	2,526,000,000	30 September 2040	Pay fixed/received floating

The swaps covered approximately 100% of the variable loan principal outstanding. The fixed interest rate payable on the swap was 0.87%, and the variable rate on both the swap and the loans for the first interest period was 0.33%.

The swap contracts require settlement of net interest receivable or payable every 90 days (with the exception of the first settlement which is an extended period and aligns with the Loans Facility). The settlement dates coincide with the dates on which interest is payable on the underlying loans.

In November 2020, the Company partially paid the Loans Facility. As a result, the Company pre-terminated the hedges related to paid portion of the Loans Facility. The net gain on the pre-terminated hedges was USD 6,035,000.

The details of the derivatives as at 31 December 2020 are as follow:

Currency	Notional Amount	Maturity date	Description
USD	2,654,130,548	28 September 2040	Pay fixed/received floating
USD	1,305,869,452	30 September 2040	Pay fixed/received floating

In February 2021, the Company fully repaid the Loans Facility. As a result, the Company pre-terminated the remaining derivatives. The net gain on the pre-terminated derivatives was USD81,766,204.

The table below shows the fair value movement on the Company's derivatives:

	31 December 2021 USD	31 December 2020 USD
Net fair value (loss) / gain during the year / period - unrealised	(42,988,296)	251,995,602
Swap payments	-	(9,898,268)
Gain on pre-terminated swaps	124,754,500	6,035,000
Total	<u>81,766,204</u>	<u>248,132,334</u>

The fair value movement of the derivatives is included under "Net gain on derivatives" in the Statement of Comprehensive Income.

## 14. Other payables

	31 December 2021 USD	31 December 2020 USD
Accruals	(269,690)	(52,826)
	<u>(269,690)</u>	<u>(52,826)</u>

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 15. Share capital

	31 December 2021 USD	31 December 2020 USD
<b>Authorised</b>		
5,000,000,000 ordinary shares of USD1 each	5,000,000,000	5,000,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
<b>Allotted, called up and fully paid</b>		
1,979,221,357 ordinary shares of USD1 each	1,979,221,357	1,979,221,357
	<u>1,979,221,357</u>	<u>1,979,221,357</u>

All of the Company's shares are subscribed and held by Galaxy Pipeline Assets Holdco Limited. 1,979,221,357 ordinary shares were issued at USD1 each.

## 16. Ownership of the Company

The Company is a wholly owned subsidiary of Galaxy Pipeline Assets Holdco Limited, its immediate and ultimate parent. Galaxy Pipeline Assets Holdco Limited is a limited liability company incorporated in Jersey.

## 17. Financial risk and capital management

### Financial risk management

The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has exposure to the following risks:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

### a) Market risk

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of 3 types of risk:

- Interest rate risk
- Currency risk
- Other price risk
-

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 17. Financial risk and capital management (continued)

### a) Market risk (continued)

#### i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Longer term obligations are usually more sensitive to interest rate changes.

At the reporting date, the interest rate risk profile of the Company's financial instruments is as follows:

<b>31 December 2021</b>	<b>Floating rate (USD)</b>	<b>Fixed rate (USD)</b>	<b>Non-interest bearing (USD)</b>	<b>Total (USD)</b>
Other assets	-	-	558,749	558,749
Cash and cash equivalents	220,628,962	-	-	220,628,962
<b>Total assets</b>	<b>220,628,962</b>	<b>-</b>	<b>558,749</b>	<b>221,187,711</b>
Financial liabilities held at amortised cost	-	(7,864,914,349)	-	(7,864,914,349)
Interest payable	-	-	(51,838,911)	(51,838,911)
Other payable	-	-	(269,690)	(269,690)
<b>Total liabilities</b>	<b>-</b>	<b>(7,864,914,349)</b>	<b>(52,108,601)</b>	<b>(7,917,022,950)</b>
<b>Net exposure</b>	<b>220,628,962</b>	<b>(7,864,914,349)</b>	<b>(51,549,852)</b>	<b>(7,695,835,239)</b>
<b>31 December 2020</b>	<b>Floating rate (USD)</b>	<b>Fixed rate (USD)</b>	<b>Non-interest bearing (USD)</b>	<b>Total (USD)</b>
Other assets	-	-	614,065	614,065
Cash and cash equivalents	186,822,232	-	-	186,822,232
<b>Total assets</b>	<b>186,822,232</b>	<b>-</b>	<b>614,065</b>	<b>187,436,297</b>
Financial liabilities held at amortised cost	(3,984,210,475)	(3,977,807,960)	-	(7,962,018,435)
Interest payable	-	-	(16,725,347)	(16,725,347)
Other payable	-	-	(52,826)	(52,826)
<b>Total liabilities</b>	<b>(3,984,210,475)</b>	<b>(3,977,807,960)</b>	<b>(16,778,173)</b>	<b>(7,978,796,608)</b>
<b>Net exposure</b>	<b>(3,797,988,243)</b>	<b>(3,977,807,960)</b>	<b>(16,164,108)</b>	<b>(7,791,960,311)</b>

