

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Reports and financial statements
For the year ended 31 December 2025

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Financial statements

For the year ended 31 December 2025

Contents	Page(s)
Directors' report	1
Independent auditor's report	2 - 10
Statement of financial position	11
Statement of comprehensive income	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 – 32

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Directors' report for the year ended 31 December 2025

The Board of Directors are pleased to present their report, together with the audited financial statements of Abu Dhabi Crude Oil Pipeline L.L.C. (the "Company") for the year ended 31 December 2025.

Principal objectives:

The principal objectives of the Company are to: (1) construct, acquire, own, operate, maintain, lease, finance and dispose of any pipeline and other infrastructure assets in or outside the Emirate of Abu Dhabi; and (2) any other activity approved by the Supreme Petroleum Council and any other incidental activities to the aforementioned objectives.

Results:

Total income for the year was USD 440,035 thousand (2024: USD 468,208 thousand). The Company reported a profit for the year of USD 273,523 thousand (2024: USD 303,049 thousand).

Transactions with related parties

The financial statements disclose related party transactions and balances in note 8. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2025.

Auditors

PricewaterhouseCoopers Limited Partnership - Abu Dhabi were appointed as external auditors for the Company for the year ended 31 December 2025. PricewaterhouseCoopers Limited Partnership - Abu Dhabi have expressed their willingness to continue in office.

For and on behalf of the Board of Directors



Salah Abdullah Al-Ali
Chief Executive Officer

29 April 2026

Abu Dhabi, United Arab Emirates



Independent auditor's report

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ABU DHABI CRUDE OIL PIPELINE L.L.C. (the "Company") as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

PricewaterhouseCoopers Limited Partnership-Abu Dhabi
Al Khatem Tower, Al Falah Str., 25 Floor, Abu Dhabi Global
Market, PO Box: 45263, Abu Dhabi-United Arab Emirates
T: +971 2 694 6800



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities together with applicable ethical and independence requirements of United Arab Emirates that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Our audit approach

Overview

Key Audit Matter	Discount rate on finance lease receivables
------------------	--

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the, the accounting processes and controls, and the industry in which the operates.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our audit approach

Key audit matter	How our audit addressed the key audit matter
Discount rate on finance lease receivables Refer to notes 3.2 and 4 to the financial statements for disclosures and related accounting policies and balances. The Company's statement of financial position as at 31 December 2025 includes a carrying value of USD 3.76 billion relating to finance lease receivables for the lease of the pipeline. Management initially recognised the finance lease receivables based on the expected cashflows of the future lease payments, discounted using the discount rate implicit in the lease. The discount rate determined at the commencement of the lease was estimated based on the assumption that the lease rental receipts equate to the fair value of the pipeline at the inception of the lease. The selection of this discount rate is a critical assumption as it directly impacts the valuation of the finance lease receivables. We focused on this area because of the materiality to the financial statements and the significant level of judgement required in arriving at the discount rate.	<i>Our approach to addressing the matter, involved the following procedures, amongst others:</i> • Obtained an understanding of the method used by management to determine the expected cashflows used in the finance lease receivable model; • Obtained an understanding of the method used by management to determine the implicit interest rate used to discount the expected cashflows to determine the present value of the finance lease receivables; • Engaged an internal expert to determine the discount rate at the inception of the lease based on the agreement terms and conditions; • Compared the rate determined by our expert with the rate used by management to identify that the rate determined was within a reasonable range; • Performed a sensitivity analysis on the discount rate to assess reasonableness; and • Reviewed the related disclosures of the discount rate as an area of estimation uncertainty in the financial statements.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Other information

Management is responsible for the other information. The other information comprises the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

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 and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities 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.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, as amended, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended;
- iii) the Company has maintained proper books of account;
- iv) the financial information included in Directors' report is consistent with the books of account of the Company;
- v) as disclosed in note 1 to the financial statements the Company has not purchased or invested in any shares during the year ended 31 December 2025;
- vi) note 8 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2025.



Independent auditor's report (Continued)

To the Shareholder of ABU DHABI CRUDE OIL PIPELINE L.L.C.

Report on other legal and regulatory requirements (continued)

Further, as required by the ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2025:

- i) the Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- ii) applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's financial statements.

