

24 October 2024

ASX ANNOUNCEMENT

APA Group (ASX: APA)
also for release to APA Infrastructure Limited (ASX: AP2)

2024 Annual Meeting Addresses

APA Group (ASX:APA), today releases the addresses to securityholders to be given by the Chairman and the Chief Executive Officer and Managing Director at the hybrid annual meeting.

The live webcast is available here: <https://meetings.linkgroup.com/APA24>

ENDS

Authorised for release by Amanda Cheney

Company Secretary
APA Group Limited

For further information, please contact:

Investor enquiries:

Andrew Nairn

General Manager Investor Relations

Telephone: +61 3 8416 2887

Mob: +61 437 166 497

Email: ir@apa.com.au

Media enquiries:

Michael Cox

Head of Media Relations & Financial Communications

Telephone: +61 2 8650 5560

Mob: +61 429 465 227

Email: michael.cox@apa.com.au

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and/or manage and operate a diverse, \$26 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose, securing Australia's energy future, we deliver around half of the nation's domestic gas through 15,000 kilometres of gas pipelines that we own, operate and maintain. Through our investments in electricity transmission assets, we connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland, providing vital flexibility and support for the grid. We also own and operate power generation assets, including gas powered, wind and solar assets 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, apa.com.au.

Chairman's Address

Financial Year 2024 (FY24) was another year of solid financial and operational performance for APA.

Over the past year, we have again played a critical role in helping deliver reliable, affordable and lower emissions energy for our customers and Australia's energy consumers more broadly.

Through the year, we achieved revenue, earnings and distribution growth and delivered new infrastructure to help meet Australia's energy needs.

In FY24, we were pleased to record our 20th consecutive year of distribution growth for our investors.

Our performance in the past year enabled the Board to declare a final distribution of 29.5 cents, taking the FY24 distribution to 56 cents per security, which was in line with guidance.

This represented an increase of 1.8% on FY23 and has been delivered in parallel with ongoing investment in both our existing operations and establishing significant growth platforms for the business.

In this context, it's important to acknowledge the underperformance of the APA security price over the past 12 months.

Security price movements are influenced by a range of factors, including, among other things, interest rates, industry and economic conditions, company performance, regulatory processes etc.

While it's impossible to say with any certainty how much any particular factor has influenced the security price, clearly higher interest rates, along with a reduction in the rate of growth of our distributions and issues related to our regulatory environment have had an impact.

That said, the Board remains confident in the outlook for APA and our ability to continue delivering growth in returns for securityholders.

Over the past year we've also undertaken a process of board renewal and we've recently announced changes to the composition of the Board.

Samantha Lewis and David Lamont have been appointed as Non-Executive Directors, effective from 1 October 2024. Both are standing for election at today's meeting, and you'll hear from each of them later in the meeting.

Varya Davidson has also been appointed as a Non-Executive Director effective from 1 March 2025, and she'll stand for election at next years' Annual Meeting. Varya is with us in the audience today and we look forward to her joining us once she's clear of her other commitments.

Debbie Goodin and Peter Wasow will be retiring from the Board. Peter at the conclusion of today's meeting and Debbie at the end of February 2025.

Debbie, who will be standing for re-election today, has agreed to stay on until February to ensure a smooth transition of her role as Chair of the Audit and Finance Committee and we thank her for that.

On behalf of the Board, I want to thank both Debbie and Peter for their valuable service to APA. Both of them have been very actively involved in helping APA navigate Australia's energy transition and both have made significant contributions to APA in their roles as Committee Chairs. So thank you Debbie and thank you Peter.

Turning now to our strategy.

In FY24, we continued our focus on asset classes where we believe we have competitive advantages. These include contracted power generation, electricity transmission, gas transmission and storage, and the transportation of future fuels.

For APA, the opportunities for growth within these chosen markets are significant.

As detailed in our FY24 Full Year Results presentation, we've estimated the addressable market across contracted power generation, electricity transmission and gas transmission alone is in excess of \$90 billion.

Our focus is on profitably growing our share of those markets to deliver strong returns for our securityholders and value for our customers and communities.

There were several milestones achieved in FY24 that we believe will underpin long-term value creation.

The highlight was the acquisition and successful integration of our new Pilbara business, which was completed last November.

This acquisition has created a significant new growth platform for APA, as we look to deliver lower emissions, contracted power generation and electricity transmission infrastructure for major customers in the resource sector.

We thank all our securityholders for their support of this transaction and we look forward to updating you on milestones as we progress these growth projects in the Pilbara.

Turning now to sustainability.

