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Capital at Scale

How ADNOC Built a Financial Architecture

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Capital at Scale:

How ADNOC Built a Financial Architecture

In 2022, Gulf Intelligence published an assessment of Abu Dhabi National Oil Company (ADNOC)'s early efforts to open its balance sheet, attract third party capital, and introduce market discipline into assets historically financed within a sovereign framework. That report focused on the first visible phase of this transition: minority IPOs, infrastructure partnerships, and a return to public debt markets.

Four years on, those early signals have matured into something far more consequential. This report provides an independent assessment of how ADNOC has fundamentally reshaped its approach to capital between 2016 and 2026, and how that evolution has altered the role of risk, liquidity, and governance across the organisation. It is written for investors, lenders, rating agencies, policymakers, and strategic partners seeking to understand not simply what ADNOC has financed, but how its financial system now functions in practice.

Since 2016, ADNOC has mobilised approximately USD $65 billion in capital across joint ventures, infrastructure partnerships, equity listings, debt capital markets activity and strategic transactions. This has supported the development of a broader financial architecture through which ADNOC has opened parts of its portfolio to institutional capital, deepened its access to public markets and expanded the range of financing tools available across the group. In parallel, it has established a portfolio of six publicly listed operating companies with an aggregate market capitalisation of approximately USD $150 billion. Collectively, these entities account for around 20% of total ADX market value, contribute a meaningful share of trading liquidity, and represent close to 40% of annual dividend distributions on the exchange.

Within this framework, the listed portfolio has shown consistent financial progression, supported by earnings expansion, robust cash flow generation and clearly defined dividend policies. Since IPO, ADNOC's listed companies have, in aggregate, delivered total shareholder returns in excess of 100%, alongside dividend yields that have generally remained above 5%.

The portfolio's performance reflects a combination of recurring cash generation, transparent payout frameworks and an aggregate annual dividend run-rate exceeding USD $7 billion. These characteristics position the listed entities as a source of both earnings growth and predictable income, supporting their inclusion across a range of institutional investment strategies.

These figures establish scale. They do not, on their own, explain significance.

Their significance lies in the model they reveal. ADNOC has built a hybrid financial architecture that combines sovereign ownership and strategic control with public market discipline, external capital access, recurring dividend commitments and platform-based growth. This model does not replicate either a traditional national oil company or a fully listed international oil company. It creates a structure through which capital can be raised, recycled and redeployed while control remains anchored at Group level.

From Transactions to Architecture

The 2022 Gulf Intelligence report examined whether ADNOC's early transactions represented tactical capital raising or the foundations of a broader financial strategy. This report answers that question.

Its purpose is not to catalogue deals, but to examine how an organisation historically governed within a sovereign framework developed a financial architecture capable of absorbing global scale while retaining institutional discipline and strategic control. Early initiatives, including minority IPOs, bilateral financings, and discrete infrastructure transactions can now be understood, with the benefit of hindsight, as converging components of a coherent system.

That system was designed to separate operational risk from sovereign ownership, allocate capital with greater precision, and impose market based governance at the operating company level. In doing so, ADNOC adopted structural conventions more commonly associated with infrastructure platforms and investment grade global corporates than with traditional national oil companies.

Innovation Through Structure, Not Novelty

What distinguishes this transformation is not the volume of capital accessed, but how it has been assembled.

ADNOC has consistently engaged global capital providers through innovative non-traditional structures, aligning financing solutions with asset characteristics rather than forcing assets into standard instruments. Across infrastructure monetizations, minority listings, hybrid structures and long-dated partnerships, capital has been introduced in a way that supports participation without diluting control.

Assets have been segmented and fenced to accommodate different forms of capital, including institutional equity, infrastructure funds, income-focused investors and lenders. This approach prioritises alignment over short-term optimisation.

The result is a departure from conventional national oil company financing models. Rather than relying on sovereign balance sheets or traditional project finance, ADNOC has built a broader funding base, extended duration and strengthened resilience at scale as it transitions into an increasingly diversified global AI-enabled energy champion.

Innovation, in this context, is defined by repeatability and robustness. Financing structures have been designed to scale, to withstand market volatility and to operate independently of external constraints.

The USD $150 Billion Investment Programme

The maturity of ADNOC's financial and operating model is reflected in its ability to commit to a USD $150 billion capital programme for 2026–2030. The programme spans the full energy value chain and provides a structured framework for capital deployment across upstream capacity, gas development, downstream and chemicals expansion, and international portfolio growth.

A central pillar is the expansion of oil production capacity towards 5 million barrels per day by 2027, supported by continued investment in upstream assets and the development of both conventional and unconventional resources.

The programme also prioritises gas development to support domestic self-sufficiency while expanding export capacity. This includes the development of the Ghasha sour gas concession and the Ruwais LNG platform, alongside the advancement of Abu Dhabi's unconventional gas resources, positioning the emirate across gas, LNG and hydrogen value chains, while supporting the UAE's ambition for gas self-sufficiency by 2030.

International growth is being advanced through ADNOC's investment platform, XRG, with capital deployed to build a vertically integrated global gas and chemicals portfolio. The scale of this platform is reflected in an implied enterprise value exceeding USD $150 billion, extending ADNOC's footprint across international markets.

The programme also supports domestic industrial development through ADNOC's In-Country Value (ICV) programme, which converts procurement and capital expenditure into domestic economic impact, while enabling company wide deployment of digital, AI and automation technologies across operations.

A New Strategic Context

This assessment is also shaped by a material shift in the external environment. From May 1 2026, the UAE's production policy entered a new phase following its withdrawal from OPEC and OPEC+, ending its participation in production quota systems after nearly six decades.

The UAE's decision to withdraw from OPEC and OPEC+ should be treated in this report as a sovereign strategic decision with direct relevance to ADNOC's financial and operating architecture. It marks a material change in the external framework within which production, investment and revenue generation are assessed.

For ADNOC, the significance lies in the additional production flexibility created by the change. Greater flexibility can provide an opportunity to align output more closely with available capacity, market demand and investment economics. It may also support higher production and revenue generation over time, particularly as major upstream, gas and export infrastructure investments are brought onstream.

The decision should not be framed as removing discipline. If anything, it places greater emphasis on discipline. More production flexibility increases the importance of production pacing, market timing, cost control, infrastructure readiness and cash-flow management. In this context, ADNOC's capital architecture becomes more relevant: the organisation needs to translate production optionality into durable revenue, disciplined investment and resilient returns.

ADNOC's USD $150 billion five-year investment programme therefore represents a significant test of its financial architecture in a changed external environment. The organisation is required to combine sovereign capacity with the financial and operational discipline expected of a global listed major.

An Operating Logic for the Future

What emerges from this analysis is not simply a set of financing tools, but a unique financial architecture. ADNOC has combined national resource scale and strategic control with public-market disclosure, market pricing, diversified financing, recurring dividend discipline and technology-enabled execution. This places the organisation between traditional national energy company structures and fully listed international corporate models, while providing a framework for managing capital, risk and growth at scale.

As this report sets out, the significance of ADNOC's evolution lies less in any individual transaction or asset than in the way these mechanisms now operate together. The same architecture that has broadened access to capital has also created greater valuation transparency, governance discipline, operating visibility and capacity to scale platforms internationally.

REPORT EDITOR

Sean Evers, Managing Partner, Gulf Intelligence

Report – Research Methodology:

nb. This report is based on publicly disclosed transactions, financial data, and market activity between 2016 and 2026, including equity listings, debt issuances, project financing structures and partnership agreements. The analysis focuses on capital allocation, funding mechanisms, and portfolio structuring, with emphasis on how these elements contribute to financial resilience, return visibility, and balance sheet efficiency. Please note that all data points included in this report have been verified and confirmed as accurate by ADNOC.

Building a Debt Engine
for Long-Term Investment

In 2016, led by Group Chief Executive Officer, H.E Dr Sultan Ahmed Al Jaber, ADNOC began evolving its approach to debt capital markets as part of a broader effort to diversify funding sources, and optimize the cost and resilience of funding over time. This marked the early development of what ADNOC internally began to treat as its Debt Engine.

From Sovereign Backstop to Credit Architecture

The first conceptual shift was to move away from borrowing as an episodic activity toward borrowing as a systemic capability. Rather than accessing capital markets intermittently in response to specific funding needs, ADNOC set out to build an architecture through which debt could be raised predictably, priced transparently, and managed proactively.

A critical element of this shift was risk separation. Rather than asking lenders to underwrite the full complexity of ADNOC as an integrated group, the organization began structuring debt around assets and platforms with distinct cash flow characteristics. This approach aligned borrower risk more closely with lender preference and allowed ADNOC to access pools of capital previously unavailable to traditional commodity exposed borrowers.

Asset Level Financing: Financing the Cash Flow

The initial focus of asset level financing was midstream infrastructure; pipelines and processing facilities whose revenue profiles more closely resemble regulated utilities than upstream producers.

These assets share three characteristics critical to credit structuring:

- Tariff based or throughput linked revenues
- Long dated contractual frameworks
- Limited sensitivity to commodity price volatility

The landmark transaction illustrating this shift was the 2017 USD $3 billion bond issuance backed by the Abu Dhabi Crude Oil Pipeline (ADCOP). By anchoring financing to pipeline throughput revenues rather than group level credit, ADNOC was able to ring fence risk and engage long duration institutional investors such as pension funds and insurers, historically reluctant to take direct oil price exposure.

