



Securing Australia's energy future

Annual Report 2024

APA



Acknowledgement of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia. We acknowledge their connections to land, sea and community. We pay our respects to their Elders past and present, and commit to ensuring APA operates in a fair and ethical manner that respects First Nations Peoples' rights and interests.

About this report: The 2024 Annual Report is our primary report to securityholders, providing a consolidated summary of APA Group's performance for the financial year that ended on 30 June 2024. It should be read in conjunction with the reports that comprise the 2024 Annual Reporting Suite including: Annual Report, Sustainability Data Book, Results Presentation available from <https://www.apa.com.au/investors>, as well as the Climate Report and Climate Data Book that will be available at this website in September 2024. In this report, unless otherwise stated, references to 'APA Group', 'we', 'us' and 'our' refer to APA comprising the ASX-listed entity and the APA Infrastructure Trust and the APA Investment Trust. Any reference in this report to a 'year' relates to the financial year ended 30 June 2024 (FY24). All dollar figures are expressed in Australian dollars unless otherwise stated. The Board acknowledges its responsibility for the 2024 Annual Report and has been directly involved in its development and direction. The Board reviewed, considered and provided feedback during the production process and approved the Annual Report at its August 2024 Board meeting. This report outlines APA Group's activities – governed by our purpose, behaviours and strategy – delivering the financial, non-financial and sustainability performance required to capture opportunities while managing risks. APA Group comprises two registered investment schemes, APA Infrastructure Trust (ARSN 091 678 778) and APA Investment Trust (ARSN 115 585 441), the securities of which are stapled together. APA Group Limited (ACN 091 344 704) is the responsible entity of APA Infrastructure Trust and APA Investment Trust.

Disclaimer: Please note that APA Group Limited is not licensed to provide financial product or investment advice in relation to securities in APA Group. This publication does not constitute financial product advice and has been prepared without taking into account your objectives, financial situation or particular needs. Before relying on any statements contained in this publication, including forecasts and projections, you should consider the appropriateness of the information, having regard to your own objectives, financial situation and needs, and seek professional advice if necessary. Past performance information should not be relied upon as (and is not) an indication of future performance.

Directors' Report and Operating and Financial Review (OFR): The required elements of the Directors' Report including the OFR, are featured on pages 10 to 73 and pages 74 to 180 (in respect of APA Infrastructure Trust) and pages 181 to 206 (in respect of APA Investment Trust) of this report and include the sections 'Overview and highlights', 'About APA', 'Our strategy', 'Risks and opportunities', 'Performance', 'Outlook', 'Governance', 'Directors' Report' (in respect of each of APA Infrastructure Trust and APA Investment Trust) and 'Remuneration Report' (in respect of each of APA Infrastructure Trust and APA Investment Trust). The OFR is covered specifically on pages 10 to 64.

An integrated approach: APA Group is committed to providing securityholders, other external stakeholders and our people with timely, consistent and transparent corporate reporting. We are moving towards integrated reporting over a multi-year period to create trusting and transparent relationships with all stakeholders and to provide a more complete picture of how we create and preserve long-term value. We are currently in the second year of our integrated reporting journey, focusing on the development of the six value drivers (or 'capitals'). FY25 will focus on the development of a value-creation model. The integrated reporting concept refers to a principles-based, multi-capital framework in which companies can communicate clearly and concisely about how their strategies, governance, performance, prospects and sustainability-related actions create value in the context of their external environment. Our 2024 Annual Report is guided by the International Integrated Reporting Framework (IIRF) which provides a clear, concise and comparable format for integrated reporting across strategy, governance, performance and targets, and by the Global Reporting Initiative (GRI) which establishes standardised sustainability impact reporting across industries and sectors. This report is also informed by recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Boards (SASB) and the United Nations Sustainability Development Goals (UN SDGs).

Forward-looking information: This publication contains forward-looking information, including about APA Group, its financial results and other matters which are subject to risk factors. 'Forward-looking statements' may include indications of, and guidance on, future earnings and financial position and performance, statements regarding APA Group's future strategies and value drivers expenditure, statements regarding estimates of future demand and consumption and statements regarding APA's sustainability and climate transition plans and strategies, the impact of climate change and other sustainability issues for APA, energy transition scenarios, actions of third parties, and external enablers such as technology development and commercialisation, policy support, market support and energy and offsets availability. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'goal', 'ambition' and other similar expressions and include, but are not limited to, forecast EBIT and EBITDA, free cash flow, operating cash flow, distribution guidance and estimated asset life. At the date of this report, APA Group believes there are reasonable grounds for these forward-looking statements and we have used due care and attention in preparing this report. Forward-looking statements, opinions and estimates are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors. Many of these are beyond our control and may involve significant elements of subjective judgement and assumptions about future events, which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements, opinions and estimates. A number of important factors could cause actual results or performance to differ materially from such forward-looking statements, opinions and estimates. These factors include, but are not limited to, general economic conditions; exchange rates; technological changes; the geopolitical environment; the extent, nature and location of physical impacts of climate change; changes associated with the energy market transition; and government and regulatory intervention, including to limit the impacts of climate change or manage the impact of Australia's transitioning energy system. A number of these factors are described in the section titled 'Risks and Opportunities' beginning on page 58. Readers should review and have regard to these risks when considering the information in this report and are cautioned not to place undue reliance on forward-looking statements, particularly in light of the long-time horizon which this report discusses. There are also limitations with respect to climate scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Scenarios may also be impacted by additional factors to the assumptions disclosed. Investors should form their own views in relation to these matters and any assumptions on which any forward-looking statements, estimates or opinions are based. Except as required by applicable laws or regulations, we do not undertake to publicly update or revise any forward-looking statements to reflect any change in expectations, contingencies or assumptions, whether as a result of new information or future events. To the maximum extent permitted by law, APA and its officers do not accept any liability for any loss arising from the use of the information contained in this report.

Non-IFRS financial measures: APA Group results are reported in line with International Financial Reporting Standards (IFRS). However, investors should be aware that this report includes certain financial measures that are non-IFRS financial measures for the purposes of providing a more comprehensive understanding of the performance of the APA Group. These non-IFRS financial measures include FCF, EBIT, EBITDA and other 'normalised' measures. Such non-IFRS information is unaudited, however the numbers can be reconciled to the statutory audited financial statements.

Cover image: Port Hedland Solar Farm (under construction), WA
Image opposite: Basslink Interconnector, VIC

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Reporting suite map



Key information	Annual Report	Corporate Governance Statement	Investor Presentation	Climate Report	Modern Slavery Statement	Sustainability Data Book
Strategy	•		•			
Financial performance	•		•			
Operational performance	•		•	•	•	•
Governance	•	•				
Risk	•	•		•	•	
Customers and partners	•					
People and communities	•	•			•	•
Environment	•			•		•
Securityholder information	•	•				

Securing Australia's energy future

FY24 was another year of solid financial and operational performance for APA.

Over the past 12 months we have achieved revenue, earnings and distribution growth, delivered new infrastructure to meet our customers' energy needs and completed the acquisition and integration of the Pilbara Energy System business, providing a significant platform for long-term growth.

We have strong momentum with the delivery of our customer-focused strategy to be the partner of choice for energy infrastructure solutions, supported by our three delivery pillars – Our People, Operational Excellence and Creating Value.

In FY24, we further refined our focus into markets where we have a competitive advantage – contracted power generation, electricity transmission, gas transportation and future energy – and continued to progress the strategic priorities that will underpin long-term value creation.

This year we also reviewed APA's purpose, brand and culture to continue strengthening trust with our people, customers and stakeholders.

Our purpose, *Securing Australia's energy future*, defines the unique role APA plays as an energy infrastructure partner, highlighting the trust our customers and communities have in our ability to work with them to deliver reliable, affordable and lower emissions energy.

Financial performance

Our financial performance in FY24 was solid.

Total statutory revenue (excluding pass-through revenue) was \$2,591 million, up 7.9%, driven by a solid Energy Infrastructure performance, a full-year contribution from Basslink and an initial contribution from our new Pilbara Energy System (Pilbara) business, which is performing in line with our acquisition business case.

Statutory profit for FY24 was \$998 million. This was driven by the remeasurement of APA Group'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 business acquisition. This more than offset the non-cash \$144 million (pre-tax) impairment of the Moomba Sydney Ethane Pipeline (MSEP) which was recognised due to our single-user customer ceasing operations.

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$1,893 million represented a 9.7% increase on the previous year. On a reported EBITDA basis, earnings were up 3.0% to \$1.736 million.

Our performance enabled the Board to declare a final distribution of 29.5 cents, taking the FY24 distribution to 56.0 cents per security, in line with guidance. This represents an increase of 1.8% on FY23 and has been delivered in parallel with ongoing investment in new infrastructure to maintain safe and reliable operations and to pursue the significant growth platforms in place.

Our people

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

We reported zero fatalities and our Total Recordable Injury Frequency Rate (TRIFR) improved in FY24, with a 35% decrease on FY23.

However, we recorded two serious-harm injuries as well as 35 potential serious-harm incidents compared to 33 in the previous 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 improved in FY24, with our annual Culture and Engagement Survey showing an improved engagement score of 72%, up from 71% in FY23. This is a pleasing result and, alongside our purpose, in FY25 we will launch a new culture statement that defines how our people work together to support our success.

We have continued to invest in our diverse and skilled employees. Representation of women across our total workforce increased from 31.8% to 32.4% and in senior leadership roles from 31.4% to 39.2%.

Improving diversity in our early careers area 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 both our 2024 Graduate Program and Internship Program. Our 2024 Apprenticeship Program reached 44% women, which is an increase from the 19% achieved in 2022.

We also launched new technology platforms, including the Workday enterprise resource planning system, which was delivered on-time and on-budget, to improve the workplace experience of all employees, streamline processes and generate productivity improvements.

Operational excellence

Delivering operational excellence goes to the heart of our social licence and underpins our ongoing financial results.

In FY24, we continued to implement our Environment Improvement Program to improve waste, soil and water management practices. We also commenced delivery of our inaugural Reflect Reconciliation Action Plan, completing 36 of our 72 commitments.

In process safety, we recorded 14 Tier 1 incidents, highlighting the need to ensure we are always vigilant in the operation and maintenance of our assets. This outcome was driven largely by our Networks business as a result of strikes to gas distribution assets by third parties.

Creating value

In FY24, we continued the execution of our customer-focused growth strategy. Central to this was the acquisition and successful integration of our new Pilbara business, which was announced in August 2023 and completed in November 2023.

The acquisition, supported by a \$675 million institutional placement and a \$200 million Security Purchase Plan, has created a significant new growth platform for APA to deliver contracted power generation and electricity transmission infrastructure to customers in the resources sector.

The acquisition leverages our existing skills in operating a diverse range of energy infrastructure, including large-scale renewables, gas and electricity transmission assets. It gives APA the scale and capability to be the leading provider of bundled energy infrastructure solutions for the remote regions of Australia.

Over the past eight months we have completed the integration of the Pilbara team and assets, and have progressed key projects, including the Port Hedland Solar and Battery Project. Over the long term, we will continue to build on existing momentum with strategic sites and approvals to capture value from a \$3 billion renewables-focused growth pipeline.

Continuing our progress on sustainability

Sustainability is key to our purpose of Securing Australia's energy future. We believe working together with our people, First Nations groups, communities and customers is key to delivering sustainable, long-term value for securityholders.

We closed out the commitments in our FY21–24 Sustainability Roadmap over the course of the year. This included the release of our first Climate Report, demonstrating solid progress towards the delivery of our Climate Transition Plan 2030 interim targets and goals, and the launch of our inaugural Reflect Reconciliation Action Plan.

This year we have also taken the next step to bring our financial and non-financial sustainability reporting together in our Annual Report, with the launch of our first integrated report.

Moving forward, the APA Board has endorsed a refreshed Sustainability Roadmap (FY25–FY27), with focus areas aligned to our three delivery pillars. This Roadmap will further embed sustainability across APA.

Delivering for securityholders

APA has a robust capital management framework in place that drives discipline in the prioritisation of value accretive initiatives and the allocation of free cash flow.

We will continue to make these decisions, balancing the need to maintain our existing investment grade credit ratings and to deliver sustainable distributions to securityholders. In FY24, we were pleased to again deliver distribution growth, our 20th consecutive year of increased distributions for our investors.

Looking ahead

In FY25 we will continue to progress our customer-focused strategy and the significant value accretive growth opportunities in front of us.

The public debate has shifted and the role of gas in Australia's energy transition is now widely accepted. The Federal Government's Future Gas Strategy has made it clear that gas has a key role to play and that new sources of gas supply are needed to meet demand during the economy-wide transition. We will continue to advocate for the right settings to support strategy execution, while taking proactive steps to manage our regulatory environment and deliver operational efficiencies to capture value for our securityholders.

On behalf of the Board and leadership team, we would like to welcome the Pilbara team and thank all our employees for their contribution to the success of APA, along with our customers, communities and other stakeholders for their continuing positive engagement.

We look forward to updating you again soon.



Michael Fraser
Chairman



Adam Watson
Chief Executive Officer
and Managing Director

FY24 summary

Financial highlights

SEGMENT REVENUE¹

+9.7%
to \$2,582m

UNDERLYING EBITDA²

+9.7%
to \$1,893m

FREE CASH FLOW (FCF)³

+0.3%
to \$1,073m

FY24 DPS⁴

1.8%
to 56.0cps

1 Segment Revenue excluding pass-through. Pass-through revenue is offset by pass-through expenses within EBITDA. Any management fee earned for the provision of these services is recognised within total revenue. Reported increase is against FY23. Refer to the Financials section of the Operating Financial Review on pages 48–55 for further detail.

2 Underlying earnings before interest, tax, depreciation, and amortisation (EBITDA) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items. Reported increase is against FY23. Refer to the Financials section of the Operating Financial Review on pages 48–55 for further detail.

3 Free cash flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs and capital returns from Joint Ventures less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs. Refer to the Financials section of the Operating Financial Review on pages 48–55 for further detail.

4 DPS = Distribution per security.

5 Includes Pilbara Energy System acquisition.

Image: Mondarra Gas Storage and Processing Facility, WA

CAPITAL RAISED

\$3.0bn

CAPITAL INVESTMENT⁵

\$2.7bn



FY24 summary

Non-financial highlights



Engaged employees

Improved employee engagement score in FY24 of 72%, reflecting our people's confidence in APA's future.



Strong safety performance

TRIFR is 2.2 recordable injuries per million hours worked, down 35% from FY23.



Customer focused

Our East Coast Grid expansion provided vital capacity for customers to manage demand peaks.



Sustainability progress

Launched our Reflect Reconciliation Plan and progressed our Climate Transition Plan.

Image: Emu Downs Wind Farm, WA



Strong progress on growth pipeline

Significant opportunities in the Pilbara and progress with Beetaloo, Kurri-Kurri and Brigaloo projects.



Successful integrations

Pilbara Energy System and Basslink assets integrated in FY24.



Financial results summary

The below table provides a summary of the results for FY24. Further details are provided in subsequent sections to explain financial movements.¹

	30 June 2024 \$m	30 June 2023 \$m	Change % ²
Revenue	3,064	2,913	5.2%
Total revenue excluding pass-through ³	2,591	2,401	7.9%
Segment revenue excluding pass-through ⁴	2,582	2,353	9.7%
Underlying EBITDA ⁵	1,893	1,725	9.7%
Total reported EBITDA ⁶	1,736	1,686	3.0%
Statutory profit after tax including significant items	998	287	247.7%
Profit after tax excluding significant items	119	287	(58.5)%
Free cash flow ⁷	1,073	1,070	0.3%
Financial position			
Total assets	19,563	15,866	23.3%
Total drawn debt	12,893	11,240	14.7%
Total equity	3,248	1,910	70.1%
Financial ratios			
Free cash flow per security (cents)	83.6	90.7	(7.8)%
Earnings per security (cents) including significant items ⁸	78.9	24.3	224.7%
Earnings per security (cents) excluding significant items ⁸	9.4	24.3	(61.3)%
Distribution per security (cents)	56.0	55.0	1.8%
Distribution payout ratio (%) ⁹	67.0	60.6	10.6%
FFO/Net Debt (%) ¹⁰	10.3	11.0	(6.4)%
FFO/Interest (times) ¹⁰	3.2	3.4	(5.9)%

¹ Refer to the Financials section of the OFR (pages 48–55).

² Positive/negative changes are shown relative to impact on profit or other relevant performance metric.

³ Statutory revenue excluding pass-through. Pass-through revenue is offset by pass-through expenses within EBITDA. Any management fee earned for the provision of these services is recognised within total revenue.

⁴ Segment revenue excludes: pass-through revenue; Wallumbilla Gas Pipeline hedge accounting unwind; income on Basslink debt investment; Basslink AEMC market compensation and other interest income.

⁵ Underlying earnings before interest, tax, depreciation, and amortisation (EBITDA) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

⁶ Earnings before interest, tax, depreciation and amortisation (EBITDA) including non-operating items and excluding significant items.

⁷ Free cash flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition & integration costs and capital returns from Joint Ventures less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.

⁸ Earnings per security is calculated using the weighted average number of securities on issue of 1,265 million (FY23: 1,180 million).

⁹ Distribution payout ratio = total distribution applicable to the financial year as a percentage of free cash flow.

¹⁰ FFO/Net debt and FFO/Interest calculated in line with S&P methodology. Historical ratios have been revised reflecting S&P revisions to the historical figures.



Image: Mondarra Gas and Storage Facility, WA

About APA

At APA, we're taking on one of Australia's greatest challenges: the energy transition. We're not doing it alone. We're doing it as Australia's energy infrastructure partner – a role our unique experience and expertise positions us to play.

Image: Port Hedland Solar Farm (under construction), WA



PURPOSE
Why we exist

Securing Australia's
energy future



STRATEGY
What we do

To be the partner of
choice in delivering
infrastructure solutions
for the energy transition

OVERVIEW

OPERATING AND
FINANCIAL REVIEW

PERFORMANCE

GOVERNANCE

APA INFRASTRUCTURE
TRUST FINANCIAL REPORT

APA INVESTMENT
TRUST FINANCIAL REPORT

ADDITIONAL
INFORMATION

About APA

As Australia's energy infrastructure partner, we work across a diverse range of energy solutions, transporting almost half of the nation's domestic gas supply and managing a large and growing portfolio of renewables, firming generation and electricity transmission infrastructure assets.

And we're exploring the fuels of the future as we look towards what's next.

As part of communities across the country, including many our people call home, we're often unseen, connecting industry, manufacturing and households to the energy they need to keep our nation moving forward.

To do this, we've assembled a team of experts who are innovative, customer focused and pragmatic. We support our people with a culture that's positive about change and fosters high performance.

And our commitment to a safe and respectful workplace means our people can get on with the job, knowing they're valued and that their safety always comes first.






Our scale lets us see the big picture. Our customers' needs drive our ingenuity. And our proven capability of generating and transporting gas and electricity to every corner of Australia makes us a one-stop-shop for our customers. We make each other stronger.

As Australia's energy infrastructure partner of choice, we're building a safer, more sustainable tomorrow, delivering value through our critical role in the transition and beyond. It'll be the defining achievement of our generation.

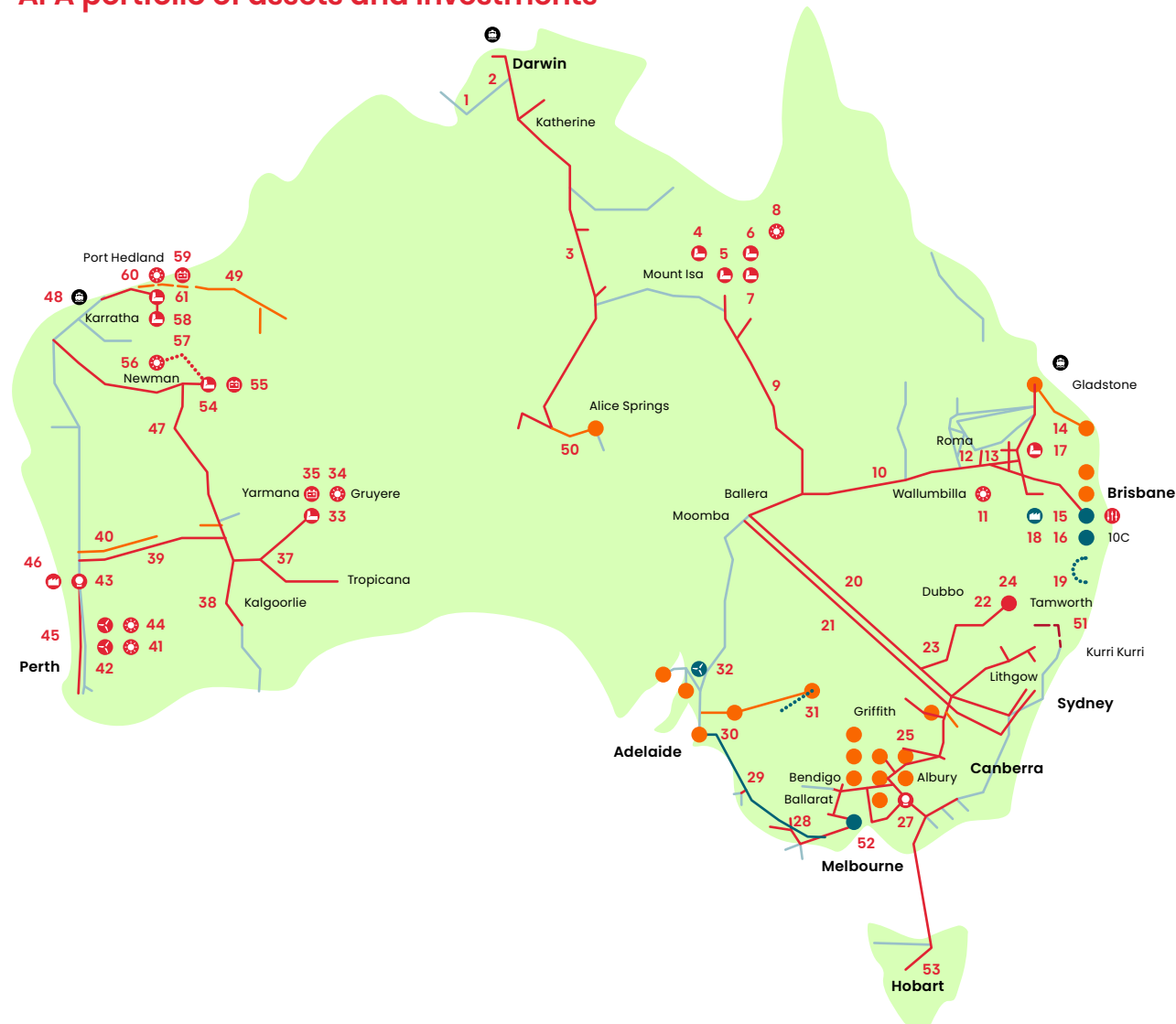
Together, with our people, customers, communities and other stakeholders, we're securing Australia's energy future.

Our behaviours

Our behaviours align to our Code of Conduct and guide our everyday interactions, decisions and ways of working. By embracing and upholding these five behaviours, we create a culture that empowers us to be our best – for each other, our customers and the communities we serve.

				
.....
COURAGEOUS	ACCOUNTABLE	NIMBLE	COLLABORATIVE	IMPACTFUL
We are honest and transparent, we learn from our mistakes and we challenge the status quo.	We spend time on what matters, we do what we say and deliver world-class solutions.	We are curious, adaptive and future focused.	We are inclusive, work together and respect and listen to our stakeholders.	We create positive legacies and work safely, for our customers, communities, our people and the environment.

APA portfolio of assets and investments



Pipeline

- 3 Amadeus Gas Pipeline (inc laterals)
- 13 Berwyndale Wallumbilla Pipeline
- 1 Bonaparte Gas Pipeline
- 9 Carpentaria Gas Pipeline (inc laterals)
- 22 Central Ranges Pipelines
- 23 Central West Pipeline
- 37 Eastern Goldfields Pipeline
- 47 Goldfields Gas Pipeline (GGP)
- 38 Kalgoorlie Kambalda Pipeline
- 40 Mid West Pipeline
- 20 Moomba Sydney Pipeline (inc laterals) (MSP)
- 21 Moomba Sydney Ethane Pipeline
- 28 Mortlake Gas Pipeline
- 39 Northern Goldfields Interconnect
- 45 Parmelia Gas Pipeline (PGP)
- 48 Pilbara Pipeline System
- 12 Reedy Creek Wallumbilla Pipeline
- 15 Roma Brisbane Pipeline (inc Peat lateral)
- 30 SEA Gas Pipeline
- 29 SESA Pipeline
- 10 South West Queensland Pipeline (SWQP)
- 49 Telfer/Nifty Gas Pipelines and lateral
- 25 Victorian Transmission System (VTS)
- 14 Wallumbilla Gladstone Pipeline (inc laterals)
- 2 Wickham Point Pipeline
- 36 Yamarna Gas Pipeline
- 51 Kurri Kurri Lateral Pipeline (KKLP)*
- 52 Western Outer Ring Main (WORM)

Gas Processing and Storage

- 27 Dandenong
- 18 Kogan North
- 46 Mondarra

Gas Distribution

- 16 Allgas Gas Network
- 50 Australian Gas Networks
- 24 Tamworth Gas Network

Electricity Transmission

- 19 Directlink
- 31 Murraylink
- 53 Basslink
- 57 Pilbara – HV Transmission Lines

Generation

- 17 Daandine (30 MW)
- 6 Diamantina (242 MW)
- 33 Gruyere (47 MW)
- 7 Leichhardt (60 MW)
- 5 Thomson (22 MW)
- 4 X41 (41 MW)
- 54 Newman (232 MW)
- 58 Port Hedland (126 MW)
- 61 Boodarie (84 MW)
- 35 Gruyere Battery Station (4.4 MW/4.4 MWh)
- 55 Newman Battery (35 MW / 11.4 MWh)
- 59 Port Hedland Battery* (35 MW / 34.1 MWh)

* Under construction.

Solar Farm

- 43 Badgingarra (19 MW)
- 11 Darling Downs (108 MW)
- 41 Emu Downs (20 MW)
- 34 Gruyere (13.2 MW)
- 8 Dugald River (88 MW)
- 56 Chichester (60 MW)
- 60 Port Hedland* (47 MW)

Wind

- 44 Badgingarra (130 MW)
- 42 Emu Downs (80 MW)
- 32 North Brown Hill (132 MW)




Key

- APA Group asset
- APA Group distribution network asset
- APA Group investment
- Investment distribution network
- Electricity transmission
- APA Group managed asset (not owned)
- Managed distribution network
- Other natural gas pipelines
- Under construction
- ☼ Wind farm
- ☀ Solar farm
- 🏠 LNG plant
- 🔋 Battery storage
- 🏘 Gas storage facility
- 🏘 Gas processing plant
- 🏘 Gas power station
- 🏘 Integrated Operations Centre

How we create value

We create value for our securityholders and other stakeholders through the delivery of our strategy and our purpose of securing Australia’s energy future. Our strategy is underpinned by effective governance and sustainability management. We consider value through six value drivers and outcomes.

In FY24, APA progressed its alignment with the Integrated Reporting Framework, developing our six value drivers through extensive stakeholder engagement across the business. We are moving towards integrated reporting with a full value creation model being pursued in FY25.

<p>Our value drivers</p>	 <p>PEOPLE</p>	 <p>INFRASTRUCTURE AND BUSINESS INTELLIGENCE</p>	 <p>OUR CUSTOMERS AND PARTNERS</p>			
<p>Summary and outcomes</p>	<p>Our commitment to a safe, respectful and inclusive workplace, with high-performing, capable and engaged people.</p> <ul style="list-style-type: none"> • Prioritising our people’s safety, health and wellbeing. • Promoting a customer-focused, high-performing, inclusive, diverse and equitable environment. • Attracting, developing and retaining talent, skills and capabilities. • Fostering specialist capability and experience in disciplines critical to the energy transition. 	<p>Our commitment to responsibly invest, build, own and operate assets, leveraging our organisational know-how to enable safe delivery of energy.</p> <ul style="list-style-type: none"> • Safe and compliant operation of assets. • Reliable and optimised delivery of energy for our customers. • Disciplined asset investment. • Disciplined risk management. • Delivering operational excellence for our customers. • Enhancing our business activities through processes, knowledge, insights, systems and data. • Building the operational capability. 	<p>Our respectful and mutually beneficial relationships with our customers and partners (including government and suppliers) to enhance our business operations and drive long-term, sustainable outcomes.</p> <ul style="list-style-type: none"> • Effective and trusted relationships with customers. • Strong partnership with all levels of government to support the energy transition. • Implement and deliver against our Responsible Procurement Strategy. 			
<p>Our operating environment</p>	<p style="text-align: center;">How we operate</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>APA purpose</p> <p>Securing Australia’s energy future page 11</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Our strategy</p> <p>To be the partner of choice in delivering infrastructure solutions for the energy solution pages 16–18</p> </td> </tr> </table> <p style="text-align: center;">Shaped by</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"> <p>External environment</p> <p>pages 56–57</p> </td> </tr> </table>			<p>APA purpose</p> <p>Securing Australia’s energy future page 11</p>	<p>Our strategy</p> <p>To be the partner of choice in delivering infrastructure solutions for the energy solution pages 16–18</p>	<p>External environment</p> <p>pages 56–57</p>
<p>APA purpose</p> <p>Securing Australia’s energy future page 11</p>	<p>Our strategy</p> <p>To be the partner of choice in delivering infrastructure solutions for the energy solution pages 16–18</p>					
<p>External environment</p> <p>pages 56–57</p>						



ENVIRONMENT

Our management of the environment to ensure we develop and operate our assets in a sustainably-responsible way.

- Developing and delivering of APA's Sustainability Roadmap.
- Developing and delivering of APA's Climate Transition Plan.
- Developing and delivering of a plan to improve biodiversity performance and align with TNFD, including an uplift of existing processes.
- Implementing and delivering against the Environment Improvement Program.



SOCIAL LICENCE

Our management of heritage and social performance including relationships with First Nations Peoples and communities, to ensure we develop and operate our assets in a sustainably responsible way.

- Strengthening trust with key stakeholders including the community and First Nations Peoples.
- Improving social licence through delivery of our Community and Social Performance Framework.
- Understanding and managing modern slavery risks and build understanding of human rights risks.
- Maintaining trusted relationships with landholders.
- Developing and delivering of APA's Reflect Reconciliation Action Plan.



FINANCIALS

Our access to capital from debt and equity investors and the reinvestment of free cash flow to enable our operations and execute our strategy.

- Maintaining investment grade BBB/Baa2 credit ratings.
- Executing value accretive growth through the prioritisation of capital allocation initiatives which maximise premium to risk-adjusted weighted average cost of capital (WACC), relative to securityholders alternatives.
- Delivering sustainable distributions to securityholders.
- Reintroduction of the Distribution Reinvestment Plan.

Our governance

pages 66–73

Our sustainability approach

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Risks and opportunities

pages 58–63

Our strategy

At APA we focus on delivering reliable, future-focused energy solutions for the resources industry, energy supply and wholesale markets, government, and large commercial and industrial customers.



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APA's strategy is

To be the partner of choice in delivering infrastructure solutions for Australia's energy transition

Image: Mondarra Gas and Storage Facility, WA

Our strategy

Our approach is customer driven and our solutions target four asset classes that are essential to Australia’s energy transition and where we have a competitive advantage: contracted power generation and firming, electricity transmission, gas transmission and storage, and future energy (including lower emission fuels such as hydrogen and renewable methane).

Our strategy targets both organic growth and strategic acquisitions, such as the Pilbara Energy System, that establish strong platforms for further growth. Through this approach we will transform APA’s asset base and capability to support Australia’s energy transition and our customers’ decarbonisation plans.

With Australia’s energy transition being core to our business, we consider climate-related risks and opportunities as we manage and grow our portfolio of assets. An effective transition requires an ambitious but pragmatic approach to delivering reliable, affordable and lower emissions energy.

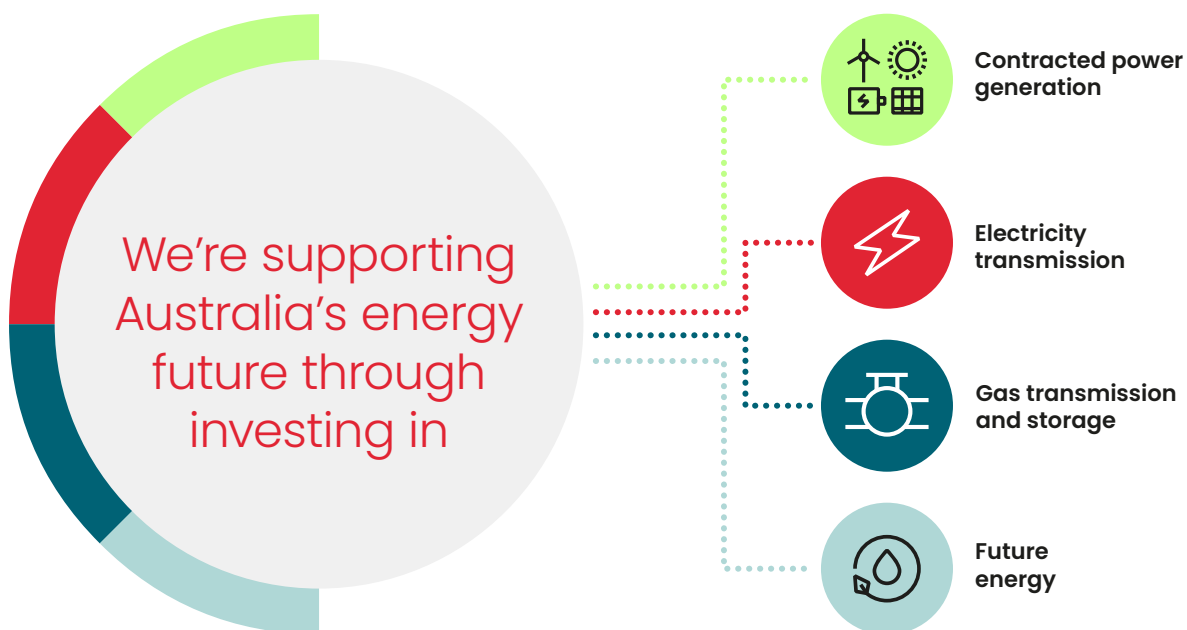
To achieve this, the transition must focus on the retirement of coal-fired power generation and the introduction of renewable generation, firming with a combination of short-duration (e.g. batteries) and long-duration energy storage and generation technologies (e.g. natural gas and hydro).

APA is well positioned in Australia to play a key role in developing and deploying energy solutions that strike a balance between often competing priorities.

Our natural gas assets are strategically integrated in both the east and west coast gas markets. They will remain a critical part of the future energy mix, providing the firming capacity essential to supporting the expansion of the renewable energy generation required to replace retiring coal power stations.

Natural gas will continue to be important to powering the nation’s hard-to-abate and hard-to-electrify industrial sectors and providing essential heating in colder climates. Our assets will help to ensure Australian industry continues to have access to the energy essential to their operations.

APA’s strategy is focused on four asset classes



OUR STRATEGY (CONTINUED)

We will achieve our strategy by focusing on our three delivery pillars: Our People, Operational Excellence and Creating Value.



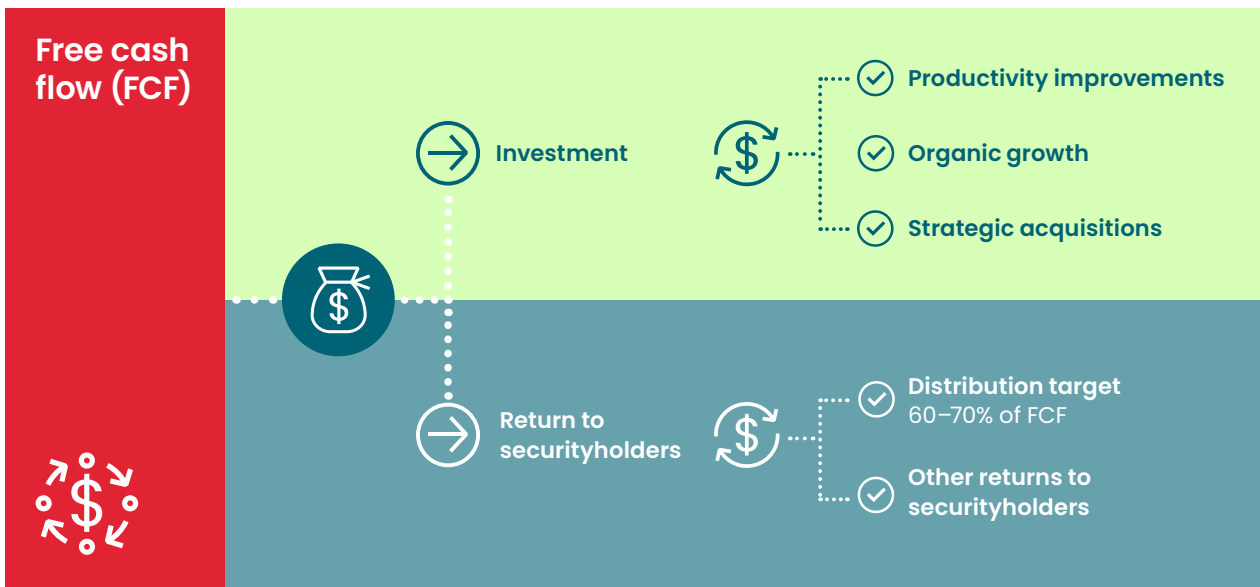
The success of our strategy execution and creating value for our securityholders will continue to be underpinned by understanding our customers, anticipating their needs, partnering with them

and delivering bundled energy solutions that they value. We create value through an attractive pipeline of near and long term growth opportunities.

Capital allocation framework

We create securityholder value through the deployment of capital in markets where we can generate attractive financial returns. Our capital allocation foundations are:

- 1 Maintain our investment grade BBB/Baa2 credit ratings.
- 2 Allocate capital based on maximising the premium to our risk-adjusted weighted average cost of capital relative to alternatives.
- 3 Deliver sustainable distributions to securityholders.
- 4 Execute on value accretive growth opportunities with disciplined investment hurdles.



Our approach to sustainability

At APA, our approach to sustainability will help us achieve long-term value creation. By working in partnership with our people, customers, First Nations groups, communities and investors we can help deliver sustainable business, environmental and social outcomes.

Our business has delivered a number of key achievements against our FY21–24 Sustainability Roadmap.

This includes the delivery of our inaugural Reflect Reconciliation Action Plan, the launch of our Responsible Procurement Strategy, improvements in the diversity of our senior leaders, and early careers. We have delivered against the targets, goals and supporting actions in our inaugural [Climate Transition Plan](#). FY24 progress is reported in the Performance section of this report.

In FY24, we refreshed our Sustainability Roadmap. This refresh focused on supporting APA's strategy to be the partner of choice in delivering infrastructure solutions for the energy transition and reflects the significant role sustainability plays for our business, customers, communities and investors.

Materiality assessment process

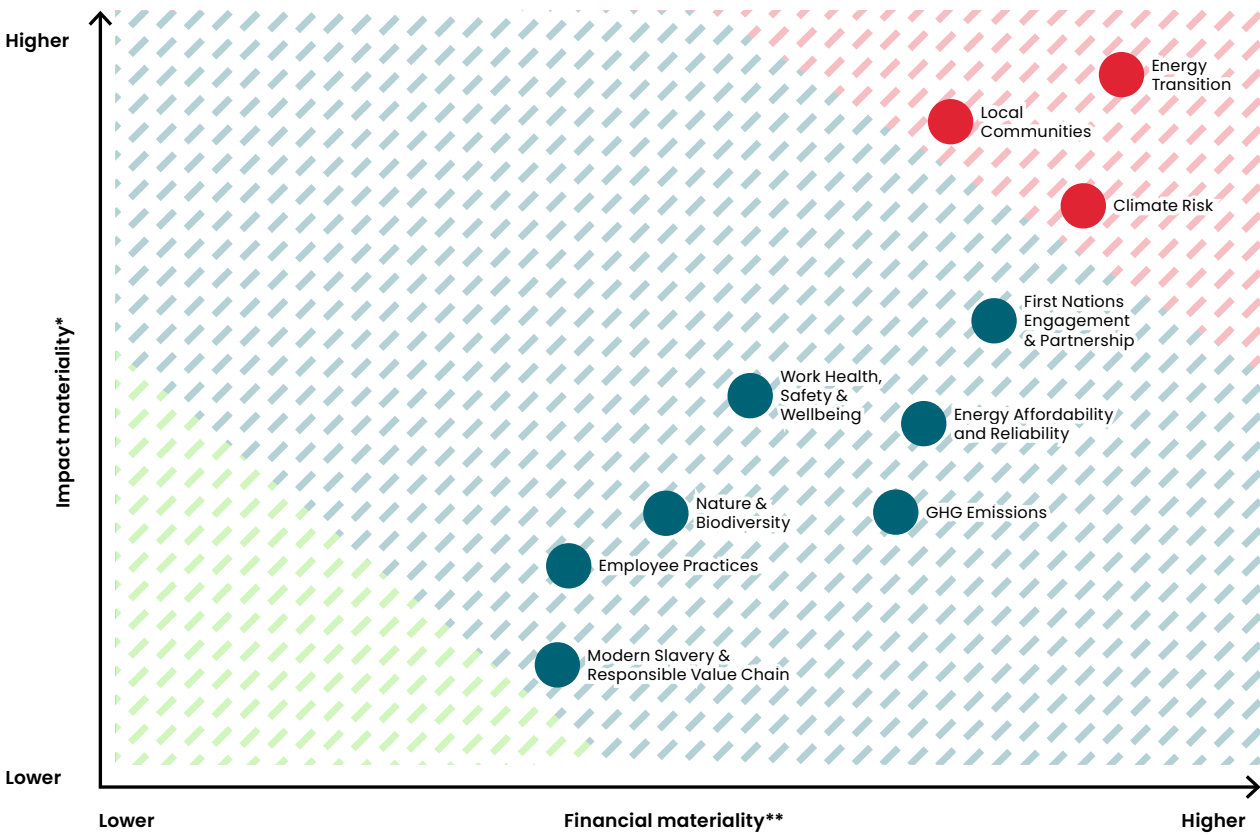
The refreshed Sustainability Roadmap was informed by a double materiality assessment that considered how APA impacts and is impacted by a range of sustainability topics. The materiality assessment was guided by the most recent Global Reporting Initiative methodology (GRI 3: Material Topics 2021) and involved the participation of an extensive set of internal and external stakeholders, including our securityholders, customers, community groups, landowners and employees.

Through our materiality assessment, we identified focus areas that form the basis of our Sustainability Roadmap. We aligned these focus areas with our three delivery pillars – Our People, Operational Excellence, and Creating Value.

APA's FY24 materiality assessment used a GRI-aligned four-step process:

- 1. Desktop analysis and identification of sustainability topics:**
Reviewed APA's internal documents, previous list of material topics, external standards and frameworks (GRI and SASB) to identify and analyse a comprehensive list of sustainability topics and their associated impacts.
- 2. Stakeholder identification and engagement:**
Interviewed a number of our internal and external stakeholders to understand individual perceptions about targeted sustainability topics.
- 3. Prioritisation and review:**
Applied a double materiality approach to assess the sustainability topics. Topics were evaluated and ranked and a threshold level was set defining which topics would be considered material by the Executive Leadership Team.
- 4. Validation and delivery of the materiality matrix:**
Material topics were validated against the GRI Sector Standards and a materiality matrix on page 20 was produced capturing the positive and negative impacts of each material topic. This assessment is outlined below. The 10 material topics are listed in APA's Sustainability Roadmap FY25–27 on pages 22–23.

APA FY24 materiality matrix



- ▬ Topics of lower impact and financial materiality
- ▬ Topics of high impact and financial materiality
- ▬ Topics of higher impact and financial materiality

* Refers to topics that represent APA's most significant impacts on the economy, environment and people.
 ** Refers to the material topics that may impact APA's financial prospects.

Introducing our refreshed Sustainability Roadmap (FY25–27)

Our refreshed Sustainability Roadmap underscores APA's commitment to greater transparency by detailing our sustainability aspirations, initiatives, and key performance indicators that all build on our past progress. The Roadmap is supported by a new sustainability scorecard that is underpinned by a set of key performance indicators, and allows us to better measure performance, track milestones and report on progress.

The template for our Sustainability Scorecard FY25–27 is available in the [FY24 Sustainability Data book](#).

The Sustainability Roadmap plays a pivotal role in bringing together APA's broad-ranging sustainability initiatives into a comprehensive framework to focus our efforts where we will have the most impact.



OVERVIEW

**OPERATING AND
FINANCIAL REVIEW**

PERFORMANCE

GOVERNANCE

APA INFRASTRUCTURE
TRUST FINANCIAL REPORT

APA INVESTMENT
TRUST FINANCIAL REPORT

ADDITIONAL
INFORMATION

Image: Emu Downs Wind Farm, WA

APA's Sustainability Roadmap FY25–27 focuses on our ten material sustainability topics

APA's Sustainability Roadmap FY25–27 Securing Australia's energy future and supporting sustainable outcomes for our key stakeholders and the environment		
Strategic delivery pillars	Material topics	Our aspirations
 <p>OUR PEOPLE</p> 	<p>Work health, safety and wellbeing</p>	<p>For everyone to go home healthy and safe every day.</p>
	<p>Employee practices</p>	<p>A safe, respectful and inclusive workplace, with employees that are high performing, capable and engaged.</p>
	<p>Modern slavery and responsible value chain</p>	<p>To strengthen communities through impactful supplier relationships with a responsible and resilient supply chain.</p>
 <p>OPERATIONAL EXCELLENCE</p> 	<p>Nature and biodiversity</p>	<p>To respect the past and protect and enhance environmental values for the future. We are committed to managing our risks and protecting the environment across all areas of our business.</p>
	<p>GHG emissions</p>	<p>Pursue our ambition to achieve net zero operations (Scopes 1 and 2) emissions by 2050 and deliver our Climate Transition Plan, in support of the Paris Agreement.</p>
	<p>Climate risk</p>	<p>Enhance the resilience of our asset portfolio, adapt to the physical impacts of climate change, and support measures to ensure communities adapt to, and benefit from, the transition to net zero.</p>
	<p>Energy reliability and affordability</p>	<p>To work with our customers to deliver an energy transition that prioritises reliable, affordable, and lower emissions energy solutions.</p>
 <p>CREATING VALUE</p> 	<p>Energy transition</p>	<p>To be a part of the successful transition to a net zero economy. Define and enable APA's role in Australia's decarbonisation journey and support reliable, affordable and lower emission energy and industrial sectors.</p>
	<p>Local communities</p>	<p>Seek respectful and valued relationships with our stakeholders. We work to understand and respond to feedback from our host communities and contribute to local sustainable development.</p>
	<p>First Nations engagement and partnership</p>	<p>Strive to cultivate cultural competency and safety within our workforce, laying the groundwork for authentic engagement and fostering enduring, mutually beneficial partnerships with Traditional Owners and First Nations Peoples.</p>

	Our initiatives	Enablers
	<ul style="list-style-type: none"> • Prepare and deliver a process safety framework and roadmap • Elevate the understanding and management of psychosocial risk • Uplift controls to improve contractor management • Deliver the HSEH Frontline Leadership Program (LEAD) nationally • Continued delivery of our five-year HSEH Strategy 	
	<ul style="list-style-type: none"> • Continued delivery of our Culture and Engagement Action Plan • Develop 2030 Inclusion & Diversity (I&D) Strategy • Set 2030 diversity targets • Implement inclusive hiring manager training 	
	<ul style="list-style-type: none"> • Implement the Responsible Procurement Strategy • Implement the Social Procurement Framework • Develop/implement the Supplier Code of Conduct • Develop an APA Human Rights policy 	
	<ul style="list-style-type: none"> • Continue to build on the Taskforce on Nature-related Financial Disclosures (TNFD) gap assessment through the development and delivery of a TNFD preparedness plan • Develop and deliver a new biodiversity protocol, including associated processes, tools and templates 	Governance and reporting —
	<ul style="list-style-type: none"> • Deliver against the Climate Transition Plan (CTP) and associated commitments 	Monitoring and measurement —
	<ul style="list-style-type: none"> • Deliver against phase 2 (deep-dives of prioritised APA assets) of the physical climate risk assessment • Progress transition risk and opportunity assessments 	Data completeness and integrity —
	<ul style="list-style-type: none"> • Continue to provide diversified and innovative solutions that respond to existing and future customer needs • Continue to build, own and operate energy infrastructure, including gas transmission and storage, to enable the delivery of reliable and affordable energy as part of the energy transition • Strategic investments into energy infrastructure, including renewables, firming and electricity transmission, to support the decarbonisation of the energy system in remote and regional parts of Australia 	Change management — Partnering —
	<ul style="list-style-type: none"> • Develop and implement the Value Chain Emissions Plan • Communicate information about APA's role in the energy transition • Work with our customers and stakeholders in the development of a future energy value chain through our Pathfinder Program • Advocate for public policy positions consistent with APA's Climate Change Policy and Climate Transition Plan • Define APA's role in the just transition to support our communities and employees 	Stakeholder engagement
	<ul style="list-style-type: none"> • Develop and implement a Community and Social Performance Management System • Finalise/implement APA's social investment framework 	
	<ul style="list-style-type: none"> • Deliver Reflect RAP • Develop and deliver Innovate RAP • Develop First Nations Policy 	



Kurri Kurri Lateral Pipeline (under construction), NSW ▲

Sustainability Roadmap – spotlight on climate

Our Roadmap encompasses our ambition to achieve net zero operations (Scope 1 and Scope 2) emissions by 2050 and deliver our Climate Transition Plan, in support of the Paris Agreement. It further outlines our commitment to partner with our customers, communities, investors and governments to deliver an energy transition that prioritises reliable, affordable and lower emissions energy solutions.

APA's Climate Transition Plan sets out our detailed climate-related targets, goals and supporting actions that will guide our actions as we pursue our strategy. APA reports annually against its Climate Transition Plan. The 2024 Climate Report will be released in September 2024.

Governance and reporting frameworks

APA's governance framework ensures that sustainability issues and opportunities are incorporated into the corporate agenda and business strategy. The Safety and Sustainability Board Committee monitors APA's identification of sustainability opportunities and strategies for the business and is supported by the Executive Sustainability Management Committee. The governance framework is detailed in the Governance section of this report.

Our Safety and Sustainability Board Committee and the Board oversaw the development of the FY25–27 Sustainability Roadmap including the approach and outcome of the sustainability materiality assessment. They will continue to have oversight of the delivery of the new Sustainability Roadmap and its associated metrics, which will be reported in the Sustainability Data Book from FY25. For more information refer to our [2024 Corporate Governance Statement](#).

APA applies a number of sustainability frameworks and standards, including the GRI and Sustainability Accounting Standard Board (SASB), in the preparation of our sustainability disclosures. In 2023 we aligned our climate-related disclosures with the Taskforce on Climate-related Financial Disclosures.

Our ongoing membership of the UN Global Compact continues to reinforce our commitment to uphold the 10 Principles of the United Nations in the areas of Human Rights, Labour, Environment and Anti-Corruption, including the Sustainable Development Goals. Our GRI Index and SASB Index are available in the [FY24 Sustainability Data Book](#).

Climate Transition Plan

APA's Climate Transition Plan commitments are aligned with our business strategy.

Goals	
•	Gas infrastructure – net zero operational emissions by 2050 ¹
•	Power generation and electricity transmission infrastructure – net zero operational emissions ² by 2040 ³

Interim targets/goals for 2030 ⁴			
Target:	30% emissions reduction for gas infrastructure (FY21 base year)	Goal:	35% reduction in emissions intensity for power generation (FY21 base year)
Target:	100% renewable electricity procurement from FY23 onwards	Goal:	Contribute positively to grid decarbonisation measured by MW of enabled renewable infrastructure
Target:	30% methane reduction target (FY21 base year)	Goal:	100% zero direct emission fleet ⁵
Supporting actions:	Responsible criteria ⁶ applied when offsets are required	Supporting actions:	Active program to reduce emissions we can control and apply best practice management techniques to managing line losses

Key supporting actions									
1	Incorporation of the Methane Guiding Principles	2	Hold a non-binding securityholder vote every three years to align with major updates to our Climate Transition Plan	3	Report annually on progress against the targets, goals and commitments in our Climate Transition Plan	4	Link executive remuneration to climate-related performance from FY23	5	Scope 3 emissions goal to be finalised before or in conjunction with our next Climate Transition Plan

When setting APA's targets and goals, we made our commitments clear to stakeholders based on the level of uncertainty in the pathway required to reach them:

Target: An intended outcome where we have identified one or more pathways for delivering that outcome, subject to certain assumptions or conditions.	Goal: An ambition to seek an outcome for which there is no current pathway but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.
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1 Includes transmission, distribution, gas processing, storage and corporate.
 2 The organisational boundary for all targets and goals relates to assets under APA's operational control, as defined by the Greenhouse Gas (GHG) Protocol. The following assets are not within APA's operational control for emissions reporting purposes: Victorian Transmission System (maintenance excepted), Gruyere Power Station, Wallumbilla Gladstone Pipeline, SEA Gas Pipeline and Mortlake Pipeline, North Brown Hill Wind Farm and Australian Gas Networks.
 3 Includes power generation and interconnectors.
 4 In line with APA re-baselining principles, we recalculate emissions in the base year to reflect a change in the structure of the company, or to reflect a change in the accounting methodology used. This ensures data consistency over time. Full definition in APA's FY23 Greenhouse Gas and Energy calculation methodology document.
 5 Refers to vehicles associated with assets and operations under our operational control.
 6 This means the application of our Offset Criteria when offsets are required.

Performance

The following sections provide a summary of our performance in relation to APA's six value drivers. A full value creation model under the Integrated Reporting Framework will be developed in FY25.

Image: Port Hedland Solar Farm (under construction), WA



Integration of Basslink and Pilbara Energy System



36 RAP commitments delivered



72% employee engagement score



7.1/10 Customer Experience Score



Continued progress against the CTP



BBB/Baa2 credit rating

People

We are committed to providing a safe, respectful and inclusive workplace. We work to secure Australia's energy future ensuring our people are motivated and engaged, and that their safety, health and wellbeing are prioritised.

We promote an inclusive and diverse workplace, developing the talent, skills and capabilities of our people to ensure the customer and the safety and the care of our people are at the centre of our processes and systems.

Safety and care of our people

APA has over 2,700¹ people across every state and territory of Australia. We are committed to identifying and controlling risks in the workplace so our employees and contractors go home unharmed both physically and mentally. APA has a Health, Safety, Environment and Heritage (HSEH) Strategy that includes a number of initiatives to promote visible safety leadership and awareness of key risk areas.

In FY24, we introduced a Frontline Leadership Program to empower our frontline leaders to manage critical risks, revised our Fatal Risk Driving Protocol and ran a safe driving campaign. We also implemented learning teams for continuous improvement activities, conducted a hand safety campaign and revised our Incident, Near Miss and Hazard Management Protocol.

To support the wellbeing of our people, we undertook a psychosocial risk review and commenced the implementation of a Psychosocial Risk Protocol, which includes integration within the HSEH risk register. Divisional risk assessments will be undertaken throughout FY25 to address identified psychosocial risks.

HSEH interactions are another way we keep safety front-of-mind for everyone. In FY24, we focused on increasing the number of Critical Control and Wellbeing interactions to enhance and complement our serious harm prevention and wellbeing initiatives.

Our leaders completed 4,900 HSEH interactions through FY24. This is up 13% on FY23, demonstrating a continued focus on active engagement and meaningful conversations.

