

22 August 2022

ASX ANNOUNCEMENT

APA Group (ASX: APA)

APA Group Leadership Changes and Preliminary Results Announcement

APA Group (ASX: APA) today announced that CEO and Managing Director, Rob Wheals, will be stepping down at the end of September 2022.

Adam Watson, APA's Chief Financial Officer, will be appointed as acting CEO while the Board undertakes a full search process for a new CEO, and APA's General Manager of Investor Relations, Kynwynn Strong, will be appointed as acting CFO.

Due to the proximity to APA reporting its full year results to the market on Wednesday 24 August, APA today announced the following unaudited financial results for the year ended 30 June 2022 (FY22):

- Underlying EBITDA up 3.9% to \$1,692 million (FY21 \$1,629 million¹),
- Free Cash Flow up 19.8% to \$1,081 million (FY21 \$902 million), and
- FY22 distribution of 53 cents per security, up 3.9% on FY21 and in line with guidance.

APA also advised that the Board has made a decision not to pursue an acquisition in the United States (US) in the foreseeable future.

APA Chairman Michael Fraser said, "Rob leaves the business in great shape as evidenced by today's announcement of our preliminary results for the year.

"Rob has played a key role in APA's success during his 14 years with the business, and the Board thanks him for his commitment and contribution, especially over the last three years as CEO and Managing Director. This period has been one of unprecedented change for the energy industry in Australia, and a very difficult operating environment with the impacts of COVID-19 restrictions. We wish him all the best for the future."

Mr Wheals said, "I am proud to leave APA in a strong position financially and operationally, having set the business on a path to net zero with our Climate Transition Plan and interim net zero commitments which will be released this week with our full year results.

"Reaching my decision has been a process, and there are several things that have gone into this decision. It has been an intense couple of years in the energy industry made even more challenging with the overlay of the COVID-19 pandemic. This together with the decision not to pursue an acquisition in the US, has led me to conclude that now is the right time to move on.

"Some of the highlights in my time with APA include the ongoing enhancements of the East Coast Grid, including innovative services for our customers which have become so critical in the current energy crisis, along with the development of the West Coast Grid. I'm pleased too that APA is now set

¹Restated for the impact of the payroll payment errors announced on 19 August 2022. This reduced previously reported underlying EBITDA by \$4 million for the year ended 30 June 2021, from \$1,633 million to \$1,629 million. The payroll payment errors reduced underlying EBITDA by \$4 million for the year ended 30 June 2022, this impact is included with underlying EBITDA of \$1,692 million.

on a course that includes playing its role in the development of the necessary electricity transmission and renewable infrastructure to support the energy transition across Australia.

“It has been a privilege to lead APA and to have been part of an outstanding team of people for 14 years, who together have built a truly great business. I wish APA and its employees every success in the future.”

Update on the US

Commenting on the decision to call time on the US market acquisition strategy, Mr Fraser said, “We have been screening the US utilities market for over three years now and whilst there are clearly attractive aspects to that market, it also involves a number of risks and ongoing investment challenges.

“APA’s core competencies and competitive advantages are in the Australian market and the focus of our strategy will be to maximise returns to securityholders while pursuing the very significant investment opportunities arising from Australia’s transition to a low carbon future.”

APA’s FY22 results announcement together with the audited financial statements and FY23 distribution guidance will be released on 24 August 2022. The webcast will be accessible via a [link here](#).

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Authorised for release by Amanda Cheney

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About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation’s gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information, visit APA’s website.

Attachment A

The key terms of Mr Wheals' separation arrangements are summarised below:

- Payment in lieu of that part of the 9 month notice period not worked in accordance with Mr Wheals' employment contract.
- Short term and long term incentives will be treated in accordance with the terms of the applicable incentive plan and Mr Wheals' terms and conditions of employment.

The key terms of Mr Watson's arrangements while acting CEO are summarised below:

- Annual total fixed remuneration of \$1,480,000.
- Annual FY23 short term incentive target will remain at 50% of total fixed remuneration.
- Annual FY23 long term incentive target will remain at 125% of total fixed remuneration.
- Contractual notice of termination by either Mr Watson or APA remains unchanged at 6 months.