

Galaxy Pipeline Assets Bidco Limited

Company Number 131580

Report of Directors and Financial Statements

For the year ended 31 December 2022

Galaxy Pipeline Assets Bidco Limited

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Galaxy Pipeline Assets Bidco Limited

Company Information

Directors

Jon Le Sueur
Robert Lucas
Felipe Ortiz (retired 14 December 2022)
Marco Bartolini (retired 12 December 2022)
Camille Depoutot (retired 12 April 2023)
Gregg Myers
Charles Thomazi (retired 24 November 2022)
Martin Catchpole
Wooshick Kim
Charlotte Louise Brunning (appointed 24 November 2022)
Giacomo Matarazzo (appointed 12 October 2022)
Mathew David Henry (appointed 14 December 2022)
Changyan Shi (appointed 12 April 2023)

Corporate Administrator

Maples Fiduciary Services (Jersey) Limited
2nd Floor Sir Walter Raleigh House
48-50 Esplanade St Helier
JE2 3QB
Jersey

Company Secretary

Maples Company Secretary (Jersey) Limited
2nd Floor Sir Walter Raleigh House
48-50 Esplanade St Helier
JE2 3QB
Jersey

Solicitor

Maples and Calder (Jersey) LLP
2nd Floor Sir Walter Raleigh House
48-50 Esplanade St Helier
JE2 3QB
Jersey

Registered office

2nd Floor Sir Walter Raleigh House, 48-50 Esplanade St Helier,
JE2 3QB, Jersey

Banker

HSBC Bank PLC
9 Canada Square
London
E145HQ
United Kingdom

Auditor

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 2022.

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			4,000,000,000

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			3,920,000,000

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 loss for the financial year, after taxation, amounted to USD 1,208,567,093 (2021: profit after tax of USD 319,710,502).

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 (except foreign currency 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 16.

Directors

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

- Jon Le Sueur
- Robert Lucas
- Felipe Ortiz (retired 14 December 2022)
- Marco Bartolini (retired 12 December 2022)
- Camille Depoutot (retired 12 April 2023)
- Gregg Myers
- Charles Thomazi (retired 24 November 2022)
- Martin Catchpole
- Wooshick Kim
- Charlotte Louise Brunning (appointed 24 November 2022)
- Giacomo Matarazzo (appointed 12 October 2022)
- Mathew David Henry (appointed 14 December 2022)
- Changyan Shi (appointed 12 April 2023)

Galaxy Pipeline Assets Bidco Limited

Report of Directors (continued)

Directors (continued)

None of the Directors or Secretary who held office on 31 December 2022 and 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.

Company secretary

The Company Secretary who held office during the year 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 year ended 31 December 2022 have been prepared on a going concern basis. The Directors consider the global financial markets experienced volatility due to general macro-economic factors such as the recovery from the global Covid-19 pandemic, continuance of the Russian/Ukraine conflict and the increased rate of inflation and interest rates. 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 anticipated that the volatility of the global financial market might have a negative impact on the performance of the Company in the future but the Company is still expected to operate for 12 months from the date of approval of these financial statements due to the following reasons:

- The Company is expected to receive quarterly cash dividends from 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.

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 19 of the financial statements for details of subsequent events.

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



Martin Catchpole
Director



Robert Lucas
Director Date:

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.



Martin Catchpole
Director



Robert Lucas
Director

Date: 30 June 2023

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 2022 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 20, 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 (IFRS) as adopted by the European Union (EU).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; 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 public interest 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining management's going concern assessment, and assessing the adequacy of the means by which the directors have satisfied themselves that it is appropriate for them to adopt the going concern basis in preparing the financial statements.

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 up to 30 June 2024 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

Key audit matters	<ul style="list-style-type: none">• Calculation and recording of Share of Net Profit/(Loss) in Associate Using Equity Method
Materiality	<ul style="list-style-type: none">• Overall materiality of USD 7,366,762 which represents 2% of Equity.