72% engagement in our Culture and Engagement Survey results, up 1% from 71% in FY23.

TRIFR is 2.2 recordable injuries per million hours worked, down 35% from FY23.

Our diversity improvements have seen us listed in the WORK180 Top 101 Employers for Women 2024, AAGE Top Program for Interns 2024 and Top Graduate Employers 2024 by GradConnection.

¹ Portion of individuals directly employed by APA on a permanent or fixed-term arrangement and paid via APA payroll. Include assignment arrangements of: Casual; Full-time permanent; Part-time permanent; Full-time fixed term; Part-time fixed term. (Include Apprentice, Trainee, internationally based Employees; Exclude CEO, Board Members) - Does not include Contingent workers.



▲
Diamantina Power Station, QLD

Safety compliance

We received zero regulatory (safety) penalty infringement notices and two regulatory (safety) improvement notices in FY24. The two improvement notices were issued by Workcover Victoria in relation to the operation and maintenance of the Fire Protection System at APA's Dandenong Liquefied Natural Gas (DLNG) facility, following a site inspection in January 2024. All corrective actions have either been completed or are on track for completion by their respective due dates.

Measuring health, safety and performance

In FY24, our key focus areas included critical risk management, with the revision of our Fatal Risk Driving Protocol, and the empowerment of our frontline leaders to manage critical risks through the development and implementation of the LEAD Program, which is designed to improve the skills to lead health and safety.

The two key lag indicators for safety performance in the period were Potential Serious Harm Incident Frequency Rate (PSHIFR) and Total Recordable Injury Frequency Rate (TRIFR).

In FY24, APA did not have any fatalities. However, we recorded two serious-harm injuries and 26 potential serious harm incidents compared to 33 in FY23.

PSHIFR for FY24 was 4.1. This is an increase of 21% from the prior year at 3.4 as a result of improved reporting and investigation of process safety incidents.

Our combined employee and contractor TRIFR was 2.2 Recordable Injuries per million hours worked. This represents a decrease of 35% on the FY23 figure of 3.4. This equates to 19 people requiring medical intervention, down from 30 in FY23.

Serious harm prevention

The FY24 Assurance Schedule covered the areas of risk management, job risk assessment, fatigue management, energy isolation and electrical safety.


A total of 13 Line 2 assurance HSEH Management System activities were undertaken. This included auditing 957 controls, resulting in an overall compliance rating of 96% across all assessed areas.

Assurance

We again engaged Deloitte in FY24 to undertake limited assurance of selected key performance indicators included in the Safety Performance section of our FY24 Sustainability Data Book. This was developed in accordance with the Australian Standard on Assurance Engagements ASAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information as issued by the Australian Auditing and Assurance Standards Board (ASAE 3000). Details of the assurance scope, procedures and conclusion are included in the Assurance Report on pages 213–215 of this report.

Inclusion and diversity

APA's Inclusion and Diversity Strategy (2020–2025) is aligned to four pillars.

 <p>Gender equity</p>	<p>We are committed to a level playing field by giving all women and men the same chance to reach their potential.</p>	<ul style="list-style-type: none"> Continued partnership with Champions of Change Coalition and Chief Executive Women to drive a culture of inclusion. 46% of employees identifying as having caring responsibilities, up from 28% in 2023, since removing primary and secondary carer labels. Continued review of gender pay equity throughout the year, including via formal remuneration review and post-review and as part of the annual WGEA submission. Continued to make progress on reducing the overall APA gender pay gap while ensuring no like-for-like pay gaps. Announced in WORK180's Top 101 Employers for Women 2024 as a result of our focus on gender equity in FY24. More men are taking parental leave than women since we removed primary carer labels.
 <p>Flexibility</p>	<p>We encourage flexible ways of working and empower people to think differently about where, when and how work is completed.</p>	<ul style="list-style-type: none"> Scored higher on flexibility question in our Culture and Engagement Survey than the Qualtrics Australian and High-Performance Benchmark. We completed a review of our hybrid working practices, with feedback reinforcing our Culture and Engagement Survey results where hybrid and flexible ways of working are highlighted as key components of our Employee Value Proposition (EVP).
 <p>Inclusive culture</p>	<p>We are committed to creating an inclusive culture that values all people and addresses biases (age, cultural background, LGBTIQ, disability, indigenous, etc.).</p>	<ul style="list-style-type: none"> Refreshed APA's Code of Conduct in line with updated Respect@Work procedure and Inclusion and Diversity Policy. Cultural awareness training was delivered to our Board, ELT and segments of the employee base, with more to be delivered in FY25. Days of significance were celebrated and recognised throughout the organisation.
 <p>Inclusive leadership</p>	<p>Inclusive leadership is about making sure our people feel a sense of belonging, are treated fairly and respectfully and all our people's voices are heard and valued.</p>	<ul style="list-style-type: none"> Trained our senior leaders in inclusive leadership and prepared for our Inclusive Hiring Manager Program in FY25. Launched our employee recognition platform Applause, with 66% employee uptake in the first three months.

We have a gender diversity target of 40/40/20 for the APA Board which may vary slightly depending on the size and required skills mix of the Board. With the appointment of Nino Ficca to the APA Board on 1 September 2023, and the retirement of Shirley In't Veld on 28 March 2024, at 30 June 2024, 33% of APA's non-executive Directors are women.

While we made progress in the overall representation of women, operational and technology divisions remain a challenge, as these have historically been male-dominated areas.

We continue to drive focus on the representation of women at APA with divisional targets and specific recruitment strategies, particularly in early careers, where we have achieved:

- 63% representation of women in both our Graduate Program and Internship Program for 2024.
- 44% of participants in our 2024 Apprenticeship Program were women, an increase of 19% since 2022.



Total employee representation of women

32.4% in FY24

Up from 31.8% in FY23



Senior leadership representation of women

39.2% in FY24

Up from 31.4% in FY23



Extended leadership representation of women

37.7% in FY24

Up from 35.6% in FY23

We do not tolerate any form of discrimination or exclusionary behaviour. In FY24, we recorded one incident of discrimination.

For more information on our people and employment performance, see our [FY24 Sustainability Data Book](#).

Freedom of association and collective bargaining

We support the right of all employees to choose whether to be a union member. In FY24, a number of unions were party to five of APA's six Enterprise Agreements.

We provide industrial relations training as required for operations leaders in Union Right of Entry and other key Fair Work Industrial Relations principles, such as freedom of association and unprotected industrial action.

Development of our people

We continue our strong commitment to leadership and talent development within our organisation. These efforts contribute to individual growth and also reinforce a high-performance culture at APA.

In FY24, a total 58,294 hours of training were completed by our employees, with an average of 19 hours per team member. The focus of training has been on leadership development, mandatory training and compliance management. For more technical roles, the focus has been on underground asset locating (Networks), asset maintenance for technicians (Operations & Maintenance) and enhancements to the contractor competency management system.

This detailed breakdown of training and development initiatives highlights a strategic approach to building the technical and leadership capabilities we need for the future.

Leadership development

Our approach to leadership development is to partner with external experts that deliver evidence-based, contemporary leadership programs. We partnered with INSEAD, world-class business school, to deliver our Executive Leadership Program to our Senior Leadership Teams. The priority was to enhance their capabilities in areas such as personal leadership, interpersonal leadership, and strategic leadership. In FY24, we extended our leadership development approach to our nine-month Frontline Leadership Program where 120 frontline leaders developed critical leadership skills with a strong emphasis on safety leadership.

These targeted programs, both for senior and frontline leaders, contribute significantly to a strong leadership pipeline fostering a culture of continuous improvement and strategic execution at APA.

Talent development

Our executive successor and emerging talent programs ensure a robust succession pipeline across several layers of leadership. This fosters leadership readiness and ensures continuity in executive leadership and overall organisational leadership strength.

Frontline training and development

In FY24, Learning Advisory Groups (LAGs) were established in Market Services, Engineering and Power-Interconnectors, to complement the existing Operations & Maintenance and Networks LAGs. The establishment of these additional LAGs reflects a comprehensive approach to workforce development across various sectors within APA.

These initiatives also highlight our commitment to leveraging technology with the introduction of an AI-inspired software to enhance learning and ensure that training programs are strategically aligned with the evolving needs of the organisation.

Ethics and integrity

Key policies governing ethics and integrity at APA include:

- **Code of Conduct:** Our Code brings our purpose and culture to life so we can make the right choices every day. It is underpinned by our behaviours of being courageous, accountable, nimble, collaborative and impactful. It includes principles and business standards that support safety, diversity and inclusion, human rights, community engagement, environmental protection, and data privacy and security, and prevent discrimination, bullying, harassment, corruption and anti-competitive behaviour.
- **Inclusion and Diversity Policy:** Our commitment and strategy to build a diverse, equitable and truly inclusive workplace where everyone belongs, feels valued, and respected and comfortable to bring their authentic and best selves to work.
- **Anti-Bribery and Corruption Policy:** Our commitment to fostering business integrity including detecting and preventing bribery, corruption and fraud.
- **Whistleblower Policy:** This policy creates a safe and protected environment to escalate potential matters of concern and suspected wrongdoing for those working with and for APA, including our employees, contractors, suppliers and consultants. The Whistleblower Policy also outlines the process and structures in place for assessing, addressing and reporting on Whistleblower disclosures.
- **Respect@Work Procedure:** Our commitment to providing and fostering an inclusive and respectful workplace with safe, fair and positive working conditions. APA has zero tolerance for any form of harmful behaviour including unlawful discrimination, bullying, harassment, sexual harassment, sex-based harassment, vilification, victimisation and other inappropriate behaviour.
- **Health, Safety, Environment and Heritage Policy:** Our aspiration is to not only respect the past but to also protect values for the future. We do this by protecting the health, safety and wellbeing of our people and the environment, heritage and the communities in which we operate.

These policies are supported by standards that set out performance requirements and detailed procedures. They are periodically reviewed to ensure they remain relevant and are made available on APA's website or intranet.

Reports and incidents

Our Anti-Bribery and Corruption Policy prohibits bribery and corruption in any form. The supporting Standard outlines roles and responsibilities and how to raise or escalate queries or concerns.

We maintain a Whistleblower Line through an externally managed disclosure service as an independent, impartial and confidential means of reporting potential incidents. Through the Whistleblower Line and our internal reporting channels, we identify and record material breaches of the APA Code of Conduct and any actual or potential incidents relating to fraud, bribery or corruption. Awareness activities of the Whistleblower Policy and the independent hotline continued throughout FY24. There were six whistleblower reports, with all reports investigated in accordance with our policy. All reports were unsubstantiated or not related to reportable conduct.

We recorded zero incidents of fraud, bribery or corruption in FY24 and received no fines for non-compliance with any laws or regulations related to bribery or corruption.

There were five material breaches of APA's Respect at Work Procedure, relating to unacceptable behaviour in FY24, including one incident found to be discrimination and one found to be bullying. Each incident was fully investigated, with disciplinary outcomes applied in all matters. There were no sexual harassment incidents. The Risk Management Board Committee was fully informed of all incidents and outcomes.

Infrastructure and business intelligence

We responsibly develop, build, own and operate energy infrastructure assets, leveraging our organisational know-how to enable safe generation and transportation of energy for our customers and communities.

Operational excellence is critical to our social licence and it underpins our focus on reliably delivering energy to our customers and communities.

Delivering operational excellence for our customers

APA operates a large, \$26 billion portfolio of diverse energy infrastructure assets. This includes more than 15,000 km of natural gas pipelines that connect sources of supply and markets across mainland Australia. We operate high-voltage electricity transmission assets that connect Victoria with South Australia, New South Wales with Queensland and Tasmania with Victoria. We also have gas storage facilities and operate and maintain networks connecting 1.5 million Australian homes and businesses to natural gas. In addition, we have 692 MW of renewable energy assets and 884 MW of gas-fired generation assets.

Safe, reliable and efficient operation of our assets

APA has delivered a solid operational performance in FY24, demonstrating our capability in operating a diverse portfolio of energy infrastructure assets.

Through our continued focus on operational excellence, across our portfolio in FY24 we delivered:

- 99.9% gas transmission nominations
- 99.6% remote generation customer availability
- 90.7% high-voltage direct current availability.

We continue to invest in our systems and processes to make it easier for our customers to interact with us as well as continuing to enhance our infrastructure security, with \$47 million spent to deliver the *Security and Critical Infrastructure Act 2018* requirements. We undertake disciplined investment in our assets to ensure they can continue to deliver the reliable energy APA's customers and communities expect.

Field Mobility is one of many projects underway to empower our technicians with the tools and processes they need to solve problems faster, work smarter and continue to deliver exceptional results.

This year we also successfully implemented Workday, our new enterprise resource planning system, to improve people, procurement and finance processes.

Integration of Basslink and Pilbara Energy System.

Significant investment in technology, building next generation technology platforms such as Workday and Field Mobility.

Continued operational capability growth to deliver bundled solutions for our customers.

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CASE STUDY

Basslink's Cable Load Prediction System

During FY24, APA commissioned and upgraded Basslink's Cable Load Prediction System (CLPS). The new CLPS was delivered as part of the Basslink integration plan. The CLPS is a high-tech model which takes many data inputs to predict the thermal conditions across the Basslink Electricity Interconnector.

The model predicts the thermal load every five minutes to determine the safe operating capacity of the cable. The output of the system allows APA to determine when the Basslink cable has been sufficiently pre-cooled to enable the maximum capacity. This enables Basslink to operate more effectively and increase dynamic operational cable capacity to assist in peak periods.



 Basslink Interconnector, VIC

Process safety

In FY24, we commenced a Process Safety maturity benchmarking exercise in line with the Energy Institutes Process Safety Management (PSM) Framework. This will conclude in early FY25 with the development of a desired future state and roadmap which will inform a refresh of our process safety management framework improvement activities. In addition, the following Process Safety initiatives were delivered in FY24:

- uplift of the Enterprise Asset Management System for the new Management of Change workflow process
- completion of Process Hazard Analysis (PHA) revalidation for five asset groupings (Moomba to Sydney Ethane Pipeline, Victorian Transmission System Central and Metro region, Moomba to Wilton Pipeline plus laterals, and Northern Territory Amadeus and Bonaparte Gas Systems)
- publication of APA's Safety Critical Element (SCE) Management Plan with the required SCE lifecycle system improvements.

Supporting our customers to achieve their sustainability, reliability and affordability goals

We are working closely with our customers to find the renewable and firming energy solutions that help them lower their energy costs and emissions over time.

In FY24, we commissioned the Dugald River Solar Farm (DRSF), an 88MW facility in Mount Isa, which is the largest (by MW) off-grid solar farm infrastructure in Australia. Working with our customers, MMG, Mount Isa Mines and New Century, we have integrated DRSF with Diamantina Power Station, reducing the emissions in the North West Minerals Province. This is an important contributor to our Climate Transition Plan goal of net zero electricity emissions by 2040.

CASE STUDY

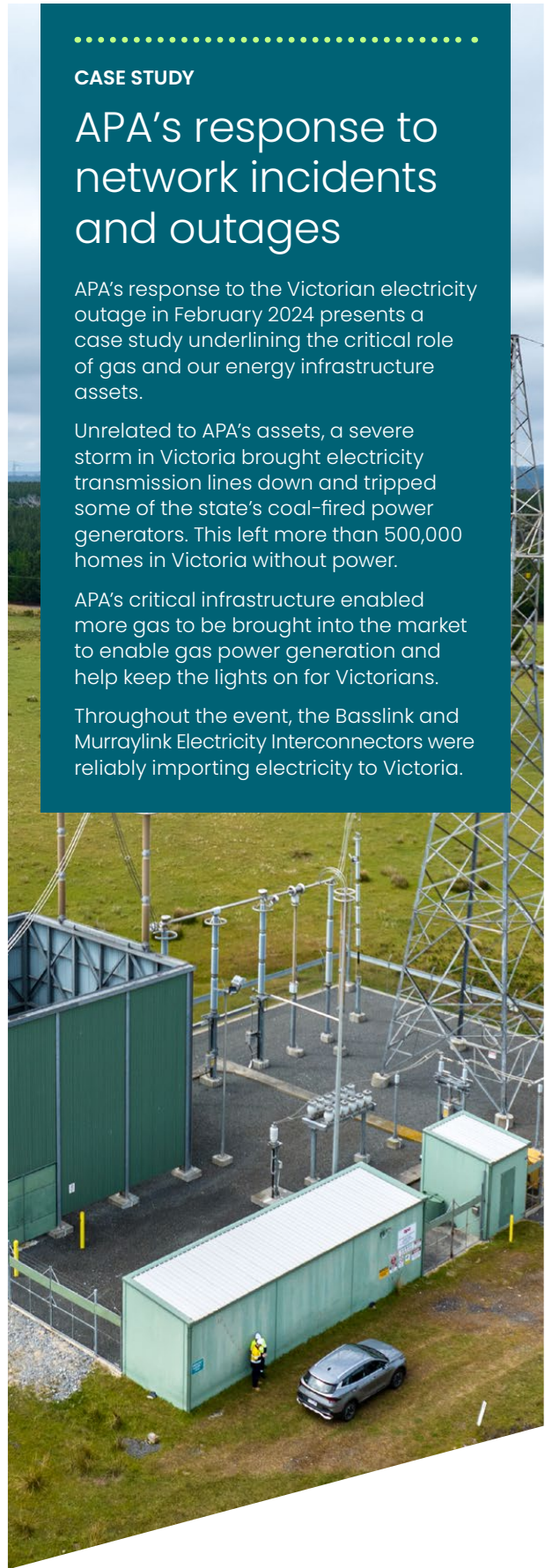
APA's response to network incidents and outages

APA's response to the Victorian electricity outage in February 2024 presents a case study underlining the critical role of gas and our energy infrastructure assets.

Unrelated to APA's assets, a severe storm in Victoria brought electricity transmission lines down and tripped some of the state's coal-fired power generators. This left more than 500,000 homes in Victoria without power.

APA's critical infrastructure enabled more gas to be brought into the market to enable gas power generation and help keep the lights on for Victorians.

Throughout the event, the Basslink and Murraylink Electricity Interconnectors were reliably importing electricity to Victoria.



▲
Basslink Interconnector, VIC

Pilbara Energy System integration

Our network of assets across Western Australia provides a unique capacity to work with our customers and communities.

Our new Pilbara Energy System business, formally owned by Alinta, was acquired in November 2023. Since acquisition we have made strong progress integrating the Pilbara Energy System team and assets as well as progressing key projects already under construction, including the Port Hedland Solar and Battery Project.

The Pilbara Energy System has created a significant new growth platform for APA to deliver contracted power generation to customers in the energy-intensive resources sector to support them to achieve their sustainability goals.

The acquisition leverages our existing skills and capabilities in operating large-scale renewables, gas, battery storage and electricity transmission infrastructure. It gives APA the scale and capability to be one of the leading providers of bundled energy infrastructure solutions for the remote regions of Australia. Over the long term, we will continue to build on existing momentum with strategic sites and approvals to capture value across approximately \$3 billion of renewables-focused growth opportunities.

Cyber security governance

As Australia's energy infrastructure partner, APA plays a pivotal role in Australia's energy system and as such, cyber security remains a core operational risk. Impact from cyber security risk includes risks to our people, assets, customers, operations and the community.

APA employs the 'Three Lines' model to define the role of different teams across the business in managing cyber security risk. This approach sets clear accountabilities for cyber risk management and provides appropriate assurance. APA's governance arrangements and reporting captures our regulatory and compliance requirements and its scorecard against defined performance measures.

APA employs a number of security measures designed to ready, protect, detect, respond and recover from potential attacks to our most valuable assets. APA continues to invest in our systems, facilities and people to:

- continuously improve Cyber Crisis processes and stakeholder readiness through Cyber Crisis exercises for all levels of the business including the Board
- extend threat detection systems through situational awareness feeding into threat detection rule enhancements
- enhance the technical security of data and improve security monitoring of operations
- enhance identity and access management to ensure appropriate access to information and systems
- closely couple management of third-party cyber security risk with broader supply chain risk management.

CASE STUDY

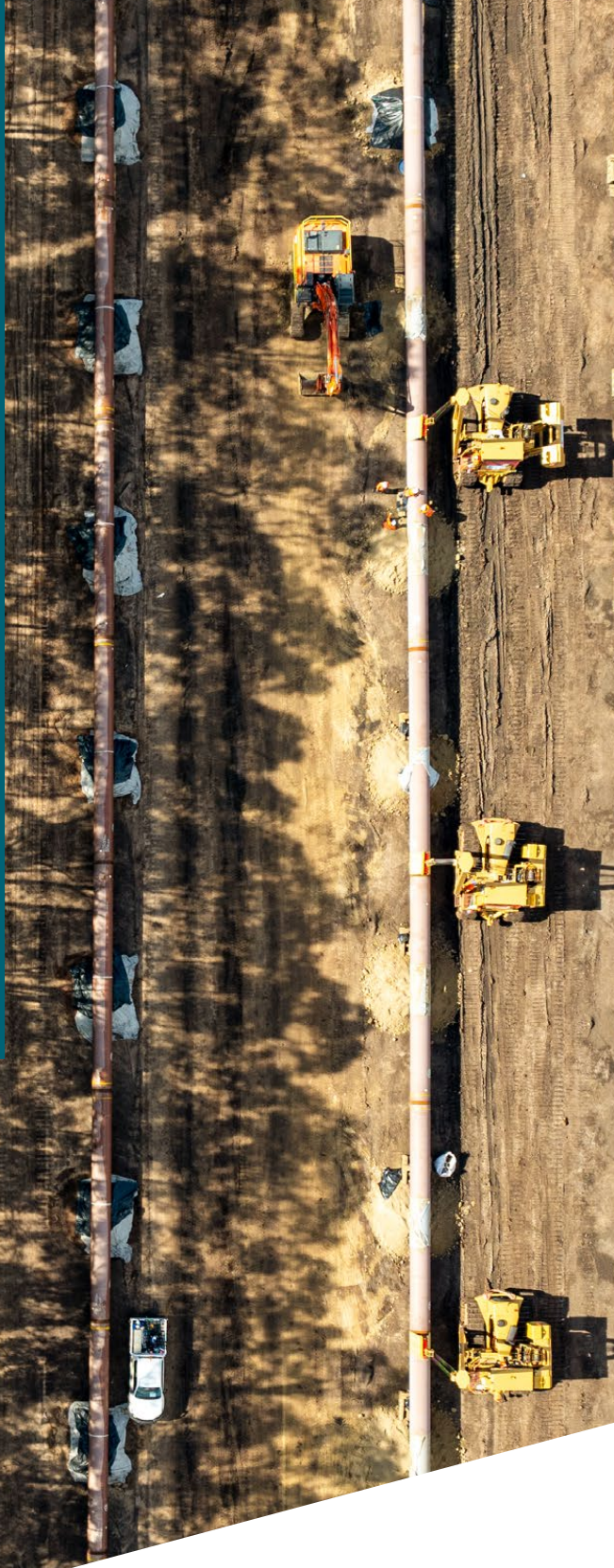
East Coast Grid expansion

Over the past several years there has been declining gas production in southern Australian markets.

In recent years, APA has continued to play an important role in transporting gas from the northern markets in Queensland to the southern markets. APA has invested approximately \$650 million on the East Coast Grid (ECG) to expand capacity. The expansion was done incrementally and efficiently to minimise the cost for customers and consumers.

Practical completion for Stage 2 of the ECG expansion was achieved on time for winter 2024, increasing gas transportation capacity by 13% along the South West Queensland Pipeline (SWQP) and Moomba Sydney Pipeline (MSP). Together with Stage 1 this has increased the capacity of the ECG by 25% in total.

Gas was also introduced into the Western Outer Ring Main (WORM) pipeline ahead of winter 2024 following its completion this year, enabling larger volumes of gas to be transported to the Iona underground storage facility. This is crucial to help meet peak gas demand during winter, with gas use sometimes three times higher in Victoria compared to summer.



Kurri Kurri Lateral Pipeline (under construction), NSW

Our customers and partners

Our respectful and mutually beneficial relationships with our customers and partners (including government and suppliers) enhance our business operations and drive long-term, sustainable outcomes.

We work with our customers to deliver reliable, affordable and lower emissions energy infrastructure solutions. We keep our customers informed about our assets to help them better meet peak seasonal demands and understand the impact of new regulatory changes. We step in to assist where we can, including in response to natural disasters. We partner with our customers to find the energy solutions that help them manage energy costs and lower emissions over time.

Keeping customers at the heart of what we do

FY24 saw the energy transition continue at pace, with decarbonisation being a key driver for many of our customers. As customers considered new paths to net zero, we continued to prioritise customer engagement and communications, innovation, and customer experience. We have put customers at the centre of our decisions, activities and planning.

We continued to take a customer-led approach to the development of new services, working to meet our customers' needs. And we have continued to support customers facing temporary hardships.

As in previous years, APA's customer-driven approach included an annual feedback survey and a Customer Action Plan in response.

Supporting our customers to decarbonise

We actively support our customers to achieve their decarbonisation ambitions through working with them to develop and operate integrated solutions spanning power generation, firming, storage, and gas and electricity transmission.

In the Pilbara Energy System, APA operates a mix of assets (solar, battery, gas generation and transmission) and is developing a pipeline of projects including of 1GW+ (>\$3 billion) renewables, 60MW gas generation and over 600 km electricity transmission. This development pipeline will support the electrification and decarbonisation efforts of miners in the Pilbara region.

Future investments in the Pilbara Energy System renewables-focused organic growth and development pipelines are aligned with our Climate Transition Plan and will also contribute to avoided emissions within the region through the displacement of diesel.

Our East Coast Grid expansion provided vital capacity for customers to manage demand peaks.

Continued improvement to our Customer Experience Score from 6.7 to 7.1 year-on-year.

Approximately 40 submissions from APA to government and regulatory processes.

APA's current energy infrastructure portfolio includes over 800 km of high-voltage direct electricity transmission including 290 km of sub-sea cable.

In line with our strategic priority to invest in electricity transmission we have established a partnership with EDF to connect customers and communities to renewable energy across Australia.

Customer performance

APA's annual commercial customer feedback survey was completed in October 2023 and involved a quantitative and qualitative survey administered by an independent external agency. The key deliverable from the survey is our Customer Experience Score (CES), which is an average performance score across attributes such as trust, responsiveness, value, ease, rapport and innovation.

Our CES was 7.1 out of 10, representing an improvement from our 2022 score of 6.7. The result was driven by improvements in customer relationships with our key commercial counterparts. This reflected the success of our 2023 Customer Action Plan, which focused on enhancing the frequency and quality of customer interactions over the year, as well as improving the quality of information we provided to customers about our company and operations, and the market.

The survey also highlighted the value of engaging senior representatives within our customer groups to earn and improve their trust in APA. This means prioritising delivery on our commitments, maintaining the reliability of our infrastructure assets, and continuing to work on improved communications and understanding of customers' concerns.

Trust in APA is critical when customers choose us as their partner of choice in delivering infrastructure solutions for the energy transition.

The survey informed our 2024 Customer Action Plan which has now been in progress for six months.

Customer experience

In addition to our annual survey, we regularly monitor and manage the customer experience through:

- dedicated account managers assigned to all commercial customers.
- a quarterly Customer Experience Dashboard monitoring APA's performance in key practical measures contributing to customers' experience of APA.
- key account management with a monthly review meeting to monitor customer feedback, service delivery and performance across our key customers.

We also maintain a commercial Customer Complaints Process with two complaints received during FY24. This compares favourably with four complaints in FY23.

As well as working to resolve each complaint, we conducted 'Lessons Learnt' reviews to ensure any underlying issues driving the complaint do not recur.

We hold a monthly vulnerable customer review meeting to monitor commercial customers who may be facing hardship or credit issues and identify opportunities for early assistance.

We are constantly focused on providing clear and consistent communications with our customers about the reliability of our infrastructure assets. In response to customer feedback, we also worked to keep customers better informed about the ways APA can partner with them to plan and execute decarbonisation initiatives. This includes partnering on exciting innovations for gas transmission and storage, remote renewables and firming, electricity transmission and future energy including transmission options to support carbon capture and storage, hydrogen and biomethane.

Partnering with our suppliers

Since launching the Responsible Procurement Strategy in FY23, and our Reflect Reconciliation Action Plan (RAP) in October 2023, the team has focused on delivering the RAP obligations for procurement. A pivotal element is the continuation of our Supply Nation membership, which provides access to a national database of First Nations businesses.

Initiatives include delivering supplier diversity and unconscious bias training to cross-functional individuals in order to increase awareness and highlight the opportunities and benefits of engaging with First Nations businesses, as well as supporting engagement in regional and remote communities.

A cohort of APA employees from across the business attended Connect 2023, Supply Nation's flagship annual tradeshow, which provided an invaluable opportunity to connect directly with First Nations businesses and entrepreneurs and get first-hand exposure to the capability and capacity available.

We also undertook an assessment of APA's maturity and opportunity analysis of social procurement and developed a draft framework to further support our RAP and broaden supplier diversity.

Following Supply Nation's Connect 2023, we hosted a series of virtual meet-the-supplier events, creating and building connections between APA and First Nations businesses and exploring commercial opportunities.

Following the initial scoping exercise of emissions in the supply chain, the team continued collaboration with the Climate Team to develop a roadmap of initiatives, and explore data and progress tracking options.

Partnering with government and industry to facilitate the energy transition

As part of our FY24 strategy, we partner across state, territory and Commonwealth governments to support the energy transition and continue to deliver reliable, affordable and lower emissions energy to our customers.

APA actively participates in policy processes by making considered submissions to government, participating in market soundings that inform government decision making, contributing to government and industry-led forums and roundtables, and leading thought leadership activities to inform better outcomes for the energy transition.

FY24 highlights include approximately 40 submissions to state and federal government consultations, market soundings with state governments on the rollout of electricity transmission infrastructure, involvement in the Western Australian Government's Pilbara Roundtable and the Pilbara Advisory Council, active membership and contribution to policy development through membership of CEDA, ENA and the BCA and regular articles through our new blog, *Transmission*.

Political donations

In FY24, APA remained a member of the Federal Labor Business Forum and the Liberal Party of Australia's Australian Business Network. These business-focused political forums are part of the APA stakeholder engagement program.

APA does not permit direct political donations to any political party, representative or candidate, in accordance with our Sponsorship and Political Donations Policy and Anti-Bribery and Corruption Policy.

Our expenditure on political memberships can be viewed in the [2024 Sustainability Data Book](#).

Membership of associations

APA participates in business and industry associations where there is an opportunity to provide business leadership on national issues, insights and advocacy to public policy processes, and contribute to the enhancement of industry standards through the exchange of best practice learning and development.

FY24 associations

- Australian Climate Leaders Coalition
- Australian Hydrogen Council
- Australian Pipeline and Gas Association
- Bell Bay Advanced Manufacturing Zone
- Bioenergy Australia
- Business Council of Australia (BCA)
- Council for Economic Development of Australia (CEDA)
- Chamber of Minerals and Energy of Western Australia
- Champions of Change Coalition
- Chief Executive Women
- Clean Energy Council
- Committee for Gippsland – part-year member, now withdrawn
- Diversity Council of Australia
- Energy Club NT
- Energy Networks Australia (ENA)
- Energy Users Association of Australia
- Future Fuels Cooperative Research Centre
- Gas Energy Australia
- Materials and Embodied Carbon Leaders' Alliance
- Mount Isa to Townsville Economic Zone
- South Australian H2 Hub
- Tasmanian Chamber of Commerce and Industry
- Victorian Chamber of Commerce and Industry
- WORK180

FY24 signatories

- United Nations Global Compact
- Energy Charter (until December 2023)
- Methane Guiding Principles

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CASE STUDY

APA and EDF partnership

APA and EDF (Electricité de France) have established a strategic partnership to deliver electricity transmission projects that support Australia's energy transition and future energy needs.

We are active asset developers, owners and operators, each with proven experience in delivering throughout all aspects of the transmission network development lifecycle including design, community consultation, procurement, construction, commissioning and long-term maintenance and operation.

Leveraging APA's \$26 billion of energy assets in Australia and EDF's \$580 billion of global assets across the energy value chain, our partnership is strategically positioned to execute Renewable Energy Zones (REZ) and other projects, by combining local expertise with global experience.

We are committed to partnering with governments to deliver infrastructure solutions for the energy transition, supporting our customers and communities to deliver reliable, affordable and lower emissions energy as Australia's decarbonisation continues to accelerate.



Environment

We work to protect the environment and land, ensuring our assets are developed and operated in a responsible way.

APA is committed to the environment through the development and delivery of our Sustainability Roadmap, Climate Transition Plan and Environment Improvement Program. We are also working to uplift our existing biodiversity performance and processes.

Environmental management

This was the third year of delivery of APA's four-year Environment Improvement Program, designed to embed and improve processes across our eight environment focus areas.

This year, we prepared and released a new Waste Management Protocol and associated tools. This was supported by updates to related business systems and employee awareness programs.

We also prepared a consolidated Soil, Land and Water Management Protocol with implementation scheduled for Q1 FY25.

Year	Environment risk area	Status
FY22	Heritage	Completed
	Pests, Diseases and Weeds	Completed
FY23	Spill Preparation and Response	Completed
	Contaminated Site Management	Completed
FY24	Waste Management	Completed
	Soil, Land and Water Management	Underway
FY25	Biodiversity	Pending
	Air Quality and Amenity	Pending

Refreshed our Sustainability Roadmap, focusing on driving sustainable outcomes for our people, customers and communities.

Continued implementing our Environment Improvement Program with focus on waste, soil and water management.

Continued delivery against our Climate Transition Plan.

We also uplifted environment and heritage data, with improvements across three key areas:

- **Weed Survey Program:** We completed the second of our three-year Weed Survey Program to investigate the presence of invasive weeds along more than 15,000 km of operational assets. The outcomes of these surveys will inform long-term monitoring and management measures and help to quantify potential impacts on nature. APA has partnered with Biodiversity Australia, an Indigenous-owned company, in the delivery of this program.
- **Historic heritage and contamination hazards:** We have sourced and centralised these whole-of-APA data sets to provide a single source of truth for historic heritage listings and contamination hazards.
- **Waste data:** We implemented a new Waste Protocol, refining and embedding the processes for waste data management, capture and handover. A waste data application will facilitate reporting from waste suppliers across operational assets with approximately 60% of waste accounts captured at applicable sites/locations.

Biodiversity and the Task Force for Nature-related Financial Disclosure (TNFD)

APA recognises biodiversity and nature performance as a significant topic as reflected in the new Sustainability Roadmap.

In FY25 we will prepare an approved TNFD Preparedness Plan which will start with the uplift and rollout of revised biodiversity-related processes in line with our Environment Improvement Program. This will embed foundational requirements, responsibilities and roles within the business regarding management of fauna, flora and ecosystems.

Environment compliance

No penalty infringement notices were received in FY24, although four regulatory warning notices were issued:

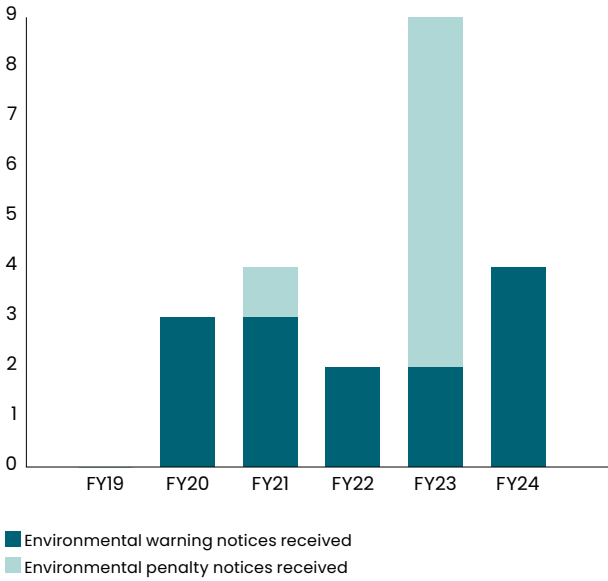
1. A warning was received for the South West Queensland Pipeline after reporting a non-compliant emissions minimum velocity result. The cause was an error with the testing process which resulted in an incorrect measurement. The unit was compliant when re-tested.
2. An environment Protection Order (EPO) was received for potential land and water contamination from an wastewater dam at the Kogan North Facility in Queensland. APA has now constructed a new dam and is rehabilitating the old dam. Progress is reported in line with the conditions of the EPO.
3. An Improvement Notice was issued for the Brooklyn Compressor Station in Victoria following a licence non-compliance pertaining to the absence of a Risk Management and Monitoring Program. The matter has been rectified and a close-out submission provided to the EPA for consideration.
4. A Warning Letter was issued for the East Coast Grid Expansion Project in Queensland following the release of diesel to ground from a damaged generator fuel filter. Corrective and preventative actions were applied in consultation with the regulator.

Embedding heritage management

We continued to improve heritage practices throughout the period. In FY24 we:

- designed and prepared an Aboriginal Cultural Heritage Learning Program for field-based technicians. This training is intended to help employees become more familiar with heritage responsibilities, including identification of common heritage types in the event of an unexpected discovery, and will be finalised and implemented in Q1 FY25
- delivered targeted face-to-face training to Networks employees to uplift capability regarding practices related to historic heritage places
- delivered regular heritage surveys on the Moomba Wilton Pipeline in consultation with First Nations stakeholders. A total of 457 km was surveyed for heritage over 47 days with 12 First Nations groups involved.

Environment warning and penalty notices



Climate change transition and risk

Our Climate Report 2024 will be released in September 2024, in line with our commitment to report annually on progress against the targets, goals and supporting actions in our Climate Transition Plan. Ahead of that report, some of our key FY24 achievements are included in the following sections.

Progress achieved for our gas infrastructure assets included piloting enhanced methane measurement technology and operating compressors more efficiently.

We also delivered an assessment to electrify the main compressor at the Wallumbilla compressor station. Following a comprehensive technical and commercial assessment, a final investment decision has been delayed and we await the outcome of the Australian Energy Regulator (AER) regulatory review into the SWQP.

We continued to invest in building our portfolio of renewable electricity and electricity transmission assets this year. This included continuing the development of the IGW+ Pilbara Energy Systems renewables pipeline and progressing the construction of the Port Hedland Solar and Battery plants. We also signed a new partnership with EDF to support competitive bids to build the electricity transmission lines needed to connect customers and communities to renewable energy zones. These investments help us progress our emissions intensity goal and support our customers on their decarbonisation journeys.

In our Climate Transition Plan, the cost of our gas infrastructure emissions reduction initiatives was estimated at approximately \$150 to \$170 million over the period FY23–FY30 with expected outlays for compressor electrification, methane abatement and the acquisition and surrender of offsets and large-scale generation certificates.

Following the comprehensive assessment for the Wallumbilla compressor electrification initiative and enhanced methane measurement pilot, the expected cost of our gas infrastructure emissions reduction initiatives for the period FY23–30 are likely to require revision, which is currently estimated to be an increase in the order of \$100 million due to:

1. Increases in capital costs for the Wallumbilla compressor electrification initiative, largely associated with bringing electricity to the site and market escalation of capital costs. This project remains subject to a Final Investment Decision.
2. Operational and capital costs associated with enhanced methane measurement.

Further work will be undertaken in FY25 to confirm the cost impact. The original CTP expenditure estimates were based on preliminary assumptions that have been revised following the selection of a specific site for the compressor electrification initiatives and completion of more detailed scoping for both initiatives.

We will further revise program and gas infrastructure emissions reduction costs following the development of our next Climate Transition Plan as we continue to explore other options for emissions reduction.

This includes through our Pathfinder Program, which continues to investigate emerging technologies and renewable gases to support delivery of sustainable energy solutions for our customers. For example, in March 2024, the Future Energy team launched an expression of interest initiative seeking to source biomethane supplies to displace emissions from natural gas and power generation infrastructure.

Our power generation and electricity transmission goals are investment-led and as such, will be funded by growth capital. Expenditure will be announced at the time of final investment decision on each individual project.

Social licence

We seek respectful and valued relationships with First Nations People and community members, working to understand and respond to their feedback and contribute to local sustainable development.

As part of this we manage heritage and social performance to ensure we develop and operate our assets in a sustainably-responsible way.

First Nations Peoples and reconciliation

As a truly nation-wide business, APA owns and operates energy infrastructure across many lands traditionally owned by First Nations Peoples and we have a significant opportunity to advance reconciliation and create opportunities for prosperity, for all Australians.

In October 2023, we launched our inaugural Reconciliation Action Plan (RAP). The Reflect RAP builds on the work already underway across our business with First Nations stakeholders, laying the foundations across APA for future reconciliation initiatives in successive plans.

Our Reflect RAP provides an action plan of 72 commitments aimed at promoting reconciliation, strengthening relationships with First Nations stakeholders and organisations, increasing cultural awareness, boosting employment of First Nations Peoples, and increasing opportunities for First Nations suppliers and businesses to support improved economic and social outcomes.

Some outcomes of the RAP in FY24 included:

- the establishment of governance structures to drive delivery against RAP commitments
- initiation of cultural learning including targeted sessions for the Executive Leadership group and Board
- strengthened engagement of First Nations-owned businesses in the APA supply chain with 50 First Nations businesses engaged in FY24.

36 of 72 Reconciliation Action Plan commitments delivered and remaining 36 on track.

\$2,754, 000 spend with First Nations businesses.

11,979 landholders engaged through our Landholder Contact Program.

Community and social performance

APA is committed to working with our communities to deliver the energy transition. We recognise that having strong social performance policies and systems in place is critical to strengthening our working relationships and level of trust with key stakeholders including our community and First Nations stakeholders. In FY24, we established foundational social performance requirements across APA, drawing on best practice, to ensure we maintain and foster our social licence.

This year we commenced the implementation of our systems approach to community and social performance through a pilot in the Mount Isa region. The pilot aims to strengthen understanding and relationships with the community while supporting customer commitments towards transition in the region. The pilot will continue delivery into FY25.

Developing and maintaining social performance systems also supports the foundations of our Human Rights Policy and our approach to 'just transition', both planned for development in FY25.

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CASE STUDY

Biodiversity Australia

Biodiversity Australia is a renowned Indigenous-owned organisation specialising in ecological surveys, biodiversity conservation and environmental management. The company employs botanists and ecologists to deliver high-quality environmental services while promoting First Nations training and employment.

After APA attended the Connect2022 tradeshow (Supply Nation's flagship annual tradeshow), we invited Biodiversity Australia to tender for our national Weed Survey Program. We conducted a rigorous tender process, inviting seven suppliers with expertise in field-based ecological studies.

After meticulous evaluation, Biodiversity Australia emerged as the preferred supplier, demonstrating alignment with APA's objectives and commitment to First Nations engagement.

Biodiversity Australia's team completed surveys on schedule, within budget, and without safety incidents, highlighting efficient project management and safety protocols. They achieved a high standard of completion, meeting project objectives effectively and ensuring quality assurance.

After a successful initial 12-month term, their contract was renewed. Across the three-year contract we are forecast to spend close to \$1 million with the Biodiversity Australia team.

Our collaboration has led to successful outcomes, providing expert knowledge and fostering positive relationships with First Nations communities.



Landholder Contact Program

We recognise the importance of maintaining a trusted relationship with landholders to support our operational activities in areas of shared tenure.

In FY24, we continued to run the annual APA Landholder Contact Program. This program focuses on building a two-way dialogue where landholders keep us updated on their activities, access and notifications requirements, along with raising any concerns they may have and we share operational and safety information with landholders and provide Before-You-Dig information to support the safety of our operating assets and the stakeholders located nearby.

The Landholder Contact Program aims to make contact with at least one representative from each parcel on our operational footprint every year, preferably face to face. In FY24, we exchanged information with 11,979 landholder contacts. Over the past few years we have consistently achieved at least 80% of contacts completed in all major states. In most cases we have achieved over 90% and in FY24 all states achieved at least 92% completion, and 95% nationally.

Social investment

APA continued to invest in outcomes for communities in which we operate in line with APA's Priority Funding Areas as disclosed in APA's [FY22 Sustainability Report](#). In FY24, we provided \$1,329,836 in social investment across partnerships, grants and employee-driven initiatives.

We continued our investment in community partnerships and local community support, prioritising rural and regional communities, First Nations people, climate transition and natural environment protection.

Our corporate partnerships are a key part of this. In FY24, our corporate partners included:

- **The Fred Hollows Foundation:** Supporting health outcomes for First Nations Peoples through their Indigenous Australia Program.
- The **Clontarf Foundation** and the **Stars Foundation:** Supporting educational and wellbeing outcomes for Aboriginal and Torres Strait Islander boys and girls.
- **Rural Aid:** Providing critical support to farmers affected by natural disaster through financial, wellbeing and fodder assistance and helping to create more sustainable communities by building stronger futures for Australian farmers.
- **Uniting:** Delivering energy literacy programs to provide ongoing financial counselling support for energy customers facing vulnerable circumstances.

In addition to the partnerships, in FY24 APA contributed to grants across almost 30 community organisations as part of our Community Grants Program. Projects funded under this program included First Nations initiatives, social infrastructure investment, and community health and wellbeing initiatives across our East Coast Grid Expansion, Kurri Kurri Lateral Pipeline, and Mount Isa and Cloncurry assets.

Modern slavery

In FY24, we have progressed our Modern Slavery Program by delivering modern slavery training to the Executive Leadership Team and APA Board. This is an important step in the uplift in APA's maturity in managing this risk and ensures Directors and executives are aware of their respective obligations as Directors and Officers.

More broadly, we continued our Modern Slavery training program for identified key roles, delivering face-to-face training for new starters and an annual refresher module throughout the year. In addition, we held a Lunch and Learn awareness session for all employees. We are committed to ensuring employees understand modern slavery risks and the steps to raise concerns.

APA successfully renewed our Chartered Institute of Procurement and Supply (CIPS) Corporate Ethics Mark, as a demonstration of our ongoing commitment to ethical procurement practices. We progressed the development of a Supplier Code of Conduct which is due to be finalised in FY25 and piloted a modern slavery tender questionnaire with the intent to roll out to all tender events using the newly implemented Workday system.

In early lessons, we identified that a selection of suppliers provide a broad range of goods and services and participated in multiple sourcing events. This resulted in us sending suppliers repeated requests to complete the same questionnaires. Through collaboration with the Procurement Governance and Procurement Managers, we have conceptualised an alternate approach, which is being developed. In the interim, high-risk categories continue to use the current modern slavery questionnaire.

Throughout the year the Modern Slavery Team continued to monitor APA's supply chain for emerging modern slavery risks and conducted assessments for high-risk categories of spend. This work has helped inform the development of a step-by-step playbook comprising mitigating actions for high-risk suppliers which will be introduced in FY25.

Financials

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) and profit before tax excluding significant items are financial measures not prescribed by Australian Accounting Standards (AASB) and represent the profit under AASB adjusted for specific non-operating and significant items. The Directors consider these measures to reflect the core earnings of APA Group, and therefore these are described in this report as 'underlying' measures.

In FY24, APA delivered a solid result, as shown in the table below. Underlying EBITDA increased 9.7% to \$1,893 million (FY23: \$1,725 million) representing growth across all business segments, particularly the Energy Infrastructure segment with an initial eight-month contribution from Pilbara Energy System acquired on 1 November 2023, partly offset by higher corporate costs.

Key financial data for FY24

	30 June 2024	30 June 2023	Changes	
	\$m	\$m	\$m	% ¹
Statutory revenue				
Total revenue	3,064	2,913	151	5.2%
Pass-through revenue ²	473	512	(39)	(7.6)%
Total revenue excluding pass-through	2,591	2,401	190	7.9%
Total segment revenue excluding pass-through³	2,582	2,353	229	9.7%
Underlying EBITDA⁴	1,893	1,725	168	9.7%
Fair value gains/(losses) on contract for difference	(17)	12	(29)	n.m.
Technology transformation projects	(84)	(67)	(17)	(25.4)%
Wallumbilla Gas Pipeline hedge accounting discontinuation	(38)	(37)	(1)	(2.7)%
Pilbara Energy System integration costs	(14)	–	(14)	n.m.
Basslink debt revaluation, interest and integration costs	–	47	(47)	n.m.
Basslink AEMC market compensation	–	15	(15)	n.m.
Payroll review	(4)	(9)	5	55.6%
Total reported EBITDA	1,736	1,686	50	3.0%
Depreciation and amortisation expenses	(919)	(750)	(169)	(22.5)%
Total reported EBIT	817	936	(119)	(12.7)%
Net finance costs and interest income	(579)	(459)	(120)	(26.1)%
Significant items ⁵	835	–	835	n.m.
Profit before income tax	1,073	477	596	124.9%
Income tax expense	(75)	(190)	115	60.4%
Statutory profit after tax including significant items	998	287	711	247.7%
Profit after tax excluding significant items	119	287	(168)	(58.5)%
Financial position				
Total assets	19,563	15,866	3,697	23.3%
Total drawn debt ⁶	12,893	11,240	1,653	14.7%
Total equity	3,248	1,910	1,338	70.1%
Financial ratios				
Free cash flow ⁷	1,073	1,070	3	0.3%
Free cash flow per security (cents)	83.6	90.7	(7.1)	(7.8)%
Earnings per security including significant items (cents)	78.9	24.3	54.6	224.7%
Earnings per security excluding significant items (cents)	9.4	24.3	(14.9)	(61.3)%
Distribution per security (cents)	56.0	55.0	1.0	1.8%
Distribution payout ratio (%) ⁸	67.0	60.6	6.4	10.6%
Weighted average number of securities (millions)	1,265	1,180	85	7.2%

¹ Positive/negative changes are shown relative to impact on profit or other relevant performance metric.

² Pass-through revenue is offset by pass-through expense within EBITDA. Any management fee earned for the provision of these services is recognised as part of asset management revenues.

³ Total segment revenue excluding pass-through is total revenue excluding pass-through revenue, recurring items arising from other activities (including interest earned from cash and cash equivalents) and transactions that are not directly attributable to the performance of APA Group's business operations.

⁴ Underlying earnings before interest, tax, depreciation, and amortisation (EBITDA) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

⁵ Significant items comprising of \$1,051 million fair value remeasurement of APA's previously held 88.2% interest in Goldfields Gas Pipeline, partly offset by \$72 million Pilbara Energy System acquisition costs and \$144 million non-cash impairment of the Moomba Sydney Ethane Pipeline (MSEP).

⁶ APA's ability to repay debt at relevant due dates of the drawn facilities. This amount represents the facilities used at balance date in nominal terms of \$12,996 million (2023: \$11,561 million), translated to Australian dollars at the hedged rate and where the debt is hedged to currency other than Australian dollars, translated at the spot rate at balance date.

⁷ Free cash flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs and capital returns from joint ventures less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.

⁸ Distribution payout ratio = total distribution applicable to the financial year as a percentage of free cash flow.

APA's total segment revenue (excluding pass-through) increased \$229 million or 9.7% to \$2,582 million (FY23: \$2,353 million) with Underlying EBITDA increasing by \$168 million or 9.7% to \$1,893 million (FY23: \$1,725 million).

The FY24 results reflect a solid performance from acquisitions and new assets with a full year's contribution from Basslink and an initial eight-month contribution from the Pilbara Energy System, acquired on 1 November 2023.

Statutory profit after tax including significant items increased by 247.7% to \$998 million (FY23: \$287 million) driven by significant items in relation to the acquisition of the Pilbara Energy System partly offset by the \$144 million non-cash impairment of the MSEP driven as a result of its single customer entering voluntary administration and ceasing operations. As part of the Pilbara Energy System acquisition, APA acquired the remaining 11.8% interest in Goldfields Gas Pipeline. As required by accounting standards, the acquisition resulted in APA's historical 88.2% interest being remeasured to fair value, resulting in a valuation uplift of \$1,051 million. In addition, acquisition and estimated stamp duty costs of \$72 million have been incurred in FY24 as a result of the purchase of the Pilbara Energy System.

Profit after tax excluding significant items was \$119 million (FY23: \$287 million).

Net interest and other finance costs increased by \$120 million or 26.1%, to \$579 million (FY23: \$459 million) driven by the establishment of the A\$1.25 billion syndicated term loan and the issuance of €500 million (A\$828 million) hybrid subordinated capital securities, both in November 2023. The average interest rate applying to drawn debt was 4.77% for FY24 (FY23: 4.43%), including credit margins. This increase in average interest rate year-on-year is largely due to the higher marginal interest rates on the November 2023 transactions.

Depreciation and amortisation expenses increased by \$169 million or 22.5% due to the growth in the asset base including the acquisition of the Pilbara Energy System and changes to the useful life of certain assets on 1 July 2023.

Income tax expense for FY24 of \$75 million resulted in an effective income tax rate of 7%, compared with 39.8% in the previous year. The decrease is predominantly due to the remeasurement of APA's previous 88.2% ownership interest in Goldfields Gas Transmission Pipeline (GGTP), which does not represent assessable income for tax purposes. This is partially offset by the estimated stamp duty and certain transaction costs incurred as part of the acquisition of Pilbara Energy System entities, which are not deductible for tax purposes.

FY24 cash tax payable is estimated at \$37 million. This has been reduced by tax losses, primarily those relating to FY23 and the government's Temporary Full Expensing measures that ceased on 30 June 2023. The effective cash tax payable rate is 3.4% including significant items for FY24, compared to 0% in FY23.

APA has also published a 2024 Tax Transparency Report, which includes a reconciliation of accounting profit to income tax payable.

Free cash flow increased 0.3% to \$1,073 million (FY23: \$1,070 million), due to increased earnings partly offset by the impact of higher interest costs and tax payments.

APA's total assets increased \$3,697 million or 23.3% to \$19,563 million (FY23: \$15,866 million) driven by the \$3.1 billion acquisition of the Pilbara Energy System assets and \$1.1 billion investment in growth, stay-in-business and foundational capital expenditure.

APA's total equity increased \$1,338 million or 70.1% to \$3,248 million (FY23: \$1,910 million) mainly driven by the \$998 million statutory profit after tax (including significant items), the \$875 million impact of institutional and retail equity raises in November 2023 (to partially fund the acquisition of the Pilbara Energy System), partly offset by \$682 million of distributions paid to securityholders during the year.

Business segment review

APA's principal activities are:

 <p>Energy Infrastructure</p> <p>APA's wholly or majority-owned energy infrastructure assets across gas transmission, compression, processing, storage, and electricity generation (gas and renewables) and transmission and battery energy storage system.</p>	 <p>Asset Management</p> <p>The provision of asset management and operating services for third parties and the majority of APA's investments.</p>	 <p>Energy Investment</p> <p>APA's interests in energy infrastructure investments.</p>
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Energy Infrastructure

FY24 performance

- Largest business segment contributor to APA Group results
- Segment revenue (excluding pass-through) increased 10.1% to \$2,438 million (FY23: \$2,215 million) and represents 94.4% of Group segment revenue (excluding pass-through)
- Underlying EBITDA increased 9.3% to \$1,959 million (FY23: \$1,793 million) and represents 95.3% of Group Underlying EBITDA (before corporate costs)

East Coast Gas

Underlying EBITDA increased 3.7% to \$669 million (FY23: \$645 million), driven by inflation-linked revenues and higher customer demand on the SWQP and MSP. This was partially offset by lower demand for short-term contracts on the RBP and lower earnings on the MSEP with its single customer entering voluntary administration and ceasing operations.

Wallumbilla Gladstone Pipeline (WGP)

Underlying EBITDA increased 6.0% to \$657 million (FY23: \$620 million). The increase was due to US inflation-linked tariff escalations and favourable foreign exchange rates during the period.