PricewaterhouseCoopers Limited Partnership - Abu Dhabi

29 April 2026

Nizar Jichi

Registered Auditor Number 5596

Abu Dhabi, United Arab Emirates

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Statement of financial position As at 31 December 2025

	Notes	2025 USD'000	2024 USD'000
ASSETS			
Non-current assets			
Finance lease receivable	4	3,606,841	3,668,930
Right-of-use asset	5	374,067	387,025
Due from a related party	8/A	573,378	506,485
		<u>4,554,286</u>	<u>4,562,440</u>
Current assets			
Finance lease receivable	4	156,773	163,158
Due from a related party	8/A	3	3
Prepayments and other receivables		191	188
Cash and cash equivalent		758,399	343,843
		<u>915,366</u>	<u>507,192</u>
Total assets		<u>5,469,652</u>	<u>5,069,632</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6	3	3
Shareholder's contribution	7,8/B	741,594	741,594
Retained earnings		1,048,564	775,041
Total equity		<u>1,790,161</u>	<u>1,516,638</u>
LIABILITIES			
Non-current liabilities			
Lease liability	10	509,508	505,304
Interest bearing borrowings	9	3,023,961	3,022,846
		<u>3,533,469</u>	<u>3,528,150</u>
Current liabilities			
Lease liability	10	15,932	15,173
Accrued and other liabilities		177	215
Advance from a related party	8/B	129,913	9,456
		<u>146,022</u>	<u>24,844</u>
Total liabilities		<u>3,679,491</u>	<u>3,552,994</u>
Total equity and liabilities		<u>5,469,652</u>	<u>5,069,632</u>

Salah Abdullah Al-Ali
Chief Executive Officer

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

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Statement of comprehensive income For the year ended 31 December 2025

	Notes	2025 USD'000	2024 USD'000
Income			
Income from finance lease	4	150,526	153,206
Other income	4	265,735	296,268
Interest income		23,774	18,734
		<u>440,035</u>	<u>468,208</u>
Expenses			
Interest expense	11	(153,039)	(151,629)
Depreciation of right-of-use asset	5	(12,958)	(13,009)
Legal and other expenses		(515)	(521)
		<u>(166,512)</u>	<u>(165,159)</u>
Profit for the year		273,523	303,049
Other comprehensive income		-	-
Total comprehensive income for the year		<u>273,523</u>	<u>303,049</u>

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

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Statement of changes in equity For the year ended 31 December 2025

	Share capital USD'000	Shareholder's contribution USD'000	Retained earnings USD'000	Total equity USD'000
At 1 January 2024	3	1,241,594	471,992	1,713,589
Repayment of shareholder's contribution (note 7)	-	(500,000)	-	(500,000)
Total comprehensive income for the year	-	-	303,049	303,049
At 31 December 2024	3	741,594	775,041	1,516,638
Total comprehensive income for the year	-	-	273,523	273,523
At 31 December 2025	3	741,594	1,048,564	1,790,161

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

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Statement of cash flows for the year ended 31 December 2025

	Notes	2025 USD'000	2024 USD'000
Operating activities			
Profit for the year		273,523	303,049
<i>Adjustments for:</i>			
Income from finance lease	4	(150,526)	(153,206)
Other income	4	(265,735)	(296,268)
Interest expense	11	153,039	151,629
Interest income		(23,774)	(18,734)
Depreciation of right-of-use asset	5	12,958	13,009
		(515)	(521)
<i>Working capital adjustments:</i>			
Prepayments and other receivables		(3)	(188)
Accrued and other liabilities		(38)	129
Advance from a related party		120,457	(134,630)
Cashflows generated from/(used in) operating activities (before lease rental received)		119,901	(135,210)
Lease rentals received	8	484,735	515,268
Net cash generated from operating activities		604,636	380,058
Cash flows from investing activities			
Payments for sinking fund	8	(66,893)	(67,629)
Interest received		23,774	18,734
Net cash used in investing activities		(43,119)	(48,895)
Financing activities			
Interest paid on interest bearing borrowings	9	(131,750)	(131,751)
Repayment of lease liability	10	(15,211)	(13,900)
Repayment of interest portion of lease liability	10	-	(587)
Payment of shareholder's contribution	7,8	-	(500,000)
Net cash used in financing activities		(146,961)	(646,238)
Increase/(decrease) in cash and cash equivalents		414,556	(315,075)
Cash and cash equivalents at the beginning of the year		343,843	658,918
Cash and cash equivalents at the end of the year		758,399	343,843

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

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

1 General information

Abu Dhabi Crude Oil Pipeline L.L.C. (the “Company”) is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates on 13 September 2017 and is wholly owned by ADNOC Infrastructure L.L.C., a wholly owned subsidiary of Abu Dhabi National Oil Company (“ADNOC”). The Company is controlled by the ultimate parent Company Abu Dhabi National Oil Company P.J.S.C (“ADNOC”). ADNOC is wholly owned by the Emirate of Abu Dhabi.