The structure delivered additional strategic benefits. ADCOP bypasses the Strait of Hormuz, materially reducing geopolitical concentration risk. Pricing reflected this lower risk profile, demonstrating ADNOC's ability to price risk selectively rather than absorb it collectively. This transaction was not a one off. It established asset level financing as a defining principle of the Debt Engine. While effective in demonstrating how infrastructure cash flows could be financed independently, this approach has since been superceded by a centralised funding model under ADNOC Murban RSC.

Institutionalising the Debt Engine: Murban RSC and Programmatic Access

ADNOC Murban RSC Ltd. is ADNOC's dedicated issuing and credit platform positioned at the centre of the Group's funding architecture.

ADNOC Murban RSC was designed to move ADNOC from opportunistic borrowing to institutionalised market access. By maintaining high-grade credit ratings of Aa2 from Moody's and AA from S&P and Fitch, aligned with the credit strength of Abu Dhabi, the entity enables ADNOC to issue debt on terms comparable to high-grade sovereign and infrastructure issuers, while retaining operational autonomy.

The establishment of a USD $15 billion Global Medium Term Note (GMTN) programme marked a decisive step toward programmatic funding. The USD $4 billion triple tranche issuance in 2024 demonstrated depth of demand across maturities extending to 30 years and confirmed that ADNOC's market access was structural rather than cyclical.

Broadening the Liquidity Base: Islamic Finance

A further extension of the Debt Engine was the deliberate integration of Islamic capital markets within the broader Murban financing framework.

The USD $1.5 billion sukuk issued in 2025 was executed under the USD $15 billion Murban GMTN programme, taking total issuance under the programme to USD $5.5 billion since 2024. It marked ADNOC's entry into large scale Sharia-compliant financing while reinforcing the depth and flexibility of the Murban platform. Demand from GCC and Asian investors confirmed the appeal of long-duration, highly rated energy exposure structured on transparent, asset-based principles.

From Debt Issuance to Structured Financing

The maturation of ADNOC's debt engine has extended beyond public bond and sukuk markets. Since 2024, ADNOC has broadened its funding architecture through green financing facilities, export credit agency-backed structures, hybrid capital and structured financing linked to future gas production.

In 2024, ADNOC signed a USD $3 billion green financing agreement with the Japan Bank for International Cooperation, its first green funding facility. In 2025, ADNOC added a USD $2 billion K-SURE-backed green financing agreement, taking total green funding to USD $5 billion within 18 months. Together, these facilities demonstrate how ADNOC is integrating sustainable finance into its broader capital strategy.

ADNOC has also expanded the use of asset-linked and subsidiary-level funding. ADNOC Logistics & Services fully deployed a USD $2 billion hybrid capital instrument to optimise funding costs and support growth capex while maintaining target leverage. Separately, ADNOC, together with Eni and PTTEP, secured structured financing of up to USD $11 billion linked to future gas production from Hail and Ghasha, monetising future midstream gas flows from a project expected to produce 1.8 billion standard cubic feet per day.

This marks an important evolution in the Group's financing model. ADNOC is no longer relying on a single funding channel. Instead, it is matching capital sources to the specific risk profile, duration and purpose of each investment. Public bonds provide programmatic access to global capital markets. Sukuk broaden the investor base into Sharia-compliant capital. Green financing links funding to lower-carbon investment. Export credit agency-backed facilities deepen strategic relationships with key Asian partners. Structured gas financing links capital directly to long-duration production and offtake.

The result is a broader financing toolkit. ADNOC can fund long-cycle growth through public markets, Islamic investors, relationship banks, export credit agencies, subsidiary-level instruments and structured financing counterparties. This reduces funding concentration, increases flexibility and strengthens ADNOC's ability to sequence investment across upstream capacity, gas development, logistics, chemicals and lower-carbon projects.

Debt as an Enabler

Within ADNOC's financial architecture, debt is not deployed defensively to bridge downturns or protect dividends. It functions as an enabler — converting long dated, predictable cash flows into planning certainty and investment capacity.

Infrastructure revenues are monetized to support upstream development, gas expansion, processing, logistics, and digitalization, while leverage remains conservative. Credit supports pacing and sequencing, not acceleration.

This funding architecture also has relevance beyond ADNOC itself. It has widened the range of instruments through which global and regional investors can access Abu Dhabi-linked energy exposure, while contributing to deeper and more specialized capital pools in the UAE market.

Pricing ADNOC
Equity Markets, IPOs and Valuation Discipline

As Gulf Intelligence noted in its 2022 Special Report, the logic underpinning ADNOC's IPO programme was straightforward but institutionally novel. Rather than asking investors to take a view on ADNOC, the Group offered exposure to specialized businesses with distinct economic characteristics. Retail fuels, drilling services, logistics and petrochemicals were structured as stand-alone platforms, each with its own governance framework and dividend profile. The objective was not full divestment, but to introduce external price discovery, transparency, and accountability, while retaining majority shareholding and strategic control.

This segmentation reduced the risk of mispricing, broadened participation, and allowed ADNOC to raise capital without forcing disparate assets into a single valuation framework.

Sequencing the IPO Programme

The sequencing of ADNOC's IPO programme reinforced this logic.

ADNOC Distribution

The programme began in December 2017 with the IPO of ADNOC Distribution, the Group's fuels retail and convenience business. A 10% stake was offered, raising approximately USD $851 million. The transaction was the first IPO on the Abu Dhabi Securities Exchange in six years and the largest in nearly a decade. The transaction marked the starting point for ADNOC's IPO framework, introducing elements that would later be refined and scaled in subsequent offerings.

ADNOC Drilling

In October 2021, ADNOC listed ADNOC Drilling. An 11% stake raised approximately USD $ 1.1 billion, with investor demand exceeding USD $34 billion, implying oversubscription of more than 31 times. At the time of pricing, it was the largest IPO in ADX history — a position it held until the Borouge listing in June 2022. ADNOC Drilling established the core IPO playbook subsequently deployed across Fertiglobe, Borouge, ADNOC Gas and ADNOC L&S — including cornerstone investor anchoring, structured tranche allocation and a scalable bookbuild process.

Fertiglobe

Only weeks later, ADNOC broadened the programme with the IPO of Fertiglobe plc, its fertilizers joint venture with OCI. The transaction raised approximately USD $795 million and provided public market access to the world's largest export focused nitrogen platform. While fertilizer markets were strong at the time, the proposition was framed around scale, logistics integration, and global reach rather than short term pricing dynamics.

Borouge

The programme accelerated further in June 2022 with the IPO of Borouge plc, the polyolefins joint venture between ADNOC and Borealis. Approximately 10% of the company was sold, raising USD $2.0 billion and setting a new record as the largest IPO in ADX history. Demand exceeded supply by more than 42 times, reflecting confidence in Borouge's feedstock integration, scale, and partnership structure.

ADNOC Gas

The next step in the programme came in March 2023 with the IPO of ADNOC Gas, created through the merger of ADNOC Gas Processing, ADNOC LNG and ADNOC Industrial Gas. The offering raised approximately USD $2.5 billion, attracting reported orders of more than USD $124 billion. ADNOC Gas was listed at an implied market cap of around USD $50 billion, placing it among the largest publicly traded gas companies globally.

ADNOC Logistics & Services

Shortly thereafter, in June 2023, ADNOC Logistics & Services (L&S) was listed, raising USD $769 million. Demand exceeded USD $125 billion, equivalent to more than 160 times oversubscription, among the highest ratios recorded in the UAE. The offering reflected growing investor appetite for maritime and logistics infrastructure amid global shipping disruption and heightened focus on supply chain resilience.

By the end of 2023, ADNOC had listed six operating companies in under six years, raising more than USD $7 billion in primary proceeds and attracting hundreds of billions of dollars in cumulative investor demand.

From Listings to Optimisation: The Secondary Shift

ADNOC's use of secondary placements began in September 2020, evolving alongside its IPO programme as a complementary capital markets tool.

The initial transaction, a secondary placement in ADNOC Distribution established the regional benchmark for equity sell-downs. The structure combined an accelerated bookbuild with an exchangeable bond, introducing a format not previously executed at scale on ADX and setting the playbook for subsequent placements.

Since then, secondary transactions have been deployed selectively across the portfolio to enhance liquidity, broaden the investor base and support index inclusion, while preserving ADNOC's majority ownership.

The programme scaled materially with the ADNOC Gas secondary offering, which raised approximately USD $2.84 billion. The transaction stands as the largest equity placement on ADX to date and represented the first marketed secondary offering in the UAE, pioneering a new placement format in the local market and demonstrating the depth of international institutional demand for ADNOC assets.

In August 2025, ADNOC Logistics & Services executed a secondary placement of approximately USD $ 317 million. The transaction was executed at the tightest pricing discount achieved for a Gulf placement of this type since 2020, and was approximately 7 times oversubscribed in a rapid four-hour bookbuild, with total demand of around USD $2.2 billion. The placement increased free float from 19% to 22%, supporting enhanced liquidity and creating a pathway to potential inclusion in the MSCI Emerging Markets Index.