West Coast Gas

Underlying EBITDA increased 13.8% to \$347 million (FY23: \$305 million). The increase was driven by higher inflation-linked revenues, higher customer demand at Mondarra, the acquisition of the remaining 11.8% interest in the GGP, and the commissioning of Northern Goldfields Interconnect.

Contracted Power Generation

Underlying EBITDA increased 25.1% to \$249 million (FY23: \$199 million). The increase was driven by the acquisition of Pilbara Energy System and the commissioning of the Dugald River Solar Farm, partly offset by lower earnings at Diamantina Power Station.

Electricity Transmission

Underlying EBITDA increased 54.2% to \$37 million (FY23: \$24 million). The increase was driven by a full year's contribution from Basslink, partly offset by business development costs.

Assets by business unit

East Coast Gas

- South West Queensland Pipeline (SWQP)
- Moomba Sydney Pipeline (MSP)
- Moomba Sydney Ethane Pipeline (MSEP)
- Victorian Transmission Systems
- Roma Brisbane Pipeline (RBP)
- Carpentaria Gas Pipeline
- Other Queensland assets
- Amadeus Gas Pipeline
- SESA Pipeline and other South Australia assets

Wallumbilla Gladstone Pipeline (WGP)¹

West Coast Gas

- Goldfields Gas Pipeline (GGP)
- Eastern Goldfields Pipeline
- Mondarra Gas Storage and Processing Facility (Mondarra)
- Pilbara Pipeline System
- Northern Goldfields Interconnect
- Other Western Australia assets

Contracted Power Generation

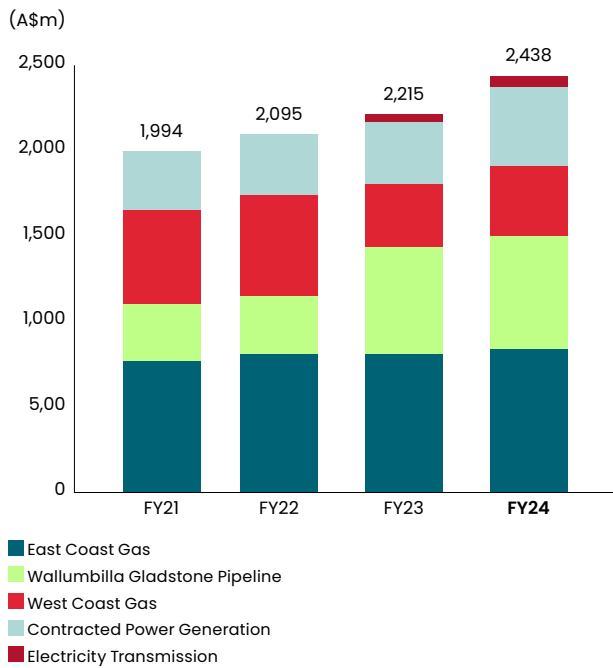
- North West Power System
- Badgingarra Wind and Solar Farms
- Emu Downs Wind and Solar Farms
- Darling Downs Solar Farm
- Gruyere Power Station
- Pilbara Energy System

Electricity Transmission

- Basslink and others

¹ Wallumbilla Gladstone Pipeline is separated from East Coast Gas as a result of the significance of its revenue and EBITDA in the Group.

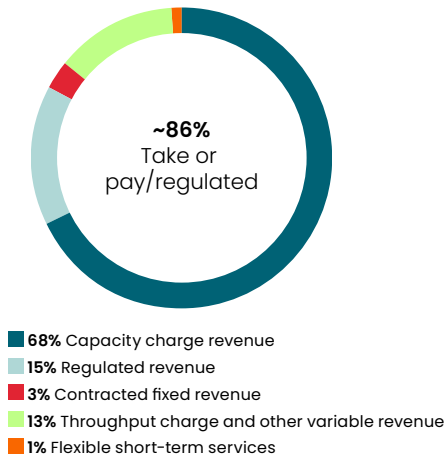
Energy Infrastructure revenue (excluding pass-through)



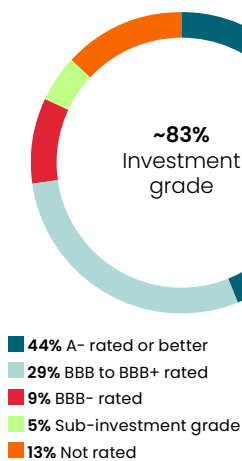
FY24 revenue analysis

Stable contracted revenue providing predictability and cash flow support.

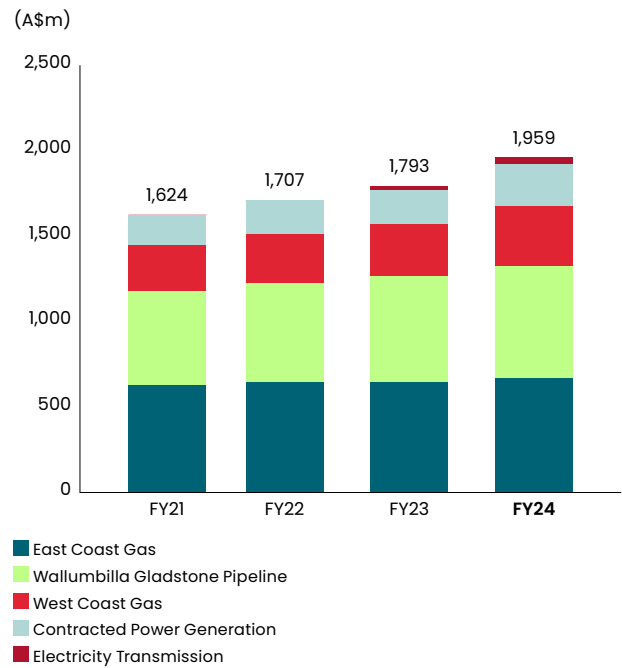
FY24 Energy Infrastructure by revenue type



FY24 Energy Infrastructure by counterparty credit rating

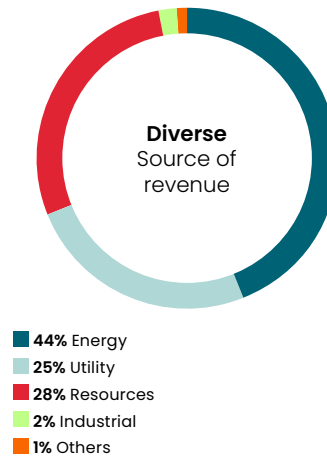


Energy Infrastructure EBITDA



Diversification of customers and industry exposures.

FY24 Energy Infrastructure by customer industry segment

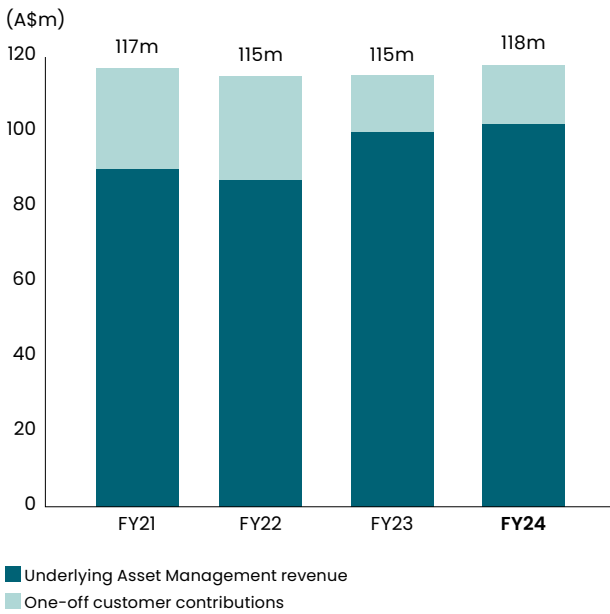


Asset Management

FY24 performance

- Segment revenue (excluding pass-through) increased 2.6% to \$118 million (FY23: \$115 million) contributing 4.6% to Group segment revenue (excluding pass-through). Customer contributions for FY24 were \$16 million (FY23: \$15 million).
- Underlying EBITDA increased 23.2% to \$69 million (FY23: \$56 million) contributing 3.4% to Group Underlying EBITDA (before corporate costs).
- The 23.2% increase in Asset Management underlying EBITDA was largely driven by higher recoverable works which fluctuate from one period to the next, together with lower operational costs.
- APA's major third-party customers are Australian Gas Networks Limited (AGN), Energy Infrastructure Investments (EII) and GDI, who receive asset management services under long-term contracts.

Asset Management revenue (excluding pass-through)



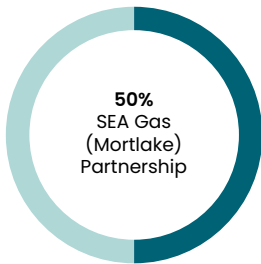
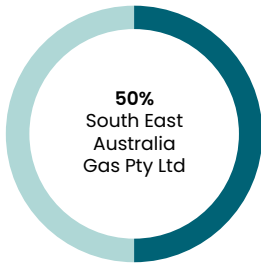
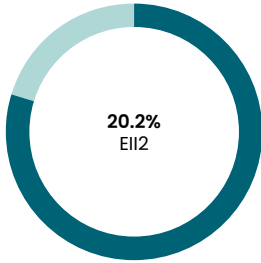
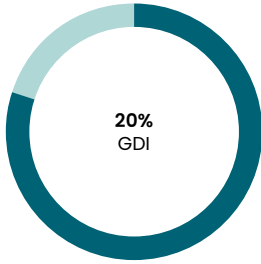
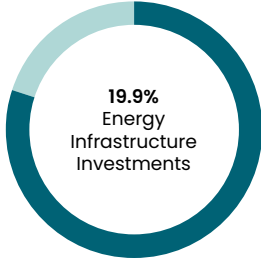
Asset Management EBITDA



Energy Investments

FY24 performance

- Earnings increased 13.0% to \$26 million (FY23: \$23 million) contributing 1.0% to Group segment revenue (excluding pass-through) and 1.3% to Group Underlying EBITDA (before corporate costs).
- The 13.0% increase in Energy Investment earnings is largely due to increased equity income from SEA Gas as a result of higher variable revenue.

Asset and ownership interests	Asset details and APA services	Partners
<p>Mortlake Gas Pipeline</p>  <p>50% SEA Gas (Mortlake) Partnership</p>	<p>83 km gas pipeline connecting the Otway Gas Plant to the Mortlake Power Station</p> <p>MAINTENANCE</p>	REST
<p>SEA Gas Pipeline</p>  <p>50% South East Australia Gas Pty Ltd</p>	<p>687 km gas pipeline from Iona and Port Campbell in Victoria to Adelaide</p> <p>MAINTENANCE</p>	REST
<p>North Brown Hill Wind Farm</p>  <p>20.2% EII2</p>	<p>132 MW wind farm in South Australia</p> <p>CORPORATE SERVICES</p>	Foresight Osaka Gas
<p>Allgas Gas Distribution Network</p>  <p>20% GDI</p>	<p>~3,900 km Allgas gas distribution network in Queensland with ~114,000 connections</p> <p>CORPORATE SERVICES</p> <p>OPERATIONAL MANAGEMENT</p>	Marubeni Corporation State Super
<p>Kogan North Processing Plant Directlink and Murraylink Electricity Interconnectors Nifty and Telfer Gas Pipelines Wickham Point and Bonaparte Gas Pipelines</p>  <p>19.9% Energy Infrastructure Investments</p>	<p>Gas processing facilities 12 TJ/day Electricity transmission 243 km Gas pipelines totalling 786 km</p> <p>CORPORATE SERVICES</p> <p>OPERATIONAL MANAGEMENT</p>	MM Midstream Investments Osaka Gas

Corporate costs

Corporate costs increased 9.5% to \$161 million (FY23: \$147 million) predominantly due to the continued investments in corporate capability, technology, sustainability and a non-cash Long Term Incentives (LTI) mark-to-market adjustment. Corporate costs are up 6.3% excluding the impact of the LTI adjustment, which reflects moderation of the corporate cost base

growth. APA has been building the capability of its business, including strengthening investments in technology and business resilience; regulatory, risk and compliance; sustainability and corporate affairs. This investment is aligned to our strategy to grow and capitalise on the energy transition opportunity.

Capital management

APA Group's objectives when managing capital are to balance growth in distributions to investors and investments to create long-term value with funding via an efficient mix of debt and equity.

Securityholder returns

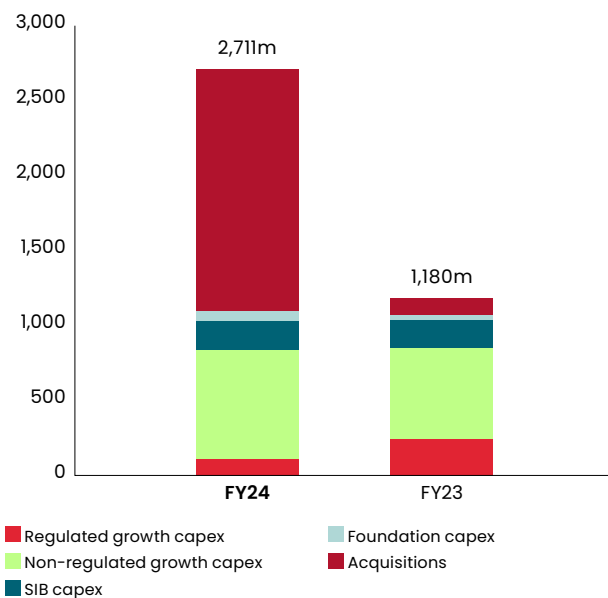
On 28 August 2024, the Directors announced a final distribution of 29.50 cents per security, taking APA's FY24 total distributions to 56.0 cents per security, in line with guidance. This represents an increase of 1.8%, or 1.0 cents, over the FY23 distributions of 55.0 cents per security. We reactivated our distribution reinvestment plan during the year.

To assist APA securityholders who wish to submit their annual tax return before receiving their annual APA Tax Statement in mid-September, APA has an indicative online tax estimator tool which is available on the [Investor page](#) on APA's website.

Capital expenditure

FY24 capital and investment expenditure

(A\$m)



Regulated growth capex

- Western Outer Ring Main
- Victorian Transmission System

Non-regulated growth capex

- East Coast Gas Expansion
- Basslink
- Kurri Kurri Lateral Pipeline
- Northern Goldfields Interconnector
- Port Hedland Solar and Battery Projects

SIB capex

- Pipeline integrity works across the portfolio
- Diamantina Power Station maintenance program
- Pilbara Energy System asset maintenance

Foundation capex

- Technology investments
- Corporate Real Estate

Acquisitions

- Pilbara Energy System

Prospective projects

In FY24, APA progressed work on several other large projects including:

- **Beetaloo Basin, Northern Territory:** In FY24, APA signed an initial agreement with Empire Energy Group to progress works associated with the development of Empire Energy's pilot project. The project seeks to connect Empire Energy's acreage in the Beetaloo Basin to the existing McArthur River Mine Pipeline. Under the initial agreement, APA will commence pre-engineering studies to potentially develop gathering pipelines, gas processing infrastructure and transmission pipeline infrastructure.
- **Kurri Kurri Lateral Pipeline, New South Wales:** APA reached a final investment decision to build the Kurri Kurri Lateral Pipeline, connecting the Hunter Power Project to the existing Sydney to Newcastle Pipeline. Under the agreement, APA will build, own and operate the Kurri Kurri Lateral Pipeline, a gas transmission pipeline approximately 20 km in length and a 70TJ gas storage facility to service the Hunter Power Project.

Access to capital

APA Group continues to target BBB/Baa2 investment grade credit ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated cash flows, debt funding and, where appropriate, additional equity.

The capital structure of APA Group consists of cash and cash equivalents, borrowings (including a hybrid subordinated bond) and equity attributable to securityholders of APA.

At 30 June 2024, APA had 1,283,352,928 securities on issue. This increased from 1,179,893,848 at 30 June 2023.

Debt facilities

At 30 June 2024, APA had \$12,893 million of drawn debt facilities (compared with \$11,240 million at 30 June 2023). APA's debt portfolio has a broad spread of maturities across the global debt capital markets extending out to FY46, with an average maturity of drawn debt of 5.3 years.

At year end, 100% of interest obligations on gross drawn borrowings was either hedged into or issued at fixed interest rates for varying periods extending out to FY46.

In November 2023 APA raised €500 million (\$828 million) in the form of a hybrid subordinated notes and \$1.25 billion in the form of a syndicated term loan.

In May 2024 APA conducted a tender offer for its outstanding £350m MTN Notes due in November 2024. The tender was received positively with ~63% or £221m acceptance and the remaining £129m will be redeemed at maturity on 26 November 2024.

As part of the Pilbara acquisition APA acquired \$104 million in secured funding from the North Australia Infrastructure Facility (NAIF) (\$80 million) and the Australian Renewable Energy Agency (ARENA) (\$24 million). These are not included in the APA core guarantor group, however they are 100% owned and therefore are included in APA's total group debt obligations.

Credit ratings

During the year, APA Infrastructure Limited (APAIL), the borrowing entity of APA, maintained two investment grade credit ratings:

- BBB long-term corporate credit rating (outlook Stable) assigned by Standard & Poor's (S&P) in June 2009, and last confirmed on 18 December 2023
- Baa2 long-term corporate credit rating (outlook Stable) assigned by Moody's Investors Service (Moody's) in April 2010, and last affirmed on 6 November 2023.

APA calculates the Funds From Operations (FFO) to Interest to be 3.2x (FY23: 3.4x) and FFO to Net Debt to be 10.3 for FY24 (FY23: 11.0%).

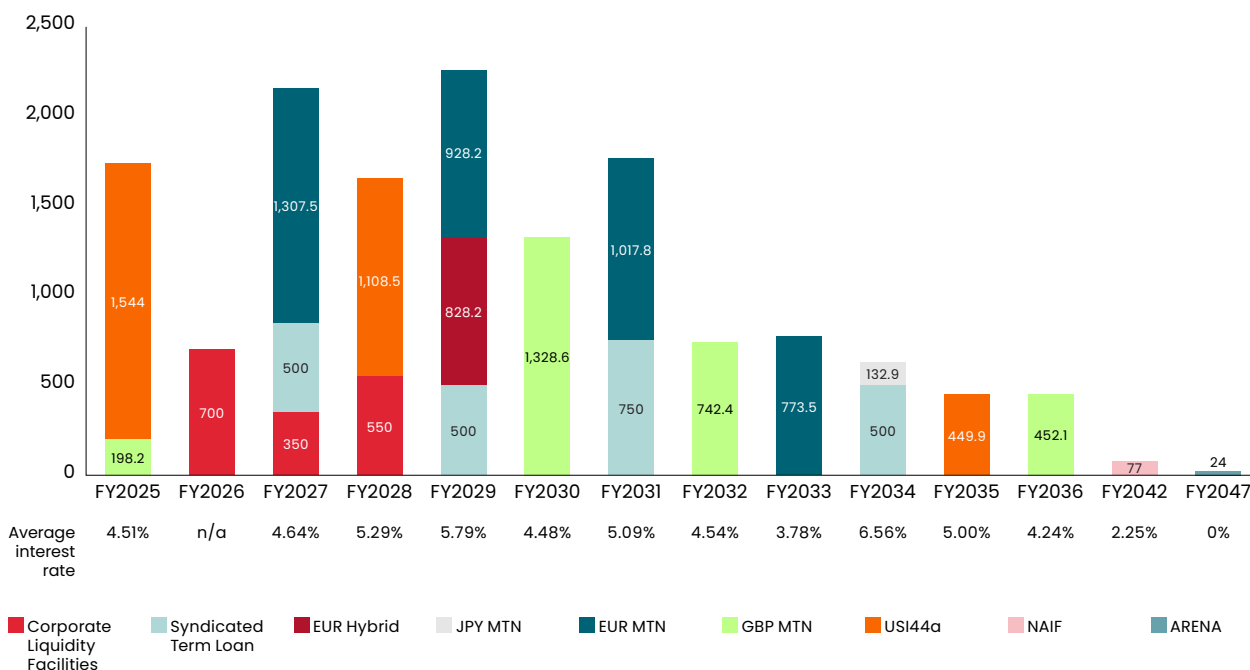
FFO to Net Debt is the key quantitative measure used by S&P and Moody's to assess APA's creditworthiness and credit rating.

Treasury risk management

APA's policy is to maintain balanced and diverse funding sources through raising funds locally and overseas from a variety of capital markets, including bank loan facilities, to meet anticipated funding requirements.

APA manages liquidity risk by maintaining adequate cash reserves and banking facilities, monitoring and forecasting cash flow and where possible, arranging liabilities with longer maturities to closely match its underlying assets.

Diversity of funding sources and maturities



External environment

We are committed to working with customers, communities, investors and governments to deliver an energy transition that prioritises reliable, affordable and lower emissions energy for all Australians.

Major trends

Industry, together with governments, continue to confront the challenge of balancing the competing demands of the energy sector to deliver reliable, affordable and lower emissions energy.

Like most countries, Australia strives to balance these three interconnected objectives as lower emissions variable renewable electricity (VRE) begins to replace coal-fired generation.

Both Federal and state governments throughout Australia are adjusting policy settings in energy markets to set Australia on a pathway to net zero. In May 2024, the Federal Government published its Future Gas Strategy. The strategy recognises that gas is essential to supporting Australia's decarbonisation and that gas-powered generation (GPG) will ensure the reliability of Australia's electricity supply as coal exits the system. The strategy adopts six principles that will guide future policy actions to achieve the strategy's aims. The principles state that gas must remain affordable for Australian users through the transition to net zero and that new sources of gas are needed to meet demand.

Government concerns about the reliability and affordability of energy, however, mean that interventions in electricity, gas and coal markets have continued. These interventions include:

- A significant expansion of the Capacity Investment Scheme (CIS) to a target of 32 GW of renewable generation and dispatchable capacity. The CIS does not include gas generation.
- The Victorian and NSW Governments announced agreements with the owners of the Loy Yang A and Eraring Coal Power stations respectively to maintain the operation of those assets.
- The Federal Government extension to the wholesale gas price cap of \$12/GJ until at least mid-2025 and formalisation of the exemptions regime for producers who focus on maintaining domestic supply.

- The Federal Government announcement that the \$125/t coal price cap for Queensland and New South Wales would cease on 30 June 2024.

In September 2023, legislative amendments incorporating an emissions reduction objective took effect in the National Electricity Objective, National Gas Objective and National Energy Retail Objective. These amendments require the energy market bodies – including the Australian Energy Regulator (AER), AEMC and Australian Energy Market Operator (AEMO) – to consider emissions reduction when exercising their powers and functions. In May 2024, the AER released final guidance on how it would value emissions reductions in regulatory processes.

New monitoring and information-gathering powers for energy market regulators were also announced throughout the year. Legislation is being progressed that will expand the AER's monitoring and reporting functions to include wholesale gas markets and electricity and gas contract markets.

Regulatory matters

Gas pipelines in Australia are regulated under the National Gas Law (NGL) and National Gas Rules (NGR) by the AER or the Economic Regulation Authority of Western Australia (ERA).

On 2 March 2023, amendments to the NGL and NGR were proclaimed and came into effect across all states except Western Australia. The legislative amendments establish two forms of gas regulation:

- **Scheme pipeline:** Subject to a 'heavier' form of regulation with five-yearly access arrangement reviews (which typically take 12–15 months) and the AER setting a 'reference tariff' and a 'regulated asset base' (RAB).
- **Non-scheme pipeline:** Subject to a 'lighter' form of regulation with extensive information and price disclosure – service providers publish actual prices paid by every customer on every pipeline, and arbitration in the event of disputes.

Following this legislative change, the AER has the power to determine the form of regulation to apply to a particular pipeline. This means the AER can decide to apply a heavy form of regulation to pipelines that are currently subject to a light form of regulation, or vice versa. In the event that heavy regulation applies, the AER would then have the role of approving capital and operating expenditure and rates of return under five-year access arrangement proposals.

South West Queensland Pipeline form of regulation review

In February 2024, the AER commenced a regulation review on the APA-owned and operated South West Queensland Pipeline (SWQP), which is currently subject to the lighter form of regulation. On 6 March 2024, the AER published a discussion paper seeking stakeholders' views on the form of regulation for the SWQP. The AER expects to publish a draft decision in September 2024 and a final decision in November 2024.

Basslink regulatory conversion application

APA lodged an application to convert Basslink to a regulated Transmission Network Service Provider on 14 September 2023 and expects a final determination by February 2025.

Other key regulatory processes

During 2023–24, other key regulatory processes relating to APA assets included:

- **Goldfields Gas Pipeline:** On 21 December 2023, Goldfields Gas Transmission (GGT) submitted its 2025–29 access arrangement proposal to the ERA. The ERA's final decision is expected to be published in December 2024.
- **Directlink Interconnector¹:** On 30 January 2024, Directlink submitted its 2025–30 revenue proposal to the AER. We expect a final decision from the AER in April 2025.
- **Amadeus Gas Pipeline:** On 1 July 2025, APA will submit its access arrangement proposal to the AER for the 2026–31 regulatory period. We have commenced consumer engagement to help inform our proposal.
- **APA Port Hedland Network:** APA DEWAP's electricity transmission network in the North-West Interconnected System in Western Australia is subject to light regulation under the Pilbara Networks Access Code (PNAC). On 31 May 2024, APA DEWAP published access, pricing, system, and planning documents for the second pricing period for public consultation as required under the PNAC. Final documents were published on 28 June and took effect from 1 July 2024.

¹ APA has 19.9% ownership of Directlink.

Energy industry policy developments

In FY24, we continued to engage in national and jurisdictional policy processes predominantly focused on gas frameworks, electricity market reforms and the decarbonisation of the economy.

Our submissions included the following key actions:

- **Gas strategy:** APA submitted that gas and gas-powered generation is critical to support renewables and Australia's transition to net zero. Our submissions stressed the importance of policy support for gas-powered generation and the criticality of bringing new gas supplies to market.
- **Electricity market reforms:** APA engaged in various initiatives relating to national and jurisdictional electricity frameworks, including proposed reform of transmission access frameworks.
- **Hydrogen and renewable gas reforms:** APA lodged submissions to various jurisdictional processes proposing market-based schemes to support the development of renewable gases, including hydrogen.
- **Decarbonisation of the economy:** APA supported amendments to the National Energy Objectives and the Safeguard Mechanism to help drive the decarbonisation of the economy.

Risks and opportunities

APA is a leading energy infrastructure business, and as such, is exposed to risks that can have a material impact on the responsible delivery of energy and our financial success. We have summarised our approach to managing our material risks below.



Embracing

the energy transition opportunity



Optimising

outcomes in an increasingly regulated and fluid environment



Future proofing

APA with the right capability and technology

Image: Newman Power Station, WA

Risk management framework

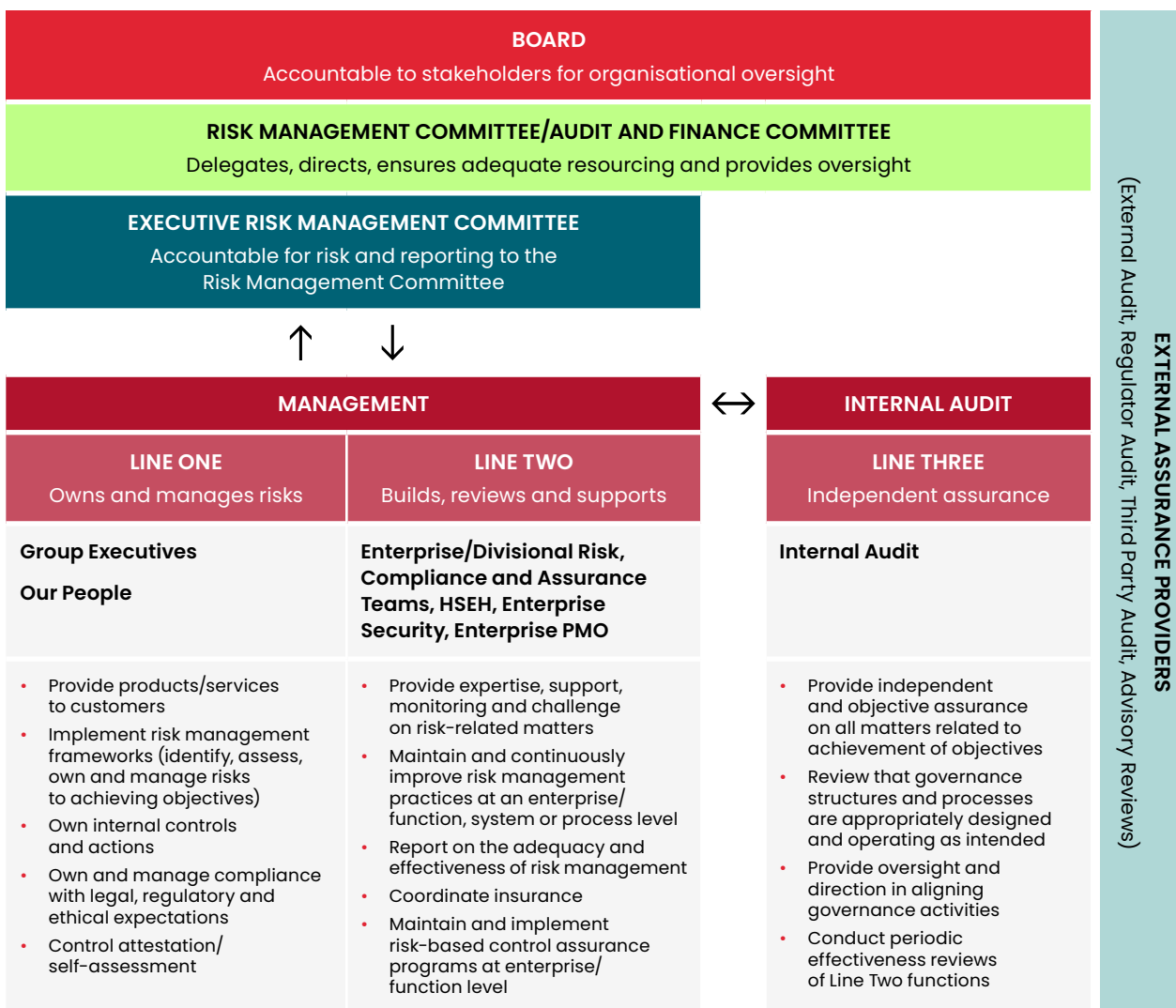
Our risk management framework supports the identification, management, escalation and reporting of material risks. By implementing an effective risk management framework, APA's Board and Executive Leadership Team ensure strategies are in place to manage potential threats and optimise opportunities.

APA adopts a 'Three Lines' model for managing risks and controls to promote the behaviours and decision making that underpins an appropriate and cohesive risk culture.

In the first line, every employee is accountable for day-to-day risk management and decision making within approved risk appetite guidelines.

In the second line, APA's enterprise and specialist risk teams review and monitor first line risk management activities and report on the adequacy of risk management to the Executive Leadership Team and the Board's Risk Management Committee.

In turn, this enables independent assurance by the third line.



Key: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication, coordination, collaboration

Material risks

During FY24, key risks and opportunities impacting our operational and financial performance included the accelerating energy transition, notification of regulatory review (that may increase the number of regulated assets in our portfolio), societal concerns relating to development of renewable energy infrastructure, and emerging geopolitical risks.

To create and protect value, APA has focused on these risks and opportunities, with action plans in place to enable us to achieve our objectives. Material risks have ongoing oversight by the Board, Risk Management Committee and

Executive Leadership Team with a major priority being the safety of our operations and supporting activities to provide reliable energy to our customers, and to maintain our financial strength to respond to changes in the Australian energy market.

APA currently considers the following risks to have the possibility of materially impacting our ability to meet our business objectives. Material risks are subject to enhanced oversight by management and the Board Risk Management Committee. This list is not exhaustive and is subject to change as new risks emerge.

Strategic risks

Strategic risks are those uncertainties that could materially impact the business's ability to implement its strategic objectives.

Risk	Description	Managing the risk
Energy market transition	<p>Accelerating climate change and carbon emissions (net zero) targets drives potential for cleaner power generation, renewables development, and energy innovation/new entrants in markets.</p> <p>Government net zero policies/targets and new technologies could materially decrease the market for gas and gas transportation and we may fail to grow in other energy infrastructure classes, limiting domestic market growth.</p>	<ul style="list-style-type: none"> • Execution of our customer-focused strategy creates value as the partner of choice, delivering infrastructure solutions for the energy transition where we have a competitive advantage across various asset classes. • Actively contribute to government policy process and advocate for the importance of APA's role in supporting energy transition and managing the intermittency of renewables. • Engage with customers and proactively manage opportunities to retain, recontract or switch to alternative APA assets via structured, flexible and competitive price and service offerings.
Government and regulatory intervention	<p>APA is exposed to regulatory policy change and government interventions.</p> <p>These may be at federal, state or territory level and may vary. They could include measures designed to support decarbonisation, limit the impacts of climate change or manage the impact of Australia's transitioning energy system.</p> <p>Those policy changes and interventions may constrain gas supply (including by limiting or restricting new gas projects), impact the availability of competitively priced gas, increase compliance costs for APA and its customers or otherwise place additional operating restrictions or complexities on our business and the businesses of our customers.</p> <p>The Australian Energy Regulator's (AER) ongoing form of regulation review may resolve to apply full regulation to pipelines that are currently non-scheme.</p> <p>This may change the commercial viability of existing or proposed projects or operations and adversely impact our future business and operations.</p>	<ul style="list-style-type: none"> • Maintain strong regulatory and policy functions and be an active participant and stakeholder in the development of regulation and policy. • Continually assess and respond to key policy change proposals that have potential impacts on our business. • Actively engage with updating/developing relevant Australian standards.
Social licence	<p>We rely on a level of public acceptance for the development and operation of our assets. Changing societal and community sentiment in relation to the energy industry, as well as our business, may impact our commercial opportunities and our ability to develop new projects and operate our assets.</p>	<ul style="list-style-type: none"> • Engage with key stakeholders (landholders, producers, customers, government, traditional owners, etc.) to identify focus areas. • Monitor expectations and major trigger events within the community and APA's reputation score. • Drive community and social performance initiatives and programs working with First Nations People. • Deliver against commitments detailed in our Reconciliation Action Plan (RAP). • Implement APA's Climate Transition Plan and Sustainability Roadmap and drive transparent and proactive annual disclosure.

Risk	Description	Managing the risk
Operating multiple asset types	Successful delivery of our strategy will depend on effective integration and operation of a diverse asset portfolio. Risks will arise from the need to scale up and integrate existing asset structures for managing people, processes and plant in electricity generation and transmission.	<ul style="list-style-type: none"> Continue to invest in our capability in electricity transmission development and engineering, power generation optimisation and asset development and integration. Continuous improvement of existing asset structure and framework for managing people, processes and plant. Continue to invest in maturing asset management framework and real-time data analytics.
Partnering across multiple stakeholder groups	<p>APA's engagement spans a diverse range of stakeholders (e.g. across state and federal Government agencies, community, landholders, customers, suppliers, investors, and employees) who hold different perspectives and objectives.</p> <p>Risks arising from engagement with this complex and changing set of stakeholders could lead to reputation damage, loss of stakeholder support/trust which ultimately affects our ability to win projects, source approvals and diversify into new energy markets.</p>	<ul style="list-style-type: none"> The development of targeted state-based stakeholder engagement plans to ensure appropriate owners are assigned to stakeholders and there is coordination and consistent messaging across the business. Continued investment in core capability and targeted workforce planning.

Operational risks

Operational risks potentially arise from weaknesses in internal processes or systems or from unforeseen external events.

Risk	Description	Managing the risk
Health and safety	Preventing workplace injury and safeguarding all employees is our number one priority. Risks arise from operating within our hazardous industry, where safety events or major hazards have the potential to cause illness, injury or impact the safety (including psychological safety) and wellbeing of our employees, contractors and communities.	<ul style="list-style-type: none"> APA's Board Safety and Sustainability Committee, has oversight of this risk. The key focus is prevention, which is achieved by appropriately identifying, managing and (where possible) eliminating risks. Continued focus on comprehensive health and safety management policies, strategies, frameworks (including employee Wellbeing Framework), systems and processes. Report key performance metrics are in place to monitor safe behaviours and identify continuous improvement opportunities.
Asset operations	APA is exposed to major incidents or events that may result in harm to our people, environment, and the communities in which we operate or materially impact our reputation or financial performance.	<ul style="list-style-type: none"> Comprehensive operational, process safety, cultural heritage and environment management programs. Continued engagement with wider industry to ensure alignment with best practice asset management processes. Manage assets in accordance with Australian and International Standards, including a comprehensive Asset Management Framework with risk management, compliance and assurance integrated into asset lifecycle management, operation, integrity and maintenance processes. Conduct asset operational monitoring through control rooms to manage assets within design parameters and coordinate asset maintenance issues. Provide comprehensive insurance arrangements as part of the asset protection program.

Operational risks (continued)

Risk	Description	Managing the risk
Infrastructure development	Risks associated with the development of new pipeline capacity, renewable, battery and gas-fired power generation plants, gas storage and gas processing assets. This includes typical construction risks e.g. obtaining necessary regulatory approvals, employee or equipment shortages, supply chain constraints, third-party contractor failure, weather risk and higher-than-budgeted construction costs impacting liquidated damages and project delays.	<ul style="list-style-type: none"> • Dedicated access and approvals management for new construction projects. • Strategic procurement and supply chain management. • Manage the efficient, safe and quality delivery of construction projects through dedicated project management and governance.
Corporate transformation	APA is exposed to the risks associated with the design and delivery of enterprise-wide corporate transformation programs. These strategic programs include the transformation of our core financial and people management processes, technology platforms and capability uplift to achieve our net zero targets and the security of critical infrastructure.	<ul style="list-style-type: none"> • Strong governance via an experienced Enterprise Program Management Office. • Project/program reporting, risks and issue management and escalation and oversight by senior management and the Board.
Sustainability	The risks arising from the management and disclosure of sustainability issues (including climate and ESG matters) impacting APA performance and reputation.	<ul style="list-style-type: none"> • APA's Board Safety and Sustainability Committee have regular oversight of this risk. • Deliver comprehensive environment and heritage management policies, strategies, frameworks, systems and processes. • Formalise procedures supporting sustainability including integrated reporting, an enhanced scorecard and APA's Sustainability Roadmap and strategy.
People and culture	<p>Our leaders are held accountable for creating cultural alignment with APA's Code of Conduct to drive expected behaviours and establish a workplace where everyone feels safe, respected and included.</p> <p>Our inclusive culture is a prerequisite to our ability to attract, engage, develop and retain a diverse pool of people with the required skills and capabilities in a competitive talent market.</p>	<ul style="list-style-type: none"> • APA's Board People and Remuneration Committee has oversight of this risk. • Execution of effective talent programs to develop and maintain talent pipelines. • Delivery of comprehensive learning and development programs including leadership programs to build the skills and capability required for now and the future. • Implementation of inclusion and diversity programs to improve diversity, employee experience, inclusion and belonging. • Identification of clear expectations of behaviour in APA's Code of Conduct and Respect at Work procedure.
Technology strategy and operations	The risk of interruption to APA's operations due to unreliability of information and operational technology systems, applications, technology architecture or third-party providers.	<ul style="list-style-type: none"> • Manage APA's information and technology assets in accordance with recognised industry standards across hardware, software, applications and communication systems. • Regularly review and test information and operational technology systems, including SCADA control systems.
Cyber security	Cyber-attacks are increasing in frequency, scale and sophistication across both our communities and industry. We play a pivotal role in Australia's essential energy supply chain and could be the target for a cyber incident. Breaches may involve sensitive commercial and/or personal information or impact the operation of critical infrastructure assets and systems possibly leading to shutdowns of our energy assets.	<ul style="list-style-type: none"> • APA's Board Risk Management Committee has oversight of this risk • Continue to strengthen the security of APA assets, cater for emerging threats, security regulation and stakeholder expectations. • Robust security monitoring and incident response processes supported by regular exercises and security control assurance programs. • Compulsory security awareness training for APA Board, employees and contractors, including how to identify phishing emails and keep data safe and a regular program of random testing. • Apply cyber security standards across APA information and technology systems, including those managed by third-party vendors, with standards continually assessed against new threats and vulnerabilities.

Financial and compliance risks

Financial risks are those arising from the management of APA's financial resources, accounting, tax and financial disclosures.

Risk	Description	Managing the risk
Legal, compliance and operating licences	APA is exposed to the risk of operating within a highly regulated environment with complex legal requirements, operating licence conditions, industry standards/code of practice and corporate obligations.	<ul style="list-style-type: none"> Comprehensive Enterprise Compliance Management Framework is in place with regulations identified, controls monitored and assurance operating. Dedicated specialist teams provide asset level monitoring and assurance for technical, safety, environment and cultural heritage compliance.
Debt and capital management	The risk arising from reduced business and financial flexibility due to ineffective management of APA's debt and capital or limited availability, or unfavorable pricing, timing and access to debt and equity funding.	<ul style="list-style-type: none"> Board-approved risk limits and Treasury Risk Management Policy. Annual independent reviews of corporate and asset models underpinning investment decisions. Effective debt and capital management strategy and hedging against interest rate movements and foreign currency rate fluctuations. Maintain access to a broad range of global banking and debt capital markets.

Key emerging risks

Below we note several key emerging risks that are highly uncertain by nature.

These are reviewed by the Board Risk Management Committee regularly and the full Board in strategic reviews on an annual basis.

Emerging Risk	Description	Approach
Global economic slowdown	Global economic slowdown impacts financial markets and customer demand, potentially reducing gas contract capacity demand and recontracting revenue, access to new debt markets and liquidity and commodity prices.	<ul style="list-style-type: none"> Harness strong capital management disciplines, including hedging arrangements and customer credit monitoring. Actively monitor commodity pricing impacting the sourcing of goods and materials used in large construction projects and domestic demand. Closely monitor changes in energy demand including substitution.
Geopolitical uncertainty	Geopolitical uncertainty with rising tensions in the region and continuation of the Russia/Ukraine and Middle East conflicts impacting changes in sanctions regimes, international energy demand, rising national security interests and worsening supply chain disruption.	<ul style="list-style-type: none"> Continue to evaluate options for alternative sources of supply for international construction procurement. Conduct resilience updates for information technology infrastructure, including cyber resilience. Focus on gas reserving management, including increases in gas line pack to meet high demand periods.
Severe commodity shocks	Abrupt shocks to the supply and demand of systemically important commodities at a global scale that strain budgets: chemicals, emissions, energy, foods, metals and minerals.	<ul style="list-style-type: none"> Continue to diversify across energy sectors – gas, wind, solar and batteries, as well as diversifying our customer base.
Uncontrolled misinformation and disinformation	Simple to use interfaces of social media coupled with AI has already enabled a volume of synthetic content that deepens polarised views and confrontation. There is a risk of misrepresentation and long-term reputational damage and disruption of business operations.	<ul style="list-style-type: none"> Continued planning and engagement with local communities, government and the media to ensure energy information is timely and correct.

Outlook

Based on current available information and with the Pilbara Energy System acquisition included in full for FY25, Underlying EBITDA¹ guidance is being provided for FY25 of \$1,960 million to \$2,020 million.

The FY25 distribution is expected to be 57.0 cents per security, an increase of 1.8% on FY24. The level of growth in distribution reflects APA's disciplined approach to capital management which balances distribution growth and funding our growth opportunities while maintaining our BBB/Baa2 investment grade credit ratings.

As part of the energy supply chain, APA can be affected by regulatory changes, economic downturns and reductions in energy demand. Given market conditions are not certain, APA's revenues will continue to be subject to regulatory dynamics, customer recontracting and investment decisions.

Looking ahead, APA is in a strong position to continue executing its growth program, investing for the long-term energy needs of its customers.

Refer to the Risks and Opportunities section of this report for detail of APA Group's approach to managing material risks, opportunities and emerging trends.

¹ Underlying earnings before interest, tax, depreciation, and amortisation ('EBITDA') excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.



OVERVIEW

OPERATING AND
FINANCIAL REVIEW

PERFORMANCE

GOVERNANCE

APA INFRASTRUCTURE
TRUST FINANCIAL REPORT

APA INVESTMENT
TRUST FINANCIAL REPORT

ADDITIONAL
INFORMATION

Image: Badgingarra Wind Farm, WA

Governance

Robust corporate governance policies and practices facilitate the responsible creation of long-term value for securityholders and help us to meet the expectations of other stakeholders.



Image: Mondarra Gas Storage and Processing Facility, WA

APA Group Board

The Board of APA is responsible for the proper management of APA's business and affairs. The Board's primary role is to approve APA's strategic intent, provide leadership and effectively oversee the implementation of strategy and a system of risk management. To assist it in carrying out its responsibilities, the Board has established five standing committees, each with its own charter approved by the Board. The Board has also delegated responsibility for the day-to-day management of APA to the Chief Executive

Officer and Managing Director and other members of the Executive Leadership Team, subject to the Delegations of Authority Policy, as amended by the Board from time to time.

The specific responsibilities of the Board and each standing committee are detailed in APA's Corporate Governance Statement. Copies of our Corporate Governance Framework and related Deed Poll can be found on our website at apa.com.au



APA Group Board



Michael Fraser

BCom FCPA MAICD

Independent Chairman

Appointed
1 September 2015

Appointed Chairman
27 October 2017

Michael Fraser has more than 35 years' experience in the Australian energy and infrastructure sectors.

Michael has an extensive background in all aspects of the Australian energy market, including with the development of renewable energy projects and related firming infrastructure. He has held various executive positions at AGL Energy, including the role of Managing Director and Chief Executive Officer for a period of seven years to February 2015.

Michael is a current Director of Orora Limited. He is a former Chairman of the Clean Energy Council, Elgas Limited, ActewAGL and the NEMMCO Participants Advisory Committee, as well as a former Director of Aurizon Holdings Limited, Queensland Gas Company Limited, the Australian Gas Association and the Energy Retailers Association of Australia.

Michael is Chair of the Nomination Committee and a member of the Safety & Sustainability Committee.



Adam Watson

BBus FCPA GAICD

Chief Executive Officer and Managing Director

Appointed
19 December 2022

Adam Watson was appointed Chief Executive Officer and Managing Director in December 2022. He joined APA Group in November 2020 as Chief Financial Officer (CFO).

Adam has deep local and international experience in the industrial and manufacturing sectors and in the development, delivery and operations of critical infrastructure. He previously held senior executive roles at Transurban, Australia's largest infrastructure business, Melbourne Airport and BlueScope Steel. Adam has extensive experience in public private partnerships and his senior leadership roles have spanned finance, commercial, strategy, corporate development and operations.

Adam is a Director of Energy Networks Australia and a member of the Climate Leaders Coalition and Champions of Change.



James Fazzino

BEc (Hons) FCPA

Independent Director

Appointed
21 February 2019

James Fazzino brings to the Board extensive local and international experience in industrial, manufacturing and emerging energy markets.

James held the role of Managing Director and Chief Executive Officer at Incitec Pivot Limited for eight years up until 2017. In this role he built significant experience in sustainability and in the safe operation of high hazard and high-risk facilities in remote locations. James also has experience building strategic customer relationships and in the delivery of world-scale hydrogen projects.

James is currently the Chair of Manufacturing Australia and Chair of Rabobank Australia Limited and a Director of Qube Holdings Limited. He is also a convener of the Champions of Change Coalition, a group of senior business executives focused on gender equality and inclusive workplaces. He was formerly the Chairman of Tassal Group Limited and Osteon Medical.

James is Chair of the Safety & Sustainability Committee, and a member of the Audit & Finance Committee, Risk Management Committee and the Nomination Committee.



Debra (Debbie) Goodin

BEc FCA MAICD

Independent Director

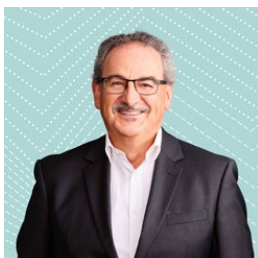
Appointed
1 September 2015

Debra (Debbie) Goodin brings to the Board experience in the infrastructure, construction, engineering services and energy sectors as both a senior executive and director.

Debbie has held senior finance, operations and corporate development roles in both the private and public sectors, including as a chief financial officer and chief operating officer. As an experienced non-executive director, Debbie has local and global experience in organisational leadership, financial management, operations and risk management and as chairman and audit and risk committee, chair of organisations in the infrastructure and service delivery sectors.

Debbie is currently Chairman of Atlas Arteria Limited and a Director of Ansell Limited. She was formerly a Director of oOh!media Limited, Senex Energy Limited, Ten Network Holdings Limited and Australia Pacific Airports Corporation Limited.

Debbie is Chair of the Audit & Finance Committee and a member of the Risk Management Committee and the Nomination Committee.



Nino Ficca

BEL, GradDip
(Management),
Fellow (FIEAust), MAICD

Independent Director

Appointed
1 September 2023

Nino Ficca brings to the Board over 40 years' experience in the energy and infrastructure sectors.

Nino has extensive senior executive experience in strategic and operational roles, including in the National Electricity Market and gas markets. He held the role of Managing Director of AusNet Services Limited and its predecessors, SP AusNet and SPI Powernet, from 2001–2019.

Nino is currently a Non-Executive Director of the Australian Energy Market Operator and Transurban Queensland Group, Co-Founder and Adviser of TasRex and a member of Deakin University Council. He is a previous Director and Chair of Energy Networks Australia and CIGRE Australia.

Nino is a member of the People & Remuneration Committee, the Safety & Sustainability Committee and the Nomination Committee.



Peter Wasow

BCom GradDip
(Management)
Fellow (CPA Australia)

Independent Director

Appointed
19 March 2018

Peter Wasow brings to the Board significant global experience in the energy and resources sectors as both a senior executive and director. He retired as Managing Director and Chief Executive Officer of Alumina Limited in 2017 and previously held senior executive positions at Santos Limited and BHP.

Peter was formerly a Non-Executive Director of Alcoa of Australia Limited, AWA Brazil Limitada, AWAC LLC, Alumina Limited, Oz Minerals Limited and the privately held GHD Group.

Peter is Chair of the People & Remuneration Committee, and a member of the Audit & Finance Committee, Risk Management Committee and the Nomination Committee.



Rhoda Phillippo

MSc
Telecommunications
Business GAICD

Independent Director

Appointed
1 June 2020

Rhoda Phillippo brings to the Board over 30 years of local and international experience in the telecommunications, technology and energy sectors.

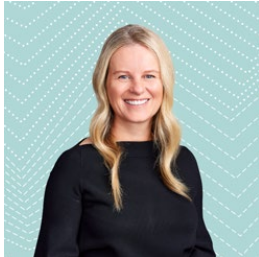
Rhoda has held senior executive roles in the telecommunications, IT and energy sectors in the UK, NZ and Australia including as Managing Director of Lumo Energy. She also has significant experience in infrastructure mergers and acquisitions in Australia and overseas.

Rhoda is currently a Non-Executive Director with Dexus Funds Management Ltd and Waveconn Group Holdings Management Pty Ltd.

She was formerly a Non-Executive Director and Chair of Kinetic IT Pty Ltd, Non-Executive Director of Pacific Hydro, Datacom Group Limited, Vocus Group Ltd and LINQ, the Chair of Snapper Services in New Zealand and Deputy Chair of Kiwibank in New Zealand.

Rhoda is Chair of the Risk Management Committee and a member of the Audit & Finance Committee, People & Remuneration Committee and the Nomination Committee.

APA Executive Leadership



Petrea Bradford
BEng GAICD
Group Executive Operations

Petrea Bradford joined APA Group in August 2023 as Group Executive Operations and is responsible for the operations of APA Group's infrastructure portfolio.

Petrea has 25 years' experience in the oil and gas, renewables and aviation sectors, including senior leadership roles in operations, engineering, international development and strategy.

Petrea is responsible for the operations, maintenance, stay in business capital projects and asset management of APA's infrastructure portfolio that spans electricity and gas transmission, renewable power generation and gas distribution networks.



Amanda Cheney
LLB (Hons) BArts FGIA
Group Executive Legal and Governance

Amanda Cheney is responsible for APA Group's legal, company secretariat, risk, compliance and insurance, and internal audit functions.

Amanda has over 20 years' experience advising on major energy and infrastructure projects in Australia and internationally. She joined APA more than 10 years ago and has played a pivotal role in driving transformation and growth in a range of projects across the business.

Prior to joining APA, Amanda worked as a lawyer in private practice with leading law firms in Australia and Japan.



Ross Gersbach
BBus
Group Executive Strategy and Corporate Development

Ross Gersbach is responsible for APA Group's strategy, market analytics, corporate development, and regulation and policy functions.

Ross has over 25 years' experience in senior commercial positions across a range of energy-related sectors, covering infrastructure investments, mergers and acquisitions, strategic development and the management of energy infrastructure assets.

Ross joined APA in 2008 and has previously held several leadership positions, including Chief Executive, Strategy and Corporate Development.



Kevin Lester
BEng MIEAust CPEng
EngExec GAICD
Group Executive Infrastructure Delivery

Kevin Lester is responsible for APA Group's Infrastructure Delivery division, including the planning, approvals, engineering, procurement, construction and commissioning of the company's growth projects.

Kevin has over 35 years' experience across the mining, resources and energy sectors managing the delivery of major infrastructure projects.

Kevin joined APA over 10 years ago and is responsible for supporting APA's \$22 billion portfolio of assets, developing and delivering growth projects, which pursues innovation, technology and new energy opportunities.



Elizabeth (Liz) McNamara
BEc (Hons) PCSB
GAICD
Group Executive Sustainability and Corporate Affairs

Elizabeth (Liz) McNamara is responsible for APA Group's sustainability and corporate affairs functions.

Liz has 25 years' experience in corporate affairs and leadership roles across large public service and ASX-listed organisations, including in energy, mining, investment banking and transport.

Liz joined APA in 2022 to lead the company's Sustainability and Corporate Affairs division and is responsible for the development and execution of APA's climate change and sustainability, government and industry relations, communications and brand functions.



Darren Rogers

BEng MEng MBA GAICD

Group Executive Energy Solutions

Darren Rogers is responsible for APA Group's customer, business development and commercial functions, along with the company's work in future energy, including APA's Pathfinder program.

Darren has experience across the energy sector working in large and complex businesses, including in senior commercial, operations, engineering and asset management roles.

Darren joined APA in 2017 and previously held the role of Group Executive, Operations, responsible for the safe operations, maintenance and asset management of the company's infrastructure portfolio, including gas and electricity transmission, renewable power generation and gas distribution networks.



Garrick Rollason

BA BCom MAppFin
Melb FCA (ICAEW)

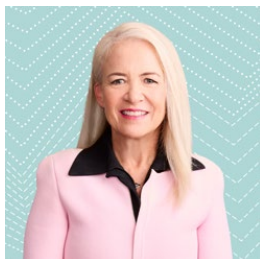
Chief Financial Officer

Garrick Rollason joined APA Group as Chief Financial Officer (CFO) in October 2023.

Garrick is responsible for APA's finance, taxation, treasury capital markets, corporate finance, investor relations, technology, cyber and physical security, procurement, real estate, and shared services activities.

Garrick has more than 20 years' experience in energy, infrastructure and capital markets, including leadership roles in finance, insurance, revenue management, investment, risk, governance, procurement, and property.

Prior to APA Group, Garrick was CFO at Victoria Power Networks (CitiPower & Powercor) and United Energy and previously a Director in the Investment Banking Division at Credit Suisse.



Jane Thomas

BBus LLB (Hons)
MPsychol (org)
GAICD Fellow AHRI

Group Executive People, Safety and Culture

Jane Thomas is responsible for APA Group's health, safety, environment and heritage systems, and people and culture functions.

Jane has 30 years' experience across industries spanning energy, mining, banking and finance, retail and manufacturing.