The registered office of the Company is at ADNOC Tower, P O Box 898, Abu Dhabi, United Arab Emirates.

The principal objectives of the Company are to: (1) construct, acquire, own, operate, maintain, lease, finance and dispose of any pipeline and other infrastructure assets in or outside the Emirate of Abu Dhabi; and (2) any other activity approved by the Supreme Council for Financial and Economic Affairs and any other incidental activities to the aforementioned objectives.

ADNOC transferred ownership of the Habshan-Fujairah Pipeline (the “Pipeline” or “Abu Dhabi Crude Oil Pipeline” or “ADCOP”) to the Company on 1 October 2017.

The Company entered into Use and Operation Agreement (the “Agreement”) with Abu Dhabi Company for Onshore Petroleum Operations (“ADNOC Onshore”) on 28 September 2017, with commencement date occurring on 1 October 2017 for the Pipeline. The term of the Agreement is 37 years and is renewable for a further period of five years at the sole discretion of the Company.

ADNOC Onshore is responsible for the operation and maintenance of the Pipeline over the term of the contract. The design capacity of the Pipeline is one million and five hundred thousand barrels per day and under the Agreement, the Company is entitled to one US Dollar per barrel multiplied by the greater of:

- the number of barrels of crude oil transported through the Pipeline in a year; and
- the minimum throughput quantity, determined at six hundred thousand barrels per day.

The Company has not purchased any shares during the financial year ended 31 December 2025.

The financial statements were authorised for issue by the Chief Executive Officer on 29 April 2026 as the Board of Directors has authorised the Chief Executive Officer to sign and issue the financial statements.

2 Basis of preparation and accounting policies

2.1 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the applicable laws in United Arab Emirates.

Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and presentation currency

The functional currency for the Company is the currency of the primary economic environment in which it operates. Determination of functional currency may involve certain judgements to identify the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

The financial statements have been presented in US Dollar, which is the functional currency of the Company, rounded to nearest thousands (“USD’000”). The principal accounting policies adopted are set out below.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.2 Changes in accounting policies and disclosures

2.2.1 New and amended IFRS Accounting Standards applied with no material effect on the financial statements

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

- *Lack of Exchangeability – Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’ (effective 1 January 2025)*
- *Disclosures about Uncertainties in the Financial Statements – Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37*

Other than the above, there are no other material IFRS Accounting Standards or amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current period but may affect the accounting for the Company’s future transactions or arrangements.

2.2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

The Company has not early adopted new and revised IFRS Accounting Standards that have been issued but are not yet effective.

- *Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments – Effective from annual periods beginning on or after 1 January 2026 (early adoption is permitted).*
- *Annual improvements to IFRS – Volume 11 – Effective from annual periods beginning on or after 1 January 2026 with earlier application permitted.*
- *Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity – Effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required.*
- *Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency – Effective from annual periods beginning on or after 1 January 2027 but can be early adopted subject to local endorsement where required.*
- *IFRS 18, ‘Presentation and Disclosure in Financial Statements’ – Effective from annual periods beginning on or after 1 January 2027 with early adoption possible subject to local endorsement where required.*
- *IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’ and amendment (see separate section below for the amendment) – Effective from - annual periods beginning on or after 1 January 2027. Earlier application is permitted.*
- *Amendment to IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’ – Effective from annual periods beginning on or after 1 January 2027 when the standard becomes effective.*

The anticipated future application of these amendments to IFRS Accounting Standards is not expected to materially impact the financial statements.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies

Income taxes

As disclosed in note 17, the UAE corporate income tax fully enacted in 2024. However, as per the fiscal letter issued by the Supreme Council for Financial and Economic Affairs, the Company is exempt from corporate income tax under the Abu Dhabi Income Tax Decree of 1965, as amended, and is only required to pay an annual fee of \$25,000 in respect of its extractive business activities and/or non-extractive natural resource business activities.

Consequently, the Company has determined that no deferred tax positions exist as at 31 December 2025, as the fiscal terms confirm no taxable income arises under the new tax regime. No deferred taxes have been recorded in the financial statements.

Leases

The Company as lessee

The Company entered into lease agreements as a lessee with respect to the use of land on which the Habshan-Fujairah Pipeline is located. Fixed lease payments for the Habshan-Fujairah land are made annually, with payments increasing by 5% per annum as per lease agreement terms.