In total, ADNOC has executed five secondary placements across its listed subsidiaries since 2020 — including two in ADNOC Distribution — raising approximately USD $6.7 billion in cumulative gross proceeds, and more importantly, increased liquidity.

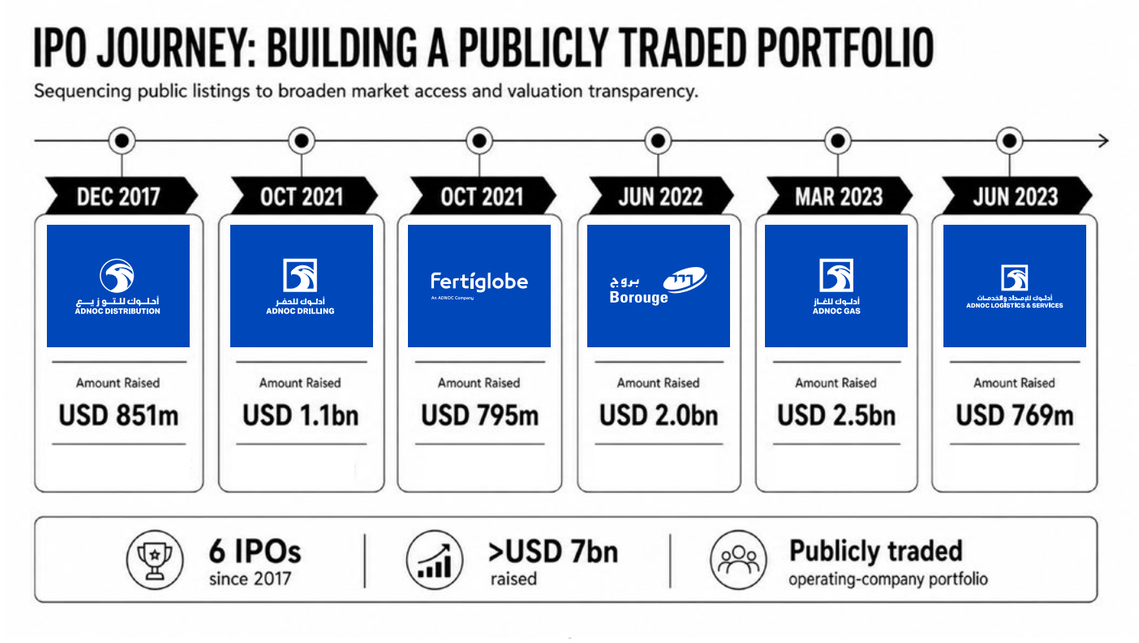
Governance as a Financial Asset

Beyond capital raised, the IPO ecosystem reshaped governance across ADNOC's portfolio, in fact, this was a key driver of the IPO process. Listed entities operate under public market disciplines, including audited financial reporting and continuous disclosure. Performance metrics such as return on equity, capital efficiency and free cash flow are no longer internal benchmarks alone; they are visible, comparable, and priced Governance itself became a contributor to valuation and a driver of lower costs of capital.

Equity as Valuation Currency

ADNOC's listed companies now represent approximately 10% of the MSCI UAE Index, with four of its six listed entities included. They also account for more than one-third of total ADX trading liquidity.

The equity ecosystem therefore functions not as a collection of listings, but as a valuation engine — converting operational scale into financial optionality, supporting capital allocation flexibility and reinforcing ADNOC's access to global capital markets.



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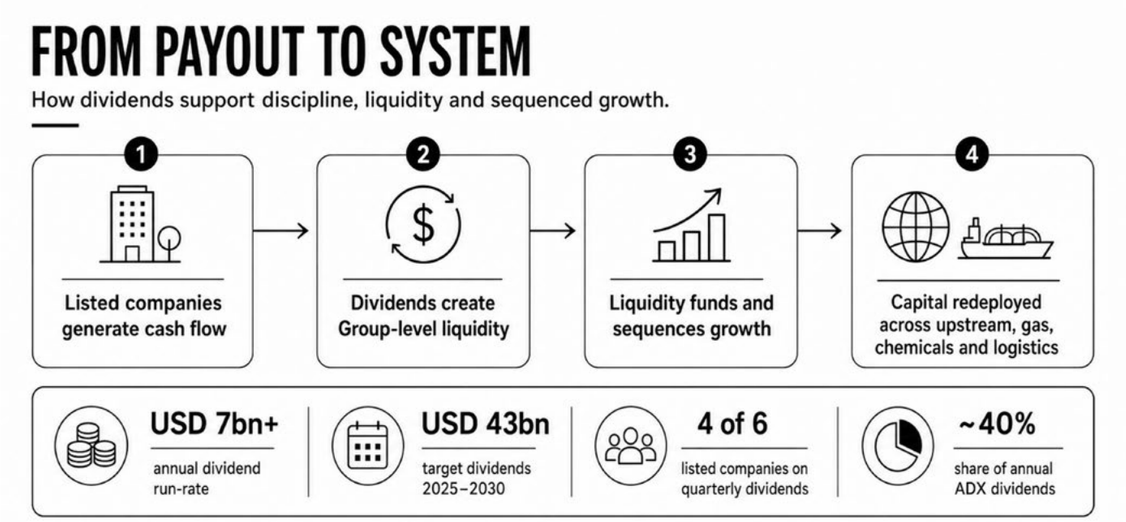
From Payout to System

How Dividends Anchor Growth



Under a traditional national oil company model, dividends are typically discretionary. They represent surplus cash distributed to the shareholder once operating costs and capital expenditure requirements have been met. Payouts flex with market conditions and are often subordinated to expansion ambitions, offering flexibility, but limited internal constraint.

Under ADNOC's financial architecture, this hierarchy has been deliberately reversed. Dividends are no longer treated as residual outcomes. They are treated as explicit commitments around which financial planning, operational priorities, and capital allocation decisions are organized.

Once an operating company is listed, it operates within a clearly defined dividend framework that is public, forward looking, and continuously scrutinized. Capital expenditure, expansion plans, and operating decisions are assessed in the context of sustaining these commitments rather than in isolation.
In this way, dividends move from being a distribution mechanism to a system level governance tool, reinforcing efficiency, predictability, and financial discipline across the organization. This framework also introduces constraints: reinvestment flexibility narrows, transparency increases scrutiny, and under performance is reflected immediately through market pricing.

By early 2026, aggregate annual dividend commitments across ADNOC's listed portfolio exceed USD $7 billion per annum, representing one of the largest sustained dividend streams in the global energy sector. ADNOC listed companies account for approximately 40% of total dividends paid across the ADX annually, with ADNOC Gas representing the single largest domestic dividend payer.

The durability of this framework is reflected in current cash flow generation. In Q1 2026 alone, ADNOC's listed companies generated more than USD $1.8bn in free cash flow, with all entities reaffirming their dividend policies despite market disruption.

Anchoring Investor Confidence and Market Feedback

Dividend commitments serve two reinforcing purposes within ADNOC's equity ecosystem.

First, they anchor the system around long duration income visibility. Regional pension funds, sovereign and quasi sovereign institutions, global income strategies, and yield focused investors increasingly view ADNOC's listed portfolio less as cyclical energy exposure and more as a suite of infrastructure style platforms delivering predictable returns.

Second, dividends operate as a continuous performance signal. With most listed entities operating under progressive payout frameworks, any deterioration in cash flow generation or execution discipline is reflected immediately in market pricing. Failure to sustain or grow dividends translates directly into valuation pressure, creating a clear and observable feedback loop between operational performance and shareholder value.

This dynamic has been a central driver of market outperformance. Dividends have functioned not only as a source of income, but as a structural lever underpinning total shareholder return. Since IPO, ADNOC's listed companies have delivered average Total Shareholder Return exceeding 100%, combining capital appreciation with consistent distributions. Dividend yield remains a defining component of this return profile, averaging above 5% across the portfolio in 2025 and expected to remain at similar levels in 2026. This income contribution has continued to support performance more recently, with ADNOC stocks generating approximately 10% average returns in 2026 alone.

The Dividend Cascade and Group Level Flexibility

The structural significance of ADNOC's dividend framework becomes fully apparent when viewed at the Group level.

Listed operating companies generate cash flows within their respective segments and distribute those flows to shareholders under defined dividend frameworks. These distributions form a predictable, recurring flow of capital within the broader ADNOC system. Cash generated at the operating company level becomes predictable, pre tax liquidity at Group level. Unlike international oil companies that often rely on asset disposals or incremental leverage to support shareholder distributions during downturns, ADNOC's structure converts publicly governed payouts into a stable internal funding source.

That liquidity supports reinvestment across the portfolio, including gas development, chemicals, logistics, and international expansion through platforms such as XRG. In this model, dividends do not constrain growth. They enable it by stabilizing funding through cycles and reinforcing confidence among both equity and debt investors.

The transfer of ADNOC's majority stakes in several listed companies to XRG further strengthens this cascade. Dividend streams generated by listed platforms can support the scale and financial capacity of ADNOC's international investment vehicle, linking domestic market discipline with global capital deployment.