Jane joined APA in 2021 and has driven a strengthened focus on culture and business transformation across the organisation. Prior to joining APA, she held senior leadership roles in major ASX-listed organisations and multinational global companies, leading people, health, safety, environment, community and legal functions.



Vin Vassallo

BEng (Hons)

Group Executive Electricity Transmission

Vin Vassallo is responsible for APA Group's Electricity Transmission division.

Vin has more than 30 years' experience in leading the development and delivery of infrastructure both in Australia and North America, including under Private Public Partnerships, and managing business teams in complex environments.

Vin joined APA in 2022 and is responsible for the development of new business in electricity transmission with a focus on contracted and regulated electricity transmission infrastructure.

Corporate Governance Framework overview

APA comprises two registered managed investment schemes – APA Infrastructure Trust and APA Investment Trust – the securities of which are stapled together and traded on the ASX.

APA Group Limited is the responsible entity of those trusts and is responsible for APA's corporate governance practices.

The Board and our Executive Leadership Team are committed to conducting APA's business in accordance with high standards of corporate governance. We believe robust corporate governance policies and practices help us to create long-term value for securityholders and to meet the expectations of other stakeholders.

Due to our stapled trust structure, there are certain governance and remuneration-related obligations under the Corporations Act and the ASX Listing Rules that do not apply to us.

In line with the Board's commitment to high standards of corporate governance, we have:

- adopted a Corporate Governance Framework (1 July 2017)
- entered into a related Deed Poll (adopted in 2004 and amended in 2011)

which together are designed to ensure that APA's corporate governance regime is consistent, as far as is practicable, with the best practice procedures of public-listed companies.

APA complies with each of the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition). The Board periodically reviews and approves material corporate governance principles, policies and procedures in line with market practice, the expectations of our stakeholders and regulatory developments.

Our [2024 Corporate Governance Statement](#) provides further information about our approach to governance during FY24.

Our Corporate Governance Framework



Board skills matrix

In FY24, the Board adopted a graded reporting style to the Board skills matrix whereby Directors assessed their competency against each skill according to a rating of High, Practiced and Awareness. The Board skills matrix in APA's [2024 Corporate Governance Statement](#) includes a full breakdown of Directors' skills and experience, and level of competency, in areas of strategic importance to APA.

Key focus areas of the Board

The APA Board has actively overseen management's delivery against APA's strategy over FY24. Major activities and actions taken by the Board are summarised below. Further information on the activities of the Board and Board Committees is disclosed within the Corporate Governance Statement.

 <p>PEOPLE</p>	<ul style="list-style-type: none"> • Continue to refine APA's remuneration principles to align with market practice, APA's behaviours, purpose, strategic direction and risk appetite. • Approved APA's Gender Target Action Plan including gender related targets to be included in senior executive KPIs. • Continued to invest in leadership and talent development for people, building capability, engaging our workforce and driving a high-performance culture through our partnership with externally facilitated executive leadership programs.
 <p>INFRASTRUCTURE AND BUSINESS INTELLIGENCE</p>	<ul style="list-style-type: none"> • Oversee the delivery of projects through regular reporting and Post-Investment Reviews to ensure we continually learn and improve our approach to project management and delivery outcomes. • Visit APA sites including Basslink Interconnector in George Town, Tasmania and APA's newly acquired Pilbara Energy System assets in Port Hedland to observe site operations, and interact with our team members to gain a better understanding of key risks and opportunities, and challenges. • Consider project approvals aligned to APA's strategy to maximise long-term securityholder value and become the partner of choice for our customers.
 <p>OUR CUSTOMERS AND PARTNERS</p>	<ul style="list-style-type: none"> • Engaged with customers, securityholders and other key stakeholders at industry events, site visits and meetings. • Received updates on customer and stakeholder engagement as well as reputation and perception measurements.
 <p>ENVIRONMENT</p>	<ul style="list-style-type: none"> • Approved APA's 2023 Climate Report. • Monitor progress against APA's Climate Transition Plan through quarterly reporting to the Safety & Sustainability Committee. • Review quarterly climate updates on climate-related risks, opportunities and progress. • Through the Audit & Finance Committee, received an update on APA's readiness for adoption of the mandatory climate reporting disclosures under the proposed Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information Exposure Draft.
 <p>SOCIAL LICENCE</p>	<ul style="list-style-type: none"> • Receive updates on our modern slavery risks across our operations and supply chain including approving APA's Modern Slavery Statement. • Through the Safety & Sustainability Committee, oversaw progress against APA's commitments identified in our Reflect Reconciliation Action Plan.
 <p>FINANCIAL</p>	<ul style="list-style-type: none"> • Oversaw the acquisition and capital raise for the Pilbara Energy System assets. • Maintain a strong financial position and prudent approach to capital management to ensure APA executes its strategy and maximises long-term securityholder value. • Reviewed relevant accounting issues and policies, including Delegations of Authority and Treasury Risk Management. • Diversified sources of capital. • Maintain investment grade credit rating with key rating agencies.

Directors' Report

The Directors of APA Group Limited (the Responsible Entity) submit their report of APA Infrastructure Trust (APA Infra) and its controlled entities (together, APA or Consolidated Entity) for the financial year ended 30 June 2024. This report refers to the consolidated results of APA and APA Investment Trust (APA Invest).

Directors

The names of the Directors of the Responsible Entity during the year and since year end are:

Current Directors	First appointed
Michael Fraser	1 September 2015 and appointed Chairman 27 October 2017
Adam Watson	Appointed Chief Executive Officer and Managing Director 19 December 2022
James Fazzino	21 February 2019
Nino Ficca	1 September 2023
Debra (Debbie) Goodin	1 September 2015
Rhoda Phillippo	1 June 2020
Peter Wasow	19 March 2018
Shirley In't Veld	19 March 2018. Retired on 28 March 2024

The Company Secretaries of the Responsible Entity during the year were Amanda Cheney and Bronwyn Weir.

Executive Leadership changes

- **Chief Financial Officer (CFO):** Garrick Rollason appointed as CFO effective 16 October 2023.
- **Group Executive Operations:** Petrea Bradford appointed as Group Executive of Operations effective 28 August 2023.

Subsequent events

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APA. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final distribution declaration

On 28 August 2024, the Directors declared a final distribution of 29.5 cents per security (\$378 million) for APA Group, an increase of 1.7%, or 0.5 cents per security over the previous corresponding period (30 June 2023: 29.0 cents). This comprises a distribution of 28.48 cents per security from APA Infrastructure Trust and a distribution of 1.02 cents per security from APA Investment Trust.

The APA Infrastructure Trust distribution represents 28.48 cents per security partially franked profit distribution. The APA Investment Trust distribution represents a 1.02 cent per security unfranked profit distribution. The distribution is expected to be paid on 18 September 2024.

Other than noted above and as disclosed elsewhere in this report, in the interval between 30 June 2024 and the date of this report, no matter or circumstance has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years.

Principal activities

Information on the principal activities of the Group and its business strategies and prospects is set out on page 50 of the Annual Report and forms part of this Directors' Report.

Operating Financial Review

Information on the operations and financial position of the Group and its business strategies and prospects is set out on pages 10–64 of the Annual Report and forms part of this Directors' Report.

Directors

Information on Directors and Company Secretary

For information relating to the qualifications and experience of Directors and Company Secretaries refer to pages 68–69.

Directorships of other listed companies

Directorships of other listed companies held by Directors at any time in the three years immediately before the end of the financial year:

Name	Company	Period of directorship
Michael Fraser	Aurizon Holdings Limited	February 2016 to February 2022
	Orora Limited	Since April 2022
Adam Watson	–	–
James Fazzino	Tassal Group Limited	May 2020 to November 2022
	Qube Holdings Limited	Since February 2024
Nino Ficca	–	–
Debra Goodin	Atlas Arteria Limited	Since September 2017, Chair since November 2020
	Ansell Limited	Since December 2022
Rhoda Phillippo	Dexus Funds Management Limited	Since February 2023
Peter Wasow	Oz Minerals Limited	November 2017 to May 2023

Directors’ Meetings

Further information on the Board and Committees can be found in APA’s Corporate Governance Statement which is available on our website.

During the year, 11 Board meetings, four Risk Management Committee meetings, four Audit and Finance Committee meetings, five People and Remuneration Committee meetings, five Safety and Sustainability Committee meetings, and six Nomination Committee meetings were held.

	Board		People and Remuneration Committee		Audit and Finance Committee		Risk Management Committee		Safety and Sustainability Committee		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Directors												
Michael Fraser	11	11	–	–	–	–	–	–	5	5	6	6
Adam Watson	11	11	–	–	–	–	–	–	–	–	–	–
James Fazzino	11	11	–	–	4	4	4	4	5	5	2	2
Nico Ficca ¹	8	8	3	3	–	–	–	–	4	4	2	2
Debra Goodin	11	9	–	–	4	4	4	4	1	1	6	6
Rhoda Phillippo	11	11	5	5	4	4	4	4	–	–	2	2
Peter Wasow	11	10	5	5	4	4	4	4	–	–	2	2

¹ Nino Ficca appointed as a Director effective 1 September 2023

A Number of meetings held during the time the Director held office or was a member of the committee during the financial year.

B Number of meetings attended.

Directors’ security holdings

The aggregate number of APA securities held directly, indirectly or beneficially by Directors or their related entities at 30 June 2024 is 328,285.

Directors' relevant interests in APA securities

Name	Fully paid securities as at 1 July 2023	Securities acquired	Securities disposed	Fully paid securities as at 30 June 2024
Michael Fraser	102,942	3,547	–	106,489
Adam Watson	55,556	41,844	–	97,400
James Fazzino	30,751	3,547	–	34,298
Nino Ficca ¹	–	12,500	–	12,500
Debra Goodin	24,179	3,547	–	27,726
Rhoda Phillipppo	17,960	2,365	–	20,325
Peter Wasow	26,000	3,547	–	29,547
Shirley In't Veld ²	25,000	–	–	25,000

¹ Nino Ficca was appointed as a Director effective 1 September 2023 at which time he held nil securities.

² Shirley In't Veld retired as a Director 28 March 2024. Balance as at date of ceasing to be a Director.

As at 30 June 2024, Adam Watson held 595,930 performance rights granted under APA Group's long-term incentive plan. Each performance right is a right to receive one ordinary stapled security in APA subject to satisfaction of certain performance hurdles. Further information can be found in section 9 of APA's Remuneration Report.

The Directors hold no other rights or options over APA securities. There are no contracts to which a Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver APA securities.

Options granted

No options over unissued APA securities were granted during or since the end of the financial year. No unissued APA securities were under option at the date of this report. No APA securities were issued during or since the end of the financial year as a result of an option being exercised over unissued APA securities.

Indemnification of Officers

During the year, the Responsible Entity paid a premium on a contract insuring the Directors and Officers of any APA Group entity against certain liability incurred in performing those roles. The contract of insurance prohibits disclosure of the specific nature of the liability and the amount of the premium.

APA Group Limited, in its own capacity and as responsible entity of APA Infra and APA Invest, indemnifies each Director and Company Secretary, and certain other executives, former executives and officers of the Responsible Entity or any APA Group entity, under a range of deed polls and indemnity agreements, which have been in place since 1 July 2000. The indemnity operates to the full extent allowed by law but only to the extent not covered by insurance and is on terms the Board considers usual for arrangements of this type.

Under its constitution, APA Group Limited (in its personal capacity) indemnifies each person who is or has been a Director, Company Secretary or Executive Officer of that Company.

The Responsible Entity has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or external auditor of the Responsible Entity or any APA Group entity against a liability incurred by such an officer or auditor.

Remuneration Report

The Remuneration Report is set out on pages 78–97 of the Annual Report and forms part of this Directors’ Report.

Auditors

Auditor’s independence

A copy of the independence declaration of the auditor, Deloitte Touche Tohmatsu, as required under section 307C of the Corporations Act 2001, is included on page 174.

Non-audit services

A description of any non-audit services provided during the financial year by the Auditor and the amounts paid or payable to the Auditor for these services are set out in note 28 to the financial statements.

The Board has considered the non-audit services provided by the Auditor. In accordance with advice provided by the Audit and Finance Committee (the Committee), the Board is satisfied that this provision is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and does not compromise the auditor independence requirements of the Act.

The Board concluded that the non-audit services provided did not compromise the Auditor’s independence because:

- All non-audit services were subject to APA’s corporate governance procedures with respect to such matters and have been reviewed by the Committee to ensure they do not impact on the Auditor’s impartiality and objectivity.
- The non-audit services provided did not undermine the general principles relating to auditor independence as they did not involve reviewing or auditing the Auditor’s own work, acting in a management or decision-making capacity for APA, acting as an advocate for APA or jointly sharing risks and rewards.
- The Auditor has provided a letter to the Committee with respect to the Auditor’s independence and the Auditor’s independence declaration referred to above.

Information required for registered schemes

Fees paid to the Responsible Entity and its associates (including Directors and Secretaries of the Responsible Entity, related bodies corporate and Directors and Secretaries of related bodies corporate) out of APA scheme property during the financial year are disclosed in note 27 to the financial statements.

Except as disclosed in this report, neither the Responsible Entity nor any of its associates holds any APA securities.

The number of APA securities issued during the financial year, and the number of APA securities on issue at the end of the financial year, are disclosed in note 21 to the financial statements.

The value of APA’s assets at the end of the financial year is disclosed in the balance sheet in total assets. The basis of valuation is disclosed in the notes to the financial statements.

Rounding of amounts

APA is an entity of the kind referred to in ASIC Corporations Instrument 2016/191. In accordance with that Class Order, amounts in the Directors’ Report and the financial report are rounded to the nearest million dollars, unless otherwise indicated.

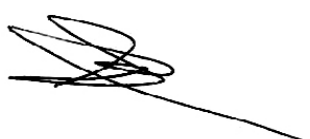
Authorisation and signatures

The Directors’ Report is signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Michael Fraser
Chairman
Sydney, 28 August 2024.



Adam Watson
Chief Executive Officer and Managing Director

Letter from the Chair of the People and Remuneration Committee

I am pleased to present the Remuneration Report of the APA Group (APA or the Company) for financial year 2024.

APA has delivered solid growth in earnings and distributions with new assets, including the Pilbara Energy System (Pilbara) business, making a strong contribution. Underlying EBITDA increased by 9.7% to \$1,893 million and our distribution increased by 1.8% to 56.0 cents. Our Free Cash Flow (FCF) was flat (increasing by 0.3% to \$1,073m), this is reflective of higher interest costs to fund growth, higher tax payments and changes in working capital, partly offset by improved net receipts and payments.

Key Management Personnel (KMP) changes in FY24

In FY24 we appointed Mr Garrick Rollason as Chief Financial Officer and Ms Petrea Bradford as Group Executive (GE) Operations and Mr Darren Rogers moved into the GE Energy Solutions role.

FY24 executive remuneration framework and outcomes

There were no increases to Fixed Pay for the KMP roles in FY24. As foreshadowed in last year's Remuneration Report, the Short-Term Incentive (STI) opportunities for KMP roles (excluding the CEO/MD) were increased from a target opportunity of 40% of Fixed Pay (maximum of 60%) to a target opportunity of 50% of Fixed Pay (maximum of 75%). This change was based on a review of market benchmarking data and despite increasing the STI opportunity, our executive remuneration packages continue to place a higher weighting on the Long-Term Incentive (LTI) component.

Reflecting FY24 financial and non-financial performance, the STI outcome was 62.7% of maximum (94.0% of target) for the CEO/MD, and between 65.3% and 92.7% of maximum (98.0% and 139.0% of target) for other KMP roles.

The FY22 LTI was tested at the end of FY24. The relative Total Shareholder Return (TSR) performance metric was not met, however the Return on Capital (ROC) metric was met. This resulted in 50% of the LTI becoming available to vest according to APA's LTI vesting schedule.

Remuneration report strike at the 2023 AGM

25.79% of APA securities that were voted at the 2023 AGM voted against the FY23 Remuneration Report resulting in a "first strike". We have engaged with securityholders to understand their concerns, and a summary of the feedback and how we are addressing this feedback is set out in this report.

FY25 refinement to executive remuneration framework

There is one notable change being made to the framework for FY25 which relates to the LTI plan TSR metric. For the FY25 LTI grant we are expanding the TSR peer group to include additional companies of a similar size that are in similar or adjacent sectors. Further, we are aligning the vesting schedule to market practice (50% vesting at 50th percentile and 100% vesting at 75th percentile). The details of the FY25 LTI grant will be set out in our 2024 Notice of Meeting.

I hope you find this Remuneration Report informative. We look forward to your support and any questions at the 2024 AGM.



Peter Wasow

People and Remuneration Committee Chair

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1. Remuneration strike response

In the lead up to the 2023 AGM and during FY24, APA engaged with proxy advisors and securityholders to understand the concerns that impacted voting at the 2023 AGM. This engagement highlighted two key issues that contributed to the 25.79% of votes being cast against the FY23 Remuneration Report. These issues are summarised below, including how APA is responding to the feedback.

Issue 1 – EBITDA targets for the STI plan

The core issue raised by some securityholders was a concern related to the appropriateness of the outcome of the EBITDA component of the FY23 STI. The feedback was that the targets did not appear to be sufficiently challenging relative to the prior year result and relative to FY23 market consensus.

APA's actions in response:

In response to the feedback received the following actions have been taken:

- The Board reviewed the FY24 EBITDA targets that had been set in June 2023 to ensure they were appropriately challenging. This included consideration of management's forecasts, year-on-year performance and market expectations of APA (i.e. market consensus). As part of this work, the EBITDA targets and FCF targets for KMP were increased primarily to incorporate the Pilbara Energy acquisition. Through this review, the Board was satisfied that the FY24 targets were appropriately challenging.
- The Remuneration Report disclosure of targets and outcomes has been enhanced. This extends beyond EBITDA and has been enhanced across all the performance measures in the CEO/MD's scorecard.

Issue 2 – FY24 LTI grant TSR performance period and allocation price

A secondary issue that was raised by a smaller number of securityholders was feedback regarding the FY24 LTI grant, which was concurrent with the timing of the 2023 capital raising to fund the Pilbara Energy acquisition.

Specifically, APA did not sufficiently explain the approach used for the FY24 LTI to set the Volume Weighted Average Price (VWAP) for allocation and the TSR performance period which was different from prior years. Further, there was a view expressed that the approach was not aligned with securityholders.

APA's actions in response:

The matter itself was specific to the FY24 LTI grant due to the concurrent timing of the capital raising and is not an on-going part of APA's approach to executive remuneration. The Board recognise that more disclosure could have been provided by APA as to why this approach was adopted. In addition, and not specifically in response to this concern, APA will provide more disclosure on LTI grants going forward.

2. Individuals covered by the Remuneration Report

The Remuneration Report (the Report) for APA for FY24 has been prepared in accordance with Section 300A of the Corporations Act 2001. The information provided in this Report has been audited, unless indicated otherwise, and forms part of the Directors' Report.

This Report includes the following KMP:

Name	Role	Term as KMP
Non-Executive Directors (NEDs)		
Michael Fraser	Chair	Full year
James Fazzino	Director	Full year
Nino Ficca	Director	Part year from 1 September 2023
Debra (Debbie) Goodin	Director	Full year
Rhoda Phillippo	Director	Full year
Peter Wasow	Director	Full year
Former NEDs		
Steven (Steve) Crane	Director	Part year until 15 September 2022
Shirley In't Veld	Director	Part year until 28 March 2024
Executive KMP		
Adam Watson	Chief Executive Officer and Managing Director (CEO/MD)	Full year
Petrea Bradford	Group Executive (GE) Operations	Part year commencing 28 August 2023
Darren Rogers	GE Energy Solutions	Full year (GE Strategy & Commercial until 15 August 2023 and GE Energy Solutions commencing from 16 August 2023)
Garrick Rollason	Chief Financial Officer	Part year commencing 16 October 2023
Former Executive KMP		
Robert Wheals	Former CEO/MD	Part year until 30 September 2022 when ceased employment
Ross Gersbach	Former President North American Development	Part year KMP until 22 August 2022 when changed roles into a non-KMP role
Julian Peck	Former GE Strategy & Commercial	Part year KMP until 25 August 2022, and ceased employment 28 October 2022

The Board considered whether the Acting Chief Financial Officer (CFO) and Acting GE Operations that were in place for the initial months of FY24 met the definition of KMP. Both roles have been excluded from disclosure in the Remuneration Report on the basis that they were acting roles, and the CEO/MD and Board had authority and increased oversight over their activities and decisions.

3. Executive summary

3.1. Remuneration strategy

The Board recognises the important role remuneration plays in supporting and implementing the achievement of APA's operational strategy over both the short and long-term. The key principles of the remuneration policy and a summary of the executive remuneration framework are outlined below.

 <p>MARKET COMPETITIVE Provide competitive rewards to attract, motivate and retain highly skilled executives.</p>	 <p>BUSINESS STRATEGY Drive delivery of APA's growth strategy, while maintaining its financial strength.</p>	 <p>BEHAVIOURS Drive delivery of Health, Safety, Environment and Heritage (HSEH) strategy, caring for our people, communities, the environment and our assets, a customer focussed culture, and demonstrating the APA behaviours.</p>	 <p>SECURITYHOLDER ALIGNMENT Ensure executive performance and behaviours align with the interests of securityholders.</p>
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3.2. Executive remuneration snapshot

	Fixed Pay	STI	LTI
Purpose	To be market competitive to attract, motivate and retain individuals.	To reward executives for their contribution to APA's annual budget and performance targets, which will enable the achievement of long-term goals.	To focus executives on the achievement of APA's long-term business strategy and to create value and alignment with the experience of securityholders.
FY24 approach	Executive KMP roles are benchmarked against external positions in companies with a comparable market capitalisation, operate in a similar industry and/or are key competitors.	<p>The STI opportunity for Executive KMP (excluding the CEO/MD) was increased from a target opportunity of 40% of Fixed Pay (maximum of 60%) to a target opportunity of 50% of Fixed Pay (maximum of 75%).</p> <p>Subject to meeting the EBITDA gateway, performance is assessed against a scorecard of financial and non-financial measures.</p> <p>Each Executive KMP member has a unique scorecard comprising Group measures and role specific key performance indicators (KPI's), to reflect Group and individual accountabilities.</p>	Performance Rights are assessed against relative TSR (50%) and ROC (50%) over a three year performance period, with vested Performance Rights converting to securities in equal tranches over Years 3, 4 and 5
FY24 remuneration outcomes	No remuneration increases were applied to Executive KMP roles.	<p>As the EBITDA gateway was met, the STI pool was funded and outcomes were:</p> <ul style="list-style-type: none"> CEO: 62.7% of maximum (94.0% of target). Other Executive KMP: ranged from 65.3% and 92.7% of maximum (98.0% and 139.0% of target) <p>Section 4.2 provides details on scorecard outcomes.</p>	<p>The FY22 LTI award was tested at 30 June 2024 resulting in an outcome of 50% vesting.</p> <p>These rights will vest over 3 years with 1/3 vesting in August 2024, and the remaining 2/3 vesting in equal tranches in 2025 and 2026.</p> <p>Section 4.5 provides details on results against the relative TSR and ROC measures.</p>

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Minimum security holding requirement

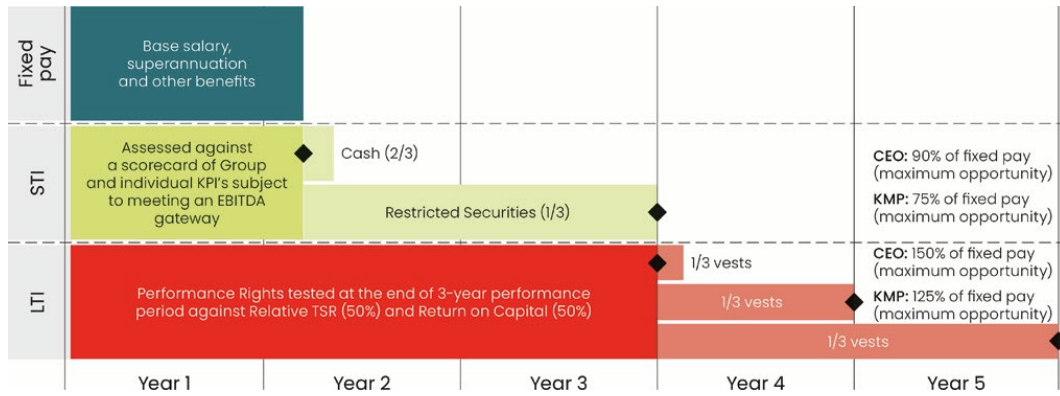
APA’s minimum security holding requirement requires key executives to hold a material security holding in APA Group. The requirement is to hold securities with a value of at least:

- CEO/MD: 100% of fixed pay; and
- Other Executive KMP: 50% of fixed pay.

Where the minimum security holding requirement has not been met, 1/3 of the STI payable will be deferred into Restricted Securities to help build individual security holding levels.

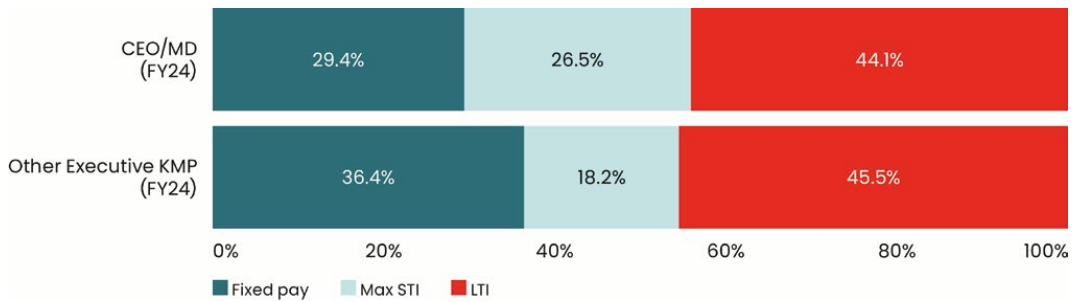
Executive KMP have five years from the date of appointment to their role to accumulate the required minimum value of securities.

Reward time horizon



Pay Mix

The pay mix graph below displays the proportion of fixed vs variable remuneration (STI and LTI) when the incentives are achieved at maximum (i.e. the STI at maximum, and the LTI calculated at face value assuming 100% vesting).



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4. FY24 performance and executive incentive outcomes

4.1. Company performance

The table below summarises APA's financial performance for the past 5 years.

Measure	FY24	FY23	FY22	FY21 ¹	FY20 ¹
Underlying EBITDA(\$m) ²	1,893	1,725	1,692	1,629	1,650
Profit after tax including significant items (\$m) ³	998	287	260	1	309
Profit after tax excluding significant items(\$m)	119	287	240	279	309
Free cash flow per security (cents)	83.6	90.7	91.6	76.4	81.1
Distribution per security (cents)	56.0	55.0	53.0	51.0	50.0
Closing security price at 30 June (\$)	7.99	9.69	11.27	8.90	11.13
CEO STI outcome (% of maximum)	62.7	78.9	66.1	66.4	37.0

Since listing in 2000, APA has paid an interim and full year distribution every year. Our distribution per security of 56.0 cents for FY24 represents a 1.8% increase on FY23.

¹ Restated for the impact of the provision for payroll review.

² Underlying EBITDA is EBITDA excluding non-recurring items arising from other activities, transactions not directly attributable to the performance of APA Group's business operations and significant items. The Board considers this to best reflect the core earnings of APA. Refer to note 3 of the Financial Statements.

³ Significant items in FY24 comprising of \$1051 million fair value remeasurement of APA's previously held 88.2% interest in Goldfields Gas Pipeline, \$(72) million Pilbara Energy System acquisition costs and \$(144) million non-cash impairment of the Moomba Sydney Ethane Pipeline (MSEP).

4.2. FY24 STI scorecard outcomes – CEO/MD

The Board reviewed the CEO/MD's performance considering his performance against the KPI's in his STI scorecard. The underlying EBITDA gateway was exceeded, and therefore the STI was available to be earned.

The Board assessed business performance against the STI scorecard and the CEO/MD's individual contribution to these results. As part of the assessment the Board considered the behaviours demonstrated in delivering against the scorecard and any other performance throughout the year (not already reflected in the STI scorecard).

Based on the Board's assessment, it deemed the scorecard outcome to be a holistic reflection of FY24 performance.

The table below summarises the outcomes against each KPI. Each KPI was assessed against a threshold (50%), target (100%) and stretch (150%) outcome. The KPIs are a mix of quantitative (70% of KPIs) and qualitative (30% of KPIs).

Measures and rationale	FY24 outcome	Further detail
Financial		
Underlying EBITDA (20% weighting)		
<p>EBITDA is our key financial metric to assess the financial health of our business. We aim to maintain financial strength through solid EBITDA growth. The EBITDA targets were originally based on budget for the year and an assessment of the potential risks and opportunities to inform the range of threshold and stretch. The EBITDA targets were increased from those that had been set at the outset of the year, primarily to include the business plan expected contribution to FY24 EBITDA from the Pilbara Energy acquisition (+\$89m).</p>		<p>Underlying EBITDA outcome was \$1,893 million (in line with budget and guidance) against a threshold of \$1,853 million, a target of \$1,891 million and a stretch of \$1,929 million. The EBITDA result is a 9.7% growth vs FY23.</p>
Free Cash Flow (10% weighting)		
<p>A focus on strong free cash flow growth ensures APA can continue to increase distributions and fund stay in business capital. The FCF targets were originally based on the budget for the year and an assessment of the potential risks and opportunities to inform the range of threshold and stretch. The FCF targets were increased during the year to include the business plan expected contribution to FY24 FCF from the Pilbara Energy acquisition (+\$17m). This FCF target was flat to FY23 due to higher interest costs to fund growth, higher tax payments and changes to working capital, partly offset by improved net receipts and payments.</p>		<p>Free cash flow was \$1,073 million against a threshold of \$1,019 million, a target of \$1,073 million and a stretch of \$1,116 million.</p>

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Measures and rationale	FY24 outcome	Further detail
<p>Deliver organic growth from deploying CAPEX (10% weighting)</p> <p>Assesses our ability to grow revenue streams organically. The metric is the dollar value of Final Investment Decisions on capex spend that meet APA's required hurdle rates. The target (and the threshold and stretch) is based on the pipeline of opportunities for the year ahead and an assessment of their probabilities.</p>		<p>Actual outcome of \$336 million of new approved capex spend against a threshold of \$175 million, a target of \$325 million and a stretch of \$475 million.</p>
<p>Execution of growth strategy (20% weighting)</p> <p>KPIs focussed on key strategic opportunities and capital investments that support the execution of our growth strategy. Each of these projects have strong links to APA's financial performance in terms of revenue opportunities, customer growth, efficiency and costs.</p>		<p>Strong foundational progress was made during the year including the Pilbara acquisition and its related growth opportunities. Whilst those growth opportunities continue to progress they have not yet reached Final Investment Decisions.</p> <p>The New England Renewable Energy Zone (REZ) was a key strategic growth focus and whilst good progress was made in positioning APA to bid competitively including establishing a partnership with EDF, the project has been delayed due to NSW Government processes.</p> <p>The integration of Basslink and the ERP implementation have both progressed according to plan and the Grid project that was also a key focus for FY24 is progressing as expected.</p> <p>Good progress continues with the broader growth pipeline including Kurri Kurri and CS Energy Brigalow.</p> <p>Considering all of the above and that some projects have yet to reach Final Investment Decision this KPI was assessed as threshold.</p>
<p>Non-financial</p>		
<p>Deliver Climate Transition Plan Objectives (10% weighting)</p> <p>Ensure progress against the FY24 priorities in the APA Climate Transition Plan.</p> <p>Note: Further information on APA's progress against the Climate Transition Plan is set out on page 44, and in our Climate Report which will be released in September 2024.</p>		<p>Delivery against priorities set for FY24 were assessed by the Board to be at the target level of expectation.</p> <p>Progress during FY24 included reductions in emissions in line with APA's commitments, reducing APA's energy intensity, continued progress with CTP abatement initiatives, pipeline leak repair and gas recovery, piloting enhanced methane measurement technology and operating targeted compressors more efficiently.</p>
<p>Health, Safety, Environment & Heritage (10% weighting)</p> <p>To improve safety, wellbeing, environmental and heritage performance and lead a safety focussed culture.</p>		<p>Performance is assessed against a combination of lead and lag indicators.</p> <p>The performance against the lead indicators (including HSEH interactions and execution of the HSEH priorities), was strong and assessed between Target and Stretch.</p> <p>The performance against the lag indicators showed strong progress on reducing overdue compliance orders, but there were three Tier 1 process safety incidents in the gas transmission business and two actual serious harm incidents.</p> <p>This resulted in an overall assessment of below target.</p>
<p>Culture (10% weighting)</p> <p>Support the culture of APA through our approach to Inclusion & Diversity, our employee engagement and robustness of succession planning</p>		<p>Performance is assessed against a combination of culture related metrics.</p> <ul style="list-style-type: none"> Improvements against the majority of our gender representation targets continued in FY24 with total employee representation of women rising to 32.4%, senior leader representation rising to 39.2%, and extended leadership representation rising to 37.7%. However, some of these fell slightly short of our aspiration for the year. The 2023 culture and engagement survey score was 72%, which was an increase on 2022 and ahead of our aspiration for the year. Performance against the talent retention and succession metrics was also strong and ahead of our targets for the year.
<p>Reputation (10% weighting)</p> <p>Maintain APA's reputation across internal and external stakeholders. This is measured using Reptrack and Newgate surveys.</p>		<p>Reputation is measured against the Reptrack Priority Stakeholder Score, the Reptrack General Score vs peers, and the Newgate Priority Stakeholder Trust Score. Each of these scores exceeded our targets for the year.</p>
<p>Scorecard outcome</p>		<p>62.7% of Maximum 94.0% of Target</p>

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4.3. FY24 STI performance scorecard outcomes – Other Executive KMP

Detailed below are the individual scorecard outcomes for Other Executive KMP. A number of group-wide KPIs (outlined in the CEO/ MD's STI scorecard above) apply as well as individual-specific KPIs, to reflect the nature of their role and contribution to APA's business outcomes.

Other Executive KMP outcomes ranged from 65.3% to 92.7% of maximum (98.0% to 139.0% of target).

Commentary on Ms Petrea Bradford's performance

Overall outcome of 103.0% of target, with key contributions being:

- The integration of the Pilbara and Basslink assets into APA's operations portfolio; and
- Driving strong operational performance including the management of change, reduction in overdue compliance work orders and cost management.

Commentary on Mr Darren Rogers' performance

Overall outcome of 139.0% of target, with key contributions being:

- Strong results in our re-contracting and securing organic growth opportunities during FY24, including Kurri Kurri; and
- Leading the acquisition and the successful integration of the Pilbara Energy business into APA.

Commentary on Mr Garrick Rollason's performance

Overall outcome of 98.0% of target, with key contributions being:

- The successful debt re-financing during FY24; and
- The delivery of the ERP project on time and budget.

4.4. STI outcomes

The table below provides an overview of the STI outcomes for FY24 for current KMP, delivered in a mix of cash and restricted securities.

Executive KMP	STI earned					STI forfeited	
	Cash \$	Restricted securities (deferred) \$	Total \$	% of target	% of maximum	Foregone \$	% of maximum
A Watson	902,400	—	902,400	94.0 %	62.7 %	537,600	37.3 %
P Bradford ⁴	241,253	120,626	361,879	103.0 %	68.7 %	165,129	31.3 %
D Rogers	639,400	—	639,400	139.0 %	92.7 %	50,600	7.3 %
G Rollason ⁵	212,672	106,336	319,009	98.0 %	65.3 %	169,270	34.7 %

⁴ Commenced employment on 28 August 2023.

⁵ Commenced employment on 16 October 2023.

4.5. LTI outcomes

Performance measurement approach

APA's LTI is designed to focus Executive KMP on the achievement of APA's long-term business strategy and to create alignment with the experience of securityholders. The LTI has two performance measures:

- 50% is subject to a relative TSR performance metric; and
- 50% is subject to a ROC performance metric.

Vesting of the LTI is dependent on achieving the above performance metrics with the Board having overarching discretion to ensure vesting outcomes are aligned to overall APA performance and the securityholder experience.

FY22 LTI testing and vesting

Performance period is from 1 July 2021 to 30 June 2024.

TSR (50% weighting)

- APA's TSR is measured against a group of ASX 100 bespoke peers in the infrastructure and gas sectors.
- As measured over the 3-years to 30 June 2024, APA's TSR performance was below the median relative to the peer group.
- 0% of the performance rights linked to the TSR hurdle vested.

Threshold	Maximum	Actual	Vesting outcome
50th percentile	82.5th percentile	26.67th percentile	0%

ROC (50% weighting)

- The ROC metric measures APA Group's operating earnings relative to the value of operating assets over a three-year performance period. A target range (a threshold and a maximum) is set based on the APA business plan. Refer to section 5.3 of this report for further detail of the ROC definition.
- APA's approach is to set and disclose ROC targets at the beginning of the performance period based on the outlook for the business at that time. If there are any significant changes to the outlook related to acquisitions or divestment transactions then as a matter of process APA adjusts the targets to account for these. This ensures:
 - A like-for-like comparison of targets with actual performance (which includes the impact of transactions), and
 - Management is held to account for delivering the outcomes intended as part of any transaction and are not materially advantaged or disadvantaged for pursuing or not pursuing a transaction.
- Typically incorporating a transaction into the ROC targets will reduce the targets as a non-depreciated asset is being added to the calculation. Conversely removing an assumed transaction that didn't proceed will typically increase the ROC targets.
- APA's approach resulted in the ROC targets for the FY20 and FY21 LTI plans being increased as no transaction in the United States was pursued (which had been assumed in the targets).
 - For the FY20 LTI this resulted in the vesting outcome being approx 31% lower than if the targets had not been adjusted.
 - For the FY21 LTI this resulted in no change to vesting.
- For the FY22 LTI, the original ROC targets set were 11.2% (threshold) and 11.5% (maximum). This was based on an assumption that an acquisition would be executed in the United States and were set before the Basslink and Pilbara transactions were known. Consistent with the approach in prior years, the Board adjusted the FY22 LTI targets to remove the US transaction which didn't proceed and include the Basslink and Pilbara transactions to ensure management are held to account for the performance of those acquisitions in line with the investment case and there is no material advantage or disadvantage. Overall, this lowered the ROC target as the impact of Pilbara and Basslink investment case on ROC targets was greater than the removal of the assumed United States transaction. However, this did not result in any change to the vesting outcome as illustrated in the table below. The actual result of 11.63% was higher than both the original and adjusted target

	Threshold	Maximum	Actual	Vesting outcome
Original targets	11.2%	11.5%	11.63%	100%
Adjusted targets ⁶	10.8%	11.1%		

Overall 50% percent of the FY22 LTI vested to the CEO & MD and other participants

FY23 LTI due to be tested at the end of FY25

The FY23 LTI plan is due to be performance tested at 30 June 2025.

The ROC targets for the FY23 LTI do not include any assumption about a US transaction (unlike prior grants) and they were set prior to the Basslink and Pilbara Energy transactions being concluded.

Consistent with the FY20, FY21 and FY22 LTI plans the Board's intention is to apply the same approach to those targets and adjust for the Basslink and Pilbara Energy acquisitions and any other significant changes related to transaction activity if any.

⁶ Adjusted to remove the assumed United States transaction that did not occur (increasing the targets), and to include the Basslink and Pilbara transactions (lowering the targets given the proportionally higher asset base for the return generated compared with the existing asset base).

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4.6. FY24 actual remuneration

The actual remuneration detailed in the table below differs from the statutory remuneration disclosed in section 8 which is subject to requirements under the Accounting Standards and Corporations Act.

The following is included in the table:

- Fixed pay and Cash STI – as received which relates to FY24.
- STI deferred equity released – awards from prior years which have met time restrictions as at 30 June 2024, but will be released in August 2024 following announcement of APA's FY24 financial results.
- LTI equity vested & released – FY20 LTI (Tranche 3), FY21 LTI (Tranche 2) and FY22 LTI (Tranche 1) that have met performance and time restrictions as at 30 June 2024, but will vest in August 2024 following announcement of APA's FY24 financial results.

Given this is not a statutory disclosure, only current KMP are included.

Executive KMP	Fixed pay \$ ⁷	Cash STI \$ ⁸	STI deferred equity released \$ ⁹	LTI equity vested & released \$ ¹⁰	Total \$
A Watson	1,600,000	902,400	–	326,921	2,829,321
P Bradford ¹¹	669,896	241,253	–	–	911,149
D Rogers	920,000	639,400	96,983	352,585	2,008,968
G Rollason ¹²	656,189	212,672	–	–	868,861

⁷ Fixed pay is inclusive of cash salary, employer superannuation, and any salary sacrifice items (including any relevant fringe benefits tax).

⁸ Cash STI refers to the cash portion of the STI, relating to performance in FY24. Payment will be made in September 2024.

⁹ STI deferred equity released is based on a VWAP of \$8.3541 (being the 20 trading days leading up to 30 June 2024).

¹⁰ Relates to rights vesting and converting to securities for Tranche 3 of the FY20 Performance Rights plan, Tranche 2 of FY21 Performance Rights plan and Tranche 1 of the FY22 Performance Rights plan. Valued based on a VWAP of \$8.3541 (being the 20 trading days leading up to 30 June 2024).

¹¹ Commenced employment on 28 August 2023.

¹² Commenced employment on 16 October 2023.

5. Executive remuneration policy and framework

APA's remuneration objective is to reward executives at the median of observed total remuneration for selected comparable companies when performance is at target and up to the 75th percentile for above target performance.

5.1. Fixed pay

Fixed pay includes base salary, employer superannuation, and any salary sacrifice items (including any relevant fringe benefits tax) such as car parking, motor vehicles and superannuation. The level of fixed pay is based on multiple factors, including the skills and experience of the individual, external market positioning and the size and complexity of the role.

5.2. STI plan

In addition to the information covered in section 3, further detail on the operation of the FY24 STI plan is provided below:

Feature	Description
Target opportunity	CEO/MD: 60% of fixed pay Other Executive KMP: 50% of fixed pay
Maximum Opportunity	CEO/MD: 90% of fixed pay Other Executive KMP: 75% of fixed pay
Performance period	One year.
Delivery	Cash (2/3) paid at the end of FY24 (in September 2024) and deferred equity (1/3) delivered as Restricted Securities which vest after 2-years (in August 2026) where the minimum security holding requirement is not met.
Allocation methodology of deferred STI	Restricted Securities are allocated at face value using a volume weighted average price (VWAP) of the 20 trading days leading up to (but not including) the day APA releases its full year financial results.

5.3. LTI plan

In addition to the information covered in section 3, further detail on the operation of the FY24 LTI plan is provided below:

Feature	Description
Opportunity	CEO/MD: 150% of fixed pay Other Executive KMP: 125% of fixed pay
Performance period	ROC: Three years (FY24, FY25 and FY26) TSR: 24 August 2023 to 30 June 2026
Grant date	6 November 2023
Delivery	Performance Rights are tested at the end of year three. Vested Performance Rights convert to securities and are released from restrictions in equal tranches at the end of year three, four and five. Performance Rights which do not vest are forfeited automatically unless the Board determines otherwise.
Allocation methodology	Performance Rights were allocated at face value using a VWAP of the 5 trading days from 24 August 2023 to 30 August 2023. No amount is payable on the grant or vesting of Performance Rights.
Performance measures	<p>Relative TSR (50%)</p> <p>Relative TSR measures the Group's TSR over a three-year period against a group of ASX100 bespoke peers in the infrastructure and gas sectors. Relative TSR has been selected to align executives with the experience of security holders and to ensure executives are only rewarded for outperformance against our peers. The peer group comprises of the following companies:</p> <ul style="list-style-type: none"> • AGL Energy • Atlas Arteria • Aurizon Holdings • Dexus • Goodman Group • GPT Group • Mirvac • Qube Holdings • Scentre Group • Stockland • Telstra • TPG Telecom • Transurban • Vicinity Centres <p>The Board retains discretion to vary the relative TSR peer group at the end of the performance period to reflect delistings, mergers and other corporate actions.</p> <p>The relative TSR component vests in accordance with the following scale:</p>

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Feature	Description										
	<table border="1"> <thead> <tr> <th>Hurdle</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>Below 50th percentile</td> <td>Nil</td> </tr> <tr> <td>At 50th percentile</td> <td>50%</td> </tr> <tr> <td>Between 50th and 82.5th percentile</td> <td>Straight line pro-rata vesting between 50% and 100%</td> </tr> <tr> <td>At 82.5th percentile and above</td> <td>100%</td> </tr> </tbody> </table>	Hurdle	Vesting outcome	Below 50th percentile	Nil	At 50th percentile	50%	Between 50th and 82.5th percentile	Straight line pro-rata vesting between 50% and 100%	At 82.5th percentile and above	100%
Hurdle	Vesting outcome										
Below 50th percentile	Nil										
At 50th percentile	50%										
Between 50th and 82.5th percentile	Straight line pro-rata vesting between 50% and 100%										
At 82.5th percentile and above	100%										
	<p>Return on capital (50%) The ROC metric measures APA Group's operating earnings achieved relative to value of operating assets over a three-year performance period. It has been selected to ensure management balances earnings improvements with prudent capital management.</p> <p>ROC is calculated as an average over three years by dividing underlying EBITDA by Funds Employed (FE). FE is determined by adjusting total assets per the balance sheet by excluding capital work in progress, excluding current and non-current portion of other financial assets (excluding redeemable preference shares), including working capital relating to assets under construction and normalised cash balances. Underlying EBITDA is the average for the current and following two financial years and FE is the average of seven data points as at the June and December half year ends for the current financial year and following two financial years, including the opening balance for the first year.</p> <p>Calculation of ROC will be determined by the Board and the Board retains discretion to adjust EBITDA and FE to account for extraordinary items, acquisitions, organisational changes or otherwise ensure that the vesting outcomes are appropriate.</p> <p>The ROC component vests in accordance with the following scale (which incorporate the Pilbara Energy acquisition):</p> <table border="1"> <thead> <tr> <th>Hurdle</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>Less than 11.1%</td> <td>0%</td> </tr> <tr> <td>Equal to 11.1%</td> <td>33%</td> </tr> <tr> <td>Greater than 11.1% up to 11.4%</td> <td>Straight line pro-rata vesting between 33% and 100%</td> </tr> <tr> <td>At or above 11.4%</td> <td>100%</td> </tr> </tbody> </table>	Hurdle	Vesting outcome	Less than 11.1%	0%	Equal to 11.1%	33%	Greater than 11.1% up to 11.4%	Straight line pro-rata vesting between 33% and 100%	At or above 11.4%	100%
Hurdle	Vesting outcome										
Less than 11.1%	0%										
Equal to 11.1%	33%										
Greater than 11.1% up to 11.4%	Straight line pro-rata vesting between 33% and 100%										
At or above 11.4%	100%										
Retesting	Re-testing of LTI awards is not permitted.										

5.4. Additional provisions

The table below summarises additional provisions as they relate to the remuneration of Executive KMP for FY24.

Provision	STI	LTI
Malus / Clawback	The Board in its discretion may determine that some, or all, of an Executive KMP's STI and/or LTI awards be forfeited (malus) or recouped (clawback) in the event of misconduct or of a material misstatement in the year-end financial statements, in accordance with provisions that are included within the STI and LTI plans and offer documentation to Executive KMP's.	
Distribution and voting rights	Restricted Securities carry the same distribution and voting rights as ordinary securities.	Unvested Performance Rights do not carry distribution and voting rights.
Cessation of employment	<p>Subject to Board discretion:</p> <ul style="list-style-type: none"> Where the participant is terminated summarily or resigns having breached their terms of employment, they will not be eligible for a STI payment for the relevant financial year. Where employment ceases for any other reason, a pro-rated STI award may be paid based on the performance period served and restricted securities awarded in prior years remain on-foot and are released in the ordinary course. 	<p>Subject to Board discretion:</p> <ul style="list-style-type: none"> Where the participant is terminated summarily or resigns having breached their terms of employment, all Performance Rights will automatically lapse. Where employment ceases for any other reason, unvested Performance Rights will remain on-foot subject to the original terms of grant and tested against performance metrics in the ordinary course.
Change of control	<p>Subject to Board discretion, if a change of control occurs, an STI award will be paid out based on the proportion of the period that has passed at the time of change of control to the extent to which performance conditions have been met.</p> <p>The Board has absolute discretion to determine whether any or all Restricted Securities are released from restrictions. Where the Board does not make a determination, all Restricted Securities will be released from dealing restrictions.</p>	The Board has absolute discretion to determine whether any or all Performance Rights vest. Where the Board does not make a determination, all Performance Rights will vest.

5.5. Executive KMP minimum security holding requirement

The minimum security holding requirement aligns the interests of Executive KMP and securityholders.

Within five years from the date of appointment to their role:

- The CEO/MD is required to hold securities to the value of 100% of Fixed Pay; and
- Other Executive KMP are required to hold securities to the value of 50% of Fixed Pay.

Mr Adam Watson and Mr Darren Rogers have met the minimum security holding requirement.

Mr Garrick Rollason and Ms Petrea Bradford are yet to meet the requirement. However, both remain within the five-year timeframe allowed to meet the requirement.

Details of Executive KMP security holdings may be found in Section 8.

6. Executive KMP contracts

Remuneration arrangements for Executive KMP are formalised in individual employment agreements.

Termination arrangements, in addition to normal statutory entitlements, are summarised in the table below.

	Total Fixed Pay (as at 30 June 2024)	Notice period
A Watson	\$1,600,000	<ul style="list-style-type: none"> • 9 months' notice by either APA or CEO/MD. • APA may provide payment in lieu of notice. • No notice is required by APA for termination for cause.
P Bradford	\$835,000	<ul style="list-style-type: none"> • 6 months' notice by either APA or the individual. • APA may provide payment in lieu of notice. • No notice is required by APA for termination for cause.
D Rogers	\$920,000	
G Rollason	\$920,000	

7. Non-executive Director remuneration

7.1. Determination of NED fees

The Board seeks to attract and retain high calibre NEDs who are equipped with the diverse skills needed to oversee all functions of APA in an increasingly complex environment. NED fees comprise of:

- A Board fee; and
- An additional fee for serving as a Chair or member of a Board Committee.

NED fees are inclusive of superannuation contributions which are provided in accordance with the statutory requirements under the Superannuation Guarantee Act. NEDs do not receive incentive payments nor participate in incentive plans.

The Board Chair does not receive additional fees for his membership on other Committees.

One-off 'per diems' may be paid in exceptional circumstances. No per-diem payments were made in FY24.

7.2. Aggregate NED fee pool

The aggregate NED fee pool as at 30 June 2024 was \$2,500,000.

7.3. Director fees

During FY24 the Board did not make any changes to director fees.

The following table sets out the FY24 NED fee policy.

	Chair \$	Member \$
Board	513,735	182,806
Audit & Finance Committee	40,883	20,391
Risk Management Committee	40,883	20,391
Safety & Sustainability Committee	40,883	20,391
People & Remuneration Committee	40,833	20,391
Nomination Committee	Nil	Nil

7.4. NED minimum security holding requirement

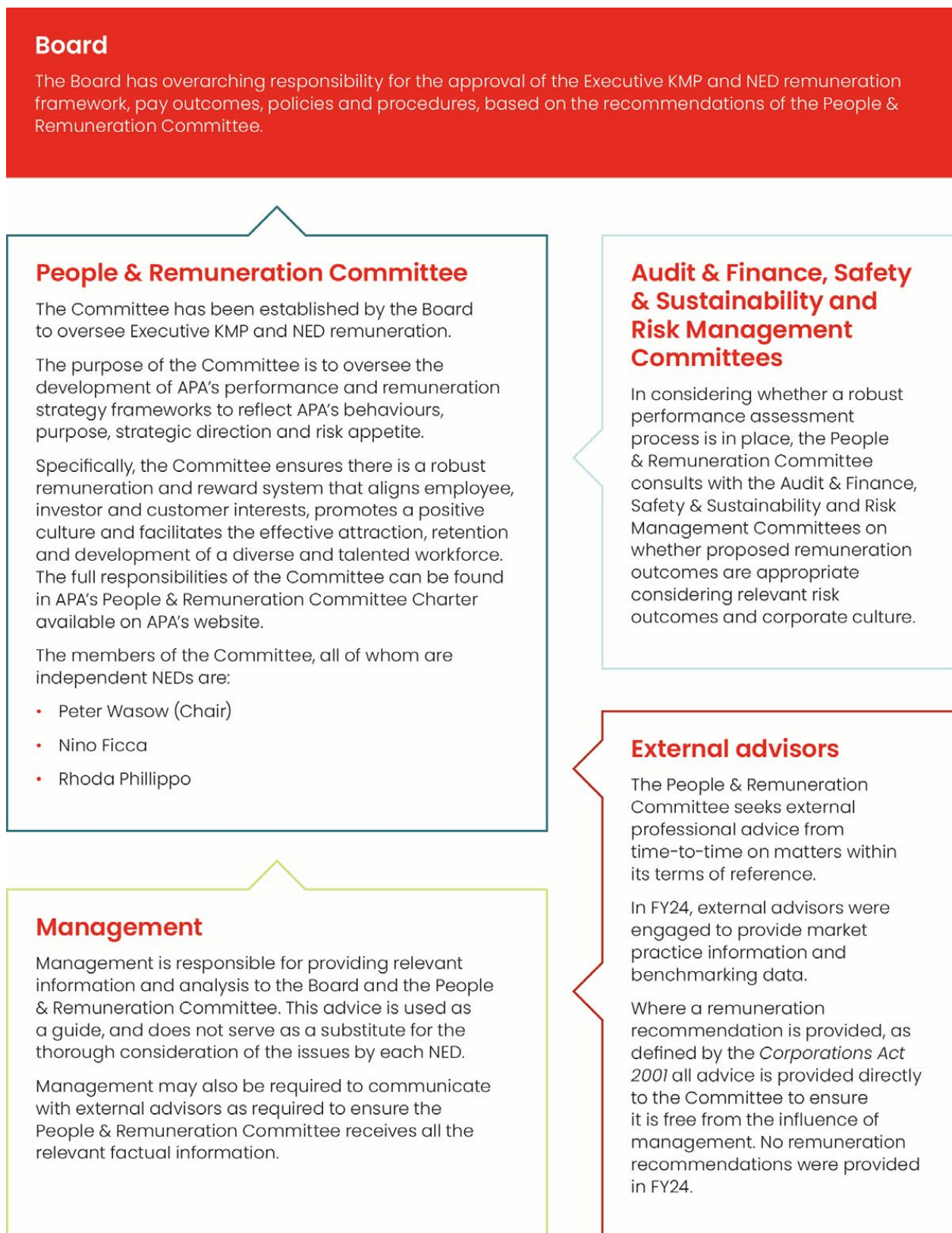
The minimum security holding requirement helps to ensure the alignment of the interests of NEDs and securityholders.

NEDs are expected to hold securities to a value not less than their annual Board fee (before tax and excluding fees payable for their membership on Committees). This level of security holding is to be held throughout their tenure as a NED and the requirement is to be met within five years of their appointment.

As at 30 June 2024, all NEDs met this requirement other than Mr Nino Ficca who joined the Board in 2023 and is within the timeframe available to accumulate the holding. Details of NED security holdings may be found in section 8.

8. Remuneration governance

The diagram below outlines the remuneration governance framework in place at APA.



9. Statutory tables

The following tables outline the amounts recognised as an expense in the respective years, determined in accordance with the relevant accounting standards.