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies (continued)

Leases (continued)

The Company as lessee (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

The Company as lessor

The Company enters into lease agreements as a lessor with respect to the use of the Pipeline in accordance with the Agreement with ADNOC Onshore as mentioned in note 1 "Use and Operation Agreement (the "Agreement")".

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. ADCOP owns the pipelines leased to ADNOC Onshore and retains the right to control the use of the pipelines and related facilities for transporting crude oil. ADNOC Onshore operates these assets under the terms of the Use and Operation Agreement, which meets the definition of a finance lease under IFRS 16.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies (continued)

Leases (continued)

The Company as lessor (continued)

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

Other revenues

Finance income

Finance income is accrued on a time basis, by reference to the outstanding principal and at the effective interest rate applicable.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial assets

The Company has the following financial assets: cash at bank, due from a related party, VAT receivables, and other receivables.

Cash at bank is classified as 'cash and cash equivalents', due from a related party, VAT receivables and other receivables are classified as 'financial assets measured at amortised cost'. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise of balances with a bank in current account. The Company held cash with a financial institution that is rated Aa3 based on Moody's agency ratings as at 31 December 2025 and 2024. Accordingly. The Company applied IFRS 9 in the calculation of ECL provision, and the amount calculated by applying the general approach is considered to be immaterial.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies (continued)

Financial assets (continued)

Financial assets measured at amortised cost

Due from a related party and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on due from a related party and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For finance lease receivables credit loss allowance (ECL) is recognized using a simplified approach at lifetime ECL. The ECL is determined in the same manner as for trade receivables.

The Company utilizes a provision matrix for expected credit losses (ECL) on due from a related party and other receivables, noting that the Company's business model primarily involves a single customer relationship. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Accruals and other payables classified as 'financial liabilities' are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

2 Basis of preparation and accounting policies (continued)

2.3 Material accounting policies (continued)

Fair values of financial instruments

Fair value 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

3 Significant accounting estimates and judgments

3.1 Critical judgments in applying the Companies' accounting policies

The following are the critical judgments, apart from those involving estimations described below, that the management have made in the process of applying the Company accounting policies and have the most significant effect on the amounts recognised in the financial statements.

Transfer of pipeline and finance lease recognition

The Company entered into an asset transfer agreement with ADNOC and a pipeline and facilities Use and Operation Agreement with ADNOC Onshore in the year 2017. The Company exercised judgment in determining, based on an evaluation of the terms and conditions of these agreements, including the fact that considering these legal agreements entered into between separate legal entities as a commercial transaction, that the Company acquired control of the pipeline and facilities subsequent to the signing of the asset transfer agreement and based on the terms of the pipeline and facilities use and operation agreement was accounted for the transactions as a finance lease.

Lease term for Fujairah lease

The Company has a lease arrangement with Fujairah Municipality for a period of 99 years for use of land on which the Pipeline has been constructed. Management has determined the lease period to be 37 years. In making its judgment, management considered the terms and conditions of the agreement with Fujairah Municipality, commercial substance of the arrangement and related guidance to determine the period of lease. The lease can be terminated by the Company at any time during the term of the lease with required notice to Fujairah Municipality. Based on these factors, the lease term is determined to be the same as the term for lease of the Pipeline.

Classification of receivable from a related party for sinking fund

The Company has made mandatory sinking fund payments of USD 66,893 thousand (2024: USD 67,629 thousand) in relation to Series A bonds to ADNOC (note 8/A) which are recorded within due from related parties. The sinking fund account is intended to be used on maturity date of Series A bonds to pay all or portion of the remaining principal amount and unpaid accrued interest. Classification of such amounts as non-current asset is based on the criteria in the Framework for the Preparation and Presentation of Financial Statements and IAS 1 *Presentation of Financial Statements*.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

3 Significant accounting estimates and judgments (continued)

3.1 Critical judgments in applying the Companies' accounting policies (continued)

Classification of receivable from a related party for sinking fund (continued)

Management has considered the underlying criteria, substance and economic reality of the balance, and have concluded that these balances should be classified as a non-current asset based on management's expectation that the sinking fund deposit will not be called within the next 12 months, even if the receivable is contractually receivable on demand.