Over the past three years, our Sustainability Roadmap has guided our actions across those areas that were identified as the most material for APA, including actions specific to our work with First Nations peoples, communities and on climate.

This year, the APA Board has endorsed a refreshed Sustainability Roadmap, covering our priorities for FY25 through to FY27. This will extend our focus into our priority areas and further embed sustainability across APA.

Climate has been a significant part of our sustainability agenda and APA is committed to actively supporting Australia's energy transition, consistent with the objectives of the Paris Agreement. As I've said before we want to be part of the solution, not part of the problem.

We're also committed to transparency in the disclosure of climate-related information and to this end I commend to you our recent 2024 Climate Report along with our Climate Data Book and our Methodology disclosures. As you will see we are very transparent about this information.

It's encouraging to see that the central role of natural gas in ensuring energy security, supporting the accelerated development of renewables and powering essential Australian industry, is now widely acknowledged.

This has been clearly reinforced by both the Federal Government's Future Gas Strategy and the Australian Energy Market Operator's (AEMO) 2024 Gas Statement of Opportunities.

Our power generation, electricity transmission and gas infrastructure operations will support the timely retirement of coal and other more carbon-intensive fuels as the nation transitions to a cleaner energy future.

In delivering these systemic benefits towards the overall reduction of Australia's carbon footprint, we do acknowledge there's a potential impact on our own operational emissions, as our gas assets play their essential role in ensuring reliability of supply to firm up the intermittent nature of renewables and provide energy for essential Australian industries, but this is in the interests of the whole community and the energy transition itself.

We saw this in FY24, where we delivered a 1.7% reduction in our gross emissions, compared to what would have been an eight per cent reduction if we hadn't grown our asset base by investing in much needed infrastructure assets to ensure the reliability of energy supplies.

This brings me to three resolutions we've received from a small number of securityholders in relation to projects in the Beetaloo Basin that will be considered at today's meeting. The resolutions have been promoted by a group called Market Forces and are put forward by securityholders representing approximately 0.006% of the APA securities on issue. Based on the proxies received ahead of today's meeting, these resolutions are not supported by the vast majority of our securityholders.

However, APA respects the rights of our investors to put forward resolutions and we welcome ongoing engagement with investors and other stakeholders that have an interest in our business. We've engaged with Market Forces on their views about the development of the Beetaloo Basin and we'll continue to consult and engage with securityholders and other stakeholders in the future.

I'll also be making some further comments on these resolutions when we come to that item of business later in the meeting but let me say now that the Federal Government's Future Gas Strategy is very clear that new sources of natural gas will be required for Australia's transition to Net Zero and we support that transition.

Any potential new sources of gas supply including the Beetaloo Basin will be, and are already, subject to rigorous scientific environmental assessment and approval processes, as will any related pipeline infrastructure. We will respect those processes, as should everyone, and we will be open and transparent about the impact of any investment decisions on our emissions profile.

In closing, on behalf of the Board I wanted to say thank you to all our employees for their ongoing contribution to the success of APA.

And thank you also to our investors and other stakeholders for their continuing positive engagement.

I will now invite CEO and Managing Director, Adam Watson, to address the meeting.

CEO and Managing Director's Address

Thank you, Michael. And good morning, everyone.

I also want to acknowledge the Gadigal people of the Eora nation, Traditional Custodians of the land on which I'm speaking today.

I'm going to cover two topics today.

First, I'll talk to the work we've done to reset and progress our strategy.

I'll then provide an overview of FY24 financial and operational performance, including an update on our regulatory environment.

Over the past two years, we've reset our strategy with a clear ambition - to be the partner of choice, for the delivery of energy infrastructure solutions, across Australia.

To support our strategy, we're focussed on four asset classes: contracted power generation, electricity transmission, gas transmission and storage, and the transportation of future fuels.

As Michael mentioned, the size of the market opportunities across these asset classes is in the many billions of dollars. And, with these asset classes clearly defined, we're now firmly focused on our customers and on leveraging our competitive advantages to execute successfully and create value.

Examples of how we're executing our strategy are the recent acquisitions of our Pilbara Energy business and the Basslink electricity transmission interconnector.

Pleasingly, these two recent acquisitions have both been fully integrated and are performing in line with their business cases.

We also see significant value being created through the delivery of our organic growth opportunities, including the recently announced pipeline and storage project for CS Energy in Queensland.

Our new purpose, 'securing Australia's energy future', brings to life the unique role APA plays as an energy infrastructure partner. It reminds all of us at APA, of the essential role we play to deliver reliable, affordable and lower emissions energy, for our customers, Australia's industries, and our communities.

It's been pleasing to see APA, once again, deliver a solid financial and operational performance over the last 12 months.