9.1. Executive KMP statutory remuneration

	Short-Term Employment Benefits				Other	Post Employment	Security-based payments		Total
	Salary ¹³	Awarded Cash STI ¹⁴	STI Deferral	Termination ¹⁵		Superannuation	Legacy LTI Plan	Equity settled Security Based ¹⁶	
A Watson									
2024	1,572,601	902,400	—	—	—	27,399	—	900,215	3,402,615
2023 ¹⁷	1,441,355	765,377	201,359	—	—	25,292	—	608,563	3,041,946
P Bradford									
2024 ¹⁸	642,497	241,253	120,626	—	—	27,399	—	154,142	1,185,917
D Rogers									
2024 ¹⁹	892,601	639,400	—	—	—	27,399	92,405	578,435	2,230,240
2023	883,120	415,576	—	—	—	25,292	59,189	480,030	1,863,207
G Rollason									
2024 ²⁰	635,640	212,672	106,336	—	—	20,549	—	169,834	1,145,031
Former Executive KMP									
R Wheals²¹									
2023	412,427	253,361	—	1,645,153	—	12,646	104,077	2,120,475	4,548,139
R Gersbach²²									
2023	152,437	63,747	—	—	36,778	3,673	16,726	76,953	350,314
J Peck²³									
2023	136,213	58,755	—	62,763	—	5,951	—	—	263,682
Total Remuneration									
2024	3,743,339	1,995,725	226,962	—	—	102,746	92,405	1,802,626	7,963,803
2023	3,025,552	1,556,816	201,359	1,707,916	36,778	72,854	179,992	3,286,021	10,067,288

¹³ Salary includes both fixed pay and any salary sacrificed items, such as motor vehicles or car parking (including any applicable fringe benefits tax). It is exclusive of any superannuation contributions.

¹⁴ Awarded STI relates to that element of remuneration which is earned by the Executive KMP in respect of performance during the financial year (or for the relevant period that they were KMP as set out in the Report).

¹⁵ Reflects the payment in lieu of notice and other statutory entitlements required to be paid on termination.

¹⁶ For equity settled security-based payments, an expense is recognised equal to the portion of service received based on the fair value of the equity instrument at grant date.

¹⁷ Remuneration reflects KMP position moves during the period, including time in CFO, Acting CEO/MD, and CEO/MD positions.

¹⁸ Commenced employment on 28 August 2023.

¹⁹ Legacy LTI Plan amount represents the outcome which vested as at 30 June 2023 and was paid in August 2023, as disclosed in the 2023 Remuneration Report.

²⁰ Commenced employment on 16 October 2023.

²¹ Ceased employment on 30 September 2022.

²² Ceased as KMP on 22 August 2022.

²³ Ceased as KMP on 25 August 2022.

9.2. NED statutory remuneration disclosure

Financial Year	Short-term employment benefits	Post-employment benefits	Total \$
	Fees \$	Superannuation \$	
M Fraser			
FY24	486,336	27,399	513,735
FY23	488,443	25,292	513,735
J Fazzino			
FY24	238,263	26,209	264,472
FY23	230,276	24,179	254,455
N Ficca²⁴			
FY24	167,859	18,465	186,324
D Goodin			
FY24	222,954	24,525	247,479
FY23	239,191	25,115	264,306
R Phillippo			
FY24	238,263	26,209	264,472
FY23	229,256	24,072	253,328
P Wasow			
FY24	238,263	26,209	264,472
FY23	235,377	24,715	260,092
<i>Former NEDs</i>			
S Crane²⁵			
FY23	43,868	4,512	48,380
S Int 'Veld²⁶			
FY24	150,274	16,530	166,804
FY23	207,490	21,786	229,276
Total			
FY24	1,742,212	165,545	1,907,758
FY23	1,673,901	149,671	1,823,572

²⁴ Commenced in role on 1 September 2023.

²⁵ Ceased in role on 15 September 2022.

²⁶ Ceased in role on 28 March 2024.

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9.3. Outstanding awards under current LTI plan

The following table sets out the movements in the number of Performance Rights granted to executives as remuneration, and any amounts vested or forfeited during the financial year.

	Opening balance at 1 July 2023	Performance Rights granted in FY24 as remuneration	Grant date	Vested in FY24	Forfeited / lapsed or other change in FY24	Closing balance on 30 June 2024	Fair value of Performance Rights at grant date \$
A Watson							
FY21 LTI	106,426	-	12/11/2020	17,738	53,213	35,475	682,723
FY22 LTI	128,367	-	11/12/2020	-	-	128,367	683,340
FY23 LTI	162,462	-	12/16/2022	-	-	162,462	1,050,588
FY24 LTI	-	269,626	11/6/2023	-	-	269,626	1,406,100
P Bradford							
FY24 LTI	-	117,259	11/6/2023	-	-	117,259	611,506
D Rogers							
FY20 LTI	24,476	-	12/13/2019	12,238	-	12,238	342,895
FY21 LTI	71,698	-	11/12/2020	11,950	35,849	23,899	459,943
FY22 LTI	108,098	-	11/10/2021	-	-	108,098	575,442
FY23 LTI	100,990	-	12/16/2022	-	-	100,990	653,069
FY24 LTI	-	129,196	11/6/2023	-	-	129,196	673,757
G Rollason							
FY24 LTI	-	129,196	11/6/2023	-	-	129,196	673,757

The fair value of performance rights in the above is calculated based on fair value, grant date, vesting date and individual vesting conditions for the relative TSR and ROC metric vesting conditions as set out in the table below.

Grant year		TSR			ROC		
		Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
FY20	Fair value	\$4.47	\$4.27	\$4.08	\$9.57	\$9.15	\$8.75
	Grant date		13/12/2019			13/12/2019	
	Vesting date	August 2022	August 2023	August 2024	August 2022	August 2023	August 2024
FY21	Fair value	\$4.17	\$3.97	\$3.79	\$9.28	\$8.85	\$8.43
	Grant date		12/11/2020			12/11/2020	
	Vesting date	August 2023	August 2024	August 2025	August 2023	August 2024	August 2025
FY22	Fair value	\$3.58	\$3.40	\$3.23	\$7.62	\$7.24	\$6.87
	Grant date		10/11/2021			10/11/2021	
	Vesting date	August 2024	August 2025	August 2026	August 2024	August 2025	August 2026
FY23	Fair value	\$4.19	\$3.98	\$3.79	\$9.40	\$8.94	\$8.50
	Grant date		16/12/2022			16/12/2022	
	Vesting date	August 2025	August 2026	August 2027	August 2025	August 2026	August 2027
FY24	Fair value	\$3.88	\$3.66	\$3.46	\$7.14	\$6.76	\$6.39
	Grant date		3/11/2023			3/11/2023	
	Vesting date	August 2026	August 2027	August 2028	August 2026	August 2027	August 2028

9.4. Sign-on equity awards

The following table sets out the sign on equity awards made to Executive KMP. These awards were to compensate for equity and incentives forgone by resigning from their previous employers. No performance conditions were attached to these sign-on awards.

	Grant Date	Number of rights	Vesting date
P Bradford	02/10/2023	49,154	28/08/2024
G Rollason	03/11/2023	22,896	16/10/2024

9.5. Security holdings

The following table sets out APA Group stapled securities held by KMP or their closely related parties, directly, indirectly or beneficially.

Year ended 30 June 2024	Opening Balance at 1 July 2023	Securities Acquired	Securities Disposed	Closing Balance at 30 June 2024	Meets minimum security holding requirement as at 30 June 2024
NEDS					
M Fraser	102,942	3,547	–	106,489	Yes
J Fazzino	30,751	3,547	–	34,298	Yes
N Ficca ²⁷	–	12,500	–	12,500	No
D Goodin	24,179	3,547	–	27,726	Yes
R Phillippo	17,960	2,365	–	20,325	Yes
P Wasow	26,000	3,547	–	29,547	Yes
Former NEDs					
S In't Veld ²⁸	25,000	–	–	25,000	N/A
Executive KMP					
A Watson	55,556	41,844	–	97,400	Yes
P Bradford ²⁹	–	–	–	–	No
D Rogers	49,597	27,735	–	77,332	Yes
G Rollason ³⁰	–	–	–	–	No

²⁷ Commenced in role on 1 September 2023 hence opening balance is shown as at this date. Still within 3 year period to achieve MSR requirement of 100% of base fee.

²⁸ Ceased in role on 28 March 2024 hence closing balance is shown as at this date.

²⁹ Commenced employment on 28 August 2023 hence opening balance is shown as at this date. Still within 5 year period to achieve MSR requirement of 50% of TFR

³⁰ Commenced employment on 16 October 2023 hence opening balance is shown as at this date. Still within 5 year period to achieve MSR requirement of 50% of TFR.

9.6. Loans to KMP and other transaction of KMP and personally related entities

During FY24, there were no transaction between KMP or their close family members and APA Group other than as described in this report.

There are no loans with any KMP.

A number of KMP have control or joint control of other entities (outside APA Group). During the year, there have been no transactions between those entities and APA Group, and no amounts were owed by or to APA Group from those entities.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 \$m	2023 \$m
Revenue		3,039	2,890
Share of net profits of associates and joint ventures using the equity method		25	23
	4	3,064	2,913
Asset operation and management expenses		(253)	(227)
Depreciation and amortisation expenses	5	(919)	(750)
Other operating costs – pass-through	5	(473)	(512)
Finance costs	5	(627)	(479)
Employee benefit expense	5	(470)	(398)
Other income/(expenses) ¹		912	(82)
Fair value (losses)/gains on contracts for difference	19	(17)	12
Impairment of property, plant and equipment ²	2	(144)	–
Profit before tax		1,073	477
Income tax expense	6	(75)	(190)
Profit for the year		998	287
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit plan		7	5
Income tax relating to items that will not be reclassified subsequently		(2)	(1)
		5	4
Items that may be reclassified subsequently to profit or loss:			
Transfer of gain on cash flow hedges to profit or loss		262	167
Loss on cash flow hedges taken to equity		(45)	(705)
(Loss)/gain on associate hedges taken to equity		(9)	4
Income tax relating to items that may be reclassified subsequently		(62)	160
		146	(374)
Other comprehensive income/(loss), net of income tax		151	(370)
Total comprehensive income/(loss) for the year		1,149	(83)
Profit attributable to:			
Unitholders of the parent		978	263
Non-controlling interest – APA Investment Trust unitholders		20	24
APA stapled securityholders		998	287
Total comprehensive income attributable to:			
Unitholders of the parent		1,129	(107)
Non-controlling interest – APA Investment Trust unitholders		20	24
APA stapled securityholders		1,149	(83)
Earnings per security			
Basic and diluted (cents per security)	7	78.9	24.3

¹ On 1 November 2023, APA Group acquired the Pilbara Energy System business (being Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd). As part of the acquisition, APA Group acquired the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. The acquisition required APA Group's historical 88.2% interest to be remeasured to fair value resulting in a valuation uplift of \$1,051 million. Refer to note 2 and note 25 for further details relating to the acquisition.

² During the year, APA Group impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 2 and note 13 for further details.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	2024 \$m	2023 \$m
Current assets			
Cash and cash equivalents	18	676	513
Trade and other receivables	9	433	374
Other financial assets	20	176	49
Inventories		83	55
Other		19	42
Current assets		1,387	1,033
Non-current assets			
Trade and other receivables	9	7	27
Other financial assets	20	220	430
Investments accounted for using the equity method	23	262	273
Property, plant and equipment	11	12,477	10,755
Goodwill	12	1,882	1,184
Other intangible assets	12	3,293	2,130
Other	15	35	34
Non-current assets		18,176	14,833
Total assets		19,563	15,866
Current liabilities			
Trade and other payables	10	555	471
Lease liabilities	17	20	16
Borrowings	18	1,899	202
Other financial liabilities	20	215	207
Provisions	14	160	159
Unearned revenue		15	13
Current liabilities		2,864	1,068
Non-current liabilities			
Trade and other payables	10	1	9
Lease liabilities	17	50	47
Borrowings	18	11,023	11,321
Other financial liabilities	20	443	452
Deferred tax liabilities	6	1,469	894
Provisions	14	386	113
Unearned revenue		79	52
Non-current liabilities		13,451	12,888
Total liabilities		16,315	13,956
Net assets		3,248	1,910

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position (continued)

	Note	2024 \$m	2023 \$m
Equity			
APA Infrastructure Trust equity:			
Issued capital	21	2,400	1,964
Reserves		(553)	(700)
Retained earnings		654	79
Equity attributable to unitholders of the parent		2,501	1,343
Non-controlling interests:			
APA Investment Trust:			
Issued capital		734	555
Retained earnings		13	12
Equity attributable to unitholders of APA Investment Trust	22	747	567
Total equity		3,248	1,910

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	APA Infrastructure Trust				APA Investment Trust				Total	
	Issued capital \$m	Asset revaluation reserve ¹ \$m	Share-based payments reserve ² \$m	Hedging reserve ³ \$m	Retained earnings \$m	Attributable to owners of the parent \$m	Issued capital \$m	Retained earnings \$m		APA Investment Trust \$m
Balance at 1 July 2022	2,225	9	6	(343)	75	1,972	644	13	657	2,629
Profit for the year	—	—	—	—	263	263	—	24	24	287
Other comprehensive income	—	—	—	(534)	5	(529)	—	—	—	(529)
Income tax relating to components of other comprehensive income	—	—	—	160	(1)	159	—	—	—	159
Total comprehensive income for the year	—	—	—	(374)	267	(107)	—	24	24	(83)
Payment of distributions (note 8)	(261)	—	—	—	(263)	(524)	(89)	(25)	(114)	(638)
Equity settled long-term incentives (net of tax)	—	—	2	—	—	2	—	—	—	2
Balance at 30 June 2023	1,964	9	8	(717)	79	1,343	555	12	567	1,910
Balance at 1 July 2023	1,964	9	8	(717)	79	1,343	555	12	567	1,910
Profit for the year	—	—	—	—	978	978	—	20	20	998
Other comprehensive income	—	—	—	208	7	215	—	—	—	215
Income tax relating to components of other comprehensive income	—	—	—	(62)	(2)	(64)	—	—	—	(64)
Total comprehensive income for the year	—	—	—	146	983	1,129	—	20	20	1,149
Payment of distributions (note 8)	(177)	—	—	—	(408)	(585)	(78)	(19)	(97)	(682)
Equity settled long-term incentives (net of tax)	—	—	1	—	—	1	—	—	—	1
Securities issued under institutional placement ⁴	475	—	—	—	—	475	200	—	200	675
Securities issued under retail securities purchase plan ⁵	141	—	—	—	—	141	59	—	59	200
Securities issued under distribution reinvestment plan ⁶	2	—	—	—	—	2	1	—	1	3
Security issues costs, net of tax	(5)	—	—	—	—	(5)	(3)	—	(3)	(8)
Balance at 30 June 2024	2,400	9	9	(571)	654	2,501	734	13	747	3,248

1 The asset revaluation reserve arose on the revaluation of the existing interest in a pipeline as a result of a business combination. Where revalued pipelines are sold, the portion of the asset revaluation reserve which relates to that asset is effectively realised and is transferred directly to retained earnings. The reserve can be used to pay distributions only in limited circumstances.

2 The share-based payments reserve represents the expenses recognised in the Consolidated Statement of Profit or Loss equal to the portion of the services received based on the fair value of the equity instrument at grant date.

3 The hedging reserve represents the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. The cumulative deferred gain or loss on the hedge is recognised in the Consolidated Statement of Profit or Loss when the hedged transaction impacts profit or loss, consistent with the applicable accounting policy.

4 On 29 August 2023, the Group issued 79.4 million new stapled securities via institutional placement at an issue price of \$8.50.

5 On 22 September 2023, the Group issued 23.7 million new stapled securities via security purchase plan at an issue price of \$8.46.

6 On 14 March 2024, the Group issued 0.4 million new stapled securities via distribution reinvestment plan (DRP) at an issue price of \$8.27.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts from customers		3,272	3,126
Payments to suppliers and employees		(1,586)	(1,479)
Dividends received from associates and joint ventures		14	19
Proceeds from repayments of finance leases		1	1
Interest received		47	21
Interest and other costs of finance paid		(540)	(460)
Income taxes paid		(52)	(22)
Net cash provided by operating activities		1,156	1,206
Cash flows from investing activities			
Payments for property, plant and equipment ¹		(1,053)	(1,166)
Proceeds from sale of property, plant and equipment ²		41	211
Payments for intangible assets		(43)	(14)
Payments for controlled entities, net of cash acquired ³		(1,615)	-
Capital return from Joint Venture		13	-
Net cash used in investing activities		(2,657)	(969)
Cash flows from financing activities			
Proceeds from borrowings		3,423	-
Repayments of borrowings		(1,905)	(3)
Receipts from debt and hedge settlements		4	-
Proceeds from issue of securities		875	-
Payments for security issue costs		(11)	-
Repayments of lease liabilities		(18)	(16)
Transaction costs related to borrowings		(25)	(7)
Distributions paid to:			
Unitholders of APA Infrastructure Trust (net of DRP issuance)	8	(582)	(524)
Unitholders of non-controlling interests – APA Investment Trust (net of DRP issuance)	8	(97)	(114)
Net cash provided by/(used in) financing activities		1,664	(664)
Net increase/(decrease) in cash and cash equivalents		163	(427)
Cash and cash equivalents at beginning of financial year		513	940
Cash and cash equivalents at end of financial year	18	676	513

¹ Included in FY23 is the net consideration paid of \$110 million to acquire Basslink.

² Included in FY24 is the second post completion proceeds of \$40 million from the sale of the Orbost Gas Processing Plant on 28 July 2022. Included in FY23 is the proceeds from the \$210 million upfront component of the proceeds from the same asset sale.

³ Payments for acquisition of subsidiaries, net of cash acquired is the consideration paid to acquire the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 25 for further details.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows (continued)

Reconciliation of profit for the year to the net cash provided by operating activities

	Note	2024 \$m	2023 \$m
Profit for the year		998	287
Impairment of property, plant and equipment	2	144	–
Profit on disposal of property, plant and equipment		(1)	–
Share of net profits of joint ventures and associates using the equity method		(25)	(23)
Dividends received from equity accounted investments		14	19
Remeasurement of APA's previous 88.2% interest in GGT joint operations ¹	2	(1,051)	–
Depreciation and amortisation expenses		919	750
Finance costs		60	2
Effect of exchange rate changes		1	3
Amortisation of hedging loss		–	4
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²		38	37
Equity settled long-term incentives		1	2
Changes in assets and liabilities:			
Trade and other receivables		(39)	(51)
Inventories		(19)	(9)
Other assets		16	(13)
Trade and other payables		73	21
Provisions		(11)	16
Other liabilities		15	(8)
Income tax balances		23	169
Net cash provided by operating activities		1,156	1,206

¹ The remeasurement relating to APA's previously held interest of 88.2% in Goldfields Gas Transmission (GGT) joint operations in accordance with AASB 3 Business Combinations. Refer to note 2 and 25 for further details.

² In February 2022, following entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025. The revenues were previously hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Notes to the consolidated financial statements

Basis of Preparation

1. About this report

In the following financial statements, note disclosures are grouped into six sections being: Basis of Preparation; Financial Performance; Operating Assets and Liabilities; Capital Management; Group Structure; and Other. Each note sets out the accounting policies applied in producing the results along with any key judgements and estimates used.

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Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information

APA Group comprises of two trusts, APA Infrastructure Trust and APA Investment Trust, which are registered managed investment schemes regulated by the Corporations Act 2001. APA Infrastructure Trust units are "stapled" to APA Investment Trust units on a one-to-one basis so that one APA Infrastructure Trust unit and one APA Investment Trust unit form a single stapled security which trades on the Australian Securities Exchange under the code "APA".

Australian Accounting Standards require one of the stapled entities of a stapled structure to be identified as the parent entity for the purposes of preparing a consolidated financial report. In accordance with this requirement, APA Infrastructure Trust is deemed to be the parent entity. The results and equity attributable to APA Investment Trust, being the other stapled entity which is not directly or indirectly held by APA Infrastructure Trust, are shown separately in the financial statements as non-controlling interests.

The financial report represents the consolidated financial statements of APA Infrastructure Trust and APA Investment Trust (together the "Trusts"), their respective subsidiaries and their share of joint arrangements and associates (together "APA Group"). For the purposes of preparing the consolidated financial report, APA Group is a for-profit entity.

Total comprehensive income attributable to non-controlling interests is reported as disclosed in the separate financial statements of APA Investment Trust. Comprehensive income arising from transactions between the parent (APA Infrastructure Trust) group entities and the non-controlling interest (APA Investment Trust) have not been eliminated in the reporting of total comprehensive income attributable to non-controlling interests.

All intra-group transactions and balances have been eliminated on consolidation. Where necessary, adjustments are made to the assets, liabilities, and results of subsidiaries, joint arrangements and associates to bring their accounting policies into line with those used by APA Group.

APA Infrastructure Trust's registered office and principal place of business is as follows:

Level 25
580 George Street
SYDNEY NSW 2000
Tel: (02) 9693 0000

The consolidated general purpose financial report for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 28 August 2024.

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. The financial report including prior year comparatives is presented in Australian dollars and all values are rounded to the nearest million dollars (\$ million) in accordance with ASIC Corporations Instrument 2016/191, unless otherwise stated.

Foreign currency transactions

Both the functional and presentation currency of APA Group is Australian dollars (A\$). All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date and resulting exchange differences are recognised in profit or loss in the period in which they arise, unless they qualify for hedge accounting.

Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying APA Group's accounting policies, a number of judgements and estimates have been made. Judgements and estimates which are material to the financial statements are found in the following disclosures:

- Property, plant and equipment (note 11)
- Carrying value of non-financial assets (note 13)
- Provision for payroll review (note 14)
- Restoration provision (note 14)
- Fair value of financial instruments (note 19(c))
- Equity accounted investments (note 23)
- Acquisition of Pilbara Energy System (note 25)
- Commitments and contingencies (note 26)

Judgements and estimates require assumptions to be made about highly uncertain external factors such as: discount rates; probability factors; the effects of inflation within the Reserve Bank of Australia's guidance range; the outlook for global and regional gas market supply-and-demand conditions; contract renewals; outcome of regulatory review and determination; asset useful lives; environmental regulations; and climate-related risks. As such the actual outcomes may differ as a result of change in these judgements and assumptions.

These judgements, estimates and assumptions are based on the most current facts and circumstances and are reassessed on an ongoing basis, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions in respect of laws, regulations, climate change, licences and recognised practising codes including health, safety and environment, employee entitlements, environmental laws and regulations and asset construction and operation. This may materially affect the financial results and the financial position to be reported in future periods.

Working capital

As at 30 June 2024, APA Group's current liabilities exceeded current assets by \$1,477 million (2023: current liabilities exceeded current assets by \$35 million) primarily as a result of current borrowings of \$1,899 million.

APA has access to sufficient available cash and committed undrawn bank facilities of \$2,276 million as at 30 June 2024 (2023: \$2,111 million) to meet the repayment of current borrowings on the due date and to assist in the ongoing funding of the business. APA Group continues to fund its growth with appropriate levels of equity, cash retained in the business, and debt in order to maintain strong BBB/Baa2 credit ratings.

The Directors continually monitor APA Group's working capital position, including forecast working capital requirements and have ensured that there are appropriate funding strategies and debt facilities in place to accommodate the funding of capital expenditure and debt repayments as and when they fall due.

Significant items

Individually significant items included in profit after income tax expense are as follows:

	2024 \$m	2023 \$m
Significant items impacting profit before tax		
Remeasurement of APA's previous 88.2% interest in GGT joint operations ¹	1,051	–
Impairment of property, plant and equipment ²	(144)	–
Pilbara Energy System acquisition costs ³	(72)	–
Total significant items impacting profit before tax	835	–
Income tax related to significant items above	44	–
Profit from significant items after income tax	879	–

¹ The remeasurement relating to APA's previously held interest of 88.2% in Goldfields Gas Transmission (GGT) joint operations in accordance with AASB 3 Business Combinations. The tax effect is included in the deferred tax recognised on acquisition. Refer to note 25 for further details.

² During the year, APA Group impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 13 for further details.

³ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Acquisition and stamp duty costs of \$72 million have been incurred to 30 June 2024. Refer to note 25 for further details.

Notes to the consolidated financial statements (continued)

Financial Performance

3. Segment information

APA Group operates in one geographical segment, being Australia and the revenue from major products and services is shown by the reportable segments.

APA Group comprises the following reportable segments:

- Energy Infrastructure: APA's wholly or majority owned energy infrastructure assets across gas transmission, compression, processing, storage, electricity generation and transmission (gas and renewables), and battery energy storage system;
- Asset Management: The provision of asset management and operating services for third parties and the majority of APA's Energy Investments; and
- Energy Investments: APA's interests in energy infrastructure investments.

Reportable segments

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment revenue¹					
Revenue from contracts with customers	2,424	118	—	—	2,542
Pass-through revenue	55	418	—	—	473
Total revenue from contracts with customers	2,479	536	—	—	3,015
Equity accounted net profits	—	—	25	—	25
Other income	13	—	—	—	13
Finance lease and investment interest income	1	—	1	—	2
Total segment revenue	2,493	536	26	—	3,055
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²	(38)	—	—	—	(38)
Other interest income	—	—	—	47	47
Total revenue	2,455	536	26	47	3,064

¹ The segment revenue reported represents revenue generated from external customers. Any inter-segment sales were immaterial.

² In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)
3. Segment information (continued)**

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment result					
Segment underlying EBITDA ¹	1,959	69	—	—	2,028
Share of net profits of joint ventures and associates using the equity method	—	—	25	—	25
Finance lease and investment interest income	—	—	1	—	1
Corporate costs	—	—	—	(161)	(161)
Total underlying EBITDA¹	1,959	69	26	(161)	1,893
Fair value loss on contracts for difference ²	(17)	—	—	—	(17)
Technology transformation projects ³	—	—	—	(84)	(84)
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ⁴	(38)	—	—	—	(38)
Pilbara Energy System integration costs ⁵	—	—	—	(14)	(14)
Payroll review ⁶	—	—	—	(4)	(4)
Total reported EBITDA⁷	1,904	69	26	(263)	1,736
Depreciation and amortisation	(901)	(18)	—	—	(919)
Total reported EBIT⁸	1,003	51	26	(263)	817
Net interest cost ⁹					(579)
Profit before tax excluding significant items					238
Income tax expense					(119)
Profit after tax excluding significant items					119
Significant items before tax ¹⁰					835
Reported profit before tax					1,073
Significant items after tax ¹⁰					879
Reported profit after tax					998

¹ Underlying earnings before interest, tax, depreciation, and amortisation ("EBITDA") excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

² The amount represents a net loss arising from electricity contracts for difference that economically hedge the future cash flows of the electricity contracts for which hedge accounting is not applicable.

³ The amount represents costs associated with technology and transformation projects to develop and uplift organisation capabilities, including SaaS customisation and configuration costs incurred during implementation.

⁴ In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁵ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Integration costs of \$14 million have been incurred to 30 June 2024. Refer to note 25 for further details.

⁶ Interest and other related costs associated with the payroll review are included within reported EBITDA.

⁷ Earnings before interest, tax, depreciation, and amortisation ("EBITDA"), including non-operating items and excluding significant items.

⁸ Earnings before interest and tax ("EBIT").

⁹ Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

¹⁰ Refer to note 2 significant items section for further details.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
3. Segment information (continued)

2024	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment assets and liabilities					
Segment assets	18,047	191	12	—	18,250
Carrying value of investments using the equity method	—	—	262	—	262
Unallocated assets ¹	—	—	—	1,051	1,051
Total assets	18,047	191	274	1,051	19,563
Segment liabilities	1,088	105	—	—	1,193
Unallocated liabilities ²	—	—	—	15,122	15,122
Total liabilities	1,088	105	—	15,122	16,315

- ¹ Unallocated assets consist of cash and cash equivalents, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.
² Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment revenue ¹					
Revenue from contracts with customers	2,208	114	—	—	2,322
Pass-through revenue	51	461	—	—	512
Total revenue from contracts with customers	2,259	575	—	—	2,834
Equity accounted net profits	—	—	23	—	23
Other income	6	1	—	—	7
Finance lease and investment interest income	1	—	—	—	1
Total segment revenue	2,266	576	23	—	2,865
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ²	(37)	—	—	—	(37)
Income on Basslink debt investment ³	—	—	50	—	50
Basslink AEMC market compensation ⁴	15	—	—	—	15
Other interest income	—	—	—	20	20
Total revenue	2,244	576	73	20	2,913

- ¹ The segment revenue reported represents revenue generated from external customers. Any inter-segment sales were immaterial.
² In February 2022, following the entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025 that were hedged by USD denominated 144A notes. The segment result reflects the hedged rate for revenues in this period, while the WGP hedge accounting unwind reflects the non-cash amortisation of the amount deferred in hedging reserve over the same period relating to the discontinued hedge relationship.
³ Income including accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022. As part of the net consideration, APA was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.
⁴ On 15 December 2022, the Australian Energy Market Commission (AEMC) approved Basslink's compensation claim of \$15 million for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

3. Segment information (continued)

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment result					
Segment underlying EBITDA ¹	1,792	56	—	—	1,848
Share of net profits of joint ventures and associates using the equity method	—	—	23	—	23
Finance lease and investment interest income	1	—	—	—	1
Corporate costs	—	—	—	(147)	(147)
Total underlying EBITDA¹	1,793	56	23	(147)	1,725
Fair value gain on contracts for difference ²	12	—	—	—	12
Technology transformation projects ³	—	—	—	(67)	(67)
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ⁴	(37)	—	—	—	(37)
Basslink debt revaluation, interest and integration costs ⁵	—	—	47	—	47
Basslink AEMC market compensation ⁶	15	—	—	—	15
Payroll review ⁷	—	—	—	(9)	(9)
Total reported EBITDA⁸	1,783	56	70	(223)	1,686
Depreciation and amortisation	(733)	(17)	—	—	(750)
Total reported EBIT⁹	1,050	39	70	(223)	936
Net interest cost ¹⁰					(459)
Profit before tax					477
Income tax expense					(190)
Profit after tax					287

¹ Earnings before interest, tax, depreciation, and amortisation ("EBITDA") excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of APA Group's business operations.

² The amount represents a net gain arising from electricity contracts for difference that economically hedge the future cash flows of the electricity contracts for which hedge accounting is not applicable.

³ The amount represents costs associated with technology and transformation projects to develop and uplift organisation capabilities, including SaaS customisation and configuration costs incurred during implementation.

⁴ In February 2022, following entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025. The revenues were previously hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁵ Income including accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022, net of integration costs of \$3 million incurred in the full year to 30 June 2023. As part of the net consideration to acquire Basslink, APA was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.

⁶ On 15 December 2022, the Australian Energy Market Commission (AEMC) approved Basslink's compensation claim of \$15 million for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

⁷ Estimated payment shortfalls for the year ended 30 June 2023 are included within underlying EBITDA. Interest and other related costs are included within reported EBITDA.

⁸ Earnings before interest, tax, depreciation, and amortisation ("EBITDA").

⁹ Earnings before interest and tax ("EBIT").

¹⁰ Excluding finance lease and investment interest income, any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
3. Segment information (continued)

2023	Energy Infrastructure \$m	Asset Management \$m	Energy Investments \$m	Other \$m	Consolidated \$m
Segment assets and liabilities					
Segment assets	14,422	177	11	—	14,610
Carrying value of investments using the equity method	—	—	273	—	273
Unallocated assets ¹	—	—	—	983	983
Total assets	14,422	177	284	983	15,866
Segment liabilities	659	94	—	—	753
Unallocated liabilities ²	—	—	—	13,203	13,203
Total liabilities	659	94	—	13,203	13,956

- ¹ Unallocated assets consist of cash and cash equivalents, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.
- ² Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of cross currency swaps, foreign currency forward exchange contracts and equity forwards.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)**

4. Revenue

Disaggregation of revenue

Revenue is disaggregated below by business unit and region.

	2024 \$m	2023 \$m
Energy Infrastructure		
Wallumbilla Gladstone Pipeline ¹	659	622
East Coast Gas	833	808
West Coast Gas	410	369
Contracted Power Generation ²	453	365
Electricity Transmission ²	69	44
Energy Infrastructure revenue	2,424	2,208
Asset Management revenue	118	114
Pass-through revenue	473	512
Total revenue from contracts with customers	3,015	2,834
Energy Investments	25	23
Other non-contract revenue	15	8
Total segment revenue	3,055	2,865
Wallumbilla Gladstone Pipeline hedge accounting discontinuation ³	(38)	(37)
Income on Basslink debt investment ⁴	—	50
Basslink AEMC market compensation ⁵	—	15
Other interest income	47	20
Total revenue	3,064	2,913

¹ Wallumbilla Gladstone Pipeline is separated from East Coast Gas in this note as a result of the significance of its revenue and EBITDA in the Group. It is categorised as part of the East Coast Grid cash-generating unit for impairment assessment purposes in note 13.

² Electricity Generation and Transmission has been split into Contracted Power Generation and Electricity Transmission to align the business segments with the nature of operations. The results of the Pilbara Energy System business are included within Contracted Power Generation and the remaining 11.8% of GGT joint operations is included within West Coast Gas following the acquisition on 1 November 2023.

³ In February 2022, following entry into a series of forward exchange contracts, hedge accounting was discontinued for WGP revenues to be generated from early calendar year 2022 to late calendar year 2025. The revenues were previously hedged by USD denominated 144A notes. WGP hedge accounting discontinuation reflects the non-cash amortisation of the amount deferred in the hedging reserve over the same period relating to the discontinued hedge relationship.

⁴ Included in FY23 is accrued interest and the revaluation gain up until the date of acquisition of Basslink Pty Ltd and its subsidiary on 20 October 2022. As part of the net consideration, APA was repaid the face value of its 100% interest in Basslink's senior secured debt of \$648 million.

⁵ Included in FY23 is \$15 million relating to a compensation claim which was approved by the Australian Energy Market Commission (AEMC) for direct costs following the application of the administered price cap during an administered price period in Queensland, New South Wales, Victoria and South Australia in June 2022.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

4. Revenue (continued)

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the provision of services or for the transferring of goods to a customer (the performance obligations) under a contract. APA Group recognises revenue when control of a product or service is transferred to the customer. Amounts disclosed as revenue are net of duties, goods and services tax ("GST") and other taxes paid, except where the amount of GST incurred is not recoverable from the taxation authority. Given the nature of APA Group's services there is no significant right of return or warranty provided.

Revenue from contracts with customers is derived from the major business activities as follows:

- **Energy Infrastructure revenue from contracts with customers**, is derived from the transportation, processing and storage of gas and other related services (transmission revenue), and the generation and storage of electricity and other related services including the sale of Renewable Energy Certificates and carbon credits (power generation revenue). Revenue from contracts with customers may either be identified as separate performance obligations or a series of distinct performance obligations that are substantially the same, have the same pattern of transfer and are therefore treated as a single performance obligation that is satisfied over time. This includes both firm and interruptible services. The consideration is primarily volume based and is recognised as revenue in a manner that depicts the transfer based on output to the customer. This method most accurately depicts the progress towards satisfaction of the performance obligation of the services provided, as the customer simultaneously receives and consumes the benefits of APA Group's service and obtains value as each volume of output is transported by APA Group. The amount billed corresponds directly to the value of the performance to date;
- **Asset Management revenue from contracts with customers**, is derived from the provision of commercial services, operating services, asset management services and/or asset maintenance services to APA Group's energy investments and other third parties. APA Group recognises revenue at the amount to which APA Group has a right to invoice; and
- **Pass-through revenue**, is revenue from contracts with customers for the provision of commercial services, operating services, asset management services and/or asset maintenance services to APA Group's energy investments. Any management fee earned for the provision of these services is recognised as part of asset management revenues. APA Group recognises revenue at the amount to which APA Group has a right to invoice. APA Group is determined to be the principal in these relationships.

Other types of revenue are recognised as follows:

- **Other non-contract revenue**: includes dividend income, which is recognised when the right to receive the payment has been established; and
- **Unallocated revenue**: interest income, which is recognised as it accrues and is determined using the effective interest method and finance lease income, which is allocated to accounting periods so as to reflect a constant periodic rate of return on APA Group's net investment outstanding in respect of the leases.

Contract liabilities – unearned revenue

Where amounts have been received in advance of fulfilling the contract obligation these amounts are deferred in the balance sheet as unearned revenue until the performance obligation is fulfilled. Where the period between the payment by the customer and the fulfilment of the obligation is expected to exceed one year any amounts associated with the finance component of this deferred revenue is recognised as interest expense.

Included in the unearned revenue are customer upfront contributions on contracts with customers and government grants received in advance. During the year, APA Group recognised \$7 million (2023: \$8 million) in revenue from contracts with customers from the unearned revenue balance at 30 June 2023.

Contract assets – accrued revenue

Contract assets primarily relate to APA Group's right to consideration for work completed but not billed at the reporting date. These amounts are known as accrued revenue and are disclosed in note 9.

Accrued revenue is transferred to trade receivables when the rights become unconditional. This usually occurs when APA Group issues an invoice to the customer.

Accounting for costs to obtain contracts

APA Group expenses costs to obtain contracts as they are incurred, since they incurred whether the contract is obtained or not (e.g. staff salaries, professional fees, etc.).

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

4. Revenue (continued)

Future revenues from remaining performance obligations

As at 30 June 2024, future contracted Energy Infrastructure revenues extending through to 2051 are approximately \$15.9 billion (2023: \$16.4 billion extending through to 2051), of which \$1.9 billion is expected to be recognised in the year ending 30 June 2025. These amounts relate to Energy Infrastructure revenue from contracts, with a significant portion of customers being high credit worthy counterparties.

Future contracted Energy Infrastructure revenues outlined above are in nominal 2024 dollars escalated by CPI. Variable revenues, potential future revenues from new contracts, contract renewals or extensions, and revenues from potential new assets or expansions where a contract does not currently exist with a customer are not included. As such, the future contract revenues described above represent only part of APA Group's forecast revenues for the year ended 30 June 2025 and beyond.

Information about major customers

Included in revenues from contracts with customers arising from Energy Infrastructure of \$2,424 million (2023: \$2,208 million) are revenues of approximately \$778 million (2023: \$783 million) which arose from sales to APA Group's top three customers, of which \$355 million is derived from a single customer.

5. Expenses

	2024 \$m	2023 \$m
Depreciation of non-current assets	687	554
Amortisation of non-current assets	232	196
Depreciation and amortisation expense	919	750
Energy infrastructure costs – pass-through	55	51
Asset management costs – pass-through	418	461
Other operating costs – pass-through	473	512
Interest on bank overdrafts and borrowings ¹	597	498
Amortisation of deferred borrowing costs	18	10
Other finance costs	8	8
	623	516
Less: amounts included in the cost of qualifying assets	(30)	(42)
	593	474
Loss/(gain) on derivatives ²	17	(7)
Unwinding of discount on non-current liabilities	12	8
Unwinding of discount on deferred revenue	2	2
Interest incurred on lease liabilities	3	2
Finance costs	627	479
Defined contribution plans	34	26
Defined benefit plans (note 16)	2	2
Post-employment benefits	36	28
Termination benefits	1	2
Cash settled long-term incentive payments ³	44	36
Equity settled long-term incentive payments ³	10	8
Other employee benefits	379	324
Employee benefit expense ⁴	470	398

¹ The average interest rate applicable to drawn debt is 4.77% p.a. (2023: 4.43% p.a.) excluding finance costs associated with amortisation of borrowing costs.

² Represents unrealised gains and losses on the mark-to-market valuation of indexed revenue contract, hedge de-designation and hedge ineffectiveness on other financial instruments.

³ APA Group provides benefits to certain employees in the form of long-term incentive payments. For cash settled long-term incentive payments, a liability equal to the portion of services received is recognised at the current fair value determined at each reporting date. For equity settled long-term incentive payments, a reserve is recognised equal to the portion of services received based on the fair value of the equity instrument at grant date.

⁴ Employee benefit expense of \$95 million (2023: \$77 million) is recharged as pass-through revenue and presented as part of other operating costs – pass-through.

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)**

6. Income tax

The major components of tax expense are:

	2024 \$m	2023 \$m
Income statement		
Current tax (expense)/benefit in respect of the current year	(38)	122
Adjustments recognised in the current year in relation to current tax of prior years	1	(2)
Deferred tax expense relating to the origination and reversal of temporary differences	(38)	(310)
Total tax expense	(75)	(190)
Tax reconciliation		
Profit before tax	1,073	477
Income tax expense calculated at 30%	(322)	(143)
Non-assessable trust distribution	6	7
Non-deductible expenses	(76)	(53)
Non-assessable income	316	–
	(76)	(189)
Franking credits received	1	1
Other	–	(2)
	(75)	(190)

Income tax expense comprises of current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in equity. Current tax represents the expected taxable income at the applicable tax rate for the financial year, and any adjustment to tax payable in respect of previous financial years.

Income tax expense for the year is \$75 million (2023: \$190 million). \$15 million income tax receivable has been recognised (2023: nil income tax payable or receivable). Refer to note 9 for further details.

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)
6. Income tax (continued)**

Deferred tax balances

Deferred tax (liabilities)/assets arise from the following:

2024	Opening balance \$m	Charged to income \$m	Charged to equity \$m	Acquisition ¹ \$m	Closing balance \$m
Gross deferred tax liabilities					
Property, plant and equipment and intangibles	(1,498)	(5)	—	(493)	(1,996)
Investments equity accounted	(2)	—	1	—	(1)
Deferred expenses	(48)	6	—	—	(42)
	(1,548)	1	1	(493)	(2,039)
Gross deferred tax assets					
Provisions	87	75	—	18	180
Cash flow hedges	320	(8)	(62)	—	250
Borrowings	—	—	—	(11)	(11)
Security issuance costs	—	(2)	2	—	—
Deferred revenue	13	8	—	11	32
Defined benefit obligation	1	(1)	(2)	—	(2)
Tax losses	232	(113)	—	—	119
Other	1	2	(1)	—	2
	654	(39)	(63)	18	570
Net deferred tax liability	(894)	(38)	(62)	(475)	(1,469)
2023					
Gross deferred tax liabilities					
Property, plant and equipment and intangibles	(1,176)	(322)	—	—	(1,498)
Investments equity accounted	(1)	—	(1)	—	(2)
Deferred expenses	(51)	3	—	—	(48)
Other	(1)	2	—	—	1
	(1,229)	(317)	(1)	—	(1,547)
Gross deferred tax assets					
Provisions	83	4	—	—	87
Cash flow hedges	154	5	161	—	320
Deferred revenue	17	(4)	—	—	13
Defined benefit obligation	2	—	(1)	—	1
Tax losses	110	122	—	—	232
	366	127	160	—	653
Net deferred tax liability	(863)	(190)	159	—	(894)

¹ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Refer to note 25 for further details. Deferred tax liability disclosed in note 25 comprised of \$475 million deferred tax recognised on acquisition and \$67 million deferred tax relating to the Group's pre-existing interest in GGT joint operations.

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

6. Income tax (continued)

Deferred tax assets

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- Initial recognition of goodwill;
- Initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- Differences relating to investments in wholly-owned entities to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the appropriate tax rates at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

APA Infrastructure Trust and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is APA Infrastructure Trust. The members of the tax-consolidated group are identified at note 24.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial reports of the members of the tax-consolidated group using the 'separate taxpayer within group' approach, by reference to the carrying amounts in the separate financial reports of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the wholly-owned entities are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts.

The head entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised.

Nature of tax funding arrangement and tax sharing agreement

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for the tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

Notes to the consolidated financial statements (continued)

Financial Performance (continued)

7. Earnings per security

	2024 cents	2023 cents
Earnings per security		
Basic and diluted earnings per unit attributable to the parent	77.3	22.3
Basic and diluted earnings per unit attributable to the non-controlling interest	1.6	2.0
Basic and diluted earnings per security	78.9	24.3
Earnings per security excluding significant items		
Basic and diluted earnings excluding significant items per unit attributable to the parent	7.8	22.3
Basic and diluted earnings excluding significant items per unit attributable to the non-controlling interest	1.6	2.0
Basic and diluted earnings per security excluding significant items	9.4	24.3
Underlying earnings per security¹		
Underlying basic and diluted earnings per unit attributable to the parent	16.6	24.6
Underlying basic and diluted earnings per unit attributable to the non-controlling interest	1.6	2.0
Underlying basic and diluted earnings per security	18.2	26.6

¹ Excludes recurring items arising from other activities and transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

The earnings and weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security are as follows:

	2024 \$m	2023 \$m
Net profit		
Net profit attributable to unitholders of the parent	978	263
Net profit attributable to unitholders of the non-controlling interest	20	24
Net profit attributable to stapled securityholders for calculating basic and diluted earnings per security (note 3)	998	287
Underlying net profit		
Net profit attributable to unitholders of the parent	978	263
Significant items, net of tax (note 2)	(879)	—
Net profit excluding significant items attributable to unitholders of the parent	99	263
Fair value losses/(gains) on contracts for difference, net of tax	12	(8)
Technology transformation projects, net of tax	59	47
Wallumbilla Gladstone Pipeline hedge accounting discontinuation, net of tax	27	26
Basslink debt revaluation, interest and integration costs, net of tax	—	(33)
Basslink AEMC Market Compensation, net of tax	—	(11)
Payroll review, net of tax	3	6
Pilbara Energy System integration costs, net of tax	10	—
Underlying net profit attributable to unitholders of the parent	210	290
Underlying net profit attributable to unitholders of the non-controlling interest	20	24
Underlying net profit attributable to stapled securityholders for calculating basic and diluted earnings per security	230	314

	2024 No. of securities millions	2023 No. of securities millions
Weighted average number of ordinary securities used in the calculation of:		
Basic earnings per security	1,265	1,180
Diluted earnings per security ¹	1,268	1,182

¹ Includes 4 million (2023: 3 million) performance rights granted under long-term incentive plan. Each performance right is a right to receive one ordinary stapled security in APA Group subject to satisfaction of certain performance hurdles and board approval. Further information can be found in the most recent annual report. APA Group has historically instructed Link Market Services to acquire securities on-market to minimise dilution of existing securityholders

Notes to the consolidated financial statements (continued)
Financial Performance (continued)
8. Distributions

	2024 cents per security	2024 Total \$m	2023 cents per security	2023 Total \$m
Recognised amounts				
Final FY23 distribution paid on 13 September 2023				
(30 June 2022: Final FY22 distribution paid on 14 September 2022)				
Profit distribution – APA Infrastructure Trust ¹	6.64	79	6.31	74
Capital distribution – APA Infrastructure Trust	15.02	177	15.40	182
Profit distribution – APA Investment Trust ²	1.00	12	1.14	13
Capital distribution – APA Investment Trust	6.34	74	5.15	61
	29.00	342	28.00	330

¹ 30 June 2023: APA Infrastructure Trust profit distributions were unfranked (30 June 2022: fully franked).

² APA Investment Trust profit distributions were unfranked.

	2024 cents per security	2024 Total \$m	2023 cents per security	2023 Total \$m
Interim FY24 distribution paid on 14 March 2024				
(31 December 2022: Interim FY23 distribution paid on 16 March 2023)				
Profit distribution – APA Infrastructure Trust ¹	25.63	329	15.92	189
Capital distribution – APA Infrastructure Trust	—	—	6.67	79
Profit distribution – APA Investment Trust ²	0.57	7	1.01	12
Capital distribution – APA Investment Trust	0.30	4	2.40	28
	26.50	340	26.00	308
Total distributions recognised				
Profit distributions	33.84	427	24.38	288
Capital distributions	21.66	255	29.62	350
	55.50	682	54.00	638

¹ 31 December 2023: APA Infrastructure Trust profit distribution were unfranked (31 December 2022: partially franked).

² APA Investment Trust profit distributions were unfranked.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)
8. Distributions (continued)**

	2024 cents per security	2024 Total \$m	2023 cents per security	2023 Total \$m
Unrecognised amounts				
Final FY24 distribution payable on 18 September 2024 ¹				
(30 June 2023: Final FY23 distribution paid on 13 September 2023)				
Profit distribution – APA Infrastructure Trust ²	28.48	366	6.64	79
Capital distribution – APA Infrastructure Trust	–	–	15.02	177
Profit distribution – APA Investment Trust ³	1.02	13	1.00	12
Capital distribution – APA Investment Trust	–	–	6.34	74
	29.50	379	29.00	342

¹ Record date 28 June 2024.

² 30 June 2024: APA Infrastructure Trust profit distributions are partially franked resulting in franking credits of 3.02 per security (30 June 2023: unfranked).

³ APA Investment Trust profit distributions are unfranked.

The final distribution in respect of the financial year has not been recognised in this financial report because the final distribution was not declared, determined or publicly confirmed prior to the end of the financial year.

	2024 \$m	2023 \$m
Franking account balance	54	2
Income tax (receivable)/payable	(15)	(2)
Adjusted franking account balance	39	–

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities

9. Receivables

	2024 \$m	2023 \$m
Trade receivables	105	76
Accrued revenue	278	247
Loss allowance (note 19)	(4)	(4)
Trade receivables	379	319
Income tax receivable	15	—
Receivables from associates and related parties	16	12
Finance lease receivables (note 17)	1	1
Interest receivable	2	2
Other receivables	20	40
Current	433	374
Finance lease receivables (note 17)	7	8
Other receivables	—	19
Non-current	7	27

Trade receivables are non-interest bearing and are generally on 14 to 30 day terms. There are no material trade receivables past due and not provided for.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost less impairment.

10. Payables

	2024 \$m	2023 \$m
Trade payables	87	68
Other payables	468	403
Current	555	471
Other payables	1	9
Non-current	1	9

Trade payables are non-interest bearing and are normally settled on 15 to 30 day terms.

Trade and other payables are recognised when APA Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost.

Payables are recognised inclusive of GST, except for accrued revenue and accrued expense at balance dates which exclude GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. GST receivable or GST payable is only recognised once a tax invoice has been received or issued.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)**

11. Property, plant and equipment

	Freehold land and buildings – at cost \$m	Leasehold improvements – at cost \$m	Plant and equipment – at cost \$m	Work in progress – at cost \$m	ROU land and buildings – at cost \$m	ROU plant and equipment – at cost \$m	Total \$m
Gross carrying amount							
Balance at 1 July 2022	280	15	12,268	651	59	17	13,290
Additions	39	2	698	1,127	17	8	1,891
Disposals	–	–	(17)	–	(13)	(5)	(35)
Transfers	–	–	1,145	(1,145)	–	–	–
Balance at 30 June 2023	319	17	14,094	633	63	20	15,146
Balance at 1 July 2023	319	17	14,094	633	63	20	15,146
Additions ¹	–	–	224	1,064	13	13	1,314
Acquired through business combinations ²	–	–	1,171	70	–	–	1,241
Impairment ³	–	–	(172)	(2)	–	–	(174)
Reclassified to Other Intangible Assets	–	–	–	(2)	–	–	(2)
Disposals	–	–	(1)	–	–	(3)	(4)
Transfers	25	–	589	(614)	–	–	–
Balance at 30 June 2024	344	17	15,905	1,149	76	30	17,521
Accumulated depreciation and impairment							
Balance at 1 July 2022	(78)	(7)	(3,755)	–	(22)	(8)	(3,870)
Disposals	–	–	15	–	13	5	33
Depreciation expense (note 5)	(8)	(2)	(528)	–	(11)	(5)	(554)
Balance at 30 June 2023	(86)	(9)	(4,268)	–	(20)	(8)	(4,391)
Balance at 1 July 2023	(86)	(9)	(4,268)	–	(20)	(8)	(4,391)
Impairment ³	–	–	30	–	–	–	30
Disposals	–	–	1	–	–	3	4
Depreciation expense (note 5)	(5)	(2)	(664)	–	(11)	(5)	(687)
Balance at 30 June 2024	(91)	(11)	(4,901)	–	(31)	(10)	(5,044)
Net book value							
As at 30 June 2023	233	8	9,826	633	43	12	10,755
As at 30 June 2024	253	6	11,004	1,149	45	20	12,477

¹ Includes non-cash capitalised restoration costs following remeasurement of the restoration provision. Refer to note 14 for further details.

² During the year, APA acquired the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 25 for further details. Property, plant and equipment disclosed in note 25 comprised of \$1,241 million recognised on acquisition and \$452 million relating to the Group's pre-existing interest in GGT joint operations.

³ During the year, APA Group impaired the carrying value of the Moomba Sydney Ethane Pipeline (MSEP) due to the customer on this single user pipeline entering into voluntary administration. Refer to note 13 for further details.

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses. Work in progress is stated at cost. Cost includes expenditure that is directly attributable to the acquisition or construction of the item.

The right-of-use (ROU) asset is initially measured at cost comprising the initial measurement of the lease liability (as outlined in note 17) adjusted for any lease payments made before the commencement date and reduced by any lease incentives received plus initial direct costs incurred in obtaining the lease. Any make good requirements are recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets and to the extent that the costs relate to a ROU asset these are included in the related ROU asset.

A ROU asset is subsequently measured using the cost model less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. The ROU asset is depreciated over the term of the lease.

Subsequently, APA Group applies AASB 136 Impairment of Assets to determine whether a ROU asset is impaired and accounts for any impairment as described in note 13.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

11. Property, plant and equipment (continued)

Depreciation is provided on property, plant and equipment excluding land. Depreciation is calculated on a straight-line basis depending on the nature of the asset so as to write off the net cost of each asset over its estimated useful life.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Where the ROU asset is adjusted due to changes in the lease liability, the depreciation for the ROU asset is adjusted on a prospective basis.

The depreciation charge for each period is recognised in profit or loss unless it is included in the cost of another asset.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (i.e. assets that take a substantial period of time to get ready for their intended use or sale) are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Critical accounting judgements and key sources of estimation uncertainty – useful lives of non-current assets

APA Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Physical, economic, climate and environmental factors are taken into consideration in assessing the useful lives of the assets, including but not limited to asset condition and obsolescence, technology changes, regulatory determinations, government policy, commercial contract lives and renewals, global and regional gas supply-and-demand, and certain climate-related risks and policies.

Any changes to useful lives or any other estimates or assumptions, including the impact of climate change and the timing of the energy transition, may affect prospective depreciation rates, asset carrying values and restoration provisions.

The impact of the above indicators and other factors that may emerge are uncertain at this time and difficult to predict. Refer to note 13 for additional critical judgements that underpin APA's assessments in relation to the potential impact of climate transition risks on APA Group's portfolio of assets which may affect asset carrying values and prospective depreciation rates.

Energy Infrastructure Assets

In FY23 APA completed a detailed review of the estimated useful lives of its Energy Infrastructure assets giving consideration to APA's Net Zero commitments, goals and targets together with APA's most recent commercial, operational, and technical outlooks to reduce stranded asset risk. Effective from this financial year, all gas infrastructure and electricity generation and transmission assets have a maximum useful life end date of FY60 and FY57 respectively.

As at 30 June 2024, the following estimated useful lives from the date of construction are used in the calculation of depreciation:

- Buildings 30 – 50 years;
- Compressors 10 – 50 years;
- Gas transportation systems 10 – 80 years;
- Meters 20 – 30 years;
- Power generation facilities 3 – 36 years;
- Gas processing facilities 10 – 25 years;
- Other plant and equipment 3 – 20 years;
- ROU land and buildings 1 – 40 years; and
- ROU property, plant and equipment 1 – 4 years.

**Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)**

12. Goodwill and intangibles

	2024 \$m	2023 \$m
Goodwill		
Balance at beginning of financial year	1,184	1,184
Acquired through business combinations (Note 25)	698	—
Balance at end of financial year	1,882	1,184

Goodwill acquired in a business combination is initially measured at cost and subsequently at cost less accumulated impairment.

Allocation of goodwill to cash-generating units

Goodwill has been allocated to individual cash-generating units for impairment testing purposes. The perimeter of the cash-generating units may change as a result of business combinations or changes in business direction.