Classification of loan from shareholder

In judging whether the loan from shareholder is a financial liability or an equity instrument, management has considered the detailed criteria for the determination of such classification as set out in IAS 32 *Financial Instruments: Presentation* and in particular the fact that the loan is interest-free with no fixed repayment terms and the Shareholder may not demand nor request for the repayment of the loan. Management is satisfied that the loan from shareholder is appropriately classified as equity in the statement of financial position.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR") at commencement of the lease. Management has applied judgments and estimates to determine the IBR at the commencement of the lease. The Company has applied the weighted average lessee's incremental borrowing rate of 3.73% to the lease liability. There has been no change in the incremental borrowing rate in the year.

Discounting of lease rental receipts

The lease receivables are discounted using the implicit interest rate ("IIR") of 4.0728% calculated at the commencement of the lease. Management has applied judgments and estimates to determine the IRR at the commencement of the lease. The implicit rate was estimated with the assumption that lease rental receipts equals the sum of the fair value of the pipeline and any initial direct cost to the Company at the inception of the lease agreement.

Sensitivity analysis

A sensitivity analysis was conducted on the financial statements by adjusting the interest rate used for calculating financial assets and liabilities up or down by 10 basis points. The results of this analysis are presented in the table below, demonstrating the potential impact on financial assets and liabilities under different interest rate scenarios. Refer to note 14 for fair value hierarchy of the financial assets and liabilities.

	Impact on 2025 USD'000	Impact on 2024 USD'000
Finance lease receivables		
Increase by 10 basis points	661	518
Decrease by 10 basis points	<u>(521)</u>	<u>(483)</u>
Lease liabilities		
Increase by 10 basis points	993	912
Decrease by 10 basis points	<u>(581)</u>	<u>(529)</u>

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

4 Finance lease receivable

Movement in the finance lease receivable is as follows:

	2025 USD'000	2024 USD'000
At 1 January	3,832,088	3,897,882
Income from finance lease	150,526	153,206
Minimum lease payments received	(219,000)	(219,000)
At 31 December	<u>3,763,614</u>	<u>3,832,088</u>

Gross investment and present value of minimum lease payments receivable are as follows:

	31 December			
	2025		2024	
	Minimum lease payments USD'000	Present value of minimum lease payments USD'000	Minimum lease payments USD'000	Present value of minimum lease payments USD'000
Within one year	219,000	156,773	219,000	163,158
Between 1 and 2 years	219,000	150,638	219,000	156,773
Between 2 and 3 years	219,000	144,743	219,000	150,638
Between 3 and 4 years	219,000	139,079	219,000	144,743
Between 4 and 5 years	219,000	133,636	219,000	137,970
Later than 5 years	5,201,250	3,038,745	5,420,250	3,078,806
Total minimum lease payments receivable	<u>6,296,250</u>	<u>3,763,614</u>	<u>6,515,250</u>	<u>3,832,088</u>
Less: unearned finance income	(2,532,636)	-	(2,683,162)	-
Net investment/present value of minimum lease payments receivable	<u>3,763,614</u>	<u>3,763,614</u>	<u>3,832,088</u>	<u>3,832,088</u>

The lease has an estimated implicit interest rate of 4.0728% per annum and payments are receivable in advance quarterly instalments over a period of 37 years.

Finance lease receivables are classified in the statement of financial position as follows:

	2025 USD'000	2024 USD'000
Current	156,773	163,158
Non-current	<u>3,606,841</u>	<u>3,668,930</u>
	<u>3,763,614</u>	<u>3,832,088</u>

During the year, an amount of USD 265,735 thousand (2024: USD 296,268 thousand) has been recorded in excess of the finance income on finance lease of 150,526 thousand (2024: USD 153,206 thousand). This represents the additional income of the Company based on the actual volume of crude oil transported during the period over and above the minimum guaranteed amount (refer to note 1).

Management estimates the loss allowance on finance lease receivable at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivable at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industry in which the lessee operates, management considers that no finance lease receivable is impaired.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

4 Finance lease receivable (continued)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk

5 Right-of-use asset

	Land	
	31 December	
	2025	2024
	USD'000	USD'000
Cost		
At 1 January	465,080	465,080
At 31 December	465,080	465,080
Accumulated amortisation		
At 1 January	78,055	65,046
Depreciation for the year	12,958	13,009
At 31 December	91,013	78,055
Carrying amount	374,067	387,025

6 Share capital

	2025	2024
	USD'000	USD'000
Authorised and issued		
3,000 shares of USD 1 each (2024: 3,000 shares of USD 1 each)	3	3

7 Shareholder's contribution

The Company has an agreement with ADNOC Infrastructure L.L.C., the shareholder of the Company. Under the Agreement, the shareholder provided a facility deemed to have been utilised for the transfer of the Pipeline under the Transfer Agreement. A portion of the facility was repaid in 2017 and the remaining balance meets the criteria of an equity instrument under IAS 32 as the amount is repayable at the Company's absolute discretion and accordingly has been classified as equity (refer to note (3.1)).