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 17. Financial risk and capital management (continued)

### a) Market risk (continued)

#### i. Interest rate risk (continued)

As 31 December 2021 and 31 December 2020, the Company held cash in bank which bears variable interest rate.

As at 31 December 2020, the Company held variable rate Loan Facilities based on US LIBOR. To mitigate the interest rate risk arising from variable rate Loan Facilities, the Company entered into pay fixed receive floating interest rate swaps with various derivative counterparty banks. The receive floating interest on the interest rate swaps effectively offsets the floating interest rate on the Loan Facilities.

#### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest bearing assets and liabilities at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

A 100 basis point increase or decrease represents management's assessment of a reasonable possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the annual interest income on the cash and cash equivalents and profit before tax will increased by USD2,206,289 (2020: USD1,868,222). A decrease of 100 basis points in interest rates would have a similar and opposite effect.

As at 31 December 2021, no sensitivity analysis is presented for financial liabilities as the Company had no financial liabilities that are subject to floating interest rates. As at 31 December 2020, the Company held variable rate Loan Facilities based on US LIBOR. As the Company placed a hedge on the full principal amount of the floating interest rate Loan Facilities, the interest rate risk exposure is reduced to minimal level.

#### ii. Currency risk

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates.

The Company did not hold any foreign currency denominated financial assets or liabilities as at 31 December 2021 and 31 December 2020.

#### iii. Other price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 17. Financial risk and capital management (continued)

### a) Market risk (continued)

#### iii. Other price risk

Other price risks may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

The Company is not exposed to other price risk as at 31 December 2021 and 31 December 2020.

### b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's assets. The Company's principal financial assets are cash and cash equivalents and derivative financial instruments, which represents the Company's maximum exposure to credit risk.

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>USD</b>	<b>USD</b>
Cash and cash equivalents	220,628,962	186,222,232
Derivative financial instruments	-	42,988,296
	<b>220,628,962</b>	<b>229,210,528</b>

The Company's cash and cash equivalents comprise bank accounts held with HSBC Bank PLC. The credit rating of HSBC Bank PLC based on S&P was A-1.

In 2020, the Company's derivative financial instruments were held with the same counterparty banks providing loan to the Company under the Loans Facility. These counterparty banks were reputable and with good credit standing.

### c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset and thus, the Company will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial assets and liabilities including undiscounted interest payments and excluding the impact of netting agreements:

<b>31 December 2021</b>	<b>Carrying amount (USD)</b>	<b>Gross contractual cash flows (USD)</b>	<b>Less than one year (USD)</b>	<b>Between one to five years (USD)</b>	<b>More than five years (USD)</b>
Financial liabilities at amortised cost	(7,864,914,349)	(10,141,199,385)	(590,191,795)	(2,263,021,608)	(7,287,985,982)
Interest payable	(51,838,911)	(51,838,911)	(51,838,911)	-	-
Other payables	(269,690)	(269,690)	(269,690)	-	-
	<b>(7,917,022,950)</b>	<b>(10,193,307,986)</b>	<b>(642,300,396)</b>	<b>(2,263,021,608)</b>	<b>(7,287,985,982)</b>

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 17. Financial risk and capital management (continued)

### c) Liquidity risk (continued)

31 December 2020	Carrying amount (USD)	Gross contractual cash flows (USD)	Less than one year (USD)	Between one to five years (USD)	More than five years (USD)
Financial liabilities at amortised cost	(7,962,018,435)	(9,691,783,701)	(149,355,042)	(4,420,838,590)	(5,121,590,069)
Interest payable	(16,725,347)	(16,725,347)	(16,725,347)	-	-
Other payables	(52,826)	(52,826)	(52,826)	-	-
	<b>(7,978,796,608)</b>	<b>(9,708,561,874)</b>	<b>(166,133,215)</b>	<b>(4,420,838,590)</b>	<b>(5,121,590,069)</b>

ADNOC Gas Pipeline Assets LLC holds a lease over 38 gas pipelines in the United Arab Emirates. The Company will share from the net profits of ADNOC Gas Pipeline Assets LLC having owned 47.7% of the latter's total issued shares. The cash generated from ADNOC Gas Pipeline Assets LLC will be used to pay the Company's liabilities as they fall due.