Total statutory revenue, excluding pass-through revenue, was \$2.59 billion, up 7.9%.

Statutory profit for FY24 was \$998 million. This was, in part, driven by the remeasurement of APA's pre-existing 88.2% interest in the Goldfields Gas Pipeline, as we moved to full ownership of this asset as part of the Pilbara

acquisition. This more than offset the non-cash, \$144 million, pre-tax impairment of the Moomba Sydney Ethane Pipeline, which was recognised due to our customer ceasing operations.

Underlying earnings before interest, tax, depreciation and amortisation of \$1.89 billion, represented a 9.7% increase on the previous year.

On a reported EBITDA basis, earnings were up 3.0% to \$1.73 billion.

Distributions were up 1.8% to 56 cents per security.

We invested \$833 million of capital in organic growth projects.

And we successfully refinanced all of APA's near-term debt maturities, including raising \$2.2 billion of new facilities in recent months. This means we don't have any debt maturing until March 2027.

I'm pleased to update today that Underlying EBITDA guidance for FY25 is reaffirmed at between \$1.96 billion and \$2.02 billion. FY25 distribution guidance is also reaffirmed at 57 cents per security.

Our financial performance is in good shape.

In FY24, we continued to focus on improving our safety performance and building the skills and culture required to execute our strategy.

Our Total Recordable Injury Frequency Rate improved significantly, with a 35% decrease against last year.

In wellbeing, we undertook a psychosocial risk review and commenced the implementation of a Psychosocial Risk Protocol, which we will embed over the coming year.

Employee engagement also improved, with our annual Culture and Engagement Survey showing an engagement score of 72%.

We've continued to invest in the diversity of our employees. Representation of women across our total workforce increased to 32.4% and women in senior leadership roles increased to 39.2%.

Improving diversity in early careers remains a focus, as we continue to take action to build a pipeline of talent for future leadership. This has helped us achieve 63% representation of women in our 2024 Graduate and Internship Programs. Our 2024 Apprenticeship Program comprised 44% women, which is more than double what we had only two years ago.

We're making a positive difference for our people.

Delivering operational excellence goes to the heart of our social licence and underpins our ongoing financial results. In this regard, we've continued to improve our systems and processes, including the delivery of Workday – a business-wide platform for APA's people and financial data – on time and on budget.

We've progressed our Environment Improvement Program to enhance our waste, soil and water management practices.

Michael spoke to our many climate related initiatives delivered during the year, so I won't repeat these.

And we continued to make strong progress with our Reconciliation Action Plan commitments.

We're delivering on our social and environmental commitments.

Turning now to regulation.

Earlier this month, we confirmed that the Australian Energy Regulator has released a draft decision following its review of the form of regulation to apply to the South West Queensland Pipeline.

The draft decision recommends that the SWQP should not be subject to full price regulation, and that the existing light regulation regime should remain in place.

We welcome the AER's draft decision to maintain the current form of regulation.

This decision, if confirmed, creates confidence to make the necessary investment in our East Coast Gas Grid to support energy security for our customers and consumers.

While the AER is yet to reach a final decision, the draft decision is certainly a step in the right direction, particularly given the projected future gas supply shortfalls on the east coast.

APA's east coast gas grid expansion plans are well progressed, and we expect further consideration of our initiatives to be made over the coming months.

To close, I'd like to thank the Board for their guidance, challenge and support. And the Executive Leadership Team for their focus and for delivering the exceptional outcomes I've outlined today. I'd also like to thank our customers and partners for entrusting APA as Australia's energy infrastructure partner.

And to all of our employees, thank you for your hard work, ingenuity, and commitment to APA's success, and your commitment to securing Australia's energy future.

I'll now hand back to our Chairman.

Disclaimer

The material in this announcement is general information about APA and its activities current as at the date of the announcement, 24 October 2024. The information given is in summary form and is not necessarily complete. For more information please refer to APA's 2024 Annual Report, the 2024 Climate Report and APA's other announcements lodged with the ASX.

The information contained in this announcement may be based on projected and/or estimated expectations, assumptions, or outcomes. Forward looking statements are subject to a range of risk factors. APA cautions against reliance on any forward looking statements, particularly considering factors including asset performance, macroeconomic conditions, regulatory changes, government policy, project approvals, the supply of labour, critical minerals and equipment as well as the timing of distributions from non-100% owned assets with distributions to be determined at the Board's discretion.

While APA has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. APA will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time. APA undertakes no obligation to update any forward looking statement to reflect events or circumstances after the date of this announcement, subject to disclosure obligations under the applicable law and ASX Listing Rules.