Funding and Sequencing Growth

The combination of predictable dividend distributions and recurring free cash flow at the operating company level provides ADNOC with a stable base of internally generated capital. This enables the Group to allocate capital across a diversified portfolio of growth areas, including upstream capacity expansion, gas development, chemicals and logistics, while maintaining financial flexibility across cycles.

Importantly, this model supports growth without requiring structural dilution of ownership or reliance on volatile external funding conditions. Capital is redeployed within the system, allowing ADNOC to expand while preserving control over strategic assets and maintaining alignment with long-term return objectives.

Growth is therefore not only funded internally, but governed through a framework that links investment decisions directly to cash flow visibility and dividend sustainability. New investments are assessed not only on their standalone returns, but on their contribution to system-level resilience, including their ability to support future distributions, integrate with existing platforms and strengthen long-term cash flow generation.

Normalizing Quarterly Discipline

A further evolution of ADNOC's dividend framework has been the standardization of payout frequency and the extension of forward visibility.

At ADNOC's inaugural Investor Majlis in October 2025, the Group announced a commitment to distribute approximately USD $43 billion in dividends across its listed companies between 2025 and 2030, reinforcing the central role of dividends within its financial architecture.

At the same time, dividend policies across listed entities have been extended through 2030, providing multi-year clarity on shareholder returns and reinforcing investor confidence in the sustainability of payout frameworks.

Four of ADNOC's six listed companies have transitioned to quarterly dividend payments, aligning the portfolio more closely with global best practice among large-cap, income-oriented companies. Borouge and Fertiglobe remain on semi-annual distribution cycles.

Monetizing Stability

Unlocking Capital from Mature Assets

One of the defining features of ADNOC's financial architecture is the way it treats mature infrastructure assets. ADNOC has increasingly differentiated between resource ownership and infrastructure financing, recognizing that mature assets can play a more active role within its capital allocation framework.

ADNOC has broadened its approach by treating selected infrastructure assets as sources of capital efficiency, while continuing to retain strategic ownership and operational control.

The Principle: Monetizing Stability, Not Selling Control

ADNOC's approach to capital recycling is not driven by divestment. The Group retains majority ownership and operational control of its core infrastructure, while selectively introducing partners into assets with stable, long-term cash flow profiles.

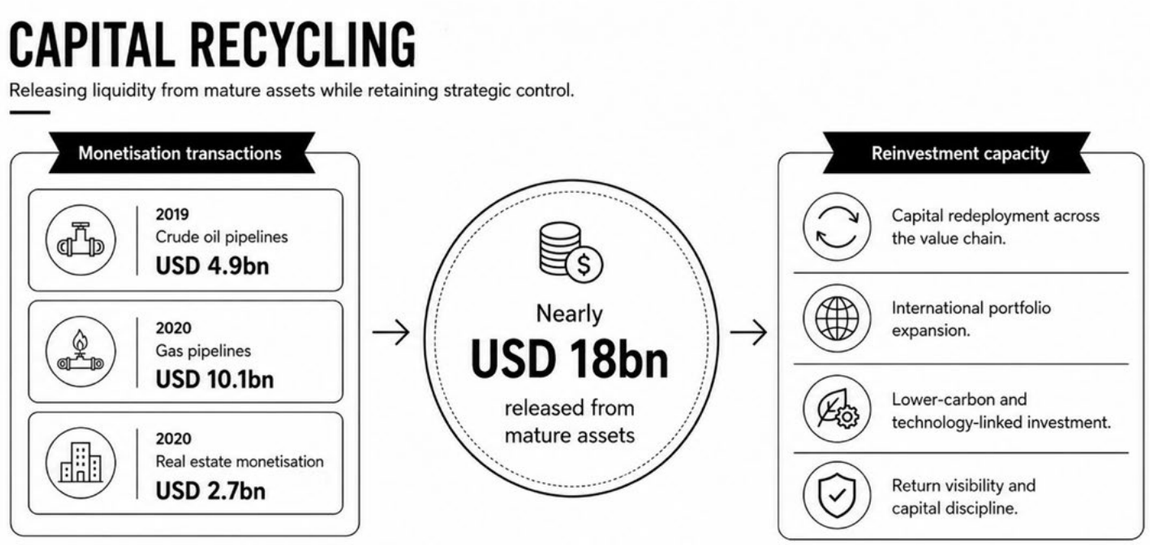
This enables ADNOC to optimize capital deployed in infrastructure while maintaining exposure to long-duration, predictable revenue streams.

The capital recycling model was established through two landmark midstream transactions between 2019 and 2020, which together created a repeatable template.

Crude Oil Pipelines (2019)

In 2019, ADNOC partnered with a consortium led by BlackRock and KKR to monetize its crude oil pipeline network. The transaction generated approximately USD $4.9 billion in upfront proceeds, with ADNOC retaining 51 % ownership and full operational control.

The structure was long term and tariff based, with investor returns linked to pipeline throughput rather than commodity prices. This allowed infrastructure capital—pension funds and long duration institutional investors—to participate on appropriate risk terms.



Gas Pipelines (2020)

This was followed in 2020 by a gas pipeline transaction of unprecedented scale. A consortium including Global Infrastructure Partners, Brookfield Asset Management, and Ontario Teachers' Pension Plan acquired a 49 % economic interest for USD $10.1 billion.

Together, these transactions released more than USD $15 billion from assets whose risk profile is closer to regulated infrastructure than upstream production.

Structures were designed to preserve ADNOC's ownership and operational oversight, while enabling external investors to participate in stable, tariff-based revenue streams.

Real Estate Monetization (2020)

ADNOC applied the same discipline beyond hydrocarbons, extending capital recycling to its real estate portfolio.

In 2020, ADNOC executed a USD $2.7 billion real estate transaction with an investor group led by Apollo Global Management, covering a substantial portfolio of residential and commercial properties. These assets were operationally relevant but not core to energy production.

Through the transaction, ADNOC sold a minority economic interest while entering into long term lease back agreements. Ownership was converted into a service arrangement, releasing capital without disrupting occupancy or daily operations.

The transaction demonstrated that ADNOC's approach to capital discipline applied across the entire asset base, not solely within the energy value chain. All assets became subject to valuation, cost and return scrutiny.

Tariff Discipline and Cost Transparency

An important secondary effect of infrastructure monetization has been the introduction of explicit cost discipline within the organisation.

When ADNOC owned and operated pipelines outright, transport costs were largely internal accounting entries. Capital recycling altered this dynamic. Pipeline joint ventures charge explicit tariffs, transforming midstream transport from an implicit cost into a visible cash expense.

Creating Internal Liquidity for Reinvestment

Viewed at system level, the strategic purpose of capital recycling becomes clear.

By releasing nearly USD $18 billion from pipelines and real estate, ADNOC created a sustained pool of internally generated liquidity. This liquidity is structurally different from external borrowing and does not depend on market timing or balance sheet expansion.

Capital recycling is not a peripheral financing tool within ADNOC's model. It is a core component of how liquidity is managed, risk is distributed and growth is funded. By unlocking value embedded in mature assets and redeploying it internally, ADNOC has reduced dependence on cyclical borrowing, insulated itself from tightening financial conditions and preserved strategic optionality. Growth is funded by releasing capital already inside the system, rather than by accumulating new financial exposure.

Execution as Architecture

Partnerships, Technology, AI and Sustainability

ADNOC's transformation over the past decade is perhaps most clearly visible not in the assets it has built, but in how it has redefined the role of partnerships. What were once primarily operational collaborations have evolved into a core financial mechanism, one through which capital is sourced, structured and deployed with precision across the portfolio.

This evolution reflects a deeper strategic logic. As ADNOC's investment ambitions expanded across gas, LNG, chemicals and lower carbon energy, the limitations of a balance sheet funded model became increasingly apparent. Larger capital requirements, longer project durations and the need for global positioning demanded a different approach. Partnerships emerged as a structured response to these challenges. ADNOC has moved beyond conventional concession structures and supplier relationships toward a model of technical co-investment. Under this approach, partners are embedded not merely to share capital burden, but to actively de-risk execution through aligned incentives, shared accountability, and embedded capability.

This logic is visible across ADNOC's upstream portfolio. In onshore operations, majority owned concessions incorporate partners including TotalEnergies, BP, CNPC, INPEX/JODCO, ZhenHua Oil, and GS Energy, combining ADNOC's operational control with subsurface expertise, technology deployment, and global project management capability. Offshore, a similarly diversified group including ExxonMobil, Eni, OMV, Wintershall Dea, CEPSA, ONGC, CNPC, and INPEX/JODCO contributes depth in complex field development and large scale capacity expansion.

These partnerships are not structured to dilute control. Their role is to compress development timelines, improve forecast accuracy, and reduce delivery variance across increasingly complex conventional and unconventional programmes. From a financial perspective, these outcomes translate directly into higher confidence in projected cash flows underpinning both equity valuation and debt underwriting.

An explicit expression of technical co-investment sits within ADNOC Drilling. In 2018, Baker Hughes acquired a 5% stake in ADNOC Drilling for USD $550 million, valuing the company at approximately USD $11 billion and creating a strategic partnership designed to improve drilling efficiency, strengthen technical capability and support ADNOC's upstream growth plans.