	2025	2024
	USD'000	USD'000
Balance at 1 January and 31 December (note 8, 18)	741,594	741,594

8 Related party transactions and balances

Related parties represent the Company's shareholder, ADNOC, the Government of Abu Dhabi (ultimate controlling party) and related departments and institutions, associated companies, joint ventures, directors and key management personnel of the Company, ADNOC, and entities controlled, jointly controlled or significantly influenced by such parties. The Company has transactions with its related parties in the normal course of business. Pricing policies and terms of transactions with related parties are approved by the Company's management.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

8 Related party transactions and balances (continued)

Balances with related parties included in the statement of financial position are as follows:

	Nature	Category	2025 USD'000	2024 USD'000
(8/A) Due from related parties				
ADNOC Infrastructure L.L.C. (current)	Share capital	Parent	3	3
ADNOC* (non-current)	Sinking fund	Ultimate parent	573,378	506,485
ADNOC Onshore (Finance lease receivables) (notes 1, 4)	Rental of pipelines	Entity under common control	3,763,614	3,832,088
(8/B) Due to related parties				
Advance from ADNOC Onshore**	Finance Lease Equity contribution	Entity under common control	129,913	9,456
Shareholder's contribution (note 7)			741,594	741,594
Letters of credit in the name of ADNOC (Note 13)			<u>10,000</u>	<u>110,000</u>

* As per the terms of the offering memorandum, the Company is required to make mandatory sinking fund payments in relation to Series A bonds to ADNOC commencing 30 June 2018. The balance of the sinking fund is intended to be used on maturity date of Series A bonds to pay all or portion of the remaining principal amount and unpaid accrued interest thereof.

** Amounts are received in advance from ADNOC Onshore pertaining to the finance lease which are subsequently used to settle the finance lease receivable balances associated with the use of the pipeline.

Outstanding balances at the period-end arise in the normal course of business. Administrative office and related services are provided free of charge by ADNOC under a "General Services Agreement". The agreement is from 2017 and is free of charge for the first 4 years from the effective date. Services provided includes corporate governance, finance, treasury and accounting, taxes, human resources, logistics and others including any ancillary expenses. No schedule of fees and services were arranged between the two parties and accordingly the agreement continues to be provided without charges.

The key management personnel are also key management of, and carry on work for, other entities within the ADNOC Group. The key management are actively involved in the management of other entities and receive their remuneration from the parent company, ADNOC, which makes no recharge to the Company.

Decommissioning liability

As per terms of the Agreement, ADNOC Onshore shall carry out all decommissioning related activities including appointment of an independent decommissioning consultant to prepare and execute the decommissioning plan based on the Company's approval. In addition, on the termination of the Agreement, ADNOC Onshore is responsible, on the instructions of the Company, for the decommissioning of the Pipeline and environmental clean-up with respect to the area affected by the Pipeline and to bear all such costs in relation to the decommissioning.

Transactions with related parties during the year are as follows:

	31 December 2025 USD'000	2024 USD'000
Income from finance lease to ADNOC Onshore (note 4)	150,526	153,206
Other income - ADNOC Onshore (note 4)	265,735	296,268
Cash received from ADNOC Onshore	605,191	520,096
Payments for sinking fund – ADNOC HQ	66,893	67,629
Payment of shareholder's contribution	-	500,000

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

8 Related party transactions and balances (continued)

Terms and conditions governing transactions with related parties specify a thirty-day payment period, outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash unless otherwise agreed upon. There have been no guarantees provided or received for any related party receivables or payables. Compensation in respect of ADCOP's key management personnel is outlined in the "General Services Agreement" and are paid by ADNOC.

9 Interest bearing borrowings

	Coupon rate %	Effective interest rate	Repayment Date	31 December	
				2025 USD'000	2024 USD'000
USD 0.830 billion bonds, net of transaction costs (Series A)	3.65%	3.73%	November 2029	834,808	834,236
USD 2.18 billion bonds, net of transaction costs (Series B)	4.65%	4.66%	2030 - 2047	2,189,153	2,188,610
Total (non-current liabilities)				3,023,961	3,022,846

On 2 November 2017, the Company, issued long term fixed interest rate bonds of USD 837,000 thousand and USD 2,200,000 thousand on the Global Exchange Market of the Irish Stock Exchange which are secured by the Company's shares. The bonds are recorded at amortised cost using the effective interest rate and the loan is secured by several security documents, including the Company's contractual rights such as the right to receive payment under the Use and Operations Agreement, cash deposits, guarantees, and other essential pipeline-operating assets.