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.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
<p>Calculation and recording of Share of Net Profit/(Loss) in Associate Using Equity Method</p> <ul style="list-style-type: none"> ▪ Share of net (profit/(loss) of associate accounted for using the equity method: <ul style="list-style-type: none"> ○ 2022: (USD 1,000,751,106) ○ 2021: USD 468,180,123 ▪ Investment in an Associate <ul style="list-style-type: none"> ○ 2022: USD 7,688,531,902 ○ 2021: USD 9,534,530,316 <p>The measurement of share of net profit/(loss) in associate accounted for using the equity method is a key driver of the Company's performance and net asset value. There is a risk that the share in net profit/loss 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> <p>Refer to Notes 3(c), 6 and 9 of the Financial Statements.</p>	<ul style="list-style-type: none"> ▪ Assessed the appropriateness of policies governing the accounting treatment and measurement of share of the net profit/(loss) in the associate. ▪ Performed a walkthrough over the process for calculating the share in net profit/(loss), to identify and review the design effectiveness of the related controls. ▪ Reviewed the signed financial statements of the associate and obtained confirmation of the associate's balances to confirm the investment that Bidco holds. ▪ Inspected the agreements that support the Company's claim over the profit generated by the associate. ▪ Reviewed the mathematical accuracy of the share of Net Profit/(Loss) entitled to the Company. 	<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 7,366,762 (31 December 2021: USD 36,773,902), which is 2% (31 December 2021: 2%) of Equity (31 December 2021: Total Equity). 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 2021: 75%) of our planning materiality, namely USD 5,525,072 (31 December 2021: USD 27,580,429). We have set performance materiality at this percentage based on our knowledge of the entity and industry, effectiveness of the control environment, our assessment of the risks associated with the engagement.

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 USD 368,338 (31 December 2021: USD 1,838,695), 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

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)

intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 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/(loss)in associate);
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved technical reviewers to assist with the review of the compliance of the Company's financial statements with IFRS as adopted by the EU.

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
30 June 2023

Galaxy Pipeline Assets Bidco Limited

Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	Year ended 31 December 2022 USD	Year ended 31 December 2021 USD
Income			
Share of net (loss)/profit of associate accounted for using the equity method	6,9	(1,000,751,106)	468,180,123
Net gain on derivatives	-	-	81,766,204
		<u>(1,000,751,106)</u>	<u>549,946,327</u>
Expenses			
Interest expense	7	(204,719,648)	(224,789,741)
Administrative expenses	8	(3,096,339)	(5,446,084)
		<u>(207,815,987)</u>	<u>(230,235,825)</u>
(Loss)/profit before taxation		<u>(1,208,567,093)</u>	<u>319,710,502</u>
Tax expense	5	-	-
(Loss)/profit after taxation		<u>(1,208,567,093)</u>	<u>319,710,502</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(1,208,567,093)</u>	<u>319,710,502</u>

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 2022

	Note	31 December 2022 USD	31 December 2021 USD
Non - current assets			
Investment in an associate	9	7,688,531,902	9,534,530,316
		7,688,531,902	9,534,530,316
Current assets			
Other assets	10	549,749	558,749
Cash and cash equivalents	11	210,311,168	220,628,962
		210,860,917	221,187,711
Total assets		7,899,392,819	9,755,718,027
Non-current liabilities			
Financial liabilities held at amortised cost	12	(7,094,968,765)	(7,477,113,449)
		(7,094,968,765)	(7,477,113,449)
Current liabilities			
Financial liabilities held at amortised cost	12	(386,063,700)	(387,800,900)
Interest payable	7	(49,768,314)	(51,838,911)
Other payables	13	(253,916)	(269,690)
		(436,085,930)	(439,909,501)
Total liabilities		(7,531,054,695)	(7,917,022,950)
Equity			
Called up share capital	14	(1,979,221,357)	(1,979,221,357)
Retained deficit		1,610,883,233	140,526,280
		(368,338,124)	(1,838,695,077)
Total liabilities and equity		(7,899,392,819)	(9,755,718,027)

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:


Martin Catchpole
Director


Robert Lucas
Director

Date: 30 June 2023

Galaxy Pipeline Assets Bidco Limited

Statement of Changes in Equity

For the financial year ended 31 December 2022

	Share capital USD	Retained deficit USD	Total equity USD
Balance at 1 January 2022	1,979,221,357	(140,526,280)	1,838,695,077
Loss for the year	-	(1,208,567,093)	(1,208,567,093)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1,208,567,093)	(1,208,567,093)
Dividend distribution	-	(261,789,860)	(261,789,860)
Balance at 31 December 2022	1,979,221,357	(1,610,883,233)	368,338,124

	Share capital USD	Retained (deficit) / income USD	Total equity USD
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	1,979,221,357	(140,526,280)	1,838,695,077