Technology and AI as an Execution Layer

Technology has become an execution layer within ADNOC's financial and operating architecture. Artificial intelligence, robotics, advanced analytics and automation are increasingly embedded into how the company interprets reservoirs, monitors assets, plans maintenance, optimises production and manages emissions.

This is important because the financial model depends on operating reliability. Listed-company performance, dividend visibility, external financing and international expansion all depend on predictable execution. AI and robotics support that system by reducing operational uncertainty, improving asset visibility and strengthening decision-making across the value chain.

The clearest expression of this approach is ENERGYai, ADNOC's agentic AI solution tailored for the energy sector. Developed in the UAE with AIQ, in collaboration with Microsoft and G42, ENERGYai combines AI agents and large language model technology with decades of ADNOC proprietary knowledge and workflows across the value chain.

ENERGYai is designed to improve the speed and precision of critical tasks, from seismic analysis and geological modelling to real-time process monitoring. By reducing the time required for essential business processes from months to days, it supports faster decision-making, lower execution risk and more efficient development planning.

Neuron 5 adds a further layer of operational control. The AI-powered performance platform continuously analyses data from thousands of assets, helping detect potential issues early, avoid unplanned downtime and optimise operating processes.

The financial relevance of AI lies in reliability and cycle time. Faster reservoir modelling, earlier equipment intervention, reduced downtime and improved production optimisation all support cash-flow visibility. In a model built around listed-company dividends, external financing and long-cycle capital deployment, these operational gains have direct financial significance.

Decarbonization as Operating Discipline

Decarbonization is integrated within the operating discipline of ADNOC's hybrid model. As engagement with global capital deepens, emissions intensity, methane management, electrification and energy efficiency have increasing relevance for financing conditions, investor confidence and long-term asset competitiveness.

In this context, decarbonization does not operate as a standalone agenda, but as a component of the broader financial and operational system. It contributes to cost efficiency, risk management and resilience in a market where asset quality is becoming more closely linked to carbon and methane performance.

This integration supports ADNOC's stated objectives to reduce greenhouse gas intensity by 25% by 2030, towards achieving its ambition of operational net zero by 2045, while linking decarbonization directly to financial outcomes. Improvements in energy intensity, reduced flaring, enhanced methane control, and broader operational efficiency can lower cost structures, strengthen resilience and support continued access to capital within the hybrid model.

Electrification is a core element of this approach. In 2022, ADNOC transitioned to sourcing 100% of its onshore grid electricity from solar and nuclear energy through TAQA's network. Offshore, a USD $3.8 billion subsea transmission system is under development to replace gas turbine generation with lower-carbon electricity, with the potential to reduce the carbon footprint of offshore operations by up to 50%.

Carbon capture forms an additional layer of the operating framework. ADNOC is targeting capture capacity of 10 million tonnes per annum by 2030, with approximately 4 million tonnes per year already in operation or under development, including projects at Habshan and Hail and Ghasha, building on earlier experience at Al Reyadah.

Methane reduction is addressed through defined operational targets, including reducing upstream methane intensity to below 0.15% by 2025 and progressing towards near-zero methane emissions by 2030. ADNOC has also achieved OGMP 2.0 Gold Standard reporting and is a participant in the World Bank's Zero Routine Flaring by 2030 initiative.

Energy efficiency is reflected in both emissions and financial outcomes. In 2024, targeted initiatives delivered approximately 1.3 million tonnes of CO_2e reductions, bringing cumulative reductions to around 3 million tonnes since 2022, alongside approximately USD $220 million in realised cost savings.

ADNOC's sustainability disclosures provide evidence of this operating discipline, including upstream carbon intensity, methane management, energy efficiency initiatives and emissions reductions. These metrics matter because emissions performance increasingly affects investor perception, financing access, customer confidence and long-term asset competitiveness.

Domestic Value Creation and Industrial Anchoring

A central component of ADNOC's industrial strategy has been the expansion of its In-Country Value (ICV) programme, designed to convert procurement and capital expenditure into domestic economic impact.

Since its launch in 2018, the programme has driven more than AED 242 billion back into the UAE economy and supported more than 18,500 private-sector job opportunities for UAE nationals. ADNOC is targeting a further AED 200 billion in value returned to the UAE economy over the next five years, while working towards 25,000 private-sector job opportunities for UAE nationals by 2028.

In financial architecture terms, ICV functions as a domestic capital circulation mechanism. Capital deployed through ADNOC's investment programme is not only spent on assets; it is used to deepen local supply chains, expand manufacturing capability and create national employment capacity. This links ADNOC's capital allocation model directly to UAE industrial development.

The programme extends beyond supplier preference. It functions as a long-term industrial development mechanism, supporting manufacturing capability, private-sector growth, supply-chain localisation and skilled employment across strategic sectors.

ADNOC has also linked ICV to its wider industrial localisation agenda, including its ambition to locally manufacture AED 90 billion worth of products in its procurement pipeline by 2030. This is supported by platforms including Ruwais, TA'ZIZ and the Local+ initiative, which prioritises Made in the Emirates products across ADNOC's project delivery pipeline.

TA'ZIZ represents one of the clearest expressions of this broader industrialization strategy. Positioned within the Ruwais industrial ecosystem, the platform is designed to expand domestic manufacturing capability across chemicals, industrial materials and lower-carbon value chains that have historically relied on imports.

Importantly, these investments are being developed within ADNOC's broader financial discipline framework, combining joint ventures, project finance, long-term offtake structures and strategic partnerships rather than relying solely on sovereign capital deployment.

Applying the Model Globally - XRG

The creation of XRG represents one of the most significant developments in ADNOC's evolution over the past decade.

Launched in November 2024, XRG was established as ADNOC's wholly owned international energy investment company, focused on natural gas, chemicals and lower-carbon energy solutions. By late 2025, ADNOC had publicly positioned XRG with an enterprise value of approximately USD $151 billion, up from more than USD $80 billion at launch. This placed XRG among the largest international energy investment platforms established by a national oil company.

XRG is not a departure from ADNOC's existing model. It is the mechanism through which ADNOC is applying its domestic financial architecture internationally. The same principles visible across ADNOC's transformation in the UAE are being extended into global markets: partnership-led growth, platform-based ownership, disciplined capital deployment, infrastructure exposure, capital recycling and long-duration demand positioning.

The platform also gives ADNOC a more coherent institutional structure for international growth. ADNOC is consolidating strategic holdings, listed-company exposures, international equity positions and major growth platforms under a dedicated vehicle with its own scale, mandate and investment logic.

This matters because XRG sits at the intersection of ADNOC's domestic capital model and its global expansion strategy. The listed-company dividend system, the capital recycling model, the partnership approach and the platform-based ownership structure are no longer confined to the UAE. Through XRG, they are being extended into international gas, chemicals, industrial materials, carbon management, AI-linked energy demand and lower-carbon infrastructure.

XRG's strategy is organised around three core platforms: International Gas, Global Chemicals and Energy Solutions. These platforms reflect three long-term demand themes shaping ADNOC's investment strategy: the transformation of energy systems, the growth of AI-linked power demand and the rise of emerging economies. The result is a demand-led international model.

As ADNOC has expanded internationally, the emphasis has remained less on rapid asset accumulation and more on building exposure to structurally important industrial and energy systems. XRG therefore represents a further step in ADNOC's evolution from national oil company to globally integrated capital and industrial platform.

Consolidating Ownership and Dividend Capacity

One of the most important developments in XRG's evolution is its role as an ownership and capital consolidation layer.

In 2025, ADNOC announced the internal transfer of its equity stakes in several listed companies to XRG. The transfers covered ADNOC Distribution, ADNOC Drilling, ADNOC Gas and ADNOC Logistics & Services. ADNOC also confirmed that its entire stake in Fertiglobe and Borouge International is held through XRG.

This connects XRG directly to ADNOC's wider financial architecture. The listed-company dividend system, described earlier in this report as a core source of discipline, liquidity and market feedback, becomes part of the funding base for international growth. In this sense, XRG is not simply an investment arm. It is a vehicle through

which domestic cash-flow visibility can support international capital deployment.

ADNOC also announced its intention to transfer its 24.9% shareholding in OMV to XRG, subject to regulatory approvals. This further supports the consolidation of international growth investments under XRG and strengthens its role as ADNOC's ownership layer for strategic industrial and chemicals exposure in Europe.

Taken together, these moves give XRG a dual function. It is both a growth platform and a financial architecture vehicle. It holds or is expected to hold exposure to listed cash-generative platforms, international industrial assets, chemicals growth vehicles and gas opportunities. This gives ADNOC a structure through which capital can be allocated internationally while preserving strategic control and financial discipline.

International Gas: The Foundation of Expansion

ADNOC increasingly views natural gas and LNG as long-duration components of the global industrial and power system. This view has strengthened amid rising electricity demand, industrial growth across Asia and the rapid expansion of AI-linked digital infrastructure and data centres.

For ADNOC, gas provides several advantages simultaneously. It offers scalable long-term demand, relatively visible cash-flow characteristics, integration with power systems, linkage to industrial growth and geographic diversification opportunities. It also supports ADNOC's wider positioning across energy systems where reliability, affordability and lower-carbon intensity are increasingly assessed together.