The principal is repayable for Series A bonds in one bullet payment upon maturity. The principal for Series B bonds is repayable in semi-annual instalments starting 30 June 2030. Bond liability is stated net of transaction costs incurred in connection with the bond arrangement, which amounted to USD 22,008 thousand at the time of recognition, which are amortised in the income statement over the repayment period of the bonds using the effective interest rate method. Interest on the bonds is payable semi-annually starting 30 June 2018.

Movement in the carrying value of interest-bearing borrowings are as follows:

	2025 USD'000	2024 USD'000
Balance at 1 January	3,022,846	3,021,786
Interest expense for the year (note 11)	132,865	132,811
Interest paid during the year	(131,750)	(131,751)
Balance at 31 December	3,023,961	3,022,846

10 Lease liability

	2025 USD'000	2024 USD'000
Balance as at 1 January	520,477	516,146
Accretion of interest	20,174	18,818
Payments	(15,211)	(14,487)
Balance as at 31 December	525,440	520,477
Disclosed as follows:		
Current	15,932	15,173
Non-current	509,508	505,304
	525,440	520,477

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

11 Interest expense

	2025 USD'000	2024 USD'000
Interest expense relating to interest bearing borrowings (note 9)	132,865	132,811
Interest expense on lease liabilities (note 10)	20,174	18,818
	<u>153,039</u>	<u>151,629</u>

12 Financial risk management objectives and policies

The Company's financial assets include finance lease receivable, bank balances and due from a related party. The Company's financial liabilities include interest bearing borrowings, lease liabilities and accrued liabilities.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Company's management reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as its long-term borrowings have fixed interest rates and the finance lease receivable carries a fixed implicit rate of return.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is concentrated and minimised as the finance lease receivable and other receivables are due from a related party. As at the reporting date, there were no past due receivables from the related party. Fitch Ratings has given ADNOC Group a standalone credit rating of AA+ and a long-term issuer default rating of AA with a stable outlook, in line with the sovereign rating of Abu Dhabi. There is a concentration risk because bank balances are held with one commercial bank which operates in different jurisdictions. These banks are regulated by the Central Bank in the respective jurisdiction. Balances with banks are assessed to have low credit risk of default. Credit risk is limited to the carrying values of financial assets in the statement of financial position.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages its foreign currency risk by regularly assessing current and expected foreign currency exchange rate movements and its foreign currencies payables. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Foreign currency risk is limited since majority of the Company's transactions, monetary assets and liabilities are US Dollar. Other transactions if any are in UAE Dirham, which is pegged to the US Dollar and thus represents no significant currency risk.

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

12 Financial risk management objectives and policies (continued)

Liquidity risk

The Company limits its liquidity risk by ensuring enough cash flow is available from its operations.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments:

USD'000	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
At 31 December 2025						
Accrued and other liabilities	-	177	-	-	-	177
Lease liabilities	-	15,932	-	72,102	889,144	977,178
Interest bearing borrowings	-	-	131,751	1,610,765	2,843,006	4,585,522
Total	-	16,109	131,751	1,682,867	3,732,150	5,562,877
At 31 December 2024						
Accrued and other liabilities	-	215	-	-	-	215
Lease liabilities	-	3,793	11,380	68,669	908,509	992,351
Interest bearing borrowings	-	65,875	65,875	1,359,250	3,226,272	4,717,272
Total	-	69,883	77,255	1,427,919	4,134,781	5,709,838

Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios to support its business. The Company manages its capital structure and makes adjustments to it to ensure that it will be able to continue as a going concern. In order to maintain or adjust the capital structure, the Company may return capital to the shareholder, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024. Equity comprises share capital, shareholder contribution and retained earnings, and is measured at USD 1,790,161 thousand as of 31 December 2025 (2024: USD 1,516,638 thousand). The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the statement of financial position plus net debt.

The gearing ratio, determined as net debt to net debt plus equity, at the year-end was as follows:

	2025 USD'000	2024 USD'000
Debt	3,549,401	3,543,323
Cash and cash equivalents	(758,399)	(343,843)
Net debt	2,791,002	3,199,480
	1,790,161	
Equity		1,516,638
Net debt plus equity	4,581,163	4,716,118
Gearing ratio	61%	68%

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

13 Contingencies and commitments

	2025 USD'000	2024 USD'000
Contingent liabilities		
Letters of credit	<u>110,000</u>	<u>110,000</u>

The Company had contingent liabilities in respect of letters of credit which are issued in the ordinary course of business from which it is anticipated that no material liabilities will arise. These letters of credit were obtained in the name of ADNOC in respect of the debt service payment associated with the bonds.