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 2022

	Note	Year ended 31 December 2022 USD	Year ended 31 December 2021 USD
Cash flows from operating activities:			
(Loss)/profit before taxation		(1,208,567,093)	319,710,502
Adjustments for:			
Share of net loss/(profit) of associate accounted for using the equity method	6,9	1,000,751,106	(468,180,123)
Interest expense on loans and bonds	7	200,800,632	198,486,962
Amortisation of transaction cost on financial liabilities at amortised cost	7	3,919,016	26,302,779
Net gain on derivatives		-	(81,766,204)
Decrease in other assets	10	9,000	55,316
(Decrease)/increase in other payables	13	(15,774)	216,864
Net cash used in operating activities		(3,103,113)	(5,173,904)
Cash flows from investment activities			
Proceeds from derivative settlement		-	124,754,500
Dividends received	9	845,247,308	860,518,815
Net cash from investment activities		845,247,308	985,273,315
Cash flows from financing activities			
Repayment of loans	12	-	(4,006,432,923)
Proceeds from issuance of bonds	12	-	3,920,000,000
Repayment of bonds	12	(387,800,900)	(23,485,000)
Transaction cost related to issuance of loans and bonds	12	-	(13,488,942)
Interest paid on loans and bonds		(202,871,229)	(163,373,398)
Dividends paid		(261,789,860)	(659,512,418)
Net cash used in financing activities		(852,461,989)	(946,292,681)
Net (decrease)/increase in cash and cash equivalents		(10,317,794)	33,806,730
Cash and cash equivalents at beginning of the year		220,628,962	186,822,232
Cash and cash equivalents at end of the year	11	210,311,168	220,628,962

The accompanying notes form part of these financial statements.

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

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 USD 5,000,000,000 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 USD 7,960,000,000 and is repayable after 24 months after the Loans Facility closing date subject to extension. On 14 July 2020, the Company drew the USD 7,960,000,000 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>4,000,000,000</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>3,920,000,000</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 year ended 31 December 2022

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 anticipated that the volatility of the global financial market might have a negative impact on the performance of the Company in the future but the Company is still expected to operate for 12 months from the date of approval of these financial statements due to the following reasons:

- The Company is expected to receive quarterly cash dividends from 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 2022.

(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 adopted in the current year

The Company applied for the first-time the standards and amendments to standards listed below.

- IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

2. Basis of preparation (continued)

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

New standards, amendments and interpretations adopted in the current year (continued)

- References to Conceptual Framework for financial reporting (Amendments to IFRS 3)
- Annual Improvements to IFRS Standards 2018-2020

The above amendments did not have a material effect on 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 on or after 1 January 2023.

Description	Effective date (financial period beginning)*
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	01 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	01 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	01 January 2023
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	01 January 2023
IFRS 17 Insurance Contracts including Amendments to IFRS 17	01 January 2023
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01 January 2024
Classification of liabilities as Current or Non-current – Amendments to IAS 1	01 January 2024
Non-current Liabilities with Covenants– Amendments to IAS 1	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	01 January 2024

*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 Directors have concluded that the above standards will have no material impact to the financial statements of the Company.

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.

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

3. Accounting policies (continued)

(a) Foreign currency transactions (continued)

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 year ended 31 December 2022

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 has no financial assets at fair value through profit or loss as at 31 December 2022 and 31 December 2021.

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

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 has no financial assets at fair value through profit or loss as at 31 December 2022 and 31 December 2021.

Financial liabilities measured at amortised cost

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

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 year ended 31 December 2022

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 2021, 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 year ended 31 December 2022

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 (loss)/profit of associate accounted for using the equity method

	31 December 2022 USD	31 December 2021 USD
Share of net (loss)/profit of associate accounted for using the equity method	(1,000,751,106)	468,180,123
	<u>(1,000,751,106)</u>	<u>468,180,123</u>

7. Interest expense

	31 December 2022 USD	31 December 2021 USD
Interest expense on loans and bonds	(200,800,632)	(198,486,962)
Amortisation of transaction cost on financial liabilities at amortised cost (Note 12)	(3,919,016)	(26,302,779)
	<u>(204,719,648)</u>	<u>(224,789,741)</u>

Interest payable outstanding at year end amounted to USD 49,768,314 (31 December 2021: USD 51,838,911).

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

8. Administrative expenses

	Year ended 31 December 2022 USD	Year ended 31 December 2021 USD
Commitment fees	(1,463,077)	(1,680,932)
Corporate administration fees	(161,640)	(181,888)
Rating fees	(757,935)	(2,215,134)
Other expenses	(677,819)	(1,328,309)
Audit fees	(35,868)	(39,821)
	<u>(3,096,339)</u>	<u>(5,446,084)</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 18 for details. The Directors did not receive any remuneration during the year (31 December 2021: nil).