The East Coast Grid is an interconnected pipeline network that includes, inter alia, the Wallumbilla Gladstone, Moomba Sydney, Roma Brisbane, Carpentaria Gas and South West Queensland pipelines and the Victorian Transmission System. Since the acquisition of the South West Queensland Pipeline to complete the formation of APA's East Coast Grid in December 2012, APA has installed facilities to enable bi-directional transportation of gas to meet the demand of our major customers who now typically operate portfolios of gas supply and demand. Through the provision of multi-asset services, bi-directional transportation, capacity trading and gas storage and parking facilities, APA's East Coast Grid delivers options for customers to choose from, and move gas between, around 60 receipt points and over 220 delivery points on the east coast of Australia. The East Coast Grid is categorised as an individual cash-generating unit.

The Pilbara Energy System business is underpinned by contracted operational assets along the Goldfields Gas Pipeline and a significant development pipeline of projects in the Western Australia's Pilbara region, complementing APA's existing development and delivery capability in the Pilbara region. The acquisition of the remaining 11.8% interest in Goldfields Gas Transmission joint operations enables new product offerings and increased supply reliability. Following the acquisition of the Pilbara Energy System business on 1 November 2023, the goodwill arising from the acquisition has been allocated to the Pilbara Energy System and the Goldfields Gas Pipeline cash-generating unit, which is comprised of the Goldfields Gas Pipeline, Eastern Goldfields Pipeline, Northern Goldfields Interconnect Pipeline and laterals.

Refer to note 13 for critical accounting judgements and key sources of estimation uncertainty relating to impairment of assets.

The carrying amount of goodwill allocated to cash-generating units that are significant individually or in aggregate are as follows:

	2024 \$m	2023 \$m
Asset Management business	22	22
Energy Infrastructure		
East Coast Grid	1,061	1,061
North-West Power System	43	43
Pilbara Energy System ¹	717	19
Other energy infrastructure ²	39	39
	1,882	1,184

¹ Comprised of the goodwill arising from the acquisition of Pilbara Energy System business (\$698 million) and the existing goodwill in the Goldfields Gas Pipeline cash-generating unit (\$19 million). FY23 comparative goodwill amount relating to Goldfields Gas Pipeline cash-generating unit (\$19 million) has been reclassified from Other energy infrastructure to conform to current year presentation.

² Primarily represents goodwill relating to the Pilbara Pipeline System (\$33 million).

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

12. Goodwill and intangibles (continued)

Software, licences, contract and other intangibles

	Software and Licenses – at cost \$m	Development assets – at cost \$m	Work in progress – at cost \$m	Contract and other – at cost ¹ \$m	Total \$m
Gross carrying amount					
Balance at 1 July 2022	110	–	17	3,594	3,721
Additions	–	–	12	2	14
Transfer	18	–	(18)	–	–
Balance at 30 June 2023	128	–	11	3,596	3,735
Balance at 1 July 2023	128	–	11	3,596	3,735
Additions	2	4	37	–	43
Acquired through business combinations ²	1	125	–	1,224	1,350
Reclassified from Property, Plant and Equipment	–	–	2	–	2
Transfer	3	–	(3)	–	–
Balance at 30 June 2024	134	129	47	4,820	5,130
Accumulated amortisation					
Balance at 1 July 2022	(80)	–	–	(1,329)	(1,409)
Amortisation expense (note 5)	(14)	–	–	(182)	(196)
Balance at 30 June 2023	(94)	–	–	(1,511)	(1,605)
Balance at 1 July 2023	(94)	–	–	(1,511)	(1,605)
Amortisation expense (note 5)	(14)	–	–	(218)	(232)
Balance at 30 June 2024	(108)	–	–	(1,729)	(1,837)
Net book value					
As at 30 June 2023	34	–	11	2,085	2,130
As at 30 June 2024	26	129	47	3,091	3,293

¹ Includes \$1,862 million (30 June 2023: \$2,033 million) of contract intangibles associated with the acquisition of Wallumbilla Gladstone Pipeline in FY15 (Useful life: 20 years) and \$1,189 million (30 June 2023: \$nil) of contract intangibles associated with the acquisition of Pilbara Energy System business in FY24 (Useful life: 23 to 24 years).

² During the year, APA acquired the Pilbara Energy System business, including the remaining 11.8% interest in Goldfields Gas Transmission (GGT) joint operations. Refer to note 25 for further details.

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are identified and recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Finite life intangible assets are amortised over their useful lives. Intangible assets that are not yet ready for use are not amortised, and are reviewed annually for impairment or more frequently if there is indication of impairment. Following initial recognition, intangible assets, other than development assets, are carried at cost less accumulated amortisation and impairment losses. Development assets are subsequently measured at cost less accumulated impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful life of each asset. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Amortisation expense is a non-cash item, and is included in the line item of depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

The following useful lives are used in the calculation of amortisation:

- Contract and other intangibles 1 – 24 years;
- Software 4 – 7 years; and
- Licences 4 years.

Software and Licenses

Software is measured at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or development of software.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

12. Goodwill and intangibles (continued)

Licences are carried at cost less any accumulated amortisation and impairment losses.

Contract and other intangibles

APA Group holds various third party operating and maintenance contracts, power purchase agreements and gas transportation agreements. The combined gross carrying amount of \$4,820 million amortises over terms ranging from 1 to 24 years. Useful life is determined based on the underlying contractual terms.

Development assets

Expenditure on development activities is capitalised as intangible assets if the project is assessed to be technically and commercially feasible and the Group intends to complete the project for use or for sale.

The Group's development assets comprised of a portfolio of projects under development, including solar farm, wind farm, battery storage and transmission line developments. The development costs capitalised are comprised of costs incurred directly on the projects and the costs ascribed to the projects as part of the fair value attribution on acquisition.

For projects whereby the conditions for recognition as a development asset are not met, the development project costs are expensed in the period in which they are incurred.

No amortisation is charged during the development phase. At the point construction commences, the accumulated costs cease to be classified as development assets and are transferred to property, plant and equipment as work in progress. Once the asset is in operation, depreciation will be recognised over the expected useful life of the asset. At the point a project is no longer expected to reach the construction phase, the carrying amount of the project is impaired.

13. Impairment of non-financial assets

APA Group tests goodwill for impairment at least annually or whenever there is an indication that the asset may be impaired. Other non-financial assets with finite useful lives are assessed for indicators of impairment at least annually. Assets other than goodwill that have previously reported an impairment are reviewed for possible reversal of the impairment at each reporting period.

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash-generating unit to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or cash-generating unit is determined as the higher of its fair value less costs of disposal or value-in-use.

Determining whether identifiable intangible assets and goodwill are impaired requires an estimation of the value-in-use or fair value of the cash-generating units.

Value-in-use calculations require APA Group to estimate the future cash flows expected to arise from the asset or cash-generating units and apply suitable discount rates in order to calculate the present value of cash-generating units. These estimates and assumptions are reviewed on an ongoing basis.

Fair value less costs to dispose calculations utilise comparable market transactions less estimated costs of disposal. When the recoverable amount is measured by reference to fair value less costs of disposal, the valuation is further classified in accordance with the fair value hierarchy.

For the 2024 and 2023 reporting periods, apart from the recently acquired Pilbara Energy System which was tested based on the acquisition model (fair value less cost to sell calculation), the recoverable amount of the Group's cash-generating units was determined based on value-in-use calculations. The Group's value-in-use calculations use cash flow projections based on a three year financial business plan and thereafter a further 17 year financial model inclusive of appropriate terminal values. This is the basis of APA Group's forecasting and planning processes which represents the underlying long term nature of associated customer contracts on these assets.

Judgement may be required in identifying the Group's cash-generating units, particularly when assets belong to integrated operations. A summary of APA's main cash-generating units, being the cash-generating units containing goodwill and intangible assets in development, are disclosed in note 12. Certain non-financial assets (excluding goodwill) are assessed for impairment on a cash-generating unit basis.

In accordance with the requirements of AASB 136 Impairment of Assets, APA Group performed an annual impairment test for all cash-generating units to which goodwill had been allocated and reviewed its non-financial assets other than goodwill for indicators of impairment at the end of the reporting period. Apart from the impairment of Moomba Sydney Ethane Pipeline asset discussed below, the Group has not identified other impairment indicators and no other impairment was recognised during the year.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

13. Impairment of non-financial assets (continued)

Critical accounting judgements and key sources of estimation uncertainty – impairment of assets

The key estimates and assumptions used in the assessment of impairment include but are not limited to: asset capacity; asset lives; generation and transmission volumes; forecast operating costs and margins; gas field reserve estimates; for some assets, availability of gas supply from undeveloped gas fields and contingent resources to meet forecast demand; the effect of inflation; discount rates; customer contract terms and renewals; residual value; and asset construction costs. Where the key assumptions for the assessment of new assets such as expected construction costs, expected time to commissioning, expected revenues, expected operating and capital costs at the time of investment differs from the final outcomes, significant variances to the key assumptions may cause triggers for impairment.

These assumptions have been determined with reference to historic information, current performance and expected changes taking into account external information such as market inputs on discount rates, the effects of inflation within Reserve Bank of Australia's guidance range, the outlook for global and regional gas market supply-and-demand conditions, internal information such as contract renewals and forecast input costs. Such estimates may change as new information becomes available.

APA is exposed to a range of climate-related risks and opportunities across its energy infrastructure and investment portfolios. Risks and opportunities associated with climate change including the transition to a low carbon economy ("transition risks") are assessed and considered as part of APA's policy, strategy, and commercial management practices. APA is committed to embedding consideration of its climate-related goals, targets and commitments as outlined in its Climate Transition Plan, as well as climate risks, into its business strategy, processes and decision-making. APA will disclose progress against its commitments and Climate Transition Plan in accordance with the Taskforce for Climate Related Financial Disclosures.

APA continues to develop its assessment of the potential physical impacts and transition risks of climate change which may have a material impact on the Australian energy market and may result in a material change to APA's estimated cash inflows and the carrying values of APA's asset portfolio. APA has included estimates for the potential impacts of climate change in its carrying value assessment based on its current understanding, however recognises that there is an increased pace of change in the energy industry including continuously evolving government policy and market regulation, and will continue to review and update its estimates, assumptions and judgements, utilising inputs from external experts where necessary.

Cash flow projections include the estimated impact of mandated government climate policies, such as the Safeguard Mechanism. Future changes in government climate policies may impose significant costs on APA and its customers and limit future investment in the Australian energy market such as the development of new gas fields. APA does not consider the potential physical impacts and transition risks of climate change on the carrying value of its existing assets to be significant based on the estimated profile of long-term cash flow returns.

Cash flows are estimated for a period of up to 20 years, and for many assets include a terminal value, which assumes steady to slightly declining cash flows over time, recognising the long term nature of the assets. The pre-tax discount rates used are 8.3% p.a. (2023: 7.5% p.a.) for Energy Infrastructure assets and Asset Management assets.

For fully regulated assets, cash flows have been extrapolated on the basis of existing transportation contracts and government policy settings, and expected contract renewals. APA Group has assumed prudent capital and operating expenditure, appropriate regulated rates of return, and forecast inflation over the existing and renewal contract terms. These expected cash flows are factored into the regulated asset base and do not exceed management's expectations of the long-term average growth rate for the market in which the cash generating unit operates.

For non-regulated assets, with the exception of the recently acquired Pilbara Energy System, APA Group has assumed no capacity expansion and firming costs beyond installed and committed levels; utilisation of capacity is based on existing contracts and renewals, government policy settings and APA Group's expected market outcomes. The Pilbara Energy System was tested for impairment based on the acquisition investment model, which is predicated on the execution of a renewable-focused development pipeline and the related assumptions on expansion of capacity and revenue contracting over time. At 30 June 2024, there are no reasonably possible changes in key assumptions that would, in isolation, result in a material impairment to the Group.

Demand for capacity is reviewed regularly. As contracts mature, to the extent there is supportable demand, it is assumed that the majority of the capacity is resold at commercially acceptable pricing levels.

Future regulatory changes and legislative developments to both APA's fully regulated and non-regulated assets may result in a material change to estimated cash inflows and the carrying value of these assets. In determining the recoverable amounts of the assets that are currently subject to regulatory review or determination, judgemental assumptions are made regarding the regulatory outcome which may not be realised. In the event that future regulatory outcomes vary from these assumptions, the recoverable amounts of these assets could change materially.

Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)
13. Impairment of non-financial assets (continued)

For certain assets single counterparty risk is more prevalent. The FY24 carrying value review includes key estimates, assumptions and judgements regarding the recontracting of pipeline capacity including tariffs and tenure for these assets, which may not be realised. Any future changes to these estimates, assumptions and judgements may result in a material change to APA's estimated cash inflows and the carrying values of certain APA assets.

Moomba Sydney Ethane Pipeline (MSEP)

During the year, the Group recognised a non-cash impairment charge of \$144 million, which represented a full write-down of the property, plant and equipment of the MSEP. This has been disclosed as a significant item within the Energy Infrastructure Segment.

The MSEP is a single user pipeline, configured to transport ethane to plastics manufacturer Qenos Pty Ltd, which entered into Voluntary Administration during the year and announced the expected closure of its manufacturing facility requiring the ethane from MSEP.

APA is performing a detailed evaluation of the potential alternative uses for the MSEP, including the possible conversion of the asset to transport and store natural gas, to service the growing demand for capacity on APA's East Coast Gas Grid. The alternative use assessment has not been completed at the date of the finalisation of the financial statements. Due to the associated uncertainty, the recoverable amount of MSEP was estimated in its current condition based on value-in-use calculations, assuming that MSEP will not be utilised for the foreseeable future.

APA has applied a pre-tax discount rate of 8.3% (FY23: 7.5%) to the projected cashflows. The decision regarding the future use of the asset could result in a material change to the recoverable amount and therefore potential reversal of the impairment recognised.

**Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)**

14. Provisions

	2024 \$m	2023 \$m
Employee benefits	151	158
Other	9	1
Current	160	159
Employee benefits	13	21
Restoration provision	373	92
Non-current	386	113
Employee benefits		
Incentives	62	47
Cash settled long-term incentives	—	3
Leave balances	70	60
Other employee provisions	19	48
Current	151	158
Cash settled long-term incentives	—	1
Defined benefit liability (note 16)	2	10
Leave balances	11	10
Non-current	13	21

A provision is recognised when there is a legal or constructive obligation as a result of a past event, it is probable that future economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably.

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

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

Restoration provision

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, at the best estimate of the expenditure that would be required to restore the assets.

Provision for future restoration costs related to the Group's energy infrastructure assets is the best estimate of the present value of the expenditure required to settle the restoration obligation, based on current legal requirements and technology.

The Group's restoration cost estimates include a risk adjustment and are inflated to the estimated asset closure date using a long-term inflation rate. The cost estimates are discounted using risk-free discount rates based on Government bond rates, with a maturity date aligned with the estimated timing of restoration cash flows.

The Group's restoration provisions are reviewed regularly, with any changes in the estimate reflected in the present value of the restoration provision at each reporting date, and a corresponding change in the cost of the associated asset. In the case of an addition to the cost of an asset, the Group considers whether there is an indication that the new carrying value of the asset is not fully recoverable. If any such indication exists, an impairment test is performed. In the event the restoration provision is reduced, the cost of the related asset is reduced by an amount not exceeding the asset carrying value.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

14. Provisions (continued)

Movements in the restoration provision during the financial year are set out below:

	Restoration Provision \$m
Balance at 1 July 2023	92
Derecognised during the year	(5)
Unwinding of discount	9
Increases to existing and new provisions ¹	222
Acquired through business combination ²	55
Balance at 30 June 2024	373

¹ Primarily relates to changes in restoration cost estimates and the impact of change in discount rate.

² On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Refer to note 25 for further details.

Critical accounting judgements and key sources of estimation uncertainty – Restoration Provision

APA estimates the future restoration costs of its energy infrastructure assets at the time of installation of the assets and reviews these cost estimates periodically. In many instances, decommissioning of these assets will occur many years into the future. As such, the estimate of future restoration costs requires judgemental assumptions regarding the timing of restoration activities, environmental legislation and regulations, the extent of restoration activities required and the available technologies.

The Group's restoration obligations are based on the requirements of, and compliance with, the relevant regulations which vary for different State jurisdictions. The estimated future restoration costs include judgemental assumptions that assume certain parts of infrastructure assets remain *in-situ*, and that regulatory approval is obtained where arrangements are satisfactory to the regulator. The consideration of the extent to which infrastructure assets will remain *in-situ* is inherently subjective. This assumption is reviewed as part of the Group's periodic review of restoration provisions. Ongoing assessment of the extent of restoration activities is performed as part of the Group's periodic review of Environmental Plans.

Whilst the Group's restoration provision reflects estimates based on current knowledge and information, further studies and detailed assessment of restoration activities for individual assets will continue to be performed throughout the life of the asset. Actual costs and cash outflows can materially differ from the current estimates included in the provision recognised at 30 June 2024 as a result of changes in legislation, changes in assumptions regarding the extent to which infrastructure assets will remain *in-situ*, prices, site conditions, future studies, timing of restoration and development of new technologies.

In addition, the extent, cost and timing of future restoration activities may change in the future as a result of increased regulatory scrutiny and the energy transition. For example, the energy transition may result in restoration activities occurring earlier than expected. Restoration dates are based on the useful lives of the individual assets. The estimated timing of restoration activities will continue to be reviewed as part of the Group's annual review of its assets' estimated useful lives. APA Group continues to monitor the uncertainty around climate change risks to assess if changes to restoration provisions should be recognised.

Employee benefits provision

Provision is made for benefits accruing to employees in respect of wages and salaries, incentives, annual leave and long service leave when it is probable that settlement will be required.

Provisions made in respect of employee benefits expected to be settled within 12 months, are recognised for employee services up to reporting date at the amounts expected to be paid when the liability is settled. Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows using a discount rate based on the corporate bond yield in respect of services provided by employees up to reporting date.

Critical accounting judgements and key sources of estimation uncertainty – payroll review

In FY22, APA identified certain employees across the Group were not paid in full compliance with the Group's obligations under APA's enterprise agreements ("EA's"). The review identified payment errors to employees subject to these EA's. Included in employee benefits provisions is the provision for the payroll review, which represents APA's estimate of the historical payment errors, less payments completed to 30 June 2024.

The calculations of the employee payment errors involve a substantial volume of data, a high degree of complexity, interpretation and estimation assumptions. APA has self disclosed information relating to the review to the Fair Work Ombudsman. Detailed analysis of the seven year period subject to review is substantially complete and the results of the analysis are reflected in the provision as at 30 June 2024.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

14. Provisions (continued)

The provision also includes an estimate of any payment errors to 30 June 2024. Determining the historical employee payment errors requires consideration of numerous clauses of the EA's and related payroll source documentation, across each year of the review period, for every current and former employee who may have been impacted.

Critical accounting estimates and judgements have been applied to determine the extent of the provision required. Changes to any of these estimates and judgements have the potential to result in a future adjustment to the provision in subsequent periods as the review continues.

15. Other non-current assets

	2024 \$m	2023 \$m
Line pack gas	23	23
Gas held in storage	5	5
Defined benefit asset (note 16)	7	6
	35	34

16. Employee superannuation plans

All employees of APA Group are entitled to benefits on retirement, disability or death from an industry sponsored fund, or an alternative fund of their choice. APA Group has three plans with defined benefit sections (due to the acquisition of businesses) and a number of other plans with defined contribution sections. The defined benefit sections provide lump sum benefits upon retirement based on years of service. The defined contribution sections receive fixed contributions from APA Group and APA Group's legal and constructive obligations are limited to these amounts.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were determined at 30 June 2024. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method.

The following sets out details in respect of the defined benefit plans only:

	2024 \$m	2023 \$m
Amounts recognised in the statement of profit or loss and other comprehensive income		
Current service cost	2	2
Components of defined benefit costs recognised in profit or loss (note 5)		
Actuarial gain on defined benefit plan	2	8
Actual return on plan assets excluding interest income	5	(3)
Components of defined benefit remeasurements recognised in other comprehensive income		
	7	5
Amounts recognised in the statement of financial position		
Fair value of plan assets	139	133
Present value of benefit obligation	(134)	(137)
Defined benefit asset – non-current (note 15)	7	6
Defined benefit liability – non-current (note 14)	(2)	(10)
Opening defined benefit obligation	137	143
Current service cost	2	2
Interest cost	7	6
Actuarial gain	(2)	(8)
Benefits paid	(10)	(6)
Closing defined benefit obligation	134	137

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

16. Employee superannuation plans (continued)

Movements in the present value of the plan assets in the current period were as follows:

	2024 \$m	2023 \$m
Opening fair value of plan assets	133	135
Interest income	7	6
Actual return on plan assets excluding interest income	5	(3)
Contributions from employer	4	1
Benefits paid	(10)	(6)
Closing fair value of plan assets	139	133

Defined benefit plans

Actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding interest), is recognised in other comprehensive income and immediately reflected in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment.

The defined benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in APA Group's defined benefit plans. Any asset resulting from this calculation is limited to the present value of economic benefits available in the form of refunds and reductions in future contributions to the plan.

Key actuarial assumptions used in the determination of the defined benefit obligation include a discount rate of 5.6% gross of tax (2023: 5.4%), based on the corporate bond yield curve published by Milliman, an expected salary increase rate of 3.8% (2023: 4.0%), and pension indexation rate of 2.8% (2023: 3.0%). The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- If the discount rate increases (decreases) by 0.5%, the defined benefit obligation would decrease by \$7 million (increase by \$7 million).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase by \$1 million (decrease by \$1 million).
- If the expected pension indexation rate increases (decreases) by 0.5%, the defined benefit obligation would increase by \$6 million (decrease by \$6 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation to one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

APA Group expects to pay \$6 million in contributions to the defined benefit plans during the year ending 30 June 2025.

Defined contribution plans

Contributions to defined contribution plans are expensed when incurred. The percentage rate for superannuation guarantee contribution by APA Group is 11.5% from 1 July 2024, and eventually to 12% from 1 July 2025.

**Notes to the consolidated financial statements (continued)
Operating Assets and Liabilities (continued)**

17. Leases

APA Group as a lessee

The APA Group lease obligations are primarily related to commercial office leases and motor vehicles.

	2024 \$m	2023 \$m
Lease liabilities		
Not longer than 1 year	23	32
Longer than 1 year but not longer than 5 years	48	79
Longer than 5 years	9	24
Minimum future lease payments	80	135
Less: Future finance cost	(10)	(72)
Present value of the future lease payments	70	63
Included in the consolidated statement of financial position as part of:		
Current lease liabilities	20	16
Non-current lease liabilities	50	47
	70	63

APA Group has no material short-term leases, lease for low-value assets or variable lease payments.

The lease liability is initially measured at the present value of future lease payments at the commencement date, comprising the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments which vary due to changes in CPI, or commodity prices);
- Amounts expected to be payable by the lessee under residual value guarantees, purchase options and termination penalties (where relevant); and
- Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities (continued)

17. Leases (continued)

APA Group as a lessee (continued)

To calculate the present value, the future lease payments are discounted using the interest rate implicit in the lease (IRIL), if the rate is readily determinable. If the IRIL cannot be readily determined, the incremental borrowing rate (IBR) at the commencement date is used. The IBR is calculated based on the prevailing swap rate for a tenor that closely aligns with the term of the lease and then adjusted for APA Group credit spreads in a currency that matches the currency of the liability.

Subsequently, the lease liability is measured in a manner similar to other financial liabilities, at amortised cost using the effective interest rate method. The liability is remeasured to reflect any reassessment of lease payments or lease modifications, or to reflect revised in-substance fixed lease payments.

Variable payments other than those included in the measurement of the lease liability above (i.e. those not based on an index or rate) are recognised in the statement of profit or loss in the period in which the event or condition that triggers those payments occur.

Short term leases (i.e. where the lease term is less than 12 months) and low-value asset leases are recognised as an expense in the statement of profit or loss on a straight-line basis.

Total cash outflow for leases amounted to \$18 million (FY23: \$17 million), excluding payments for short term leases, low-value asset leases and variable payments leases.

APA Group as a lessor

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance lease receivables relate to the lease of one pipeline lateral, being Dampier to Bunbury Natural Gas Pipeline.

	2024 \$m	2023 \$m
Finance lease receivables		
Not longer than 1 year	2	2
Longer than 1 year and not longer than 5 years	7	7
Longer than 5 years	2	4
Minimum future lease payments receivable¹	11	13
Less: unearned finance lease receivables	(3)	(4)
Present value of lease receivables	8	9
Included in the consolidated statement of financial position as part of:		
Current trade and other receivables (note 9)	1	1
Non-current receivables (note 9)	7	8
	8	9

¹ Minimum future lease payments receivable include the aggregate of all lease payments receivable and any guaranteed residual.

APA Group does not have any operating leases where it is the lessor.

Amounts due from a lessee under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Notes to the consolidated financial statements (continued)

Capital Management

APA Group's objectives when managing capital are to safeguard its ability to continue as a going concern whilst maximising the return to securityholders through the optimisation of the debt to equity structure.

APA Group's overall capital management strategy is to continue to target BBB/Baa2 investment grade credit ratings through maintaining sufficient flexibility to fund organic growth and investment from internally generated and retained cash flows, debt funding and, where appropriate, additional equity.

The capital structure of APA Group consists of cash and cash equivalents, borrowings and equity attributable to securityholders of APA. APA Group's policy is to maintain balanced and diverse funding sources through raising funds locally and from overseas from a variety of capital markets including bank loan facilities, to meet anticipated funding requirements. This funding plus operating cash flows are used to maintain and expand APA Group's assets, make distributions to securityholders, repay maturing debt and meet anticipated funding requirements.

Controlled entities are subject to externally imposed capital requirements. These relate to the Australian Financial Services Licence held by APA Group Limited, the Responsible Entity of APA Group, and were adhered to for the entirety of the 2024 and 2023 periods.

APA Group's capital management strategy takes into consideration the cost of capital and the state of the capital markets. It remains focused on maintaining BBB/Baa2 investment grade credit ratings. APA Group remains focused on maintaining BBB/Baa2 investment grade credit ratings.

The main aspects of APA Group's capital management strategy are:

- Distribution policy balances organic growth capex funding with strong investor returns;
- Competitive investment hurdle rates;
- Investment grade credit metrics provides prudent levels of gearing and access to capital markets;
- Treasury policies ensures strong levels of liquidity and minimises risk; and
- Insightful communications ensuring strong investor engagement.

APA Group's Funds From Operations (FFO) to Net Debt are better than the minimum threshold levels that Moody's and Standard & Poor's consider appropriate for APA Group's BBB/Baa2 credit ratings. FFO to Net Debt is a leverage metric that measures cash flows generated by the business that are available to service debt noting that each rating agency calculates credit metrics slightly differently using their own proprietary methods. The ability to service debt and therefore creditworthiness, improves as the percentage of FFO to Net Debt increases (and vice versa).

**Notes to the consolidated financial statements (continued)
Capital Management (continued)**

18. Net debt

Cash and cash equivalents comprise of cash on hand, at call bank deposits and investments in money market instruments that are readily convertible to known amounts for cash. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position detailed in the table below.

Borrowings are recorded initially at fair value less attributable transaction costs and subsequently stated at amortised cost. Any difference between the initial recognised cost and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method.

	2024 \$m	2023 \$m
Cash at bank and on hand ¹	475	370
Short-term deposits	201	143
Cash and cash equivalents	676	513
Guaranteed senior notes ²	(1,895)	(200)
Secured third party borrowings ⁴	(5)	–
Other financial liabilities	(2)	(2)
Less: unamortised borrowing costs	3	–
Current borrowings	(1,899)	(202)
Guaranteed senior notes ²	(7,949)	(10,361)
Guaranteed subordinated notes ³	(800)	–
Guaranteed bank loans	(2,250)	(1,000)
Secured third party borrowings ⁴	(97)	–
Other financial liabilities	(3)	(6)
Less: unamortised borrowing costs	76	46
Non-current borrowings	(11,023)	(11,321)
Total borrowings	(12,922)	(11,523)
Current lease liabilities	(20)	(16)
Non-current lease liabilities	(50)	(47)
Total lease liabilities	(70)	(63)
Net debt	(12,316)	(11,073)

¹ The amount shown in cash and cash equivalents includes \$2 million not available for general use as at 30 June 2024 (30 June 2023: \$2 million).

² Represents JPY MTN of ¥10,000 million, GBP MTN of £1,379 million, EUR MTN of €2,350 million, and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date (2023: Represents JPY MTN of ¥10,000 million, GBP MTN of £1,600 million, EUR MTN of €2,350 million and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date, and AUD MTN of A\$200 million). Refer to note 19 for details of interest rates and maturity profiles.

³ Represents EUR Hybrid Notes of €500 million measured at the exchange rate at reporting date. Refer to note 19 for details of interest rate and maturity profile.

⁴ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates.

**Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Net debt (continued)**

Reconciliation of net debt

	Cash and cash equivalents \$m	Borrowings Current \$m	Borrowings Non-Current \$m	Lease Liabilities \$m	Net debt \$m
Net debt as at 1 July 2022	940	(3)	(10,902)	(57)	(10,022)
Cash movements	(427)	3	–	17	(407)
Non cash changes – leases	–	–	–	(23)	(23)
Foreign exchange movements on debt translation	–	–	(619)	–	(619)
Transfer from non-current to current	–	(202)	202	–	–
Movement of deferred borrowing costs	–	–	(2)	–	(2)
Net debt as at 30 June 2023	513	(202)	(11,321)	(63)	(11,073)
Net debt as at 1 July 2023	513	(202)	(11,321)	(63)	(11,073)
Cash movements ¹	163	200	(1,718)	18	(1,337)
Non cash changes – leases	–	–	–	(25)	(25)
Non cash changes – acquisition ²	–	(2)	(66)	–	(68)
Foreign exchange movements on debt translation	–	73	117	–	190
Transfer from non-current to current	–	(1,969)	1,969	–	–
Movement of deferred borrowing costs ³	–	1	(4)	–	(3)
Net debt as at 30 June 2024	676	(1,899)	(11,023)	(70)	(12,316)

- Cash movements include the proceeds from the EUR Hybrid Notes of €500 million and Syndicated facilities (\$1,250 million) executed in November 2023, repayment of 2016 ATMN in October 2023, 2012 GBP Bond in May 24 and secured third party borrowings.
- On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 25 for further details.
- Movement of deferred borrowing costs during the year include the non-cash impact of the remeasurement of secured third party borrowings.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Capital Management (continued)
18. Net debt (continued)**

	2024 \$m	2023 \$m
Financing facilities available		
Total facilities		
Guaranteed senior notes ¹	9,844	10,561
Guaranteed subordinated notes ²	800	—
Guaranteed bank loans ³	2,250	1,000
Bank borrowings ⁴	1,600	1,600
Secured third party borrowings ⁵	102	—
	14,596	13,161
Facilities used at balance date		
Guaranteed senior notes ¹	9,844	10,561
Guaranteed subordinated notes ²	800	—
Guaranteed bank loans ³	2,250	1,000
Bank borrowings ⁴	—	—
Secured third party borrowings ⁵	102	—
	12,996	11,561
Facilities unused at balance date		
Guaranteed senior notes ¹	—	—
Guaranteed subordinated notes ²	—	—
Guaranteed bank loans ³	—	—
Bank borrowings ⁴	1,600	1,600
Secured third party borrowings ⁵	—	—
	1,600	1,600

¹ Represents JPY MTN of ¥10,000 million, GBP MTN of £1,379 million, EUR MTN of €2,350 million, and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date (2023: Represents JPY MTN of ¥10,000 million, GBP MTN of £1,600 million, EUR MTN of €2,350 million and USD denominated 144a notes of US\$2,250 million measured at the exchange rate at reporting date, and AUD MTN of A\$200 million). Refer to note 19 for details of interest rates and maturity profiles.

² Represents EUR Hybrid Notes of €500 million measured at the exchange rate at reporting date. Refer to note 19 for details of interest rate and maturity profile.

³ Syndicated facilities executed in June 2022 (\$1,000 million) and November 2023 (\$1,250 million).

⁴ Bilateral facilities comprising \$500 million maturing in July 2025, \$400 million maturing in August 2027 and \$700 million maturing in December 2025.

⁵ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 25 for further details.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management

APA Group's Treasury team is responsible for the overall management of APA Group's capital raising activities, liquidity, lender relationships and engagement, debt portfolio management, interest rate and foreign exchange hedging, credit rating maintenance and third party indemnities (bank guarantees) within risk management parameters approved by the Audit and Finance Committee (AFC) and reviewed by the Board.

Based on the Treasury Risk Management Policy, APA Group's activities generate financial instruments comprising of cash, receivables, payables and interest bearing liabilities which expose it to various risks as summarised below:

- (a) Market risk including currency risk, interest rate risk and price risk;
- (b) Credit risk; and
- (c) Liquidity risk.

Risk	Sources	Risk management framework	Financial exposure
Market	Commercial transactions in foreign currency and funding activities	The AFC approves written principles for overall risk management, as well as policies covering specific areas such as liquidity risk, funding risk, foreign currency risk, interest rate risk and credit risk. APA Group's AFC ensures there is an appropriate Risk Management Policy for the management of treasury risk and compliance with the policy through the review of monthly reporting to the Board from the Corporate Treasury team.	Refer to 19 (a) Market risk section.
Credit	Cash, receivables, interest bearing liabilities and hedging		The carrying amount of financial assets recorded in the financial statements, net of any collateral held or bank guarantees held by the Group, represents APA Group's maximum exposure to credit risk in relation to those assets. Refer to 19 (b) Credit risk section.
Liquidity	Ongoing business operations, financial market disruptions and new investment opportunities		A detailed table shows APA Group's remaining contractual maturities for its non- derivative financial liabilities in 19 (c) Liquidity risk section.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

(a) Market risk

APA Group's market risk exposure is primarily due to changes in market prices such as interest and foreign exchange rates. APA Group is also exposed to price risk arising from its forward purchase contracts over listed equities and electricity price risk arising from electricity contracts for difference. The table below summarises these risks by nature of exposure and provides information about the risk mitigation strategies being applied:

Nature	Sources of financial exposure	Risk management strategy
Foreign exchange	APA Group's foreign exchange risk arises from future commercial transactions (including revenue, interest payments and principal debt repayments on long-term borrowings and the purchases of capital equipment and operating costs).	Exchange rate exposures are managed within approved policy parameters utilising foreign currency forward exchange contracts (FECs), cross currency swap contracts (CCS) and foreign currency denominated borrowings. All foreign currency exposure was managed in accordance with the Treasury Risk Management Policy, including: <ul style="list-style-type: none"> • FECs to hedge the exchange rate risk arising from foreign currency cash flows, mainly US dollars, derived from revenues, interest payments and capital equipment purchases; • CCS to manage the currency risk associated with foreign currency denominated borrowings; and • Foreign currency denominated borrowings to manage the currency risk associated with foreign currency denominated revenue and receivables.
Interest rate	APA Group's interest rate risk is derived predominately from borrowings subject to floating interest rates.	This risk is managed by APA Group by maintaining an appropriate mix between fixed and floating rate borrowings, through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined policy, ensuring appropriate hedging strategies are applied.
Equity price, electricity price and volumes	APA Group is exposed to price and volumes risk arising from its forward purchase contracts over listed equities and electricity price and volumes risk arising from contracts for difference in electricity sales agreement and a network services agreement with customers.	The equity price risk is managed by forward purchase contracts held to hedge the long term incentive awards rather than for trading purposes. APA Group does not actively trade these holdings. Electricity price and volumes risk is managed with an electricity sales agreement and a network services agreement with creditworthy counterparties. The key assumptions of the commercial contracts for difference are provided in the fair value of financial instrument section.

There has been no change to the nature of the market risks to which APA Group is exposed or the manner in which these risks are managed and measured.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

Foreign currency risk

Foreign currency forward exchange contracts

To manage foreign exchange risk arising from future commercial transactions such as forecast capital purchases and operating costs, revenue, interest and debt payments, APA Group uses FECs. Gains and losses recognised in the cash flow hedge reserve (statement of comprehensive income) on these derivatives will be released to profit or loss when the underlying anticipated transaction affects the Statement of Profit or Loss or will be included in the carrying value of the asset or liability acquired.

The carrying amount of APA Group's foreign currency denominated monetary assets, monetary liabilities and derivative notional amounts at the reporting date is as follows (converted to AUD at the spot rate at reporting date):

	Cash & cash equivalents \$m	Total borrowings \$m	Cross currency swaps \$m	Forward exchange contract \$m	Net foreign currency position \$m
2024					
US Dollar (USD) ¹	11	(3,375)	(54)	(173)	(3,581)
British Pound (GBP)	—	(2,615)	2,615	1	1
Euro (EUR)	—	(4,578)	4,578	1	1
Japanese Yen (JPY)	—	(93)	93	—	—
Swedish Krona (SEK)	—	—	—	8	8
	11	(10,661)	7,232	(163)	(3,581)

	Cash & cash equivalents \$m	Total borrowings \$m	Cross currency swaps \$m	Forward exchange contract \$m	Net foreign currency position \$m
2023					
US Dollar (USD) ¹	14	(3,377)	(1,079)	501	(3,941)
British Pound (GBP)	—	(3,048)	3,048	—	—
Euro (EUR)	—	(3,849)	3,849	2	2
Japanese Yen (JPY)	—	(104)	104	—	—
Swedish Krona (SEK)	—	—	—	10	10
Canadian Dollar (CAD)	—	—	—	2	2
	14	(10,378)	5,922	515	(3,927)

¹ Foreign currency exposure associated with USD revenue and receivables is used to manage the net foreign currency position (comprising USD denominated borrowings and forward exchange contracts).

It is the policy of APA Group to hedge 100% of all foreign exchange exposures in excess of US\$1 million equivalent that are certain. Forecast foreign currency denominated revenues and interest payments will be hedged by FECs on a rolling basis with the objective being to lock in the AUD gross cash flows and manage liquidity.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying currency) of the FECs and their corresponding hedged items are the same, APA Group performs a qualitative assessment of effectiveness and it is expected that the value of the FECs and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying foreign exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and APA Group's own credit risk on the fair value of the FECs, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. The effect of credit risk does not dominate the value changes that result from that economic relationship.

As at the reporting date, APA Group has entered into FECs to hedge the foreign currency exposure arising from anticipated future transactions, which are designated in cash flow hedge relationships.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Capital Management (continued)
19. Financial risk management (continued)**

The following table details the FECs outstanding at reporting date:

Cash flow hedges

2024	Average contract rate	Contract Value				Fair value \$m
		< 1 year \$m	1 - 2 years \$m	2 - 5 years \$m	> 5 years \$m	
Forecast revenue and associated receivable						
Sell USD ¹	0.6827	591	694	900	—	(45)
Forecast capital purchases and operating costs						
Buy USD	0.6759	(25)	—	—	—	—
Buy EUR	0.6036	(1)	—	—	—	—
Buy SEK	6.6059	(4)	(1)	(3)	(1)	—
Forecast foreign currency borrowings						
Buy USD ²	0.7090	(1,727)	(101)	(83)	—	109
		(1,166)	592	814	(1)	64

¹ APA entered into a series of FECs in February 2022 and February 2024 to manage FX exposure up to June 2027 on WGP monthly revenue.

² APA entered into a series of FEC's in February 2022 and February 2024 to manage FX exposure up to March 2027 on the bi-annual interest payments on the USD denominated debt, and the repayment of USD denominated debt in 2025.

2023	Average contract rate	Contract Value				Fair value \$m
		< 1 year \$m	1 - 2 years \$m	2 - 5 years \$m	> 5 years \$m	
Forecast revenue and associated receivable						
Sell USD ¹	0.7166	574	632	377	—	(104)
Forecast capital purchases and operating costs						
Buy USD	0.6844	(93)	—	—	—	2
Buy EUR	0.6260	(1)	—	—	—	—
Buy SEK	6.7881	(5)	(1)	(3)	(2)	—
Buy CAD	0.9166	(2)	—	—	—	—
Forecast foreign currency borrowings						
Buy USD ¹	0.7134	(182)	(1,727)	(60)	—	118
		291	(1,096)	314	(2)	16

¹ APA entered into a series of FECs in February 2022 to manage FX exposure from March 2022 to December 2025 on WGP monthly revenue, the bi-annual interest payment on the USD denominated debt, and the repayment of the USD denominated debt in 2025.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

Cross currency swap contracts

APA Group enters into cross currency swap contracts to mitigate the risk of adverse movements in foreign exchange rates in relation to principal and interest payments arising from foreign currency borrowings. APA Group receives fixed amounts in the various foreign currencies and pays fixed interest rates for the full term of the underlying borrowings. In certain circumstances borrowings are retained in the foreign currency, or hedged from one foreign currency to another to match payments of interest and principal against expected future business cash flows in that foreign currency.

The following table details the cross currency swap contract principal payments due as at the reporting date:

Cash flow hedges

2024	Foreign currency	Exchange rate	Contract Value			
			< 1 year \$m	1 - 2 years \$m	2 - 5 years \$m	> 5 years \$m
Pay AUD / receive foreign currency						
2012 GBP Medium Term Notes	AUD/GBP	0.6530	(198)	—	—	—
2015 EUR Medium Term Notes ¹	AUD/EUR	0.6265	—	—	(1,038)	—
2017 US144A	AUD/USD	0.7668	—	—	(1,108)	—
2019 GBP Medium Term Notes	AUD/GBP	0.5388	—	—	—	(742)
2019 JPY Medium Term Notes	AUD/JPY	75.2220	—	—	—	(133)
2020 EUR Medium Term Notes	AUD/EUR	0.5895	—	—	—	(1,018)
2021 EUR Medium Term Notes	AUD/EUR	0.6464	—	—	(928)	(774)
2021 GBP Medium Term Notes	AUD/GBP	0.5530	—	—	—	(452)
2023 EUR Hybrid Notes	AUD/EUR	0.6037	—	—	(828)	—
Pay USD / receive foreign currency						
2015 GBP Medium Term Notes	USD/GBP	0.6773	—	—	—	(1,329)
			(198)	—	(3,902)	(4,448)

2023	Foreign currency	Exchange rate	Contract Value			
			< 1 year \$m	1 - 2 years \$m	2 - 5 years \$m	> 5 years \$m
Pay AUD / receive foreign currency						
2012 GBP Medium Term Notes	AUD/GBP	0.6530	—	(536)	—	—
2017 US144A	AUD/USD	0.7668	—	—	(1,108)	—
2019 GBP Medium Term Notes	AUD/GBP	0.5388	—	—	—	(742)
2019 JPY Medium Term Notes	AUD/JPY	75.2220	—	—	—	(133)
2020 EUR Medium Term Notes	AUD/EUR	0.5895	—	—	—	(1,018)
2021 EUR Medium Term Notes	AUD/EUR	0.6464	—	—	—	(1,702)
2021 GBP Medium Term Notes	AUD/GBP	0.5530	—	—	—	(452)
Pay USD / receive foreign currency						
2015 EUR Medium Term Notes	USD/EUR	0.9514	—	—	(1,025)	—
2015 GBP Medium Term Notes	USD/GBP	0.6773	—	—	—	(1,329)
			—	(536)	(2,133)	(5,376)

¹ APA Group entered into a USD/AUD cross currency swap in February 2024. The combination of the 2015 EUR/USD cross currency swap and the USD/AUD cross currency swap are designated as a hedge of the 2015 EUR Medium Term Notes.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

Foreign currency denominated borrowings

APA Group maintains a level of borrowings in foreign currency, or swapped from one foreign currency to another to match payments of interest and principal against expected future business cash flows in that foreign currency. This mitigates the risk of movements in foreign exchange rates in relation to principal and interest payments arising from these foreign currency borrowings as well as future revenues.

Foreign currency sensitivity analysis

The analysis below shows the effect on profit and total equity of retranslating cash, receivables, payables and interest-bearing liabilities denominated in USD, JPY, GBP, EUR and SEK into AUD, had the rates been 20 percent higher or lower than the relevant year end rate, with all other variables held constant, and taking into account all underlying exposures and related hedges. A sensitivity of 20 percent has been selected and represents management's assessment of the possible change in rates taking into account the current level of exchange rates and the volatility observed both on an historical basis and on market expectations for possible future movements.

- Net profit would increase by \$3 million with a 20 percent depreciation of AUD or decrease by \$2 million with a 20 percent increase in AUD (2023: increase by \$3 million or decrease by \$2 million respectively); and
- Equity reserves would decrease by \$869 million with a 20 percent depreciation of the AUD or increase by \$581 million with a 20 percent increase in AUD (2023: decrease by \$389 million or increase by \$260 million respectively).

Interest rate risk

APA Group's interest rate risk is derived predominately from borrowings. This risk is managed by APA Group maintaining an appropriate mix between fixed and floating rate borrowings, through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined policy, ensuring appropriate hedging strategies are applied.

APA Group's exposures to interest rate risk on financial liabilities are detailed in the liquidity risk management section of this note. Interest rate risk relating to APA Group's financial assets is limited to cash and cash equivalents amounting to \$676 million as at 30 June 2024 (2023: \$513 million).

Cross currency swap and interest rate swap contracts

Cross currency swap and interest rate swap contracts have the economic effect of converting borrowings from floating to fixed rates and/or fixed rate foreign currency to fixed or floating AUD rates on agreed notional principal amounts enabling APA Group to mitigate the risk of cash flow exposures on variable rate debt held. The fair value of cross currency swap and interest rate swap contracts at the reporting date is determined by discounting the future cash flows using the yield curves at reporting date. The average interest rate is based on the drawn debt balances at the end of the financial year.

There is an economic relationship between the hedged item and the hedging instrument. Based on APA Group's qualitative assessment of effectiveness, it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and APA Group's own credit risk on the fair value of the cross currency swap and interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates and difference in timing of the future cash flows. The effect of credit risk does not dominate the value changes that result from that economic relationship.

The following table details the notional principal amounts and remaining terms of the cross currency swap contracts outstanding as at the end of the financial year:

	Weighted average interest rate		Notional principal amount		Fair value	
	2024 % p.a.	2023 % p.a.	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Cash flow hedges – Pay fixed AUD interest – receive floating AUD or fixed foreign currency						
Less than 1 year	7.37	–	198	–	44	–
1 year to 2 years	–	7.28	–	536	–	95
2 years to 5 years	4.59	4.82	5,586	2,634	104	134
5 years and more ¹	4.30	4.04	5,697	5,876	(435)	(428)
			11,481	9,046	(287)	(199)

¹ This amount includes a notional amount of USD 886 million (2023: USD 1.6 billion).

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

The cross currency swap and interest rate swap contracts settle on a quarterly or semi-annual basis. The floating rate benchmark on the interest rate swaps is Australian BBSW. APA Group will settle the difference between the fixed and floating interest rate on a net basis.

All cross currency swap and interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce APA Group's cash flow exposure on borrowings.

The following tables detail before tax information of APA Group (excluding share of hedge reserves of associates) regarding derivative financial instruments outstanding at the end of the reporting period, their related hedged items and the effectiveness of the hedging relationships.

	Fair value of hedge instrument		Fair value of hedge item		Cash flow hedge reserve balance	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk						
Hedging foreign currency borrowings (cross currency swap)	(262)	(224)	312	225	436	788
Hedging revenue and associated receivables (foreign currency borrowings)	(69)	(69)	69	69	69	69
Hedging revenue and associated receivables (FECs)	(32)	(76)	32	76	29	73
Hedging foreign currency borrowings (FECs)	95	89	(95)	(89)	25	32
Hedging capital purchases (FECs)	—	2	—	(2)	—	(2)
Interest rate risk						
Hedging AUD borrowings (IRS)	(25)	25	26	(24)	26	(24)
	(293)	(253)	344	255	585	936

	Change in fair values of hedge instruments ¹		Change in fair values of hedged items ¹	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk				
Hedging foreign currency borrowings (cross currency swap)	9	7	30	(17)
Hedging revenue and associated receivables (foreign currency borrowings)	—	(15)	—	15
Hedging revenue and associated receivables (FECs)	14	(20)	(14)	19
Hedging foreign currency borrowings (FECs)	6	18	(6)	(18)
Hedging capital purchases (FECs)	—	3	—	(3)
Interest rate risk				
Hedging AUD borrowings (IRS)	(50)	17	50	(16)
	(21)	10	60	(20)

¹ This table excludes change in fair values of forecast transactions no longer expected to occur.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

	Hedge effectiveness gain / (loss) ¹		Balance relating to discontinued cash flow hedges	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Foreign exchange risk				
Hedging foreign currency borrowings (cross currency swap)	(1)	(2)	178	—
Hedging revenue and associated receivables (foreign currency borrowings)	—	—	43	81
Hedging revenue and associated receivables (FECs)	—	—	—	—
Hedging foreign currency borrowings (FECs)	—	—	—	—
Hedging capital purchases (FECs)	—	—	—	—
Interest rate risk				
Hedging US\$ denominated borrowings (interest rate swap)	—	—	18	23
	(1)	(2)	239	104

¹ Hedge ineffectiveness gain / (loss) shown is cumulative and recognised in finance cost.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments held. A 100 basis point increase or decrease is used and represents management's assessment of the possible change in interest rates over the short term. At reporting date, if interest rates had been 100 basis points lower or higher and all other variables were held constant, APA Group's equity reserves would increase by \$105 million with a 100 basis point decrease in interest rates or decrease by \$108 million with a 100 basis point increase in interest rates (2023: increase by \$29 million or decrease by \$42 million respectively). This is due to the changes in the fair value of derivative interest instruments.

APA Group's profit sensitivity to interest rates remains unchanged during the current year as APA Group has no unhedged floating rate borrowings outstanding at the end of the financial year. The increase/decrease in equity reserves is based on 1.00% p.a. increase/decrease in the yield curve at the reporting date.

Price risk – equity price

APA Group is exposed to price risk arising from its forward purchase contracts over listed equities. The forward purchase contracts are held to hedge long term incentive awards rather than for trading purposes. APA Group does not actively trade these holdings.

Price risk – electricity price

APA Group is exposed to electricity price risk arising from contracts for difference in an electricity sales agreement and a network services agreement with customers. The contract guarantees the Group a fixed price for electricity offtake and contracts to provide network services in exchange, of which, a portion of the fee is fixed against the price of capacity. The key assumptions of the contract for difference are provided in the fair value of financial instrument section.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to APA Group.

Credit risk management

APA Group has adopted the policy of dealing with creditworthy counterparties or obtaining sufficient collateral or bank guarantees where appropriate as a means of mitigating the risk of loss. For financial investments or market risk hedging, APA Group's policy is to only transact with counterparties that have a credit rating of A- (Standard & Poor's)/A3 (Moody's) or higher unless specifically approved by the Board. Where a counterparty's rating falls below this threshold following a transaction, no other transactions can be executed with that counterparty until the exposure is sufficiently reduced or their credit rating is upgraded above APA Group's minimum threshold. APA Group's exposure to financial instrument and deposit credit risk is closely monitored against counterparty credit limits imposed by the Treasury Risk Management Policy approved by the AFC. These limits are regularly reviewed by the Board.

Overview of APA Group's exposure to credit risk

In order to minimise credit risk, APA Group categorised exposures according to their degree of risk of default. APA Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

APA Group's current credit risk grading framework comprises the following categories:

- Performing – the counterparty has a low risk of default and does not have any past-due amounts;
- Doubtful – amount is >30 days past due or there has been a significant increase in credit risk since initial recognition; and
- Write-off – there is evidence indicating that the debtor is in severe financial difficulty and APA Group has no realistic prospect of recovery.

The table below details the credit quality of APA Group's financial assets.

	External credit rating	Internal credit rating	ECL method ¹
Cash and cash equivalents and cash on deposit	A- (Standard & Poor's)/ A3 (Moody's) or higher	Performing	12-month ECL
Trade receivables	N/A	2	Lifetime ECL (simplified approach)
Finance lease receivables	N/A	2	Lifetime ECL (simplified approach)
Contract assets	N/A	2	Lifetime ECL (simplified approach)
Loans advanced to related parties	N/A	Performing	12-month ECL
Redeemable preference shares (GDI)	N/A	Performing	12-month ECL

¹ Lifetime ECL represents the expected credit losses (ECL) that will result from possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

² For trade receivables, finance lease receivables and contract assets, APA Group has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL. APA Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 9 includes further details on the loss allowance for these assets, respectively, if any.

There is no material ECL for any of the financial assets listed in the table above. Refer to note 9 for further information.

Cross guarantee

In accordance with a deed of cross guarantee, APA Infrastructure Limited, a subsidiary of APA Group, has agreed to provide financial support, as and when required, to all wholly-owned controlled entities that have ascended to the deed with either a deficit in shareholders' funds or an excess of current liabilities over current assets. The fair value of the financial guarantee as at 30 June 2024 has been determined to be immaterial and no liability has been recorded (2023: \$nil).

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

(c) Liquidity risk

APA Group has a policy of dealing with liquidity risk which requires an appropriate liquidity risk management framework for the management of APA Group's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves and banking facilities, by monitoring and forecasting cash flow and where possible, by arranging liabilities with longer maturities to more closely match the underlying assets of APA Group.

Detailed in the following table are APA Group's remaining contractual maturities for its financial liabilities including AUD and foreign currency denominated notes, cross currency swaps and interest rate swaps in aggregate. The table shows the undiscounted Australian dollar cash flows and includes both interest and principal cash flows. Rates shown are the coupon rate in the currency of issuance.

2024	Maturity	Average interest rate % p.a.	Contract Value		
			< 1 year \$m	1 - 5 years \$m	> 5 years \$m
Secured financial liabilities					
Secured third party borrowings ¹	23-Nov-41	2.25	7	28	57
Secured third party borrowings ^{1,2}	23-Nov-46	—	—	—	24
Unsecured financial liabilities					
Trade and other payables			555	—	—
Guaranteed bank loans ³	20-May-27	3.77	24	549	—
Guaranteed bank loans ³	20-May-29	3.88	26	605	—
Guaranteed bank loans ³	31-Oct-30	5.05	51	202	825
Guaranteed bank loans ³	31-Oct-33	5.23	36	143	661
Denominated in A\$					
Other financial liabilities			2	4	—
Guaranteed Senior Notes					
Denominated in US\$					
2015 US 144A ⁴	23-Mar-25	4.20	1,719	—	—
2015 US 144A ⁴	23-Mar-35	5.00	22	90	585
2017 US 144A	15-Jul-27	4.25	59	1,255	—
Denominated in stated foreign currency					
2012 GBP Medium Term Notes	26-Nov-24	4.25	205	—	—
2015 GBP Medium Term Notes ⁴	22-Mar-30	3.50	60	238	1,388
2015 EUR Medium Term Notes	22-Mar-27	2.00	45	1,130	—
2019 GBP Medium Term Notes	18-Jul-31	3.13	34	135	826
2019 JPY Medium Term Notes	13-Jun-34	1.03	6	23	161
2020 EUR Medium Term Notes	15-Jul-30	2.00	39	158	1,077
2021 EUR Medium Term Notes	15-Mar-29	0.75	28	1,038	—
2021 EUR Medium Term Notes	15-Mar-33	1.25	29	117	891
2021 GBP Medium Term Notes	15-Mar-36	2.50	19	77	587
Guaranteed Subordinated Notes					
Denominated in EUR					
2023 EUR Hybrid Notes	09-Feb-29	7.13	77	1,136	—
			3,043	6,928	7,082

¹ On 1 November 2023, APA Group acquired 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). The acquisition included secured third party loan facilities with concessional interest rates. Refer to note 25 for further details.