XRG is committed to building a top-five integrated global gas and LNG by 2035. This target gives the gas platform a clearer scale ambition and positions XRG as a serious participant in the next phase of global LNG and gas market development.

Within this context, XRG has expanded across international gas opportunities spanning LNG exports, upstream supply and integrated gas systems. ADNOC's acquisition of an indirect stake in the Rio Grande LNG project in Texas, alongside a long-term LNG offtake agreement, marked an important step into North American LNG infrastructure and global export markets.

ADNOC has also broadened its international gas exposure through Arcius Energy, its joint venture with bp focused on gas development opportunities in Egypt, and through participation in gas opportunities in markets including Argentina, Azerbaijan, Mozambique and Turkmenistan. These positions broaden XRG's exposure beyond a single LNG asset and create a wider portfolio across upstream gas, regional supply systems, LNG exports and future supply corridors.

North America is becoming particularly important to XRG's strategy. The platform's five-year plan supports the assessment of upstream gas M&A and LNG expansion opportunities to strengthen its North American gas position. This aligns with wider market developments in which AI-linked electricity demand, industrial growth and long-term LNG demand are increasing the strategic relevance of gas infrastructure.

The significance of this approach is not simply volume growth. XRG is seeking to build a more integrated gas position across production, processing, liquefaction, offtake and market access. This is consistent with ADNOC's broader preference for platform ownership, partnership structures and capital deployment across systems rather than isolated assets.

Gas therefore functions as both a growth market and a financial architecture tool. It provides long-duration demand exposure, infrastructure characteristics, partnership opportunities and potential cash-flow visibility. For ADNOC, these characteristics make gas a natural foundation for XRG's international expansion.

Global Chemicals: Building an Industrial Platform

ADNOC increasingly views chemicals and industrial materials as structurally important sectors linked to manufacturing growth, infrastructure development, packaging, mobility, healthcare, agriculture and advanced materials. This extends beyond traditional downstream integration and reflects a broader move into globally traded industrial value chains.

The formation of Borouge International represents one of the clearest expressions of this strategy. Through the combination of Borouge and Borealis and the acquisition of Nova Chemicals, XRG and OMV are creating a global polyolefins platform with production exposure across the Middle East, Europe and North America.

The platform is expected to have significant nameplate production capacity and an investment-grade capital structure, supporting its ability to operate as a global industrial company rather than a conventional downstream extension.

The completion of XRG's voluntary public takeover offer for Covestro further extends ADNOC's chemicals exposure into higher-value polymer materials and technology-oriented industrial applications. Covestro adds exposure to advanced materials used across automotive, construction, electronics, healthcare and industrial applications, moving ADNOC further up the value chain.

Together, Borouge International, Fertiglobe and Covestro anchor XRG's ambition to build a top-three global chemicals platform. This is an important development for ADNOC's financial architecture because chemicals provide a different earnings profile from upstream oil and gas. They are exposed to industrial cycles, but they also offer scale, manufacturing reach, innovation potential and closer linkage to end-user demand.

The chemicals platform also reinforces ADNOC's partnership-led model. Rather than relying solely on balance sheet expansion, ADNOC has used joint ventures, strategic shareholdings, international partnerships and structured transactions to scale its chemicals footprint. This allows ADNOC to build global industrial exposure while maintaining a disciplined capital profile.

Chemicals therefore serve two purposes within XRG. They diversify ADNOC's earnings exposure across industrial value chains, and they provide a platform for international scale in sectors linked to long-term manufacturing and materials demand.

Energy Solutions and Lower-Carbon Infrastructure

The third XRG platform is Energy Solutions, which extends ADNOC's investment model into the infrastructure required to connect energy supply with demand. Its focus spans selected opportunities in gas and LNG infrastructure, storage, pipelines, gas-to-power, carbon management, lower-carbon systems, and AI-linked energy demand.

This platform should be understood carefully. It is not a simple renewable energy platform, nor should it be treated as identical to Masdar. ADNOC's wider lower-carbon investment architecture includes its shareholding in Masdar alongside TAQA and Mubadala, providing exposure to large-scale renewable energy development across international markets. XRG's Energy Solutions platform is broader in a different way. It is positioned at the intersection of energy supply and energy demand, with a focus on the infrastructure required to move energy reliably, flexibly, and at scale. This distinction matters. Masdar gives ADNOC exposure to renewable power and clean energy infrastructure through a dedicated platform with its own shareholders and mandate. XRG gives ADNOC an international investment vehicle through which energy solutions can be assessed alongside gas, chemicals, industrial demand, and digital infrastructure. The two are complementary, but they should not be conflated.

The strategic rationale is to connect molecules to demand. That logic applies across green, blue and conventional energy systems, and has become more important as the global energy transition enters a more infrastructure-intensive phase. ADNOC's earlier low-carbon fuels focus remains relevant, but the opportunity has become larger. Early ambitions around low-carbon infrastructure continue to be assessed. At the same time, the wider energy investment aperture has continued to expand, creating new opportunities across gas, LNG infrastructure, storage, pipelines, gas-to-power, and carbon management.

Energy Solutions therefore sits between energy supply and energy demand. Its role is to help connect the two and keep energy moving. In practical terms, this means building and investing in the physical infrastructure that links ADNOC's gas and broader energy portfolio to attractive demand centers. The opportunity is not simply about producing more energy. It is about moving energy, connecting systems, and scaling infrastructure.

This work is already visible across several areas of ADNOC's international activity. In carbon management, ADNOC has collaborated with Occidental to evaluate a large-scale direct air capture and carbon storage hub in South Texas. This example shows how Energy Solutions can participate selectively in lower-carbon infrastructure where there is a credible connection to industrial demand, infrastructure scale and long-term market development.

The platform also has relevance to the infrastructure required to connect gas and LNG supply with demand centers. The focus includes pipelines, storage, LNG infrastructure, and gas-to-power assets. These are not peripheral assets. They are the physical systems that allow energy to move from supply sources to markets, support reliability, create optionality, and provide route-to-market flexibility. As global LNG demand continues to grow, and as power systems require reliable supply to support industrial growth, digital infrastructure and electrification, this type of enabling infrastructure becomes increasingly important.

The competitive advantage is not necessarily controlling where energy is consumed. It is ensuring that energy can be transported, stored, and delivered reliably to markets where demand is strongest. In this context, pipelines, LNG infrastructure, storage, and gas-to-power assets are the highways that connect molecules to markets. They allow ADNOC to link its gas and broader energy portfolio to demand centers while retaining greater control over reliability, flexibility, and commercial access.

One of the most important aspects of XRG's Energy Solutions platform is the convergence between energy infrastructure, industrial systems, and digital demand. In 2025, ADNOC, alongside Microsoft and Masdar, announced collaborations focused on artificial intelligence and lower-emission energy infrastructure, including systems intended to support power optimization, emissions reduction and energy solutions linked to global data center growth. This is an important example of how Energy Solutions can extend beyond traditional energy infrastructure into the systems required to support AI-linked electricity demand.

This reflects a broader structural change across global energy markets. Electricity demand is increasingly shaped not only by population growth and industrialization, but also by AI infrastructure, hyperscale computing, and data-intensive technologies. For ADNOC, this creates a closer relationship between gas, renewable power, grid infrastructure, carbon management and digital systems than has historically existed within traditional energy markets.

The result is a strategy that is becoming more infrastructure-oriented, positioned around supporting large-scale industrial, digital and energy demand systems rather than commodity production alone. Energy Solutions therefore reinforces the broader logic of XRG: using international platforms to connect ADNOC's resource base, capital discipline and infrastructure capabilities to the demand centers that will shape the next phase of global energy growth.

A More Integrated International Model

What increasingly distinguishes ADNOC's international expansion is not simply geographic reach, but the degree of integration emerging across its portfolio.

Historically, national oil companies were primarily associated with upstream production and sovereign revenue generation. ADNOC is increasingly operating across a broader set of interconnected systems: gas production, LNG infrastructure, logistics and trading, industrial chemicals, advanced materials, renewable power exposure, carbon management and AI-linked energy infrastructure.

XRG consolidates these themes within a more coherent international structure. Its role is to build platforms around long-duration demand, rather than to collect disconnected overseas assets. This gives ADNOC a clearer route to international growth while preserving the capital discipline, governance logic and ownership control that define its domestic model.

The strategy also reflects a more selective approach to risk. LNG markets remain cyclical, chemicals margins fluctuate with industrial demand and large-scale international transactions require sustained execution discipline across multiple regulatory and geopolitical environments. XRG does not remove these risks. It provides a structure through which they can be managed, allocated and diversified.

This is consistent with ADNOC's wider financial architecture. The Group has repeatedly used structures that separate risk, match capital to asset characteristics and introduce partners where they strengthen execution, market access or technical capability. XRG applies the same logic internationally.

The integration of listed-company dividends, international equity holdings, gas assets, chemicals platforms and energy solutions gives XRG a broader financial base than a conventional international investment vehicle. Its growth is supported by recurring cash flows, strategic holdings, partnership structures and exposure to long-term demand themes.

From National Oil Company to Global Capital Platform

XRG is one of the clearest expressions of how ADNOC's role is evolving internationally.