9. Investment in an associate

	31 December 2022 USD	31 December 2021 USD
At the beginning of the year	9,534,530,316	9,926,869,008
Share of net (loss)/profit of associate accounted for using the equity method	(1,000,751,106)	468,180,123
Dividend received	(845,247,308)	(860,518,815)
At the end of the year	<u>7,688,531,902</u>	<u>9,534,530,316</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 2022 and 31 December 2021 prepared under IFRS.

Balance sheet	31 December 2022 USD' 000	31 December 2021 USD' 000
Assets		
Non-current assets		
Financial assets	14,457,433	18,269,992
Current assets		
Financial assets	1,659,844	1,717,305
Other receivables	3	4
Cash	64	97
Total assets	<u>16,117,344</u>	<u>19,987,398</u>

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

9. Investment in an associate (continued)

Balance sheet (continued)	31 December 2022	31 December 2021
	USD' 000	USD' 000
Liabilities		
Current liabilities	60	97
Equity		
Share capital	20,707,965	20,707,965
Retained (deficit) / earnings	(4,590,681)	(720,664)
Total equity	<u>16,117,284</u>	<u>19,987,301</u>
Total liabilities and equity	<u>16,117,344</u>	<u>19,987,398</u>
Company share in the net equity of the associate	47.7%	47.7%
	7,687,944	9,533,942
Translation difference at the date of acquisition	588	588
Investment in an associate	<u>7,688,532</u>	<u>9,534,530</u>

Income Statement	Year ended	Year ended
	31 December 2022	31 December 2021
	USD' 000	USD' 000
Finance (loss)/income	(2,097,848)	981,654
Administrative expenses	(162)	(144)
Net (loss)/income	<u>(2,098,010)</u>	<u>981,510</u>
% of shares held	47.7%	47.7%
Company's share of the net (loss)/profit of associate	(1,000,751)	468,180

During the year, the Company received dividends from the associate amounting to USD 845,247,308 (31 December 2021 : USD 860,518,815). In 2022, ADNOC Gas Pipeline Assets LLC incurred finance loss due to increase in interest rates impacting the revaluation of financial assets.

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

10. Other assets

	31 December 2022	31 December 2021
	USD	USD
Prepayments	549,749	558,749
	<u>549,749</u>	<u>558,749</u>

11. Cash and cash equivalents

	31 December 2022	31 December 2021
	USD	USD
Cash at bank	210,311,168	220,628,962
	<u>210,311,168</u>	<u>220,628,962</u>

As at 31 December 2022 and 31 December 2021, the bank accounts are held with HSBC Bank PLC. Refer to note 16(b) for credit risk disclosure relating to cash and cash equivalents.

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

12. Financial liabilities at amortised cost

	31 December 2022 USD	31 December 2021 USD
Bonds	(7,481,032,465)	(7,864,914,349)
	<u>(7,481,032,465)</u>	<u>(7,864,914,349)</u>

As at 31 December 2022, the current and non-current portion of the Bonds was USD 386,063,700 (2021: USD 387,800,900), USD 7,094,968,765 (2021: USD 7,477,113,449), respectively.

Movement in financial liabilities at amortised cost

<i>31 December 2022</i>	Loans USD	Bonds USD	Total USD
<i>Principal</i>			
At the beginning of the year	-	(7,896,515,000)	(7,896,515,000)
Repayments during the year	-	387,800,900	387,800,900
As at end of the year	-	(7,508,714,100)	(7,508,714,100)
<i>Capitalised transaction cost</i>			
At the beginning of the year	-	31,600,651	31,600,651
Amortisation during the year	-	(3,919,016)	(3,919,016)
	-	27,681,635	27,681,635
Financial liabilities at amortised cost, net	-	(7,481,032,465)	(7,481,032,465)
<i>31 December 2021</i>	Loans USD	Bonds USD	Total USD
<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)

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

12. Financial liabilities at amortised cost (continued)

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 USD 7,960,000,000 and was repayable after 24 months after the Loans Facility closing date subject to 12 months extension at the option of the Company. 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. Other payables

	31 December 2022	31 December 2021
	USD	USD
Accruals	(253,916)	(269,690)
	<u>(253,196)</u>	<u>(269,690)</u>

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

14. Share capital

	31 December 2022 USD	31 December 2021 USD
Authorised		
5,000,000,000 ordinary shares of USD 1 each	5,000,000,000	5,000,000,000
	<u>5,000,000,000</u>	<u>5,000,000,000</u>
Allotted, called up and fully paid		
1,979,221,357 ordinary shares of USD 1 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 USD 1 each.