### d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in note 1. All management and administration functions are outsourced to Maples Fiduciary Services (Jersey) Limited.

### Capital management

For the purpose of the Company's capital management, capital includes issued capital, bonds and loan issued as disclosed in Note 15 and 12, respectively. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to externally imposed capital requirement during the period.

## 18. Fair value

The fair value of a financial asset and financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 18. Fair value (continued)

The Company's derivative financial instruments are carried at fair value on the Statement of financial position. The fair value of the financial instruments can be reliably determined within a reasonable range of estimates.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company had no financial instruments carried at fair value as at 31 December 2021. The following table provides the fair value measurement hierarchy of the Company's instruments carried at fair value as at 31 December 2020.

*Fair value hierarchy for assets and liabilities measured at fair value*

<b>31 December 2020</b>	<b>Level 1 (USD)</b>	<b>Level 2 (USD)</b>	<b>Level 3 (USD)</b>	<b>Total (USD)</b>
Derivatives financial assets	-	42,988,296	-	42,988,296
<b>Total</b>	-	42,988,296	-	42,988,296

The fair value of derivative financial instruments is obtained from the swap counterparties which uses its proprietary valuation model that takes into account the notional amount, maturity date and any early redemption clause. The valuation includes assumptions that are mainly based on market conditions existing at the end of each reporting period.

*Assets and liabilities not carried at fair value*

The fair value of the receivables, interest payable and other payable approximates their fair values given the short term nature of these financial instruments.

As at 31 December 2021, the financial liabilities at amortised cost comprise bonds (2021 : bonds and loans). The fair value of the bonds was determined based on quoted market price. The fair value of the loans approximates its fair value due to interest repricing close to yearend. As at 31 December 2021, the fair value of the financial liabilities held at amortised cost was USD 7,822,806,864 (2020: USD 7,978,743,782).

There were no transfers between Level 1, Level 2 and Level 3 during the period.

# Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial period ended 31 December 2021

## 19. Related party transactions

The Company considers the Directors, Company Secretary and the Corporate Administrator as related parties. The Board of Directors are responsible for the day-to-day management and administration of the Company. The Board is comprised of nine Directors, two of whom are employees of the Corporate Administrator.

During the year, the Company incurred fees of USD181,888 (31 December 2020: USD127,461) related to the provision of corporate administration and company secretarial services provided by the Corporate Administrator and Company Secretary. There were no outstanding fees as at 31 December 2021.

The Corporate Administrator provides Directors to the Company as part of its service under the corporate service agreement and as such the Directors had an interest in the Corporate Administration fees in their capacity as directors.

In July 2020, the Company issued 1,979,221,357 ordinary shares to Parent Company at par.

During the year, the Company distributed dividends to Parent Company amounting to USD659,512,418 (period ended 31 December 2020: nil).

## 20. Subsequent events

The COVID 19 outbreak continues to be an evolving situation after the financial year end 31 December 2021. Due to a new variant being identified, the Governments and local authorities introduced restrictions to suppress the resurgence of the COVID-19 virus. The restrictions implemented so far in 2022 are relatively less onerous than those in place during 2021. Additionally, the distribution of COVID-19 vaccines and vaccine boosters programme to the general public continues into 2022 and is expected to mitigate against the COVID-19 virus spread and its symptoms.

In January 2022, the Company paid dividends amounting to USD71,942,768.

In February 2022, there has been an increase in global market volatility largely driven by the Russian-Ukrainian conflict. The Company have no direct geographical exposure to Russia or Ukraine.

In March 2022, the Company received dividends amounting to USD219,994,729. In April 2022, the Company paid dividends amounting to USD62,872,868.

The Directors of the Company are actively monitoring the situation and continue to manage the Company's assets within investment and risk parameters that have been established. The Directors will continue to evaluate the situation and its impact on financial position and operating results.

There have been no other significant events subsequent to year end that would require adjustment or disclosure in these financial statements.

## 21. Approval of the financial statements

The financial statements were approved by the Board of Directors on 21 June 2022.