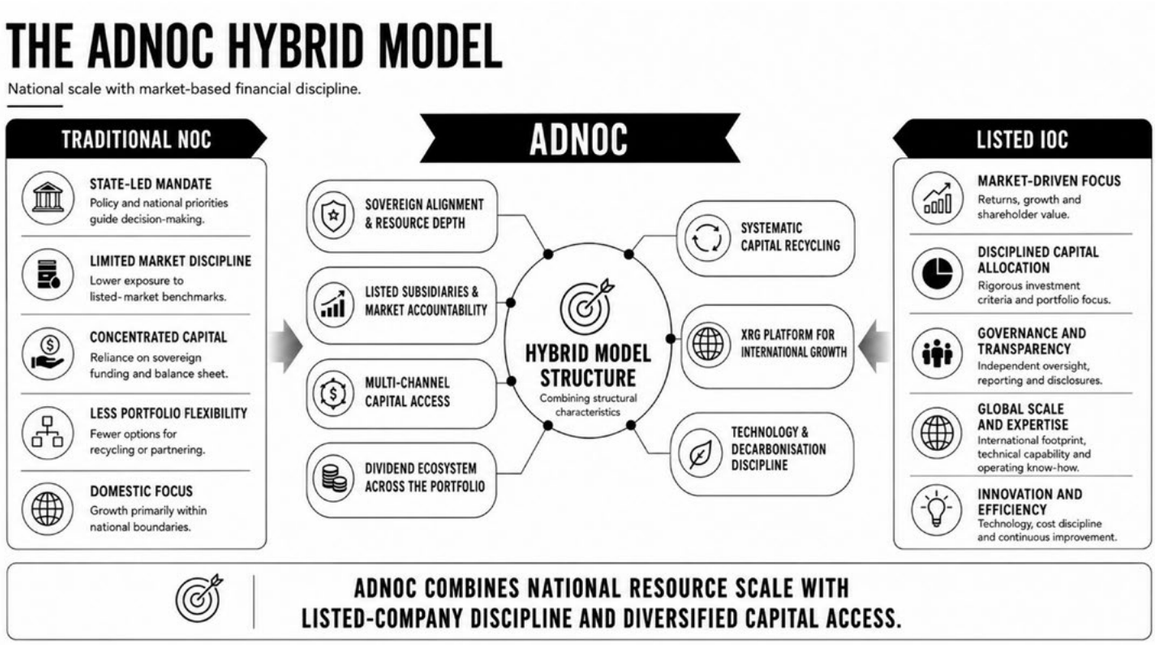
It allows ADNOC to retain sovereign control while participating in public markets, dividend systems, global partnerships, international M&A, infrastructure investment and platform-based industrial growth. It links domestic financial discipline with international opportunity. It also provides a structure through which ADNOC can allocate capital across gas, chemicals and energy solutions while maintaining strategic control and long-term investment capacity.

This is why XRG matters to the wider thesis of this report. ADNOC's financial transformation is not limited to the capital it has raised or the companies it has listed. It is reflected in the structures it has created to manage capital, risk and growth at scale.

XRG is now central to that system. It consolidates assets, extends the platform model internationally and connects ADNOC's listed-company discipline with its global growth ambitions. It represents the point at which ADNOC's domestic financial architecture becomes an international operating model.

A Distinct Position

Beyond Traditional Peers



ADNOC no longer fits neatly into conventional peer categories. Its operating and financial profile differs in meaningful ways from both international oil companies and traditional national oil companies.

In practice, ADNOC exhibits characteristics of both groups. It retains the scale, reserve depth and low-cost resource base typically associated with national energy companies, while operating with elements of capital markets exposure, transparency standards and financial discipline more commonly associated with globally listed peers.

Rather than conforming to an existing model, ADNOC has adopted a hybrid positioning shaped less by ownership structure and more by how capital, risk and governance are structured within its financial system. The result is a configuration that combines national resource scale with market-based financial discipline, supported by a significant capital markets track record.

Positioning Relative to International Oil Companies

Among international oil companies, capital allocation typically takes place within consolidated corporate structures. Investments across hydrocarbons, renewables and lower carbon solutions are assessed together, often within a single balance sheet and dividend framework.

For some investors, this consolidation can blur valuation. Assets with materially different risk profiles, capital intensity and return horizons are assessed through a unified lens, complicating capital allocation signals and comparisons.

ADNOC's approach emphasizes structural segmentation.

Core oil and gas businesses, such as ADNOC Gas, remain standalone platforms, assessed on their own cash flow dynamics and return profiles. Other transition and industrial activities are pursued through specific operating companies, joint ventures or partnerships.

Positioning Relative to National Oil Companies

Many NOCs prioritize long term ownership and retention of infrastructure assets, viewing pipelines, processing facilities and real estate primarily as strategic necessities. ADNOC has taken a more dynamic approach, monetizing selected mature assets where cash flow predictability allows capital to be redeployed into higher priority areas, while retaining operational control and sovereign ownership.

The pipeline and real estate transactions described earlier in this report illustrate this approach.

Liquidity is released without relinquishing strategic authority, allowing ADNOC to reinvest internally rather than rely on incremental borrowing or fiscal support.

Governance structures reinforce this dynamic. Rather than relying on a single flagship listing, ADNOC operates an ecosystem of listed entities across different segments of it's highly integrated value chain. This creates multiple points of market engagement, continuous pricing feedback and greater transparency, while central coordination is preserved at Group level.

A Distinct but Comparable Model

ADNOC's evolution has resulted in a distinct positioning, rather than a claim of categorical advantage over peers.

Its financial operating system combines:

- Global scale with market discipline;
- Integrated operations with segmented capital exposure;
- Long-term resource stewardship with active portfolio management;
- A clear growth ambition anchored in disciplined capital allocation;
- A resilient financial framework designed to perform across cycles.

This hybrid structure explains why ADNOC increasingly attracts comparison across both NOCs and IOCs while fitting neatly into neither category.

The model is not without complexity. It requires coordination across listed subsidiaries, private platforms, international partnerships and Group-level capital allocation. It also depends on the continued credibility of dividend frameworks, transparent communication with minority shareholders and disciplined execution across large-scale international investments.

A System Built to Endure

From Transactions to a Financial Operating System

The significance of ADNOC's financial transformation between 2016 and 2026 lies not in any single transaction, listing or technology deployment. Those actions, while material, are better understood as outputs rather than drivers.

What has emerged over the past decade is a coherent financial operating system. Debt issuance, IPOs, dividend frameworks, capital recycling, partnerships and digital deployment were not pursued independently. They were designed to function together, reinforcing one another through cycles and periods of volatility.

This distinction is central. ADNOC's evolution is not defined by transaction momentum or capital volume, but by the institutionalization of financial discipline. It is equally defined by the deliberate diversification of treasury tools, enabling access to a broader and more resilient range of global capital providers across market conditions.

The central conclusion is that ADNOC has created a hybrid model for national energy company transformation. It preserves sovereign ownership and strategic control, while using public markets, institutional capital, dividend frameworks, credit platforms and partnerships to introduce external discipline and expand financial capacity.

Capital as an Operating Model

At the core of this transformation is a reframing of capital itself. Rather than serving as a support function, capital has become the operating logic through which the organization functions. Each major component of ADNOC's architecture performs a specific role:

- ADNOC Murban RSC provides durable access to public credit markets aligned with long-life infrastructure cash flows;
- Cluster listings introduce valuation transparency and market discipline at the platform level;
- Dividend frameworks anchor governance and operating efficiency, providing long-term visibility through progressive payout structures across the listed portfolio;
- Capital recycling enhances liquidity and broadens investor access, supporting disciplined reinvestment into growth;
- Strategic partnerships function as a core capital and execution mechanism, enabling risk sharing, access to global expertise and alignment with long-term investors;
- Capital allocation frameworks ensure disciplined deployment, balancing growth with returns, resilience and dividend sustainability;
- XRG extends ADNOC's capital architecture globally, enabling disciplined expansion while maintaining financial and governance consistency.

Individually, these mechanisms are familiar. Combined, they form a system capable of absorbing volatility while sustaining investment, distributions and strategic flexibility.

Managing Growth Through Financial Discipline

A defining achievement of ADNOC's model is its ability to reconcile growth with restraint.

The architecture does not eliminate risk. It manages risk explicitly. Dividend commitments and conservative leverage define financial boundaries. Capital allocation shifts from ambition driven expansion to sequencing based on durability and system strength. Projects compete not only on standalone returns, but on their contribution to cash flow stability, funding capacity and long-term resilience.

This approach has proven particularly resilient during periods of geopolitical uncertainty, market disruption and cost inflation. ADNOC has continued to advance its strategic growth pathways through cycles, supported by its financial strength, diversified funding pool, consistent access to global capital markets, and rising dividend streams across its listed company portfolio. Confidence among investors, lenders and partners has been maintained not through retrenchment, but through continuity and delivery.

A Model That Travels

ADNOC's financial operating system has demonstrated portability. Through platforms such as XRG, the Group has applied the same capital logic, governance standards and performance discipline internationally and across new energy segments. Expansion has not diluted the system; it has tested it. Importantly, this has occurred without structural fragmentation. There is no parallel balance sheet, alternative dividend doctrine or relaxed financial standard for overseas or transition assets. Consistency, not reinvention defines ADNOC's global posture.

