

19 August 2025

ASX ANNOUNCEMENT

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

APA EXECUTES AGREEMENT TO DIVEST GAS DISTRIBUTION OPERATIONS AND MAINTENANCE ENTITIES

APA Group (ASX:APA) today announces it has executed an agreement to divest its Networks business, including entities which undertake gas distribution operations and maintenance services, to Australian Gas Infrastructure Group.

Through these entities APA currently provides asset management and operating services to third-party owned gas distribution assets.

The sale of these entities will result in asset management and operating services for these gas distribution assets transitioning from APA around the second quarter of FY26, subject to satisfaction of conditions precedent, including critical separation and completion readiness activities.

As part of the transaction, APA will divest APA AM (Allgas) Pty Ltd which provides asset management and operating services to GDI (EII) Pty Ltd (GDI). APA will continue to maintain a 20% ownership interest in GDI. APA has also agreed to divest the Tamworth gas distribution network.

Approximately 725 APA employees will transfer. APA earnings from the entities to be divested, which is derived from fixed-term asset management contracts which are reaching end of term, currently represent less than 2% of APA's underlying annual EBITDA.¹ Proceeds from the sale are estimated to be \$47 million.²

CEO and Managing Director, Adam Watson, said the divestment reflects APA's focus on reviewing its portfolio to identify opportunities to simplify the business as it continues to deliver its customer-focused growth strategy.

"This announcement will allow APA to focus on its strategy to grow as an owner-operator of energy infrastructure.

"It aligns with our ongoing work to simplify the business, become more cost efficient and to prioritise the significant growth opportunities ahead, including with East Coast Gas Grid expansion, early works in the Beetaloo and in power generation, both in the Pilbara and with emerging gas-powered generation projects.

"We are pleased that the transaction is expected to be value accretive for securityholders,³ and will help facilitate an orderly transition of these services to the asset owner.

"Our Networks business has made an important contribution to APA over a long period of time. We thank our gas distribution, asset management and operations services employees for their contribution to APA and we wish them the best as they transition."

The transaction is expected to complete in the second quarter of FY26, subject to satisfaction or waiver of certain conditions precedent. APA will provide certain post-handover services under a Transitional Services Agreement for a period of up to 18 months from completion (unless extended by up to a further six months).

- ENDS-

Authorised for release by Amanda Cheney
Company Secretary
APA Group Limited

¹ Based on FY24.

² Represents the remaining contractual cashflows for the existing asset management contracts and the consideration for the net assets of the divestment entities and the Tamworth gas distribution network as at 30 June 2025, excluding working capital. Consideration subject to adjustments for completion date and working capital.

³ Based on the estimated sale proceeds (pre APA transaction costs) exceeding the remaining net present value of contractual cashflows for the existing asset management contracts.

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About APA Group

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. As Australia's energy infrastructure partner, we own and/or manage and operate a diverse, \$27 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose, securing Australia's energy future, we deliver around half of the nation's domestic gas through 15,000 kilometres of gas pipelines that we own, operate and maintain. Through our investments in electricity transmission assets, we connect Victoria with South Australia, Tasmania with Victoria and New South Wales with Queensland, providing vital flexibility and support for the grid. We also own and operate power generation assets, including gas powered, wind and solar assets across the country. APA Infrastructure Limited is a wholly owned subsidiary of APA Infrastructure Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.

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