15. 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.

16. 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 year ended 31 December 2022

16. 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:

31 December 2022	Floating rate (USD)	Fixed rate (USD)	Non-interest bearing (USD)	Total (USD)
Cash and cash equivalents	210,311,168	-	-	210,311,168
Total assets	210,311,168	-	-	210,311,168
Financial liabilities held at amortised cost	-	(7,481,032,465)	-	(7,481,032,465)
Interest payable	-	-	(49,768,314)	(49,768,314)
Other payable	-	-	(253,916)	(253,916)
Total liabilities	-	(7,481,032,465)	(50,022,230)	(7,531,054,695)
Net exposure	210,311,168	(7,481,032,465)	(50,022,230)	(7,320,743,527)
31 December 2021	Floating rate (USD)	Fixed rate (USD)	Non-interest bearing (USD)	Total (USD)
Cash and cash equivalents	220,628,962	-	-	220,628,962
Total assets	220,628,962	-	-	220,628,962
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)
Total liabilities	-	(7,864,914,349)	(52,108,601)	(7,917,022,950)
Net exposure	220,628,962	(7,864,914,349)	(52,108,601)	(7,696,393,988)

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

16. Financial risk and capital management (continued)

a) Market risk (continued)

i. Interest rate risk (continued)

As 31 December 2022 and 31 December 2021, the Company held cash in bank which bears variable interest rate.

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 increase by USD 2,103,112 (2021: USD 2,206,289). A decrease of 100 basis points in interest rates would have a similar and opposite effect.

No sensitivity analysis is presented for financial liabilities as the Company had no financial liabilities that are subject to floating interest rates.

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 significant foreign currency denominated financial assets or liabilities as at 31 December 2022 and 31 December 2021.

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, or all factors affecting all instruments traded in the market.

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 2022 and 31 December 2021.

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Notes to the Financial Statements for the financial year ended 31 December 2022

16. Financial risk and capital management (continued)

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, which represents the Company's maximum exposure to credit risk.

	31 December 2022	31 December 2021
	USD	USD
Cash and cash equivalents	210,311,168	220,628,962
	210,311,168	220,628,962

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.

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:

31 December 2022	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	(7,481,032,465)	(9,551,007,590)	(580,376,573)	(2,218,258,507)	(6,752,372,510)
Interest payable	(49,768,314)	(49,768,314)	(49,768,314)	-	-
Other payables	(253,916)	(253,916)	(253,916)	-	-
	(7,531,054,695)	(9,601,029,820)	(630,398,803)	(2,218,258,507)	(6,752,372,510)

31 December 2021	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	(7,864,914,349)	(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)	-	-
	(7,917,022,950)	(10,193,307,986)	(642,300,396)	(2,263,021,608)	(7,287,985,982)

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

16. Financial risk and capital management (continued)

c) Liquidity risk (continued)

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 and bonds issued as disclosed in Note 14 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 year.

17. 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.

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.

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Notes to the Financial Statements for the financial year ended 31 December 2022

17. Fair value (continued)

The Company had no financial instruments carried at fair value as at 31 December 2022 and 31 December 2021.

Assets and liabilities not carried at fair value

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

As at 31 December 2022, the financial liabilities at amortised cost comprise bonds (2021 : bonds). The fair value of the bonds was determined based on quoted market price and classified as Level 1. As at 31 December 2022, the fair value of the bonds was USD 6,176,618,325 (2021: USD 7,822,806,864).

18. 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 USD 161,640 (2021: USD 181,888) 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 2022 (2021: Nil).

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.

During the year, the Company distributed dividends to Parent Company amounting to USD 261,789,860 (2021: USD 659,512,418).

19. Subsequent events

In January 2023, the Company paid dividends amounting to USD 67,852,537.

In March 2023, the Company received dividends amounting to USD 210,702,702 and repaid the principal due on its Bonds amounting to USD 192,807,600.

In April 2022, the Company paid dividends amounting to USD 61,321,196 .

The Directors have considered the recent conflict between Ukraine and Russia and are not aware of any business operations or direct impacts the conflict will have on going concern. The Directors will continue to monitor the situation.

Galaxy Pipeline Assets Bidco Limited

Notes to the Financial Statements for the financial year ended 31 December 2022

19. Subsequent events (continued)

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

20. Approval of the financial statements

The financial statements were approved by the Board of Directors on 28 June 2023.