Ultimately, ADNOC's experience suggests that in the contemporary energy economy, competitiveness is not defined solely by resource endowment or transaction volume. It is defined by how capital, risk and execution are organized.

That architecture rather than any single deal is the lasting outcome of the past decade and the foundation on which the next one will be built.

The next phase will test the model more than the last. ADNOC's USD $150 billion investment programme, greater production flexibility, XRG's international expansion and the integration of large chemicals and gas platforms will require the same discipline that characterised the first phase of transformation. The architecture has been built; the next question is how effectively it performs at larger international scale.

ADNOC and Group Companies

Capital Markets, Financing and Strategic Investment Transactions

2017	**ADCOP senior secured bond issuance**	**USD $3bn**	Abu Dhabi Crude Oil Pipeline LLC (ADCOP), owner of the Habshan Fujairah oil pipeline, issued senior secured bonds. The transaction was reportedly more than three times oversubscribed and marked ADNOC's first major international bond market transaction linked to strategic infrastructure assets.
2017	**ADNOC Distribution IPO**	**USD $851m**	ADNOC sold 10% of ADNOC Distribution on ADX at AED 2.50 per share. It was the first ADNOC Group IPO and the largest ADX IPO in around a decade at the time. ADNOC retained 90% ownership following listing.
2018	**Baker Hughes acquisition of 5% stake in ADNOC Drilling**	**USD $550m**	Baker Hughes acquired a 5% strategic stake in ADNOC Drilling, valuing the company at approximately USD $11bn.
2018	**ADNOC offshore concession awards and signing bonus agreements**	**c.$4bn+**	ADNOC completed multiple offshore concession agreements with international energy companies including Total, Eni, CNPC and INPEX involving substantial signing bonus commitments and long-term upstream investment partnerships.
2019	**ADNOC Refining strategic partnership with Eni and OMV**	**c.$5.8bn**	Eni acquired 20% and OMV acquired 15% of ADNOC Refining. ADNOC retained 65%. The transaction valued ADNOC Refining at an enterprise value of approximately USD $19.3bn.
2019	**ADNOC Oil Pipelines infrastructure investment transaction**	**USD $4.9bn**	Investors including BlackRock, KKR, GIC and Abu Dhabi Retirement Pensions and Benefits Fund invested in select ADNOC oil pipeline assets under a long-term lease structure. ADNOC retained 51% ownership and full operational control.
2020	**2020 ADNOC Gas Pipelines infrastructure investment transaction**	**USD $10.1bn**	ADNOC sold a 49% stake in its natural gas pipelines business to a consortium including Global Infrastructure Partners, Brookfield, GIC, Ontario Teachers', NH Investment & Securities and Snam. ADNOC retained 51% and operational control.
2020	**ADNOC Distribution secondary institutional placement**	**c.$1bn**	ADNOC sold approximately 10% additional stake in ADNOC Distribution through a marketed offering at AED 2.95 per share. ADNOC retained 80% ownership after completion.
2020	**ADNOC real estate infrastructure partnership with Apollo-led consortium**	**USD $5.5bn transaction value**	Apollo Global Management led a consortium investing in ADNOC real estate and lease related infrastructure assets. ADNOC received upfront proceeds of approximately USD $2.7bn while retaining 51% ownership.
2020	**Formation of Fertiglobe joint venture**	**Undisclosed**	ADNOC combined its fertiliser business with OCI's fertiliser platform to create Fertiglobe, now one of the world's largest seaborne urea and ammonia producers.
2021	**ADNOC Distribution combined offering and exchangeable bonds**	**USD $1.64bn**	ADNOC completed a combined institutional share offering and issuance of exchangeable bonds linked to ADNOC Distribution shares. The transaction included approximately USD $1.195bn of exchangeable bonds due 2024.
2021	**ADNOC Drilling IPO**	**>USD $1.1bn**	ADNOC floated 11% of ADNOC Drilling on ADX. ADNOC retained 84% ownership and Baker Hughes retained 5%.
2021	**Fertiglobe IPO**	**>USD $795m**	ADNOC and OCI floated Fertiglobe on ADX. The company listed with a market capitalisation of approximately $5.8bn.
2022	**ADNOC acquisition of stake in Masdar**	**Undisclosed**	ADNOC joined Mubadala and TAQA as a shareholder in Masdar as part of consolidation of the UAE's strategic renewable energy platform.
2022	**Borouge IPO**	**>USD $2bn**	Borouge listed 10% of its shares on ADX at AED 2.45 per share. The IPO valued the company at approximately $20bn.
2023	**ADNOC Gas IPO**	**c.$2.5bn**	ADNOC floated 5% of ADNOC Gas on ADX. The IPO attracted demand exceeding $124bn.

2023	**ADNOC Logistics & Services IPO**	**c.$769m**	ADNOC listed approximately 19% of ADNOC Logistics & Services on ADX at AED 2.01 per share.
2023	**ADNOC agreement to acquire OCI's stake in Fertiglobe**	**USD $3.62bn**	ADNOC agreed to acquire OCI Global's 50% plus one share stake in Fertiglobe.
2024	**ADNOC acquisition of stake in Rio Grande LNG Phase 1**	**Undisclosed**	ADNOC acquired an indirect 11.7% equity stake in Rio Grande LNG Trains 1–3 in Texas and signed a 20-year LNG offtake agreement for 1.9 mtpa linked to Train 4.
2024	**Completion of ADNOC acquisition of OCI Fertiglobe stake**	**USD $3.62bn**	ADNOC completed acquisition of OCI's Fertiglobe stake, increasing ownership to 86.2%.
2024	**ADNOC Drilling secondary placement**	**c.$935m**	ADNOC sold a further 5.5% stake in ADNOC Drilling through an accelerated bookbuild offering.
2024	**ADNOC Murban inaugural Global Medium Term Note issuance**	**USD $4bn**	ADNOC Murban issued a three-tranche international bond under its new GMTN programme, including 5-year, 10 year and 30 year maturities.
2024	**JBIC green financing facility**	**USD $3bn**	ADNOC signed a green financing agreement with Japan Bank for International Cooperation linked to lower carbon projects.
2024	**Launch of XRG international investment platform**	**N/A**	ADNOC launched XRG as an international energy, gas, chemicals and lower carbon energies investment platform.
2024	**XRG / ADNOC agreement to acquire Covestro**	**€14.7bn offer**	XRG launched a takeover offer for Covestro, representing one of the largest overseas acquisitions undertaken by a Gulf energy company.
2024	**Transfer of selected ADNOC pipeline interests to Lunate**	**Undisclosed**	Lunate acquired selected infrastructure interests previously held by BlackRock and KKR in ADNOC pipeline assets.
2025	**ADNOC Gas marketed secondary offering**	**USD $2.84bn**	ADNOC sold an additional 4% stake in ADNOC Gas through a marketed offering involving approximately 3.1bn shares.
2025	**ADNOC Murban debut international sukuk issuance**	**USD $1.5bn**	ADNOC Murban Sukuk Limited issued a 10 year sukuk due May 2035 with a 4.75% profit rate.

2025	**ADNOC L&S secondary placement**	**c.$316m**	ADNOC sold approximately 3% of ADNOC Logistics & Services through a secondary offering.
2025	**ADNOC L&S hybrid capital financing programme**	**Up to USD $2bn**	ADNOC L&S secured hybrid capital financing, including an initial USD $1.1bn drawdown.
2025	**K-SURE backed green financing**	**USD $2bn**	ADNOC secured a green financing facility backed by Korea Trade Insurance Corporation.
2025	**Hail and Ghasha pre export financing**	**USD $11bn**	ADNOC raised one of the region's largest structured financings through a pre export financing arrangement backed by future gas production.
2025	**ADNOC L&S acquisition of 80% stake in Navig8**	**USD $1.04bn**	ADNOC L&S acquired 80% of Navig8 to expand its international shipping and logistics platform.
2025	**XRG completion of Covestro acquisition**	**c.€14.7bn**	XRG completed acquisition of Covestro and launched a strategic chemicals and advanced materials expansion platform.
2025	**XRG and OMV agreement to combine Borouge, Borealis and NOVA Chemicals**	**USD $60bn+ platform**	ADNOC/XRG and OMV agreed formation of Borouge Group International combining Borouge, Borealis and NOVA Chemicals into a global chemicals platform.
2025	**Acquisition of NOVA Chemicals**	**USD $13.4bn**	Transaction formed part of the Borouge Group International platform creation.
2026	**Formation of Borouge Group International**	**USD $60bn+ platform value**	XRG and OMV completed creation of Borouge Group International across Middle East, Europe and North America.
2026	**XRG increase in Rio Grande LNG stake**	**Undisclosed**	XRG agreed acquisition of an additional 7.6% stake in Rio Grande LNG Trains 4 and 5 to expand its US LNG position.
2026	**ADNOC Drilling acquisition of SLB Oman and Kuwait onshore rigs business**	**Up to USD $112m**	ADNOC Drilling agreed acquisition of a 70% stake in SLB's onshore drilling rigs business in Oman and Kuwait.
2026	**ADNOC Drilling acquisition of MB Petroleum Services stake**	**$204m enterprise value**	ADNOC Drilling acquired an 80% stake in MB Petroleum Services.



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