² The repayment obligation of the loan is linked to a cash sweep mechanism that applies once a minimum IRR threshold is met. Based on this mechanism, it is expected that this loan will be fully repaid by 30/09/2030. However, this is subject to regular adjustment. If this mechanism does not achieve full repayment of the loan then any remaining balance is to be fully repaid 25 years after project completion as per maturity shown.

³ Bank facilities mature on 20 May 2027 (\$500 million limit), 20 May 2029 (\$500 million limit), 31 October 2030 (\$750 million limit) and 31 October 2033 (\$500 million limit). The facilities are fully drawn at reporting date.

⁴ Facilities are denominated in or fully swapped by way of CCS into USD. Cashflows represent the USD cashflow translated at the USD/AUD spot rate as at 30 June 2024. These amounts are fully hedged by FECs or future USD revenues.

**Notes to the consolidated financial statements (continued)
Capital Management (continued)
19. Financial risk management (continued)**

2023	Maturity	Average interest rate % p.a.	Contract Value		
			< 1 year \$m	1 - 5 years \$m	> 5 years \$m
Unsecured financial liabilities					
Trade and other payables			471	—	—
Guaranteed bank loans ¹	20-May-27	3.77	25	574	—
Guaranteed bank loans ¹	20-May-29	3.88	26	105	526
Denominated in A\$					
Other financial liabilities			3	5	—
Guaranteed Senior Notes ³					
Denominated in A\$					
2016 AUD Medium Term Notes	20-Oct-23	3.75	204	—	—
Denominated in US\$					
2015 US 144A ²	23-Mar-25	4.20	69	1,720	—
2015 US 144A ²	23-Mar-35	5.00	23	90	608
2017 US 144A	15-Jul-27	4.25	59	1,314	—
Denominated in stated foreign currency					
2012 GBP Medium Term Notes	26-Nov-24	4.25	40	555	—
2015 GBP Medium Term Notes ²	22-Mar-30	3.50	60	238	1,449
2015 EUR Medium Term Notes ²	22-Mar-27	2.00	45	1,161	—
2019 GBP Medium Term Notes	18-Jul-31	3.13	34	135	859
2019 JPY Medium Term Notes	13-Jun-34	1.03	6	23	167
2020 EUR Medium Term Notes	15-Jul-30	2.00	39	158	1,117
2021 EUR Medium Term Notes	15-Mar-29	0.75	27	110	956
2021 EUR Medium Term Notes	15-Mar-33	1.25	29	117	920
2021 GBP Medium Term Notes	15-Mar-36	2.50	19	77	606
			1,179	6,382	7,208

- ¹ Bank facilities mature or expire on 20 May 2027 (\$500 million limit) and 20 May 2029 (\$500 million limit). The facilities are fully drawn at reporting date.
² Facilities are denominated in or fully swapped by way of CCS into USD. Cashflows represent the USD cashflow translated at the USD/AUD spot rate as at 30 June 2023. These amounts are fully hedged by FECs or future USD revenues.
³ Rates shown are the coupon rate in the currency of issuance.

Critical accounting judgements and key sources of estimation uncertainty - fair value of financial instruments

APA Group has financial instruments that are carried at fair value in the statement of financial position. The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, APA Group determines fair value by using various valuation models. The objective of using a valuation technique is to establish the price that would be received to sell an asset or paid to transfer a liability between market participants. The chosen valuation models make maximum use of market inputs and rely as little as possible on entity specific inputs. The fair values of all positions include assumptions made as to recoverability based on the counterparty's and APA Group's credit risk.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy occur at the end of the reporting period. There have been no transfers between the levels during 2024 (2023: none). Transfers between Level 1 and Level 2 are triggered when there are changes to the availability of quoted prices in active markets. Transfers into Level 3 are triggered when the observable inputs become no longer observable, or vice versa for transfer out of Level 3.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are measured at the end of each reporting period and determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. These instruments are classified in the fair value hierarchy at Level 1;
- The fair values of FECs included in hedging assets and liabilities are calculated using discounted cash flow analysis based on observable forward exchange rates at the end of the reporting period and contract forward rates discounted at a rate that reflects the credit risk of the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair values of interest rate swaps, cross currency swaps, equity forwards and other derivative instruments included in hedging assets and liabilities are calculated using discounted cash flow analysis using observable market inputs (yield curves, foreign exchange rates, equity prices and historical inflation indices) at the end of the reporting period and contract rates discounted at a rate that reflects the credit risk of the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair value of the indexed revenue contract is derived from present value of expected future cash flows based on observable inflation indices and yield curve at the end of the reporting period. These instruments are classified in the fair value hierarchy at Level 2;
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets discounted at a rate that reflects the credit risk of the various counterparties. These instruments are classified in the fair value hierarchy at Level 2;
- The fair value of financial guarantee contracts is determined based upon the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default. These instruments are classified in the fair value hierarchy at Level 2; and
- The carrying value of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair value having regard to the specific terms of the agreements underlying those assets and liabilities.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

Contracts for difference

The financial statements include contracts for difference arising from an electricity sales agreement with a customer that guarantees the Group a fixed price for electricity offtake for the agreed term and a network services agreement where the Group exchanges variable inter-regional electricity revenues for a fixed fee based on capacity. The contracts are at fair value. The fair value of the contracts for difference is derived from internal discounted cash flow valuation methodology, which includes some assumptions that are not able to be supported by observable market prices or rates.

In determining the fair value, the following assumptions were used:

- For the electricity sales agreement, the estimated long term forecast electricity pool prices are applied as market prices are not readily observable for the corresponding term. Forecast electricity volumes are also estimated based on an internal forecast output model;
- For the network services agreement, the variable inter-regional revenues were forecast based on the interconnector's historical spot prices and electricity volumes as these inputs are not readily observable;
- The discount rates are based on observable market rates for risk-free instruments of the appropriate term;
- Credit adjustments are applied to the discount rates to reflect the risk of default by either the Group or a specific counterparty. Where a counterparty specific credit curve is not observable, an estimated curve is applied which takes into consideration the credit rating of the counterparty and its industry; and
- These instruments are classified in the fair value hierarchy at Level 3.

Changes in any of the aforementioned assumptions may be accompanied by changes in other assumptions which may have an offsetting impact.

Fair value hierarchy

2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets measured at fair value				
Interest rate swaps used for hedging	—	22	—	22
Cross currency swap contracts used for hedging	—	217	—	217
Foreign currency forward exchange contracts used for hedging	—	127	—	127
Contracts for difference	—	—	4	4
	—	366	4	370
Financial liabilities measured at fair value				
Interest rate swaps used for hedging	—	47	—	47
Equity forwards designated as fair value through profit or loss	—	5	—	5
Cross currency swap contracts used for hedging	—	479	—	479
Foreign currency forward exchange contracts used for hedging	—	63	—	63
Contracts for difference	—	—	11	11
Indexed revenue contract	—	14	—	14
	—	608	11	619

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

Notes to the consolidated financial statements (continued)

Capital Management (continued)

19. Financial risk management (continued)

2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets measured at fair value				
Interest rate swaps used for hedging	—	25	—	25
Cross currency swap contracts used for hedging	—	286	—	286
Foreign currency forward exchange contracts used for hedging	—	121	—	121
Contracts for difference	—	—	13	13
	—	432	13	445
Financial liabilities measured at fair value				
Cross currency swap contracts used for hedging	—	509	—	509
Foreign currency forward exchange contracts used for hedging	—	106	—	106
Indexed revenue contract	—	12	—	12
Contracts for difference	—	—	3	3
	—	627	3	630

Reconciliation of Level 3 fair value measurements

	2024 \$m	2023 \$m
Opening balance	10	(2)
Revaluation	(20)	17
Settlement	3	(5)
Closing balance	(7)	10

Fair value measurements of financial instruments measured at amortised cost

The financial liabilities included in the following table are fixed rate borrowings. Other debts held by APA Group are floating rate borrowings and amortised cost as recorded in the financial statements approximate their fair values.

	Carrying amount		Fair value (Level 2) ¹	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Financial liabilities				
Unsecured Australian Dollar Medium Term Notes	—	200	—	199
Unsecured Japanese Yen Medium Term Notes	93	104	84	96
Unsecured US Dollar 144A Medium Term Notes	3,367	3,366	3,313	3,231
Unsecured British Pound Medium Term Notes	2,606	3,031	2,268	2,432
Unsecured Euro Medium Term Notes	3,753	3,825	3,268	3,095
Unsecured Euro Hybrid Notes ²	793	—	848	—
	10,612	10,526	9,781	9,053

¹ The fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets, discounted at a rate that reflects APA Group's credit risk. These instruments are classified in the fair value hierarchy at Level 2.

² In November 2023, APA Group issued EUR 500 million hybrid (AUD 828 million) subordinated debt at 7.125% per annum (swapped to 9.32% per annum fixed AUD interest rate until February 2029).

**Notes to the consolidated financial statements (continued)
Capital Management (continued)
20. Other financial instruments**

	Assets		Liabilities	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Derivatives at fair value:				
Contracts for difference	—	—	11	3
Equity forward contracts	—	—	1	—
Derivatives at fair value designated as hedging instruments:				
Cross currency swaps - cash flow hedges ¹	57	22	154	159
Foreign exchange contracts - cash flow hedges	111	17	44	45
Interest rate swaps - cash flow hedges ¹	8	10	5	—
Current	176	49	215	207
Derivatives at fair value:				
Contracts for difference	4	13	—	—
Equity forward contracts	—	—	4	—
Indexed revenue contracts	—	—	14	12
Derivatives at fair value designated as hedging instruments:				
Cross currency swaps - cash flow hedges	173	288	359	379
Foreign exchange contracts - cash flow hedges	19	104	23	61
Interest rate swaps - cash flow hedges	14	15	43	—
Financial items carried at amortised cost:				
Redeemable preference shares ²	10	10	—	—
Non-current	220	430	443	452

¹ Derivatives at fair value for Cross currency swaps and interest rate swaps include interest receivables and payables.

² Redeemable preference shares relate to APA Group's 20% interest in GDI (Eil) Pty Ltd. In December 2011, APA sold 80% of its gas distribution network in South East Queensland (Allgas) into an unlisted investment entity, GDI (Eil) Pty Ltd. At that date GDI issued 52 million Redeemable Preference Shares (RPS) to its owners. The shares were redeemed in December 2021 and new redeemable preference shares were issued. The shares attract periodic interest payments and have a redemption date 10 years from issue.

Recognition and measurement

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Derivatives that APA Group does not elect to apply hedge accounting to or do not meet the hedge accounting criteria, are classified as 'financial assets/liabilities' for accounting purposes and accounted for at FVTPL.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

20. Other financial instruments (continued)

Fair value measurement

For information about the methods and assumptions used in determining the fair value of financial instruments refer to note 19.

Hedge accounting

APA Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. There are no fair value hedges in the current or prior year, hedges of foreign exchange and interest rate risk are accounted for as cash flow hedges.

At the inception of the hedge relationship, APA Group formally designates and documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, APA Group expects the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that APA Group actually hedges and the quantity of the hedging instrument that APA Group actually uses to hedge that quantity of hedged item.

Derivatives are initially recognised at fair value at the date a derivatives contract is entered into and subsequently remeasured to fair value at each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative with a positive fair value is recognised as a financial asset, a derivative with a negative fair value is recognised as a financial liability.

The fair value of hedging derivatives is classified as either current or non-current based on the timing of the underlying discounted cash flows of the instrument. Cash flows due within 12 months of the reporting date are classified as current and cash flows due after 12 months of the reporting date are classified as non-current.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'finance costs' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if APA Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

APA Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

20. Other financial instruments (continued)

Accounting for the forward element of foreign currency forward exchange contracts and foreign currency basis spreads of financial instruments

APA Group designates the full change in the fair value of an FEC (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving FECs.

APA Group separates the foreign currency basis spread from a financial instrument and excludes it from the designation of that financial instrument as the hedging instrument. Changes in the value of the undesignated aligned foreign currency basis spread associated with cross currency swaps are deferred in other comprehensive income.

Cash flow hedge and cost of hedging reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items.

The cost of hedging reserve represents the effect of the changes in fair value of the forward currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with APA Group's accounting policy to recognise the non-designated component of a foreign currency derivative in equity). The changes in fair value of the foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.

	2024 \$m	2023 \$m
Balance at beginning of financial year	(717)	(343)
Gain/(loss) recognised taken to equity:		
Loss arising on changes in fair value of hedging instruments	(88)	(643)
Changes in fair value of foreign currency basis spread during the year	43	(62)
Share of hedge reserve of associate	(9)	4
Amount reclassified to P&L for forecast transactions no longer expected to occur ¹	22	—
Amount reclassified to P&L for effective hedges	240	167
Tax effect	(62)	160
Balance at end of financial year	(571)	(717)

¹ Amount reclassified to P&L for forecast transactions no longer expected to occur include the hedge reserve opening balance in relation to the cross currency swaps terminated as result of the GBP 221 million Medium Term Notes buy back in May 2024.

In 2024, the foreign currency basis spread reserve balance at the beginning of the financial year is \$13 million and at the end of financial year is \$48 million (2023: \$13 million at the beginning of the financial year).

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

In hedges of foreign currency capital equipment purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of APA Group or the derivative counterparty.

Hedge ineffectiveness for cross currency swaps is assessed using the same principles as for hedges of foreign currency capital equipment purchases. It may occur due to the credit value/debit value adjustment on the swap contracts which is not matched by the debts.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

20. Other financial instruments (continued)

Impairment of financial assets

In relation to the impairment of financial assets, it is no longer necessary for a credit event to have occurred before credit losses are recognised. APA Group applies an ECL model to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of a financial asset.

APA Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, for example, loans advanced to related parties and trade receivables. No impairment loss is recognised for investments in equity instruments. For trade receivables, finance lease receivables and contract assets, APA Group applies the simplified approach to assessing ECL. Under the simplified approach, ECL on these financial assets is estimated using a provision matrix. This matrix is based on APA Group's historical credit losses and reasonable and supportable information that is available without undue cost.

The amount of ECL under either approach is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

APA Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. Aside from the additional disclosure requirements in note 19, the history of collection rates and forward-looking information that is available without undue cost or effort shows that APA Group has limited expected loss on collection of debtors or loans.

Significant increase in credit risk

An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.

Definition of default

When there is a breach of financial covenants by the debtor.

Write-off policy

APA Group writes off a financial asset when all reasonable attempts at recovery have been taken and failed e.g. debts that are considered irrecoverable, or where the cost of recovery is uneconomic, must be written off as a bad debt.

21. Issued capital

	2024 \$m	2023 \$m
Units		
1,283,352,928 securities, fully paid (2023: 1,179,893,848 securities, fully paid) ¹	2,400	1,964

	2024 No. of units in millions	2024 \$m	2023 No. of units in millions	2023 \$m
Movements				
Balance at beginning of financial year	1,180	1,964	1,180	2,225
Capital distributions paid (note 8)	—	(177)	—	(261)
Issue of securities under distribution reinvestment plan ²	1	2	—	—
Issue of securities under institutional security placement ³	79	475	—	—
Issue of securities under retail security purchase plan ⁴	23	141	—	—
Security issue costs	—	(5)	—	—
Balance at end of financial year	1,283	2,400	1,180	1,964

¹ Fully paid securities carry one vote per security and carry the right to distributions.

² On 14 March 2024, the distribution declared in December 2023 resulted in \$2 million being raised by the distribution reinvestment plan through the issue of 0.4 million stapled securities at a price of \$8.27.

³ On 29 August 2023, APA Infrastructure Trust and APA Investment Trust issued 79.4 million new stapled securities via institutional placement at an issue price of \$8.50, which was allocated to the APA Infrastructure Trust and APA Investment Trust on a net asset basis.

⁴ On 22 September 2023, APA Infrastructure Trust and APA Investment Trust issued 23.7 million new stapled securities via security purchase plan at an issue price of \$8.46, which was allocated to the APA Infrastructure Trust and APA Investment Trust on a net asset basis.

The Trust does not have a limited amount of authorised capital.

Notes to the consolidated financial statements (continued)

Group Structure

22. Non-controlling interests

APA Infrastructure Trust is deemed the parent entity of APA Group comprising of the stapled structure of APA Infrastructure Trust and APA Investment Trust. Equity attributable to other trusts stapled to the parent is a form of non-controlling interest and represents 100% of the equity of APA Investment Trust.

Summarised financial information for APA Investment Trust is set out below, the amounts disclosed are before inter-entity eliminations.

	2024 \$m	2023 \$m
Financial position		
Current assets	–	1
Non-current assets	747	566
Total assets	747	567
Total liabilities	–	–
Net assets	747	567
Equity attributable to non-controlling interests	747	567
Financial performance		
Revenue	25	24
Expenses	(5)	–
Profit for the year	20	24
Total comprehensive income allocated to non-controlling interests for the year	20	24
Cash flows		
Net cash provided by operating activities	25	25
Net cash (used in) / provided by investing activities	(184)	90
Proceeds from issue of securities, net of costs	257	–
Distributions paid to non-controlling interests, net of DRP issuance	(97)	(114)
Net cash provided by / (used in) financing activities	160	(114)

The accounting policies of APA Investment Trust are the same as those applied to APA Group.

There are no material guarantees, contingent liabilities or restrictions imposed on APA Group from APA Investment Trust's non-controlling interests.

	2024 \$m	2023 \$m
APA Investment Trust	747	567
Equity attributable to non-controlling interests	747	567
APA Investment Trust		
Issued capital:		
Balance at beginning of financial year	555	644
Distribution – capital return (note 8)	(78)	(89)
Issue of securities under institutional security placement (net of transaction costs)	198	–
Issue of securities under retail security purchase plan (net of transaction costs)	58	–
Issue of securities under distribution reinvestment plan	1	–
	734	555
Retained earnings:		
Balance at beginning of financial year	12	13
Net profit attributable to APA Investment Trust unitholders	20	24
Distributions paid (note 8)	(19)	(25)
	13	12

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
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**Notes to the consolidated financial statements (continued)
Group Structure (continued)**

23. Joint arrangements and associates

The table below lists APA Group's interest in joint ventures and associates that are reported as part of the Energy Investments segment. APA Group provides asset management, operation and maintenance services and corporate services, in varying combinations to the majority of energy infrastructure assets housed within these entities.

Name of entity	Principal activity	Country of incorporation	Ownership interest %	
			2024	2023
Joint ventures:				
SEA Gas	Gas transmission	Australia	50.0	50.0
SEA Gas (Mortlake)	Gas transmission	Australia	50.0	50.0
Energy Infrastructure Investments	Energy infrastructure	Australia	19.9	19.9
EII 2	Power generation (wind)	Australia	20.2	20.2
Associates:				
GDI (EII)	Gas distribution	Australia	20.0	20.0
			2024	2023
			\$m	\$m
Investment in joint ventures and associates using the equity method			262	273
Joint Ventures				
Aggregate carrying amount of investment			237	246
APA Group's aggregated share of:				
Profit from continuing operations			19	17
Other comprehensive income			(8)	4
Total comprehensive income			11	21
Associates				
Aggregate carrying amount of investment			25	27
APA Group's aggregated share of:				
Profit from continuing operations			6	6
Other comprehensive income			(1)	—
Total comprehensive income			5	6

**Notes to the consolidated financial statements (continued)
Group Structure (continued)
23. Joint arrangements and associates (continued)**

Investment in associates

An associate is an entity over which APA Group has significant influence and that is neither a subsidiary nor a joint arrangement. Investments in associates are accounted for using the equity accounting method.

Under the equity accounting method the investment is recorded initially at cost to APA Group, including any goodwill on acquisition. In subsequent periods the carrying amount of the investment is adjusted to reflect APA Group's share of the retained post-acquisition profit or loss and other comprehensive income, less any impairment.

Losses of an associate or joint venture in excess of APA Group's interests (which includes any long-term interests, that in substance, form part of the net investment) are recognised only to the extent that there is a legal or constructive obligation or APA Group has made payments on behalf of the associate or joint venture.

Carrying values of the investment in joint arrangements and associates are subject to impairment testing if there is objective evidence of impairment. No material indicators were identified in the joint arrangements and associates as at the date of the issuance of these financial statements.

Critical accounting judgements and key sources of estimation uncertainty – joint ventures and associates

Indicators that APA's investment in joint ventures and associates may be impaired include evidence of significant financial difficulty of the associate or joint venture; a breach of contract, the potential that the associate or joint venture will enter bankruptcy or other financial reorganisation, or the disappearance of an active market for the investment because of financial difficulties of the associate or joint venture.

Contingent liabilities and capital commitments

APA Group's share of the contingent liabilities, capital commitments and other expenditure commitments of joint operations is disclosed in note 26.

APA Group is a party to the following joint operations:

Name of venture	Principal activity	Output interest	
		2024 %	2023 %
Goldfields Gas Transmission ¹	Gas pipeline operation – Western Australia	100.0	88.2

¹ On 1 November 2023, APA Group acquired the remaining 11.8% of Goldfields Gas Transmission joint operations as part of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business). Goldfields Gas Transmission is a 100% owned subsidiary as at 30 June 2024. Refer to note 25 for further details.

Interest in joint arrangements

A joint arrangement is an arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control such that decisions about the relevant activities of the arrangement (those that significantly affect the returns) require the unanimous consent of the parties sharing control. APA Group has two types of joint arrangements:

Joint ventures: A joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Joint Ventures are accounted for using the equity accounting method; and

Joint operations: A joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. In relation to its interest in a joint operation, APA Group recognises its share of assets and liabilities, revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation and its share of expenses. These are incorporated into APA Group's financial statements under the appropriate headings.

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
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**Notes to the consolidated financial statements (continued)
Group Structure (continued)**

24. Subsidiaries

Subsidiaries are entities controlled by APA Infrastructure Trust. Control exists where APA Infrastructure Trust has power over the entities, i.e. existing rights that give the current ability to direct the relevant activities of the entities (those that significantly affect the returns); exposure, or rights, to variable returns from its involvement with the entities; and the ability to use its power to affect those returns. The country of registration or incorporation is also their principal place of business.

Name of entity	Country of registration/ incorporation	Ownership interest	
		2024 %	2023 %
Parent entity			
APA Infrastructure Trust ¹			
Subsidiaries			
Agex Pty. Ltd. ^{2,3}	Australia	100	100
APA (BWF Holdco) Pty Ltd ^{2,3}	Australia	100	100
APA (EDWF Holdco) Pty Ltd ^{2,3}	Australia	100	100
APA (EPX) Pty Limited ^{2,3}	Australia	100	100
APA (NBH) Pty Limited ^{2,3}	Australia	100	100
APA (Pilbara Pipeline) Pty Ltd ^{2,3}	Australia	100	100
APA (SWQP) Pty Limited ^{2,3}	Australia	100	100
APA (WA) One Pty Limited ^{2,3}	Australia	100	100
APA AIS 1 Pty Limited ^{2,3}	Australia	100	100
APA AIS 2 Pty Ltd ^{2,3}	Australia	100	100
APA AIS Pty Limited ^{2,3}	Australia	100	100
APA AM (Allgas) Pty Limited ^{2,3}	Australia	100	100
APA BIDCO Pty Limited ^{2,3}	Australia	100	100
APA Biobond Pty Limited ^{2,3}	Australia	100	100
APA Country Pipelines Pty Limited ^{2,3}	Australia	100	100
APA DPS Holdings Pty Limited ^{2,3}	Australia	100	100
APA DPS2 Pty Limited ^{2,3}	Australia	100	100
APA East Pipelines Pty Limited ^{2,3}	Australia	100	100
APA EE Australia Pty Limited ^{2,3}	Australia	100	100
APA EE Corporate Shared Services Pty Limited ^{2,3}	Australia	100	100
APA EE Holdings Pty Limited ^{2,3}	Australia	100	100
APA EE Pty Limited ^{2,3}	Australia	100	100
APA Electricity T&D Holdings Pty Ltd ^{2,3}	Australia	100	100
APA Electricity T&D Pty Ltd ^{2,3}	Australia	100	100
APA Ethane Pty Limited ^{2,3}	Australia	100	100
APA Facilities Management Pty Limited ^{2,3}	Australia	100	100
APA Group Equity Trust ⁹	-	100	-
APA Group Limited ²	Australia	100	100
APA Infrastructure Limited ^{2,3}	Australia	100	100
APA Midstream Holdings Pty Limited ^{2,3}	Australia	100	100
APA Northern Goldfields Interconnect Pty Ltd ^{2,3}	Australia	100	100
APA Operations (Eil) Pty Limited ^{2,3}	Australia	100	100
APA Operations Pty Limited ^{2,3}	Australia	100	100
APA Orbest Gas Plant Pty Ltd ^{2,3}	Australia	100	100
APA Pipelines Investments (BWP) Pty Limited ^{2,3}	Australia	100	100
APA Power Holdings Pty Limited ^{2,3}	Australia	100	100

**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Group Structure (continued)**

24. Subsidiaries

Name of entity	Country of registration/ incorporation	Ownership interest	
		2024 %	2023 %
APA Power PF Pty Limited ^{2,3}	Australia	100	100
APA Reedy Creek Wallumbilla Pty Limited ^{2,3}	Australia	100	100
APA SEA Gas (Mortlake) Holdings Pty Ltd ^{2,3}	Australia	100	100
APA SEA Gas (Mortlake) Pty Ltd ²	Australia	100	100
APA Services (Int) Inc. ⁶	United States	–	100
APA Sub Trust No 1 ^{2,4}	–	100	100
APA Sub Trust No 2 ^{2,4}	–	100	100
APA Sub Trust No 3 ^{2,4}	–	100	100
APA Transmission Pty Limited ^{2,4}	Australia	100	100
APA US Investments ⁶	United States	–	100
APA VTS A Pty Limited ^{2,4}	Australia	100	100
APA VTS Australia (Holdings) Pty Limited ^{2,3}	Australia	100	100
APA VTS Australia (NSW) Pty Limited ^{2,3}	Australia	100	100
APA VTS Australia (Operations) Pty Limited ^{2,3}	Australia	100	100
APA VTS Australia Pty Limited ^{2,3}	Australia	100	100
APA VTS B Pty Limited ^{2,3}	Australia	100	100
APA Western Slopes Pipeline Pty Limited ^{2,3}	Australia	100	100
APA WGP Pty Ltd ^{2,3}	Australia	100	100
APA (Newman Storage) Pty Ltd ^{2,3,7}	Australia	100	–
APA Pilbara Holdings Pty Ltd ^{2,3,7}	Australia	100	–
APA DEWAP Pty Ltd ^{2,3,7}	Australia	100	–
APA DEWAH Pty Ltd ^{2,3,7}	Australia	100	–
APA GGT Holdings Pty Ltd ^{2,3,7}	Australia	100	–
APA GGT Sub Pty Limited ^{2,3,7}	Australia	100	–
APA GGT Pty Limited ^{2,3,7}	Australia	100	–
APA Transmission (Roy Hill) Holdings Pty Ltd ^{2,3,7}	Australia	100	–
APA Transmission (Roy Hill) Sub Pty Ltd ^{2,3,7}	Australia	100	–
APA Transmission (Roy Hill) Pty Ltd ^{2,3,7}	Australia	100	–
APA Pilbara Solar Holdings Pty Ltd ^{2,7}	Australia	100	–
APA Pilbara Finance Pty Ltd ^{2,7}	Australia	100	–
APA Transmission (Chichester) Pty Ltd ^{2,7,8}	Australia	100	–
APA (Chichester) Pty Ltd ^{2,7,8}	Australia	100	–
APA Transmission (Roy Hill) Finance Pty Ltd ^{2,3,7}	Australia	100	–
APT (MIT) Services Pty Limited ^{2,3}	Australia	100	100
APT AM (Stratus) Pty Limited ^{2,3}	Australia	100	100
APT AM Employment Pty Limited ^{2,3}	Australia	100	100
APT AM Holdings Pty Limited ^{2,3}	Australia	100	100
APT Facility Management Pty Limited ^{2,3}	Australia	100	100
APT Goldfields Pty Ltd ^{2,3}	Australia	100	100
APT Management Services Pty Limited ^{2,3}	Australia	100	100
APT O&M Holdings Pty Ltd ^{2,3}	Australia	100	100
APT O&M Services (QLD) Pty Ltd ^{2,3}	Australia	100	100

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**APA INFRASTRUCTURE TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Group Structure (continued)**

24. Subsidiaries

Name of entity	Country of registration/ incorporation	Ownership interest	
		2024 %	2023 %
APT O&M Services Pty Ltd ^{2,3}	Australia	100	100
APT Parmelia Holdings Pty Ltd ^{2,3}	Australia	100	100
APT Parmelia Pty Ltd ^{2,3}	Australia	100	100
APT Parmelia Trust ^{2,4}	Australia	100	100
APT Petroleum Pipelines Holdings Pty Limited ^{2,3}	Australia	100	100
APT Petroleum Pipelines Pty Limited ^{2,3}	Australia	100	100
APT Pipelines (NSW) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines (NT) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines (QLD) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines (SA) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines (WA) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines Investments (NSW) Pty Limited ^{2,3}	Australia	100	100
APT Pipelines Investments (WA) Pty Limited ^{2,3}	Australia	100	100
APT Sea Gas Holdings Pty Limited ^{2,3}	Australia	100	100
APT SPV2 Pty Ltd ²	Australia	100	100
APT SPV3 Pty Ltd ²	Australia	100	100
Basslink Pty Ltd ^{2,3}	Australia	100	100
Basslink Telecomms Pty Ltd ^{2,3}	Australia	100	100
Central Ranges Pipeline Pty Ltd ^{2,3}	Australia	100	100
Darling Downs Solar Farm Pty Ltd ^{2,3}	Australia	100	100
Diamantina Holding Company Pty Limited ^{2,3}	Australia	100	100
Diamantina Power Station Pty Limited ^{2,3}	Australia	100	100
East Australian Pipeline Pty Limited ^{2,3}	Australia	100	100
EDWF Holdings 1 Pty Ltd ^{2,3}	Australia	100	100
EDWF Holdings 2 Pty Ltd ^{2,3}	Australia	100	100
EDWF Manager Pty Ltd ^{2,3}	Australia	100	100
Epic Energy East Pipelines Trust ^{2,4}	-	100	100
EPX Holdco Pty Limited ^{2,3}	Australia	100	100
EPX Member Pty Limited ^{2,3}	Australia	100	100
EPX Trust ^{2,4}	-	100	100
Ethane Pipeline Income Financing Trust ^{2,4}	-	100	100
Ethane Pipeline Income Trust ^{2,4}	-	100	100
Gasinvest Australia Pty Ltd ^{2,3}	Australia	100	100
GasNet A Trust ⁴	-	100	100
GasNet Australia Investments Trust ⁴	-	100	100
GasNet Australia Trust ^{2,4}	-	100	100
Goldfields Gas Transmission Pty Ltd ²	Australia	100	100
Gorodok Pty Ltd ^{2,3}	Australia	100	100
Griffin Windfarm 2 Pty Ltd ²	Australia	100	100
InfraEnergy Solutions Pty Limited ^{2,3,5}	Australia	100	100
Moomba to Sydney Ethane Pipeline Trust ^{2,4}	-	100	100
N.T. Gas Distribution Pty Limited ^{2,3}	Australia	100	100

**Notes to the consolidated financial statements (continued)
Group Structure (continued)**

24. Subsidiaries

Name of entity	Country of registration/ incorporation	Ownership interest	
		2024 %	2023 %
N.T. Gas Pty Limited	Australia	96	96
Power Solutions 2 Holdco Pty Limited ^{2,3}	Australia	100	–
Power Solutions 2 Pty Limited ^{2,3}	Australia	100	–
Roverton Pty. Ltd. ^{2,3}	Australia	100	100
SCP Investments (No. 1) Pty Limited ^{2,3}	Australia	100	100
SCP Investments (No. 2) Pty Limited ^{2,3}	Australia	100	100
SCP Investments (No. 3) Pty Limited ^{2,3}	Australia	100	100
Sopic Pty. Ltd. ^{2,3}	Australia	100	100
Southern Cross Pipelines (NPL) Australia Pty Limited ^{2,3}	Australia	100	100
Southern Cross Pipelines Australia Pty Limited ^{2,3}	Australia	100	100
Trans Australia Pipeline Pty Ltd ^{2,3}	Australia	100	100
Votrait No. 1606 Pty Limited ²	Australia	100	100
Votrait No. 1613 Pty Limited ²	Australia	100	100
Western Australian Gas Transmission Company 1 Pty Ltd ²	Australia	100	100
Wind Portfolio Pty Ltd ^{2,3}	Australia	100	100

1 APA Infrastructure Trust is the head entity within the APA tax-consolidated group.

2 These entities are members of the APA tax-consolidated group.

3 These wholly-owned subsidiaries have entered into a deed of cross guarantee with APA Infrastructure Limited pursuant to ASIC Corporations Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

4 These trusts are unincorporated and not required to be registered.

5 This entity's name was changed from N.T. Gas Easements Pty Limited on 27th April 2023.

6 These entities were deregistered on 31 May 2024.

7 These entities were acquired as part of the acquisition of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business) on 1 November 2023. Refer to note 25 for further details.

8 These wholly-owned subsidiaries have entered into a deed of cross guarantee with APA Pilbara Finance Pty Ltd pursuant to ASIC Corporations Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

9 APA Group Equity Trust was formed during the year to purchase APA Securities for the purpose of issuing shares to employees under the Group's employee incentive plans.

Notes to the consolidated financial statements (continued)

Other items

25. Acquisition of Pilbara Energy System

On 1 November 2023, APA Group completed the acquisition of 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the Pilbara Energy System business) for a total cash consideration of \$1,703 million. The acquisition included the remaining 11.8% interest in the Goldfields Gas Transmission (GGT) joint operations, resulting in an increase in APA Group's interest in GGT joint operations from 88.2% to 100%, granting it full ownership over GGT joint operations.

The Pilbara Energy System is an energy infrastructure business underpinned by contracted operational assets (gas and solar power generation and transmission, gas transmission and battery energy storage systems (BESS)), together with an extensive pipeline of development projects (wind, solar, gas reciprocating engines, BESS and associated electricity transmission), located in Western Australia's Pilbara region. The acquisition provides APA with a significant growth platform to develop and operate remote-grid energy solutions for Australia's resources industry, complementing APA's already strong development and operational capability in key resources areas such as Mount Isa and Gruyere.

The Pilbara Energy System and the Goldfields Gas Transmission joint operations qualify as a business as defined in AASB 3 Business Combinations. Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method of accounting, the purchase consideration is allocated to the identifiable assets acquired and liabilities assumed (the identifiable net assets) on the basis of their fair value at the date of acquisition which is the date on which control is obtained. The excess of the consideration transferred and the acquisition-date fair value of APA Group's pre-existing equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

The acquisition accounting required under AASB 3 has been finalised at 30 June 2024. Details of the purchase consideration, the fair value of the identifiable net assets and goodwill arising from the acquisition are set out below.

	2024 \$m
Purchase consideration:	
Cash paid	1,703
Fair value of pre-existing 88.2% interest in GGT joint operations ¹	1,433
Total consideration	3,136

¹ As part of the requirements under AASB 3, APA Group's pre-existing 88.2% interest in the GGT joint operations was remeasured to its acquisition-date fair value of \$1,433 million. The difference between the fair value and the carrying amount of the Group's pre-existing interest in GGT joint operations on acquisition date of \$1,051 million was recognised as a remeasurement gain in the Consolidated Statement of Profit or Loss. This amount has been included in other income.

Notes to the consolidated financial statements (continued)
Other (continued)
25. Acquisition of Pilbara Energy System (continued)

	2024 \$m
Fair value of identifiable net assets acquired	
Current assets	
Cash and cash equivalents ¹	93
Trade and other receivables ²	27
Inventories	10
Other assets	10
Current assets	140
Non-current assets	
Property, plant and equipment	1,693
Other intangible assets ³	1,350
Non-current assets	3,043
Total assets	3,183
Current liabilities	
Trade and other payables	30
Unearned revenue	2
Borrowings	2
Provisions	3
Current liabilities	37
Non-current liabilities	
Unearned revenue	45
Borrowings	66
Provisions	55
Deferred tax liabilities ⁴	542
Non-current liabilities	708
Total liabilities	745
Fair value of identifiable net assets	2,438

- ¹ Cash and cash equivalents include \$88 million cash acquired and \$5 million attributable to the pre-existing 88.2% interest in the GGT joint operation.
² Fair value of the trade and other receivable represents their gross contractual values. No material contractual cash flows are expected to be uncollectable.
³ Included in other intangible assets are identifiable customer contracts and development assets which arose as a result of the business combination and other intangible assets.
⁴ Deferred tax liabilities primarily relate to the liability recognised at acquisition due to the difference between the fair value and the corresponding tax base.

Goodwill

	2024 \$m
Total consideration (including fair value of pre-existing 88.2% of interest in GGT joint operations)	3,136
Less: Fair value of identifiable net assets acquired	(2,438)
Goodwill	698

The goodwill on acquisition primarily arises from the deferred tax liability recognised at acquisition due to a difference between the fair value and the corresponding asset tax bases. The remaining goodwill consists of the access to an established workforce, the non-contracted customer relationships and early-stage development projects that do not meet the separability criterion under AASB 138 Intangible Assets, and the synergies and other benefits expected from integrating the Pilbara Energy System assets into APA Group's existing business that do not qualify for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

**Notes to the consolidated financial statements (continued)
Other (continued)**

25. Acquisition of Pilbara Energy System (continued)

	2024
Cash flows on acquisition	\$m
Cash paid	(1,703)
Cash acquired	88
Net cash flows on acquisition	(1,615)

Cash paid and cash acquired disclosed in the table above are exclusive of the cash balance relating to the pre-existing 88.2% interest.

Acquisition and estimated stamp duty costs of \$72 million and integration-related costs of \$14 million were expensed in the current period and are included in other expenses.

Included in the consolidated net profit for the financial year ended 30 June 2024 is statutory revenue of \$169 million and profit before tax of \$23 million contributed by the Pilbara Energy System business. The Group's underlying net profit includes underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$89 million from the Pilbara Energy System business.

If the acquisition had occurred on 1 July 2023, it is estimated that the acquired business would have contributed \$249 million to statutory revenue and \$38 million to statutory profit before tax for the financial year ended 30 June 2024. It is estimated that the acquired business would have contributed \$133 million to the Group's current year underlying EBITDA if the acquisition occurred on 1 July 2023. In determining these amounts, it is assumed that the fair value adjustments and adjustments for difference in accounting policies that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2023.

Critical accounting judgements and key sources of estimation uncertainty – Fair values of net identifiable assets acquired

Judgement is required to determine the fair values of assets acquired and liabilities assumed in a business combination in particular the fair valuation of the identifiable intangible assets, which may have an impact on the resultant goodwill. The Group engaged independent experts to advise on the purchase price allocation and the valuation of material assets acquired.

Notes to the consolidated financial statements (continued)

Other (continued)

26. Commitments and contingencies

	2024 \$m	2023 \$m
Capital expenditure commitments		
APA Group - plant and equipment	209	213
APA Group's share of jointly controlled operations - plant and equipment	—	15
	209	228
Contingent liabilities		
Bank guarantees	47	57

APA Group is subject to a range of operational matters, which can at times raise exposure to assets and liabilities that are uncertain and cannot be measured reliably. This includes our exposure to matters such as regulatory requirements, changes in law, climate change policy, changes to licensing and recognised practising codes including health, safety and environment, employee entitlements, environmental laws and regulations, occupational health and safety requirements, technical and safety standards and asset construction and operation compliance requirements. The preparation of the financial statements requires management to make judgements and estimates and form assumptions that affect the amounts of contingent assets and liabilities reported in the financial statements.

These judgements, estimates and assumptions are based on the most current facts and circumstances and are reassessed on an ongoing basis, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. This may materially affect financial results and the financial position to be reported in future periods. APA Group continues to assess these judgements, estimates and assumptions relating to the disclosure of contingent assets and liabilities.

Contingent assets and liabilities relate predominantly to possible benefits or obligations whose existence will only be confirmed by uncertain future events and present obligations where the transfer of economic resources is not probable or cannot be reliably estimated. Therefore such amounts are not recognised in the financial statements.

As at 30 June 2024 and 30 June 2023 APA Group had no material contingent liabilities, other than the bank guarantees disclosed above.

APA Group had nil contingent assets as at 30 June 2024 and 30 June 2023.

**Notes to the consolidated financial statements (continued)
Other (continued)**

27. Director and Executive Key Management Personnel remuneration

Remuneration of Directors

The aggregate remuneration of Directors of APA Group is set out below:

	2024 \$	2023 \$
Short-term employment benefits	1,742,212	1,673,901
Post-employment benefits	165,545	149,671
Total remuneration: Non-Executive Directors	1,907,757	1,823,572
Short-term employment benefits	2,475,001	4,112,061
Post-employment benefits	27,399	31,563
Cash settled security-based payments	—	138,770
Equity settled security-based payments	900,215	2,575,647
Total remuneration: Executive Directors	3,402,615	6,858,041
Total remuneration: Directors ¹	5,310,372	8,681,613

Remuneration of Executive Key Management Personnel

The aggregate remuneration of Executive Key Management Personnel of APA Group is set out below:

	2024 \$	2023 \$
Short-term employment benefits	5,966,026	6,528,421
Post-employment benefits	102,746	72,854
Cash settled security-based payments	92,405	179,992
Equity settled security-based payments	1,802,626	3,286,021
Total remuneration: Executive Key Management Personnel ^{1,2}	7,963,803	10,067,288

¹ During FY23, the remuneration for the former Chief Executive Officer and Managing Director, Rob Wheals up to 30 September 2022 and current Chief Executive Officer and Managing Director, Adam Watson from 1 October 2022 (previously Chief Financial Officer and Key Management Personnel), are included in both the remuneration disclosure for Directors and Executive Key Management Personnel. The remuneration for Group Executive Strategy & Commercial, Julian Peck to 25 August 2022 and Group Executive Commercial Development, Ross Gersbach to 22 August 2022 are included in the remuneration disclosure for Executive Key Management Personnel.

² During FY24, APA appointed Garrick Rollason as Chief Financial Officer on 16 October 2023 and Petrea Bradford as Group Executive Operations on 28 August 2023. Their remuneration is included in the remuneration disclosure of Key Management Personnel. All existing non-executive directors and executive management personnel served a term of at least 12 months in FY24.

Notes to the consolidated financial statements (continued)

Other (continued)

28. Remuneration of external auditor

	2024 \$	2023 \$
Amounts received or due and receivable by Deloitte Touche Tohmatsu for:		
Audit or review of the financial reports:		
Group	1,216,200	1,165,300
Subsidiaries	150,500	138,500
Total audit or review of the financial reports^{1,2}	1,366,700	1,303,800
Audit or review of the regulatory financial reporting to the Australian Energy Regulator and Economic Regulation Authority		
Subsidiaries	627,600	597,800
Total audit or review of the financial reports	627,600	597,800
Audit or review of the National Greenhouse and Energy Reporting³		
Group	135,000	124,650
Total audit or review of the National Greenhouse and Energy Reporting	135,000	124,650
Statutory assurance services required by legislation to be provided by the auditor		
Agreed-upon procedures in relation to ASIC Regulatory Guide 231 requirements ⁴	12,900	12,300
ASIC compliance plan audit	24,100	23,000
Financial services licence audit	9,500	9,100
Total statutory assurance services required by legislation to be provided by the auditor	46,500	44,400
Other assurance services ⁵	823,600	335,525
Total assurance services	2,999,400	2,406,175
Non-audit services⁶	208,505	335,549
Total remuneration of external auditor	3,207,905	2,741,724

- 1 Audit or review in the year ended 30 June 2024 included procedures over the acquisition of Pilbara Energy System (PES) and the audit of subsidiary financial statements for PES.
- 2 Audit or review in the year ended 30 June 2023 included procedures over the payroll review for relevant periods up to 30 June 2023, together with procedures over the acquisition of Basslink and the audit of subsidiary financial statements for Basslink.
- 3 Service provided includes assurance procedures on the energy and emissions reports and submissions required under the relevant National Greenhouse and Energy Reporting legislations, and review of APA Group's National Greenhouse and Energy Reporting systems and controls.
- 4 Service provided includes agreed-upon procedures in relation to ASIC Regulatory Guide 231 requirements.
- 5 Services provided were in accordance with the external auditor independence policy. These services include:
 - agreed upon procedure engagements in relation to the FY24 equity raise,
 - assurance procedures relating to the FY24 hybrid debt raise,
 - assurance engagements relating to APA's Climate Transition Plan and reported sustainability metrics, and
 - APA's Emissions-Intensity Determination Applications in accordance with the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 for South-West Queensland Pipeline and Goldfields Gas Transmission Pipeline.
- 6 Services provided were in accordance with the external auditor independence policy. Non-audit services mainly comprise provision of technology licensing and related support services that are provided by an entity acquired by the external auditor during FY22, including the provision of support services to meet the data reporting requirements of the Wholesale Electricity Market (WEM) in Western Australia.

Notes to the consolidated financial statements (continued)

Other (continued)

29. Related party transactions

(a) Equity interest in related parties

Details of the percentage of ordinary securities held in subsidiaries are disclosed in note 24 and the details of the percentage held in joint operations, joint ventures and associates are disclosed in note 23.

(b) Responsible Entity – APA Group Limited

The Responsible Entity is wholly owned by APA Infrastructure Limited.

(c) Transactions with related parties within APA Group

Transactions between the entities that comprise APA Group during the financial year consisted of:

- Dividends;
- Asset lease rentals;
- Loans advanced and payments received on long-term inter-entity loans;
- Management fees;
- Operational services provided between entities; and
- Payments of distributions.

The above transactions were made on normal commercial terms and conditions. The Group charges interest on inter-entity loans from time to time.

All transactions between the entities that comprise APA Group have been eliminated on consolidation.

Refer to note 24 for details of the entities that comprise APA Group.

Management fees of \$7 million (2023: \$10 million) were paid to the Responsible Entity as reimbursement of costs incurred on behalf of APA Group. No amounts were paid directly by APA Group to the Directors of the Responsible Entity, except as disclosed at note 27.

APA Group Limited, in its capacity as trustee and Responsible Entity of the Trust, has guaranteed the payment of principal, interest and other amounts as provided in the senior debt facilities of APA Infrastructure Limited, the principal borrowing entity of APA Group.

(d) Transactions with other associates and joint ventures

The following transactions occurred with APA Group's associates and joint ventures on normal market terms and conditions:

	Dividends from related parties	Capital return to related parties	Sales to related parties	Purchases from related parties	Amount owed by related parties	Amount owed to related parties
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SEA Gas	—	—	2,367	—	171	—
Energy Infrastructure Investments	2,932	—	43,298	—	8,192	—
EII 2	3,446	13,489	892	—	1,472	—
GDI (EII)	7,457	—	68,924	—	6,507	—
	13,835	13,489	115,481	—	16,342	—
2023						
SEA Gas	4,790	—	2,360	—	—	30
Energy Infrastructure Investments	2,577	—	42,151	—	6,152	—
EII 2	4,276	—	855	—	369	—
GDI (EII)	7,163	—	63,106	—	5,786	—
	18,806	—	108,472	—	12,307	30

Notes to the consolidated financial statements (continued)

Other (continued)

30. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information below, are the same as those applied in the consolidated financial statements.

	2024 \$m	2023 \$m
Financial position		
Assets		
Current assets	2,140	1,436
Non-current assets	620	629
Total assets	2,760	2,065
Liabilities		
Current liabilities	347	98
Total liabilities	347	98
Net assets	2,413	1,967
Equity		
Issued capital	2,400	1,964
Retained earnings	13	3
Total equity	2,413	1,967
Financial performance		
Profit for the year	418	257
Total comprehensive income	418	257

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

APA Group Limited, in its capacity as Trustee and Responsible Entity of the Trust, has guaranteed the payment of principal, interest and other amounts as provided in the senior debt facilities of APA Infrastructure Limited, the principal borrowing entity of APA Group.

Due to the contingent nature of these financial guarantees no liability has been recorded (2023: \$nil).

Contingent liabilities of the parent entity

Refer to note 26 for contingent liabilities. Bank guarantees are issued by APA Infrastructure Limited, a wholly-owned subsidiary of the parent entity.

**Notes to the consolidated financial statements (continued)
Other (continued)**

31. Adoption of new and revised Accounting Standards

New and amended Accounting Standards that are effective for the current period:

- AASB 17 Insurance Contracts
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (insofar as the Standard relates to editorial corrections that are effective for the current period and apply to AASB 17)
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

APA Group has adopted the new and amended Standards that are relevant to its operations. The adoption of the new and amended Standards does not have a material impact on APA Group's accounting policies or any of the amounts recognised in the financial statements.

APA Group is not expected to be within the scope of the Pillar Two from 1 July 2024 as the Group does not have any active operations in foreign jurisdictions in entities it controls. APA Group will continue to assess the impact of Pillar Two income tax legislation, in particular if there is a change in the jurisdictions in which it operates or changes in the law. As at 30 June 2024, the Group does not expect any material exposure to Pillar Two top up taxes.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations on issue but not yet effective are not expected to have material impact on APA Group's accounting policies or any of the amounts recognised in the financial statements.

32. Events occurring after reporting date

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APA. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final distribution declaration

On 28 August 2024, the Directors declared a final distribution of 29.5 cents per security (\$379 million) for APA Group, an increase of 1.7%, or 0.5 cent per security over the previous corresponding period (2023: 29.0 cents per security). This is comprised of a partially franked profit distribution of 28.48 cents per security from APA Infrastructure Trust and an unfranked profit distribution of 1.02 cents per security from APA Investment Trust. The distribution is expected to be paid on 18 September 2024.

Other than the events disclosed above, there have not been any events or transactions that have occurred subsequent to year end that would require adjustment to or disclosure in the financial statements.

Declaration by the Directors of APA Group Limited

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that APA Infrastructure Trust will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of APA Group;
- (c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (d) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Michael Fraser
Chairman



Adam Watson
CEO and Managing Director

SYDNEY, 28 August 2024

Auditor's Independence Declaration

Deloitte.

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28 August 2024

The Directors
APA Group Limited
as Responsible entity for APA Infrastructure Trust
Level 25, 580 George Street
Sydney NSW 2000

Dear Directors

**Auditor's Independence Declaration to APA Group Limited as Responsible Entity for
APA Infrastructure Trust**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of APA Group Limited as Responsible Entity for APA Infrastructure Trust.

As lead audit partner for the audit of the financial statements of APA Infrastructure Trust for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jamie Gatt
Partner
Chartered Accountants

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Independent Auditor's Report



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Independent Auditor's Report to the Unitholders of APA Infrastructure Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of APA Infrastructure Trust ("APA Infra") and its controlled interests (the "Group" or "APA Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of APA Group Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report (continued)



Key audit matters

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

Key audit matter	How the scope of our audit responded to the key audit matter
<p>Acquisition of Pilbara Energy System</p> <p>As disclosed in Note 25, APA Group entered into an agreement to acquire 100% of Alinta Energy Pilbara Holdings Pty Ltd and Alinta Energy (Newman Storage) Pty Ltd (together referred to as the "Pilbara Energy System business" or "PES business"). This acquisition has been accounted for in accordance with AASB 3 <i>Business Combinations</i> ("AASB 3").</p> <p>As part of the acquisition, the remaining 11.8% of Goldfields Gas Transmission Pipeline ("GGTP") was acquired by APA Group through the acquisition of the PES business. Management determined that APA Group had obtained control of the GGTP and under AASB 3 were required to fair value their previously held interest. This resulted in a gain on revaluation of \$1.05 billion.</p> <p>Accounting for the acquisition is complex and requires significant judgement requiring management to determine:</p> <ul style="list-style-type: none"> the fair value uplift and resulting gain on revaluation of the previously held interest in GGTP; the fair value of the consideration; the fair value of acquired assets including property, plant and equipment ("PPE") and assumed liabilities; and the fair value of the identifiable intangible assets such as customer contracts and development assets, which are recognised separately from goodwill; the tax consequences of the acquisition. <p>whether information obtained during the measurement period was reflective of the facts and circumstances that existed at acquisition date.</p>	<p>Our procedures performed in conjunction with our valuation and taxation specialists, included but were not limited to:</p> <ul style="list-style-type: none"> obtaining and assessing management's position paper on the treatment of the acquisition; obtaining the share sale agreement ("SSA") from management and assessing the accounting treatment is in line with AASB 3; obtaining the final completion workbook to confirm the final completion payment adjustment had been calculated in line with the SSA; obtaining the opening balance calculation performed by management for all material balance sheet items and challenging management's judgements made in determining the fair value of assets acquired, liabilities assumed, and consideration paid; in conjunction with our specialists, assessing the valuation of property, plant and equipment and intangible assets performed by management's experts and challenging the assumptions utilised and methodology applied; in conjunction with our taxation specialists, assessing the allocable cost amount calculation performed by management's experts and challenging the assumptions utilised and methodology applied; and obtaining and assessing management's application of AASB 3 in relation to the calculation of the fair value of the previously held interest of GGTP and the resulting gain on acquisition. <p>We have also assessed the appropriateness of the disclosures included in Note 25 to the financial statements.</p>

Independent Auditor’s Report (continued)



Key audit matter	How the scope of our audit responded to the key audit matter
<p>Carrying value of assets</p> <p>As at 30 June 2024, APA Group's balance sheet includes property, plant and equipment of \$12.5 billion, goodwill of \$1.9 billion allocated across several cash generating units (“CGUs”) and other intangible assets of \$3.3 billion as disclosed in Notes 11 and 12.</p> <p>Management conducts annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of property, plant and equipment and intangible assets including goodwill. This assessment is performed through the preparation of discounted cash flow value in use models.</p> <p>The impairment test requires the exercise of significant judgement in respect of factors such as future supply and demand, impacts of climate change, discount rates, as well as economic assumptions such as inflation. Management also considers the ongoing review of useful lives as part of the carrying value of assets assessment as outlined in Note 13.</p> <p>As a result of this, an impairment charge of \$144 million was recorded at 30 June 2024 to the Moomba Sydney Ethane Pipeline (“MSEP”). MSEP is a single user pipeline and with the loss of that customer and no demand for ethane transportation in Australia, management have determined the most reasonable and supportable assumption at this time to be that the asset will not be utilised for the foreseeable future and therefore have written down the current book value of MSEP to \$ nil.</p>	<p>Our audit procedures, in conjunction with our valuation specialists, included but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the process flows and key controls associated with the impairment models prepared by management and the carrying value paper reviewed by the Board of Directors used to estimate the recoverable amount of each asset and impairment charges, where applicable; • obtaining and assessing the position papers prepared by management to support the carrying value assessment for the assets; • evaluating the process used by management in the determination of those assets or CGUs requiring further impairment analysis due to the existence of an impairment indicator or goodwill including: <ul style="list-style-type: none"> ○ assessing management’s determination of APA Group’s assets and CGUs that should be tested for impairment, the level at which goodwill is monitored and consistency with the assessment of segment reporting; ○ evaluating management’s recoverable value assessment based on a number of factors including historical results, economic data and industry forecasts and considering the potential impact of climate change, where applicable; and ○ assessing and challenging the useful lives adopted by management by obtaining independent third-party reports, contractual arrangements, regulatory returns and asset management plans. • evaluating management’s methodology and their documented basis for key assumptions utilised in the MSEP discounted cash flow impairment model, including: <ul style="list-style-type: none"> ○ obtained and assessed the MSEP Board paper; ○ performing inquiries of senior management to understand the potential alternative uses for MSEP; ○ challenging management on the reasonableness and supportability of assumptions within alternative use scenarios; ○ assessing the appropriateness of the impairment model methodology for the selected scenario, including key inputs and assumptions used in the model using our knowledge of the business and the industry; and ○ considering management’s determination of the completeness of assets to be impaired and evaluate whether the requirements under AASB 136 <i>Impairment of Assets</i> have been followed. <p>We have also assessed the appropriateness of the disclosures included in Note 13 to the financial statements.</p>

OVERVIEW

OPERATING &
FINANCIAL REVIEW

PERFORMANCE

GOVERNANCE

APA INFRASTRUCTURE
TRUST FINANCIAL REPORT

APA INVESTMENT
TRUST FINANCIAL REPORT

ADDITIONAL
INFORMATION

Independent Auditor’s Report (continued)



Key audit matter	How the scope of our audit responded to the key audit matter
<p>Information Technology (“IT”) systems</p> <p>APA Group’s technology environment is integral to the operations of the business. The technology environment related to financial reporting is complex, with a degree of automation, varying levels of integration, transformation and a combination of automated and manual controls which govern the integrity of APA Group’s financial reporting process. The assessment of the technology environment forms a key component of our external audit and is considered a key audit matter.</p>	<p>Our procedures in conjunction with our IT specialists, included but were not limited to:</p> <ul style="list-style-type: none"> • updating our understanding of the technology environment and the identification of key financial systems, controls and processes relevant to the financial statements; • evaluating the design and implementation of the key IT controls of relevant financial reporting systems and processes of APA Group; and • where we identified matters relating to IT systems or application controls relevant to our audit we designed and performed additional procedures, including the identification and testing of manual controls and performed alternative substantive procedures.