14 Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities. The fair values of the Company's financial instruments and carrying values at the statement of financial position date are disclosed below.

Fair value hierarchy

The following table provides an analysis of financial instruments for which fair values are disclosed in the financial statements, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

USD'000	Level 1	Level 2	Level 3	Total	Carrying value
At 31 December 2025					
Finance lease receivable	<u>-</u>	<u>-</u>	<u>3,763,614</u>	<u>-</u>	<u>3,763,614</u>
Interest bearing borrowings					
Series A bond	<u>818,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,808</u>
Series B bond	<u>2,046,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,189,153</u>
Total	<u><u>2,865,141</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,023,961</u></u>
At 31 December 2024					
Finance lease receivable	<u>-</u>	<u>-</u>	<u>2,869,068</u>	<u>2,869,068</u>	<u>3,832,088</u>
Interest bearing borrowings					
Series A bond	<u>786,278</u>	<u>-</u>	<u>-</u>	<u>786,278</u>	<u>834,236</u>
Series B bond	<u>1,940,840</u>	<u>-</u>	<u>-</u>	<u>1,940,840</u>	<u>2,188,610</u>
Total	<u><u>2,727,118</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,727,118</u></u>	<u><u>3,022,846</u></u>

As at 31 December 2025 and 2024, the Company considers that the carrying amounts of all other financial assets and financial liabilities recognised in the financial statements approximate their fair values.

15 Auditor's remuneration

	2025 USD'000	2024 USD'000
Audit of financial statements	<u>90</u>	<u>87</u>

ABU DHABI CRUDE OIL PIPELINE L.L.C.

Notes to the financial statements for the year ended 31 December 2025

16 Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Board of Directors, as the chief operating decision maker (CODM), in order to allocate resources to the segment and to assess its performance.

For the year ended 31 December 2025 and 31 December 2024, the Company has determined that it operates as a single operating segment. The Company's activities are limited to the leasing of pipelines, with all revenue generated from a single customer "ADNOC Onshore". For the purposes of segment reporting, management uses the financial statements prepared in accordance with IFRS Accounting Standards. Given the nature of the Company's operation and the fact that all revenue is derived from one customer within a single geographical area, the Company has no other reportable segments or additional entity-wide disclosures under IFRS 8.

17 Tax assessment

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current Taxes as defined in IAS 12 will be payable for financial years ending after 1 January 2024. However, as per the fiscal letter issued by the Supreme Council for Financial and Economic Affairs, the Company is exempt from Corporate Income Tax under the Abu Dhabi Income Tax Decree of 1965, as amended, and is only required to pay an annual fee of \$25,000 in respect of its extractive business activities and/or non-extractive natural resource business activities.

Management has assessed the conditions of the law and the Corporate Tax Exemptions available and concluded that as at 31 December 2025, there are no deferred tax assets or liabilities to be recorded arising from the enactment of the UAE Corporate Tax Law.

18 Subsequent events

Subsequent to the reporting date, the Board of Directors of the Company approved a partial repayment of the shareholder's contribution to its shareholder. Under the approved resolution, the Company repaid an amount of USD 500 million in partial settlement in March 2026. Remaining balance remains payable at the Company's absolute discretion. The Board confirmed that the Company had sufficient surplus cash to undertake this repayment and that all relevant contractual and regulatory requirements had been satisfied.

This transaction represents a non-adjusting event after the reporting period, as the approval and repayment relate to conditions that arose after 31 December 2025. Accordingly, no adjustments have been made to the financial statements for the year ended 31 December 2025.

Geopolitical Developments

Subsequent to the reporting date, on 28 February 2026, certain regional geopolitical developments occurred within the broader Gulf region. Management is closely monitoring developments in the UAE and the wider Gulf region and is assessing the potential implications for the Company's operations, liquidity, financial position, and cash flows.

Given the rapidly evolving nature of the situation, it is not currently possible to reliably quantify any potential financial impact, whether adverse or favourable. Accordingly, no adjustments have been made to the financial statements as of the reporting date, as these events are considered non adjusting subsequent events. Management will continue to monitor developments and assess potential implications for operations, financial position, and performance.