Other information

The directors of the Responsible Entity (the “directors”) are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2024 but does not include the financial report and our auditor’s report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Group are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Independent Auditor's Report (continued)

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report of APA Group Limited, as Responsible Entity for APA Infrastructure Trust, included on pages 78 to 97 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of APA Group Limited for the year ended 30 June complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors have voluntarily presented the Remuneration Report of the APA Group Limited, as Responsible Entity for APA Infrastructure Trust, which has been prepared in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Jamie Gatt
Partner
Chartered Accountants

Jimmy McGarty
Partner
Chartered Accountants

Directors' Report

The Directors of APA Group Limited (the Responsible Entity) submit their report and the annual financial report of APA Investment Trust (APA Invest) and its controlled entities (together the Consolidated Entity) for the financial year ended 30 June 2024. This report refers to the consolidated results of APA Invest, one of the two stapled entities of APA Group, with the other stapled entity being APA Infrastructure Trust (together APA).

Directors

The names of the Directors of the Responsible Entity during the year and since year end are:

Current Directors	First appointed
Michael Fraser	1 September 2015 and appointed Chairman 27 October 2017
Adam Watson	Appointed Chief Executive Officer and Managing Director 19 December 2022
James Fazzino	21 February 2019
Nino Ficca	1 September 2023
Debra (Debbie) Goodin	1 September 2015
Rhoda Phillippo	1 June 2020
Peter Wasow	19 March 2018
Shirley In't Veld	19 March 2018. Retired on 28 March 2024

The Company Secretaries of the Responsible Entity during the year were Amanda Cheney and Bronwyn Weir.

Principal activities

The Consolidated Entity operates as an investment and financing entity within the APA Group.

Executive Leadership changes

- **Chief Financial Officer (CFO):** Garrick Rollason appointed as CFO effective 16 October 2023.
- **Group Executive Operations:** Petrea Bradford appointed as Group Executive of Operations effective 28 August 2023

Subsequent events

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APA. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final distribution declaration

On 28 August 2024, the Directors declared a final distribution of 29.5 cents per security (\$378 million) for APA Group, an increase of 1.7%, or 0.5 cents per security over the previous corresponding period (30 June 2023: 29.0 cents). This comprises a distribution of 28.48 cents per security from APA Infrastructure Trust and a distribution of 1.02 cents per security from APA Investment Trust.

The APA Infrastructure Trust distribution represents 28.48 cents per security partially franked profit distribution. The APA Investment Trust distribution represents a 1.02 cent per security unfranked profit distribution. The distribution is expected to be paid on 18 September 2024.

Other than noted above and as disclosed elsewhere in this report, in the interval between 30 June 2024 and the date of this report, no matter or circumstance has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years.

Review and results of operations

The Consolidated Entity reported net profit after tax of \$20,468,000 for the year ended 30 June 2024 and total revenue of \$25,844,000.

Operating Financial Review

Information on the operations and financial position of the Group and its business strategies and prospects is set out on pages 10–64 of the Annual Report and forms part of this Directors' Report.

Directors' Report (continued)

Distributions

	Final FY23 distribution paid 13 September 2023		Interim FY24 distribution paid 14 March 2024	
	Cents per security	Total distribution \$'000	Cents per security	Total distribution \$'000
APA Investment Trust profit distribution	1.00	11,820	0.57	7,330
APA Investment Trust capital distribution	6.34	74,834	0.30	3,789
Total	7.34	86,654	0.87	11,119

	Final FY24 distribution payable 18 September 2024	
	Cents per security	Total distribution \$'000
APA Investment Trust profit distribution	1.02	13,138
APA Investment Trust capital distribution	–	–
Total	1.02	13,138

Directors

Information on Directors and Company Secretaries

For information relating to the qualifications and experience of Directors and Company Secretaries refer to pages 68–69.

Directorships of other listed companies

Directorships of other listed companies held by Directors at any time in the three years immediately before the end of the financial year:

Name	Company	Period of directorship
Michael Fraser	Aurizon Holdings Limited	February 2016 to February 2022
	Orora Limited	Since April 2022
Adam Watson	–	–
James Fazzino	Tassal Group Limited	May 2020 to November 2022
	Qube Holdings Limited	Since February 2024
Nino Ficca	–	–
Debra Goodin	Atlas Arteria Limited	Since September 2017, Chair since November 2020
	Ansell Limited	Since December 2022
Rhoda Phillippo	Dexus Funds Management Limited	Since February 2023
Peter Wasow	Oz Minerals Limited	November 2017 to May 2023

Directors' Report (continued)

Directors' meetings

Further information on the Board and Committees can be found in APA's Corporate Governance Statement which is available on our website.

During the year, 11 Board meetings, four Risk Management Committee meetings, four Audit and Finance Committee meetings, five People and Remuneration Committee meetings, five Safety and Sustainability Committee meetings, and six Nomination Committee meetings were held.

	Board		People and Remuneration Committee		Audit and Finance Committee		Risk Management Committee		Safety and Sustainability Committee		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Directors												
Michael Fraser	11	11	–	–	–	–	–	–	5	5	6	6
Adam Watson	11	11	–	–	–	–	–	–	–	–	–	–
James Fazzino	11	11	–	–	4	4	4	4	5	5	2	2
Nico Ficca ¹	8	8	3	3	–	–	–	–	4	4	2	2
Debra Goodin	11	9	–	–	4	4	4	4	1	1	6	6
Rhoda Phillippo	11	11	5	5	4	4	4	4	–	–	2	2
Peter Wasow	11	10	5	5	4	4	4	4	–	–	2	2

A Number of meetings held during the time the Director held office or was a member of the committee during the financial year.

B Number of meetings attended.

¹ Nino Ficca appointed as a Director effective 1 September 2023.

Directors' security holdings

The aggregate number of APA securities held directly, indirectly or beneficially by Directors or their related entities at 30 June 2024 is 328,285.

Directors' relevant interests in APA securities

Name	Fully paid securities as at 1 July 2023	Securities acquired	Securities disposed	Fully paid securities as at 30 June 2024
Michael Fraser	102,942	3,547	–	106,489
Adam Watson	55,556	41,844	–	97,400
James Fazzino	30,751	3,547	–	34,298
Nino Ficca ¹	–	12,500	–	12,500
Debra Goodin	24,179	3,547	–	27,726
Rhoda Phillippo	17,960	2,365	–	20,325
Peter Wasow	26,000	3,547	–	29,547
Shirley In't Veld ²	25,000	–	–	25,000

¹ Nino Ficca was appointed as a Director effective 1 September 2023 at which time he held nil securities.

² Shirley In't Veld retired as a Director 28 March 2024. Balance as at date of ceasing to be a Director.

As at 30 June 2024, Adam Watson held 595,930 performance rights granted under APA Group's long-term incentive plan. Each performance right is a right to receive one ordinary stapled security in APA subject to satisfaction of certain performance hurdles. Further information can be found in section 8 of APA's Remuneration Report.

The Directors hold no other rights or options over APA securities. There are no contracts to which a Director is a party or under which the Director is entitled to a benefit and that confer a right to call for or deliver APA securities.

Directors' Report (continued)

Options granted

No options over unissued APA securities were granted during or since the end of the financial year. No unissued APA securities were under option at the date of this report. No APA securities were issued during or since the end of the financial year as a result of an option being exercised over unissued APA securities.

Indemnification of Officers

During the year, the Responsible Entity paid a premium on a contract insuring the Directors and Officers of any APA Group entity against certain liability incurred in performing those roles. The contract of insurance prohibits disclosure of the specific nature of the liability and the amount of the premium.

APA Group Limited, in its own capacity and as responsible entity of APA Infra and APA Invest, indemnifies each Director and Company Secretary, and certain other executives, former executives and officers of the Responsible Entity or any APA Group entity, under a range of deed polls and indemnity agreements, which have been in place since 1 July 2000. The indemnity operates to the full extent allowed by law but only to the extent not covered by insurance and is on terms the Board considers usual for arrangements of this type.

Under its constitution, APA Group Limited (in its personal capacity) indemnifies each person who is or has been a Director, Company Secretary or Executive Officer of that Company.

The Responsible Entity has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or external auditor of the Responsible Entity or any APA Group entity against a liability incurred by such an officer or auditor.

Information required for registered schemes

Fees paid to the Responsible Entity and its associates (including Directors and Secretaries of the Responsible Entity, related bodies corporate and Directors and Secretaries of related bodies corporate) out of APA scheme property during the financial year are disclosed in note 18 to the financial statements.

Except as disclosed in this report, neither the Responsible Entity nor any of its associates holds any APA Investment Trust units.

The number of APA Investment Trust units issued during the financial year, and the number of APA Investment Trust units on issue at the end of the financial year, are disclosed in note 13 to the financial statements.

The value of the Consolidated Entity's assets as at the end of the financial year is disclosed in the balance sheet in total assets, and the basis of valuation is disclosed in the notes to the financial statements.

Auditor's independence declaration

A copy of the independence declaration of the auditor, Deloitte Touche Tohmatsu, as required under section 307C of the Corporations Act 2001, is included on page 203.

Rounding of amounts

The Consolidated Entity is an entity of the kind referred to in ASIC Corporations Instrument 2016/191. In accordance with that Class Order, amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.

Authorisation

The Directors' Report is signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Michael Fraser
Chairman
Sydney, 28 August 2024.



Adam Watson
Chief Executive Officer and Managing Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 \$'000	2023 \$'000
Revenue	4	25,844	23,738
Expenses	4	(5,376)	(13)
Profit before tax		20,468	23,725
Income tax expense	5	–	–
Profit for the year		20,468	23,725
Other comprehensive income		–	–
Total comprehensive income for the year		20,468	23,725
Profit attributable to:			
Unitholders of the parent		20,468	23,725
		20,468	23,725
Total comprehensive income attributable to:			
Unitholders of the parent		20,468	23,725
		20,468	23,725
Earnings per unit		2024	2023
Basic and diluted (cents per unit)	6	1.6	2.0

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	2024 \$'000	2023 \$'000
Current assets			
Receivables	8	112	977
Non-current assets			
Receivables	8	–	3,262
Other financial assets	11	747,154	562,963
Non-current assets		747,154	566,225
Total assets		747,266	567,202
Current liabilities			
Trade and other payables	9	–	25
Total liabilities		–	25
Net assets		747,266	567,177
Equity			
Issued capital	13	734,128	555,356
Retained earnings		13,138	11,821
Total equity		747,266	567,177

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Note	Issued capital \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2022		644,417	13,502	657,919
Profit for the year		–	23,725	23,725
Total comprehensive income for the year		–	23,725	23,725
Distributions to unitholders	7	(89,061)	(25,406)	(114,467)
Balance at 30 June 2023		555,356	11,821	567,177
Balance at 1 July 2023		555,356	11,821	567,177
Profit for the year		–	20,468	20,468
Total comprehensive income for the year		–	20,468	20,468
Distributions to unitholders	7	(78,623)	(19,151)	(97,774)
Issue of securities under institutional share placement ¹	13	200,475	–	200,475
Issue of securities under retail security purchase plan ²	13	59,400	–	59,400
Issue of securities under distribution reinvestment plan	13	670	–	670
Security issue costs		(3,150)	–	(3,150)
Balance at 30 June 2024		734,128	13,138	747,266

¹ On 29 August 2023, APA Infrastructure Trust and APA Investment Trust issued 79.4 million new stapled securities via institutional placement at an issue price of \$8.50. Amounts are disclosed net of transaction costs.

² On 22 September 2023, APA Infrastructure Trust and APA Investment Trust issued 23.7 million new stapled securities via security purchase plan at an issue price of \$8.46. Amounts are disclosed net of transaction costs.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Trust distribution - related party		19,374	19,704
Interest received - related parties		6,470	3,298
Proceeds from finance leases		-	1,167
Receipts from customers		-	507
Payments to suppliers		(1,275)	(7)
Net cash provided by operating activities		24,569	24,669
Cash flows from investing activities			
(Payments to)/Proceeds from related party		(184,190)	89,798
Net cash (used in)/provided by investing activities		(184,190)	89,798
Cash flows from financing activities			
Proceeds from issue of securities		259,875	-
Payment of security issue costs		(3,150)	-
Distributions to unitholders (net of DRP issuance)	7	(97,104)	(114,467)
Net cash provided by/(used in) financing activities		159,621	(114,467)
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of financial year		-	-
Cash and cash equivalents at end of financial year		-	-

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Notes to the consolidated financial statements

Basis of Preparation

1. About this report

In the following financial statements, note disclosures are grouped into six sections being: Basis of Preparation; Financial Performance; Operating Assets and Liabilities; Capital Management; Group Structure; and Other. Each note sets out the accounting policies applied in producing the results along with any key judgements and estimates used.

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Notes to the consolidated financial statements (continued)

Basis of Preparation (continued)

2. General information

APA Investment Trust ("APA Invest" or "Trust") is one of the two stapled trusts of APA Group, the other stapled trust being APA Infrastructure Trust. Each of APA Infrastructure Trust and APA Investment Trust are registered managed investment schemes regulated by the Corporations Act 2001. APA Investment Trust units are "stapled" to APA Infrastructure Trust units on a one-to-one basis so that one APA Investment Trust unit and one APA Infrastructure Trust unit form a single stapled security which trades on the Australian Securities Exchange under the code "APA".

This financial report represents the consolidated financial statements of APA Investment Trust and its controlled entities (together the "Consolidated Entity"). For the purposes of preparing the consolidated financial report, the Consolidated Entity is a for-profit entity.

All intragroup transactions and balances have been eliminated on consolidation. Where necessary, adjustments are made to the assets, liabilities, and results of subsidiaries, joint arrangements and associates to bring their accounting policies into line with those used by the Consolidated Entity.

APA Investment Trust's registered office and principal place of business is as follows:

Level 25
580 George Street
SYDNEY NSW 2000
Tel: (02) 9693 0000

APA Investment Trust holds APA Group's investments.

The financial report for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 28 August 2024.

This general purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) in accordance with ASIC Corporations Instrument 2016/191, unless otherwise stated.

Notes to the consolidated financial statements (continued)

Financial Performance

3. Segment information

The Consolidated Entity has one reportable segment being energy infrastructure investment.

The Consolidated Entity is an investing entity within the APA Infrastructure Trust stapled group. As the Trust only operates in one segment, it has not disclosed segment information separately.

4. Profit from operations

Profit before income tax includes the following items of income and expense:

	2024 \$'000	2023 \$'000
Revenue		
Distributions		
Trust distribution - related party	19,374	19,704
	19,374	19,704
Finance income		
Interest - related parties	6,470	3,298
Finance lease income - related party	-	229
	6,470	3,527
Other revenue		
Other	-	507
Total revenue	25,844	23,738
Expenses		
Loss on modification of finance lease receivable ¹	(4,239)	-
Management and administration fees	(1,119)	-
Audit fees	(18)	(13)
Total expenses	(5,376)	(13)

¹ Lease payment terms under the existing finance lease have been modified effective from 1 July 2023 resulting in a modification loss for the period. Refer to Note 10 for further detail.

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity expects to be entitled. Amounts disclosed as revenue are net of duties and taxes paid. Revenue is recognised for the major business activities as follows:

- **Interest revenue**, which is recognised as it accrues and is determined using the effective interest method;
- **Distribution revenue**, which is recognised when the right to receive a distribution has been established; and
- **Finance lease income**, which is recognised when receivable.

5. Income tax

Income tax expense is not brought to account in respect of APA Investment Trust as, pursuant to Australian taxation laws, APA Investment Trust is not liable for income tax provided that its realised taxable income (including any assessable realised capital gains) is fully distributed to its unitholders each year.

**APA INVESTMENT TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Financial Performance (continued)**

6. Earnings per unit

	2024 cents	2023 cents
Basic and diluted earnings per unit	1.6	2.0

The earnings and weighted average number of units used in the calculation of basic and diluted earnings per unit are as follows:

	2024 \$'000	2023 \$'000
Net profit attributable to unitholders for calculating basic and diluted earnings per unit	20,468	23,725

	2024 No. of units 000	2023 No. of units 000
Weighted average number of ordinary securities used in the calculation of:		
Basic earnings per unit	1,264,628	1,179,894
Diluted earnings per unit ¹	1,267,957	1,182,119

¹ Includes 4 million (2023: 3 million) performance rights granted under the long-term incentive plan. Each performance right is a right to receive one ordinary stapled security in APA Group subject to satisfaction of certain performance hurdles and board approval. Further information can be found in the most recent annual report. APA Group has historically instructed Link Market Services to acquire securities on-market to minimise dilution of existing securityholders.

7. Distributions

	2024 cents per unit	2024 Total \$'000	2023 cents per unit	2023 Total \$'000
Recognised amounts				
Final FY23 distribution paid on 13 September 2023				
(30 June 2022: Final FY22 distribution paid on 14 September 2022)				
Profit distribution ¹	1.00	11,821	1.14	13,502
Capital distribution	6.34	74,834	5.15	60,682
	7.34	86,655	6.29	74,184
Interim distribution paid on 14 March 2024				
(31 December 2022: Interim FY23 distribution paid on 16 March 2023)				
Profit distribution ¹	0.57	7,330	1.01	11,904
Capital distribution	0.30	3,789	2.40	28,379
	0.87	11,119	3.41	40,283
Total distributions recognised				
Profit distribution ¹	1.57	19,151	2.15	25,406
Capital distribution (note 13)	6.64	78,623	7.55	89,061
	8.21	97,774	9.70	114,467
Unrecognised amounts				
Final FY24 distribution payable on 18 September 2024 ²				
(30 June 2023: Final FY23 distribution paid on 13 September 2023)				
Profit distribution ¹	1.02	13,138	1.00	11,821
Capital distribution	–	–	6.34	74,834
	1.02	13,138	7.34	86,655

¹ Profit distributions unfranked (30 June 2022 and 31 December 2022: partially franked; 30 June 2023 and 31 December 2023: unfranked).

² Record date 28 June 2024.

The final distribution in respect of the financial year has not been recognised in this financial report because the final distribution was not declared, determined nor publicly confirmed prior to the end of the financial year.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities

8. Receivables

	2024 \$'000	2023 \$'000
Other receivables	112	–
Finance lease receivables (note 10)	–	977
Current	112	977
Finance lease receivables (note 10)	–	3,262
Non-current	–	3,262

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. GST receivable or GST payable is only recognised once a tax invoice has been received or issued.

Lease payment terms under the existing finance lease have been modified effective from 1 July 2023 resulting in a modification loss for the period recognised through profit and loss.

In determining the recoverability of a receivable, the Consolidated Entity considers any change in the credit quality of the receivable from the date the credit was initially granted up to the reporting date. The directors have assessed that there is no expected credit loss for the finance lease receivable.

None of the above receivables are past due.

9. Payables

	2024 \$'000	2023 \$'000
Other payables	–	25

Trade and other payables are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are stated at amortised cost.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. GST receivable or GST payable is only recognised once a tax invoice has been received or issued.

10. Leases

Consolidated Entity as lessor

Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance lease receivables relate to the lease of a pipeline lateral.

There are no contingent rental payments due.

Finance lease receivables	2024 \$'000	2023 \$'000
Not longer than 1 year	–	1,168
Longer than 1 year and not longer than 5 years	–	3,501
Longer than 5 years	–	–
Minimum future lease payments receivable¹	–	4,669
Less: future finance income	–	(430)
Present value of lease receivables	–	4,239
Included in the Consolidated Statement of Financial Position as part of:		
Current receivables (note 8)	–	977
Non-current receivables (note 8)	–	3,262
	–	4,239

¹ Minimum future lease payments receivable includes the aggregate of all lease payments receivable and any guaranteed residual.

The Consolidated Entity does not have any operating leases where it is the lessor.

Notes to the consolidated financial statements (continued)

Operating Assets and Liabilities

10. Leases (continued)

Amounts due from a lessee under a finance lease are recorded as receivables. Finance lease receivables are initially recognised at the amount equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

During the year, lease payment terms under the existing finance lease have been modified, effective from 1 July 2023 resulting in a modification loss for the period recognised through profit and loss.

Notes to the consolidated financial statements (continued)

Capital Management

11. Other financial assets

	2024 \$'000	2023 \$'000
Non-current		
Loan to related party	639,775	455,584
Investment in related party	107,379	107,379
	747,154	562,963

Investment in related party

The investment in related party reflects GasNet Australia Investments Trust's ("GAIT") investment in 100% of the B Class units in GasNet A Trust. The B Class units give GAIT preferred rights to the income and invested capital of GasNet A Trust, but hold no voting rights. The A Class unitholder may however suspend for a period or terminate all of the B Class unitholder rights to distributions of income and capital, with the exception of the initial investment. As such, GAIT neither controls nor has a significant influence over GasNet A Trust. GasNet Australia Trust, a related party wholly owned by APA Group, owns 100% of the A Class units in GasNet A Trust and, accordingly, GasNet A Trust is included in the consolidation of the APA Group.

The investment in B Class units is measured at fair value through profit or loss. The measurement of fair value takes into consideration the fact that the A Class unitholders have discretion over the return on the initial capital invested and the instrument can be called on demand. Therefore, fair value is measured based on the amount that can be called on demand, adjusted for the credit and liquidity risk of GasNet A Trust. As the impact of credit and liquidity risk is not significant, the fair value of the B Class units is not materially different to the amount of capital invested.

The Consolidated Entity does not intend to dispose of its interest in GasNet A Trust.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Derivatives that the Consolidated Entity does not elect to apply hedge accounting or does not meet the hedge accounting criteria, are classified as 'financial assets/liabilities' for accounting purposes and accounted at FVTPL.

Effective interest method

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

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Trade and other receivables are stated at their amortised cost less impairment.

Notes to the consolidated financial statements (continued)

Capital Management (continued)

11. Other financial assets (continued)

Impairment of financial assets

In relation to the impairment of financial assets, it is no longer necessary for a credit event to have occurred before credit losses are recognised. The Consolidated Entity applies an expected credit loss (ECL) model to account for ECL and changes in these ECL at each reporting date to reflect changes in credit risk since initial recognition of a financial asset.

The Consolidated Entity recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, for example, loans advanced to related parties and receivables. For finance lease receivables, the Consolidated Entity applies the simplified approach to assessing ECL, which is based on the Consolidated Entity's historical credit losses and reasonable and supportable information that is available without undue cost.

The amount of ECL under either approach is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Consolidated Entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. Aside from the additional disclosure requirements, the history of collection rates and forward-looking information that is available without undue cost or effort shows that the Consolidated Entity does not have an expected loss on collection of debtors or loans.

12. Financial risk management

The Consolidated Entity's Treasury team is responsible for the overall management of the Consolidated Entity's capital raising activities, liquidity, lender relationships and engagement, debt portfolio management, interest rate and foreign exchange hedging, credit rating maintenance and third party indemnities (bank guarantees) within risk management parameters reviewed by the Board.

The Consolidated Entity's activities generate financial instruments comprising of cash, receivables, payables and interest bearing liabilities which expose it to various risks as summarised below:

- (a) Market risk including currency risk, interest rate risk and price risk;
- (b) Credit risk; and
- (c) Liquidity risk.

Risk	Sources	Risk management framework	Financial exposure
Market	Commercial transactions in foreign currency and funding activities	The Audit and Finance Committee ("AFC") approves written principles for overall risk management, as well as policies covering specific areas such as liquidity risk, funding risk, foreign currency risk, interest rate risk and credit risk. The Consolidated Entity's AFC ensures there is an appropriate Risk Management Policy for the management of treasury risk and compliance with the policy through the review of monthly reporting to the Board from the Treasury team.	Refer to 12 (a) market risk
Credit	Cash, receivables, interest bearing liabilities and hedging		The carrying amount of financial assets recorded in the financial statements, net of any collateral held or bank guarantees held by the Consolidated Entity, represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets. Refer to 12 (b) credit risk.
Liquidity	Payables		Refer to 12 (c) liquidity risk

Notes to the consolidated financial statements (continued)

Capital Management (continued)

12. Financial risk management (continued)

(a) Market risk

The Consolidated Entity's exposure is primarily to the financial risk of changes in interest rates. There has been no change to the Consolidated Entity's exposure to market risk or the manner in which it manages and measures the risk from the previous year.

Interest rate sensitivity analysis

Sensitivity analysis has been determined based on the exposure to interest rates on loans with related parties. A 100 basis points increase or decrease is used and represents management's assessment of the possible change in interest rates within a given period of time. At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were constant, the Consolidated Entity's net profit would increase by \$1,705,000 or decrease by \$1,694,000 (2023: increase by \$733,000 or decrease by \$724,000 respectively). This is mainly attributable to the Consolidated Entity's exposure to interest rates on its variable rate inter-entity balances. The sensitivity has increased due to higher inter-entity balances and a higher effective interest rate.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity.

Credit risk management

The Consolidated Entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or bank guarantees where appropriate as a means of mitigating the risk of loss. For financial investments or market risk hedging, the Consolidated Entity's policy is to only transact with counterparties that have a credit rating of A- (Standard & Poor's)/A3 (Moody's) or higher unless specifically approved by the Board. Where a counterparty's rating falls below this threshold following a transaction, no other transactions can be executed with that counterparty until the exposure is sufficiently reduced or their credit rating is upgraded above the Consolidated Entity's minimum threshold. The Consolidated Entity's exposure to financial instrument and deposit credit risk is closely monitored against counterparty credit limits imposed by the Treasury Risk Management Policy approved by the AFC. These limits are regularly reviewed by the Board or AFC.

Overview of the Consolidated Entity's exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, net of any allowances, represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets.

(c) Liquidity risk

The Consolidated Entity's exposure to liquidity risk is limited to other payables, which are nil in the current year (2023: \$25,000, due in less than 1 year).

**APA INVESTMENT TRUST AND ITS CONTROLLED ENTITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

**Notes to the consolidated financial statements (continued)
Capital Management (continued)**

13. Issued capital

	2024 \$'000	2023 \$'000
Units		
1,283,352,928 securities, fully paid (2023: 1,179,893,848 units, fully paid) ¹	734,128	555,356

	2024 No. of units 000	2024 \$'000	2023 No. of units 000	2023 \$'000
Movements				
Balance at beginning of financial year	1,179,894	555,356	1,179,894	644,417
Issue of securities under institutional share placement ²	79,412	200,475	–	–
Issue of securities under retail security purchase plan ³	23,652	59,400	–	–
Issue of securities under distribution reinvestment plan ⁴	395	670	–	–
Share issue costs	–	(3,150)	–	–
Capital distributions paid (note 7)	–	(78,623)	–	(89,061)
Balance at end of financial year	1,283,353	734,128	1,179,894	555,356

¹ Fully paid units carry one vote per unit and carry the right to distributions.

² On 29 August 2023, APA Infrastructure Trust and APA Investment Trust issued 79.4 million new stapled securities via institutional placement at an issue price of \$8.50, which was allocated to the APA Infrastructure Trust and APA Investment Trust on a net asset basis.

³ On 22 September 2023, APA Infrastructure Trust and APA Investment Trust issued 23.7 million new stapled securities via security purchase plan at an issue price of \$8.46, which was allocated to the APA Infrastructure Trust and APA Investment Trust on a net asset basis.

⁴ The interim distribution was declared on 22 February 2024. The interim distribution resulted in \$3 million being raised by the distribution reinvestment plan (DRP) through the issue of 0.4 million stapled securities at a price of \$8.27, which was allocated to the APA Infrastructure Trust and APA Investment Trust on a net asset basis.

The Trust does not have a limited amount of authorised capital.

Notes to the consolidated financial statements (continued)

Group Structure

14. Subsidiaries

Subsidiaries are entities controlled by APA Investment Trust. Control exists where APA Investment Trust has power over an entity, i.e. existing rights that give APA Investment Trust the current ability to direct the relevant activities of the entity (those that significantly affect the returns); exposure, or rights, to variable returns from its involvement with the entity; and the ability to use its power to affect those returns. The country of registration or incorporation is also their principal place of business.

Name of entity	Country of registration	Ownership interest	
		2024 %	2023 %
Parent entity			
APA Investment Trust			
Subsidiary			
GasNet Australia Investments Trust	Australia	100	100

Other

15. Commitments and contingencies

The Consolidated Entity had no material contingent assets, liabilities and commitments as at 30 June 2024 and 30 June 2023.

16. Director and Executive Key Management Personnel remuneration

Remuneration of Directors

The aggregate remuneration of Directors of the Consolidated Entity is set out below:

	2024 \$	2023 \$
Short-term employment benefits	1,742,212	1,673,901
Post-employment benefits	165,545	149,671
Total remuneration: Non-Executive Directors	1,907,757	1,823,572
Short-term employment benefits	2,475,001	4,112,061
Post-employment benefits	27,399	31,563
Cash settled security-based payments	–	138,770
Equity settled security-based payments	900,215	2,575,647
Total remuneration: Executive Directors	3,402,615	6,858,041
Total remuneration: Directors	5,310,372	8,681,613

Remuneration of Executive Key Management Personnel

The aggregate remuneration of Executive Key Management Personnel of the Consolidated Entity is set out below:

	2024 \$	2023 \$
Short-term employment benefits	5,966,026	6,528,421
Post-employment benefits	102,746	72,854
Cash settled security-based payments	92,405	179,993
Equity settled security-based payments	1,802,626	3,286,022
Total remuneration: Executive Key Management Personnel^{1,2}	7,963,803	10,067,289

¹ During FY24, APA appointed Garrick Rollason as Chief Financial Officer on 16 October 2023 and Petrea Bradford as Group Executive Operations on 28 August 2023. Their remuneration is included in the remuneration disclosure of Key Management Personnel.

² During FY23, the remuneration for the former Chief Executive Officer and Managing Director, Rob Wheals up to 30 September 2022 and current Chief Executive Officer and Managing Director, Adam Watson from 1 October 2022 (previously Chief Financial Officer and Key Management Personnel), are included in both the remuneration disclosure for Directors and Executive Key Management Personnel. The remuneration for Group Executive Strategy & Commercial, Julian Peck to 25 August 2022 and Group Executive Commercial Development, Ross Gersbach to 22 August 2022 are included in the remuneration disclosure for Executive Key Management Personnel.

Notes to the consolidated financial statements (continued)

Other (continued)

17. Remuneration of external auditor

Amounts received or due and receivable by Deloitte Touche Tohmatsu for:

Audit or review of the financial reports

	2024 \$	2023 \$
Group	6,930	6,600
Total audit or review of the financial reports	6,930	6,600
Statutory assurance services required by legislation to be provided by the auditor		
ASIC compliance plan audit	7,035	6,700
Total statutory assurance services required by legislation to be provided by the auditor	7,035	6,700
Total remuneration of external auditor	13,965	13,300

18. Related party transactions

(a) Equity interest in related parties

Details of the percentage of ordinary securities held in subsidiaries are disclosed in note 14.

(b) Responsible Entity – APA Group Limited

The Responsible Entity is wholly owned by APA Infrastructure Limited (2023: 100% owned by APA Infrastructure Limited).

(c) Transactions with related parties within the Consolidated Entity

During the financial year, the following transactions occurred between the Trust and its other related parties:

- loans advanced and payments received on long-term inter-entity loans; and
- payments of distributions.

All transactions between the entities that comprise the Consolidated Entity have been eliminated on consolidation.

Refer to note 14 for details of the entities that comprise the Consolidated Entity.

(d) Transactions with other related parties

APA Investment Trust and its controlled entities have a loan receivable balance with another entity in APA Group. This loan is repayable on agreement between the parties. Interest is recognised by applying the effective interest method, agreed between the parties at the end of each month and is determined by reference to market rates.

The following balances arising from transactions between APA Investment Trust and its other related parties are outstanding at reporting date:

- current receivables owing from a subsidiary of APA Infrastructure Trust for amounts due under a finance lease arrangement totalling \$nil (2023: \$977,000);
- non-current receivables owing from a subsidiary of APA Infrastructure Trust for amounts due under a finance lease arrangement \$nil (2023: \$3,262,000); and
- non-current receivables totalling \$639,775,000 (2023: \$455,584,000) are owing from a subsidiary of APA Infrastructure Trust for amounts due under inter-entity loans.

APA Group Limited

Management fees of \$1,119,000 (2023: \$2,470,000) were paid to the Responsible Entity as reimbursement of costs incurred on behalf of APA Investment Trust. No amounts were paid directly by APA Investment Trust to the Directors of the Responsible Entity.

APA Infrastructure Trust

No management fees were reimbursed by APA Infrastructure Trust during the year (2023: \$2,470,000).

Notes to the consolidated financial statements (continued)

Other (continued)

19. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information below, are the same as those applied in the consolidated financial statements.

	2024 \$'000	2023 \$'000
Financial position		
Assets		
Current assets	112	977
Non-current assets	747,154	566,225
Total assets	747,266	567,202
Liabilities		
Current liabilities	–	25
Total liabilities	–	25
Net assets	747,266	567,177
Equity		
Issued capital	734,128	555,356
Retained earnings	13,138	11,821
Total equity	747,266	567,177
Financial performance		
Profit for the year	20,468	23,725
Total comprehensive income	20,468	23,725

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiaries.

Contingent liabilities of the parent entity

No contingent liabilities have been identified in relation to the parent entity.

20. Adoption of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period

There have not been any new or revised Standards and Interpretations issued by the AASB that are relevant and material to the Consolidated Entity's operations that are effective for the current reporting period.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations on issue but not yet effective are not expected to have material impact on the Consolidated Entity's accounting policies or any of the amounts recognised in the financial statements.

21. Events occurring after reporting date

On 28 August 2024, the Board announced the retirement of Debra Goodin and Peter Wasow and the appointment of Samantha Lewis and David Lamont as Directors of APA. The appointment of Samantha Lewis and David Lamont will be effective 1 October 2024. To ensure a smooth transition, Debra Goodin will remain on the Board until late February 2025. Peter Wasow will retire at the conclusion of the Annual Meeting in October 2024.

Final distribution declaration

On 28 August 2024, the Directors declared a final distribution for the 2024 financial year of 1.02 cents per unit (\$13 million). The distribution represents a 1.02 cents per security unfranked profit distribution. The distribution is expected to be paid on 18 September 2024.

Other than the events disclosed above, there have not been any events or transactions that have occurred subsequent to year end that would require adjustment to or disclosure in the financial statements.

Declaration by the Directors of APA Group Limited

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that APA Investment Trust will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of the Consolidated Entity;
- (c) in the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (d) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Michael Fraser
Chairman



Adam Watson
CEO and Managing Director

SYDNEY, 28 August 2024

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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Sydney NSW 2000

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28 August 2024

The Directors
APA Group Limited
as Responsible Entity for APA Investment Trust
Level 25, 580 George Street
Sydney NSW 2000

Dear Directors

Auditor's Independence Declaration to APA Group Limited as Responsible Entity for APA Investment Trust

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of APA Group Limited as Responsible Entity for APA Investment Trust.

As lead audit partner for the audit of the financial statements of APA Investment Trust for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jamie Gatt
Partner
Chartered Accountants

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Independent Auditor's Report (continued)



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Independent Auditor's Report to the Unitholders of APA Investment Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of APA Investment Trust and its controlled interests (the "Consolidated Entity") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Consolidated Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors of the Responsible Entity (the "directors") are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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Independent Auditor's Report (continued)

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

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

Responsibilities of the directors for the financial report

The directors of the Consolidated Entity are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Consolidated Entity, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

Deloitte.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity's audit. We remain solely responsible for our audit opinion.

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

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

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



DELOITTE TOUCHE TOHMATSU



Jamie Gatt
Partner
Chartered Accountants



Jimmy McGarty
Partner
Chartered Accountants

Additional information

Additional information required by the Listing Rules of the Australian Securities Exchange Limited and not provided elsewhere in this report (the information is applicable as at 30 June 2024).

Twenty largest shareholders

	No. of securities	%
HSBC Custody Nominees (Australia) Limited	335,367,367	26.13
J P Morgan Nominees Australia Pty Limited	149,333,086	11.64
BNP Paribas Nominees Pty Ltd	111,030,387	8.65
Citicorp Nominees Pty Limited	95,722,879	7.46
BNP Paribas Nominees Pty Ltd	32,079,900	2.50
Custodial Services Limited	31,769,228	2.48
BNP Paribas Noms Pty Ltd	14,942,158	1.16
Argo Investments Limited	14,308,525	1.11
BNP Paribas Nominees Pty Ltd	9,771,813	0.76
BKI Investment Company Limited	9,716,652	0.76
National Nominees Limited	9,466,270	0.74
HSBC Custody Nominees (Australia) Limited	9,228,154	0.72
BNP Paribas Nominees Pty Ltd	9,214,970	0.72
Netwealth Investments Limited	7,939,265	0.62
Citicorp Nominees Pty Limited	3,583,054	0.28
Netwealth Investments Limited	3,011,059	0.23
HSBC Custody Nominees (Australia) Limited	2,888,907	0.23
HSBC Custody Nominees (Australia) Limited – A/C 2	2,707,669	0.21
Citicorp Nominees Pty Limited	2,002,774	0.16
Pacific Custodians Pty Limited	1,982,898	0.15
Total	856,067,015	66.71

Distribution of holders

Ranges	No. of holders	%	No. of securities	%
100,001 and over	147	0.16	893,355,893	69.61
10,001 to 100,000	9,280	9.79	186,672,573	14.55
5,001 to 10,000	12,459	13.14	88,624,937	6.91
1,001 to 5,000	38,631	40.74	100,805,566	7.85
1 to 1,000	34,296	36.17	13,893,959	1.08
Total	94,813	100.00	1,283,352,928	100.00

Interests of substantial securityholders	Date of notice	Number of voting securities highlighted in notice	Voting power highlighted in notice
UniSuper Limited	4 April 2023	117,678,377	9.97%
State Street Corporation	20 January 2022	85,157,130	7.22%
Blackrock Group	16 July 2021	82,844,967	7.02%
Vanguard Group	6 January 2022	59,009,213	5.00%

Voting rights

On a show hands, each holder has one vote.

On a poll, each holder has one vote for each dollar of the value of the total interests they have in the scheme.

On-market buy-back

There is no current on-market buy-back.

Five-year financial summary

Financial performance (statutory)		FY24	FY23	FY22	FY21	FY20
Revenue	\$m	3,064	2,913	2,732	2,605	2,591
Revenue excluding pass-through ¹	\$m	2,591	2,401	2,236	2,145	2,130
Underlying EBITDA ²	\$m	1,893	1,725	1,692	1,629	1,650
Total Report EBITDA ³	\$m	1,736	1,686	1,630	1,639	1,652
Depreciation and amortisation expense	\$m	(919)	(750)	(735)	(674)	(651)
Reported EBIT ³	\$m	817	936	895	965	1,001
Net interest expense ³	\$m	(579)	(459)	(483)	(505)	(508)
Significant items – before income tax	\$m	835	–	28	(397)	–
Income tax expense	\$m	(75)	(190)	(180)	(62)	(184)
Profit after tax including significant items	\$m	998	287	260	1	309
Significant items – after income tax	\$m	879	–	20	(278)	–
Profit after tax excluding significant items	\$m	119	287	240	279	309
Financial Position						
Total assets	\$m	19,563	15,866	15,836	14,742	15,994
Total drawn debt ⁴	\$m	12,893	11,240	11,146	9,666	9,984
Total equity	\$m	3,248	1,910	2,629	2,951	3,200
Operating Cash Flow						
Operating cash flow ⁵	\$m	1,156	1,206	1,197	1,051	1,088
Free cash flow ⁶	\$m	1,073	1,070	1,081	902	957
Key Financial Ratios						
Earnings per security including significant items	cents	78.9	24.3	22.1	0.1	26.2
Earnings per security excluding significant items	cents	9.4	24.3	20.4	23.7	26.2
Free cash flow per security	cents	83.6	90.7	91.6	76.4	81.1
Distribution per security	cents	56.0	55.0	53.0	51.0	50.0
Funds From Operations to Net Debt ⁷	%	10.3	11.0	11.4	10.8	11.7
Funds From Operations to Interest ⁷	times	3.2	3.4	3.5	3.0	3.2
Weighted average number of securities	m	1,265	1,180	1,180	1,180	1,180
EBITDA by Segment (excluding Significant Items)						
Underlying EBITDA						
Energy Infrastructure						
East Coast Gas	\$m	669	645	646	628	649
West Coast Gas	\$m	347	305	289	271	271
Wallumbilla Gladstone Pipeline	\$m	657	620	578	550	539
Contracted power generation	\$m	249	199	194	175	171
Electricity Transmission	\$m	37	24	–	–	–
Total Energy Infrastructure	\$m	1,959	1,793	1,707	1,624	1,630
Asset Management	\$m	69	56	73	80	63
Energy Investments	\$m	26	23	28	31	36
Corporate costs	\$m	(16)	(147)	(116)	(105)	(75)

¹ Pass-through revenue is offset by pass-through expense within EBITDA. Any management fee earned for the provision of these services is recognised as part of asset management revenues.

² Underlying earnings before interest, tax, depreciation, and amortisation (EBITDA) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items.

³ Excludes significant items.

⁴ APA's ability to repay debt at relevant due dates of the drawn facilities. This amount represents current and non-current borrowings as per balance sheet and is adjusted for deferred borrowing costs, the effect of unwinding of discount, unrealised foreign exchange differences reported in equity and deducting other financial liabilities that are reported as part of borrowings in the balance sheet.

⁵ Operating cash flow = net cash from operations after interest and tax payments.

⁶ Free cash flow is Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs and capital returns from joint ventures less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.

⁷ FFO/net debt and FFO/interest calculated in line with S&P methodology. Historical ratios have been revised reflecting S&P revisions to the historical calculations.

Investor information

Calendar of events

Final distribution FY24 record date	28 June 2024
Final distribution FY24 payment date	18 September 2024
Annual Meeting	24 October 2024
Interim distribution FY25 record date	31 December 2024
Interim results announcement	24 February 2025 ¹
Interim distribution FY25 payment date	17 March 2025 ¹

¹ Subject to change.

Annual Meeting details

Date: Thursday, 24 October 2024
Time: 10.30am (AEDT)
Venue: Telstra Sydney Customer Insights Centre
400 George Street, Sydney NSW 2000

Please refer to the APA Group Notice of Meeting or the APA Group website for more information

APA group responsible entity and registered office

APA Group Limited ACN 091 344 704

Level 25, 580 George Street
Sydney NSW 2000

PO Box R41
Royal Exchange NSW 1225

Telephone: +61 2 9693 0000
Facsimile: +61 2 9693 0093
Website: apa.com.au

ASX listing

In this report, the term 'APA securities' refers to stapled securities each comprising a unit in APA Infrastructure Trust stapled to a unit in APA Investment Trust and traded on the Australian Securities Exchange (ASX) under the code 'APA'. APA Group Limited is the Responsible Entity of those trusts.

APA Group registry

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Telephone: +61 1800 992 312
Facsimile: +61 2 9287 0303
Email: apagroup@linkmarketservices.com.au
Website: linkmarketservices.com.au

Please note: Link Market Services (part of Link Group) was acquired by Mitsubishi UFJ Trust and Banking Corporation, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) on 16 May 2024. Link Group is now known as MUFG Pension & Market Services.

Mailing and contact information is currently unchanged. Over the coming months, Link Market Services will also progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

Securityholder details

Securityholders must notify the APA Group registry immediately of any changes to their address or banking arrangements. Securityholders with enquiries should also contact the APA Group registry.

Distribution payments

Distributions will be paid semi-annually in March and September. Securityholders will receive annual tax statements with the final distribution in September. Payment to securityholders residing in Australia and New Zealand will be made only by direct credit into an Australian or New Zealand bank account. Securityholders with enquiries should contact the APA Group registry.

Distribution Reinvestment Plan

The Distribution Reinvestment Plan (DRP) was reactivated on 25 October 2023. The DRP enables securityholders to increase their APA holding by reinvesting either all or part of their distribution payments into additional fully paid APA stapled securities in an easy and cost-effective way. Securityholders will not incur any brokerage, commission or other transaction costs to acquire stapled securities under the DRP. Securityholders wishing to participate, or to change their participation, should provide instructions to the APA Group registry.

Online information

Further information on APA is available at apa.com.au, including:

- results, market releases and news
- asset and business information
- corporate responsibility and sustainability reporting
- securityholder information, such as the current APA security price, distribution and tax information.

Electronic communication

Securityholders can elect to receive communication electronically by registering their email address with the APA Group registry.

Glossary

Term	Definition
AASB	Australian International Financial Reporting Standards
Abatement	Measures that companies take to prevent, reduce or eliminate sources of GHG emissions within their value chain.
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AGN	Australian Gas Network
APA Infra	APA Infrastructure Trust
APA Invest	APA Investment Trust
APA	APA Group
APAIL	APA Infrastructure Limited
ASX	Australian Stock Exchange
AUD	Australian dollar
BCA	Business Council of Australia
BESS	Battery Energy Storage System
Carbon offsets (carbon credits, offsets)	Broadly refers to a reduction in GHG emissions – or an increase in carbon storage (e.g. through land restoration or the planting of trees) – used to compensate for emissions that occur elsewhere.
CCS	Carbon Capture and Storage
CEDA	Committee for Economic Development of Australia
CEO	Chief Executive Officer
CES	Customer Experience Score
CFO	Chief Financial Officer
Climate risk	In reference to the materiality matrix, this topic refers to the assessment, management and disclosure of risks and opportunities associated with climate change.
Climate Transition Plan (CTP)	APA's Climate Transition Plan updates, consolidates and transparently communicates APA's commitments and performance in managing climate change risks and opportunities, as the energy transition accelerates.
CO ₂ -e (carbon dioxide equivalent)	The universal unit of measurement to indicate the global warming potential (GWP) of each GHG, expressed in terms of the GWP of one unit of carbon dioxide (CO ₂). It is used to evaluate releasing (or avoiding releasing) different GHGs against a common basis. See apa.com.au/globalassets/asx-releases/2022/climate-transition-plan-2022
Collective bargaining agreements	Formal agreements between a particular employer and a group of employees that set out workplace terms and conditions for that group of employees and operate for a fixed term until replaced by a new agreement.
Contractor	An individual, company or other legal entity that provides goods and services to APA, carries out work or performs services pursuant to a contract for service. This includes sub-contractors and contingent workers. A person or company engaged to provide labour or skills and paid on invoice.
Decarbonise, decarbonisation	Removing or reducing the amount of carbon dioxide emitted into the atmosphere.
Distribution payout ratio	Total distribution applicable to the financial year as a percentage of free cash flow
EBIT	Earnings before interest and tax
EDF	Electricité de France

Term	Definition
EII	Energy Infrastructure Investments
Emissions intensity	For a particular reporting period, total aggregate greenhouse gas emissions per unit for some activity or output specific to a particular emission Scope or across different Scopes. For example, emissions per throughput of gas is an intensity measure.
Employee	An individual who works for APA under a contract of employment. They are engaged through the company's payroll (so subject to PAYG withholding tax and super).
ENA	Energy Networks Australia – the national industry body representing Australia's electricity transmission and distribution gas distribution networks.
Energy Charter	A national CEO-led collaboration that supports the energy sector towards a customer-centric future. See theenergycharter.com.au/ .
Energy consumption	All energy consumed and produced by APA across all facilities
Energy transition	Reducing reliance on greenhouse gas-intensive sources of energy to decarbonise the economy and support the achievement of climate-related targets and goals.
EPA	Environment Protection Agency
ERA	Economic Regulation Authority of Western Australia
ERC	Estimated Rehabilitation Cost
ESG	Environmental, Social and Governance
Executive Leadership Team (ELT)	Portion of employees aligned to WGEA Management Category: Key Management Personnel/Head of Business; Key Management Personnel and internationally based ELT members (excludes CEO)
Extended leadership	Refers to level 3 (L3) and level 4 (L4) workforce who have direct reports at APA (CEO is L1)
Fatality	Work-related safety incident that results in death to a person
FID	Final Investment Decision
Free Cash Flow (FCF)	Operating Cash Flow adjusted for strategically significant transformation projects, acquisition and integration costs and capital returns from joint ventures less stay-in-business (SIB) capex. SIB capex includes operational assets lifecycle replacement costs and technology lifecycle costs.
Fuels of the future	A wide range of carbon-neutral fuels produced using renewable or clean energy sources such as biogas and hydrogen.
Fugitives (fugitive emissions)	The unintentional release of gas in connection with, or because of, the extraction, processing, storage or delivery of natural gas.
FY (financial year)	Period between 1 July and 30 June
GJ	Gigajoule
Goal (climate-related)	An ambition to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions
Greenhouse gas (GHG)	Gas that can trap heat when emitted within the atmosphere. The greenhouse gases included under the GHG Protocol are carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃).
GRI	Global Reporting Initiative. See globalreporting.org
GSOO	Gas Statement of Opportunities
Hard-to-abate	Any sector for which the transition to net zero has no near-term decarbonisation pathways, including due to the lack of commercially viable technology.
HSEH	Health, Safety, Environment and Heritage
IFRS	International Financial Reporting Standards

Term	Definition
Large-scale generation certificate (LGC)	Represents 1 MWh of electricity generated from an eligible renewable electricity source.
Lost Time Injury (LTI)	A work-related injury or illness that resulted in time lost from work of one day/shift or more. A Lost Time Injury must be certified by advice from a qualified medical practitioner.
Lower emissions	The characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues, for example relating to an otherwise similar resource, process, system, product or service, or activity.
LTIFR	Lost Time Injury Frequency Rate – Injury (LTI) count/per million hours
MOU	Memorandum of Understanding
Net emissions	Gross GHG emissions for a reporting period reduced by the number of carbon offsets surrendered.
Net zero	Achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.
Off grid	A facility that is not connected to the National Electricity Market (NEM) or the South West Interconnected System (SWIS)
Operational emissions	Scope 1 and Scope 2 emissions for assets (facilities) under APA's operational control.
Pass-through revenue	Pass-through revenue is offset by pass-through expense within EBITDA. Any management fee earned for the provision of these services is recognised as part of asset management revenues.
PGP	Parmelia Gas Pipeline
PSHIFR	Potential Serious Harm Incident Frequency Rate
RAP	Reconciliation Action Plan
RAPWG	RAP Working Group
Renewable electricity	Electricity generated from renewable energy sources, as defined within the Australian Government's Renewable Energy (Electricity) Act 2000.
Renewable energy	Energy from renewable energy sources, as defined within the Australian Government's Renewable Energy (Electricity) Act 2000.
Renewable gas	Carbon-neutral gas substitutes that do not generate additional greenhouse gas emissions when burnt. Renewable gases include biomethane and hydrogen.
REZ	Renewable Energy Zones
SDG	The Sustainable Development Goals (SDGs) were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity by 2030.
SIB	Stay in Business
TCFD	Taskforce on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
TRIFR	Total Recordable Injury Frequency Rate
Target (climate-related)	An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
Underlying EBITDA	Earnings before interest, tax, depreciation, and amortisation (EBITDA) excludes recurring items arising from other activities, transactions that are not directly attributable to the performance of APA Group's business operations and significant items
VRE	Variable Renewable Energy
WHS	Work Health and Safety
WORM	Western Outer Ring Main



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Independent Limited Assurance Report to the Directors of APA Group Limited

Conclusion

We have undertaken a limited assurance engagement on APA Group Limited’s (“APA”) selected Safety Performance metrics disclosed in the APA’s Sustainability Data Book for the period 1 July 2023 to 30 June 2024 (“FY24 Data Book”) as referenced in the APA’s Annual Report for the period 1 July 2023 to 30 June 2024 (“FY24 Annual Report”).

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe, that the selected Safety Performance metrics for the period 1 July 2023 to 30 June 2024 presented below (the “Subject Matter Information”) and included in the Safety Performance table in section [1 - *Our People*], in APA’s FY24 Sustainability Data Book referenced on page 29 of the FY24 Annual Report, have not been prepared, in all material respects, in accordance with APA’s Basis of Preparation (“Reporting Criteria”), as referenced in APA’s FY24 Sustainability Data Book.

Subject Matter Information	Unit
Fatalities	
Total fatalities	count
Employees	count
Contractors	count
Safety Indicators	
Health & Safety Near Miss Frequency Rate	Total Near Miss Reported / per million hours
Total Recordable Injury Frequency Rate (TRIFR)	Injury (LTI, MOTI, MITI) count / per million hours
TRIFR - Employees	Injury (LTI, MOTI, MITI) count / per million hours
TRIFR - Contractors	Injury (LTI, MOTI, MITI) count / per million hours
Lost Time Injury Frequency Rate (LTIFR)	Injury (LTI count / per million hours
LTIFR - Employees	Injury (LTI count /per million hours
LTIFR - Contractors	Injury (LTI count /per million hours

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ASAE 3000”), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of APA Directors

The APA Directors are responsible for:

- a) ensuring that the Subject Matter Information is prepared in accordance with the Reporting Criteria;
- b) confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the Subject Matter Information;

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- c) designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to ensure achievement of its control objectives and its compliance with applicable laws and regulations; and
- d) the electronic presentation of the Subject Matter Information, related Basis of Preparation and our limited assurance report on the website.

Our Independence and Quality Management

We have complied with relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour including those contained in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on APA's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter Information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Our procedures included:

- Enquiries with management and staff responsible for the Subject Matter Information to understand the preparation and review processes;
- Inspecting documents as part of the walk-throughs of key systems and processes for collating, calculating, and reporting the respective Subject Matter Information in the FY24 Sustainability Data Book;
- On a sample basis, inspecting underlying information to test whether the Subject Matter Information has been prepared and reported in line with APA's policies, procedures and methodologies applicable to the Reporting Criteria;
- Analytical reviews over material data streams to identify any material anomalies for the Subject Matter Information; and
- Agreeing overall data sets for the Subject matter Information to the final data contained in the FY24 Sustainability Data Book.



Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Non-financial data may be subject to more inherent limitations given both its nature and the methods used for determining, calculating, and sampling or estimating such data.

Restricted use

The Reporting Criteria used for this engagement was designed for a specific purpose of the Directors reporting on selected Safety Performance metrics included in the APA FY24 Annual Report. As a result, the Subject Matter Information may not be suitable for another purpose.

This report has been prepared for use by the Directors of APA for the purpose of providing assurance over selected Safety Performance metrics included in the APA FY24 Annual Report. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors of APA or for any purpose other than that for which it was prepared.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chi Woo
Partner
Chartered Accountants
Sydney, 27 August 2024



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