First Quarter 2024 Results

Management Discussion & Analysis Report

9 May 2024

ADNOC DISTRIBUTION

Key highlights: Strong Q1 2024 operating and financial performance across-the-board

Total fuel volumes – Q1 2024

3.69 billion liters

+17.3% Y-o-Y

Retail: +17.7%, driven by strong mobility trends and partially attributable to consolidation of TotalEnergies Marketing Egypt

Commercial: +16.3%, driven by economic expansion and partially attributable to consolidation of TotalEnergies Marketing Egypt

2.90 billion liters sold in the UAE and KSA

+9.3% Y-o-Y

Retail: +7.0% supported by higher mobility, sustained momentum in the region's economic growth, network expansion and higher contribution from KSA operations

Commercial: +13.7% on strong growth in corporate business, new contracts in the UAE and a recovery in aviation business

Revenue – Q1 2024

8,750 AED million

+9.4% Y-o-Y

supported by growth in fuel volumes, higher non-fuel retail segment contribution and consolidation of TotalEnergies Marketing Egypt, partially offset by lower pump prices as a result of lower crude oil prices in Q1 2024 compared to Q1 2023

Gross profit – Q1 2024

1,481 AED million

+17.1% Y-o-Y

driven by strong operating performance and supported by inventory gains of AED 122 million in Q1 2024 compared to inventory losses of AED 13 million in Q1 2023

941 AED million

Fuel retail: +17.1% Y-o-Y

supported by higher retail fuel volumes and inventory gains of AED 118 million in Q1 2024 vs. zero inventory gains in Q1 2023

200 AED million

Non-fuel retail: +16.2% Y-o-Y

supported by growth in non-fuel transactions, improved customer offerings following revitalization of stores, marketing and promotion campaigns, and higher Food and Beverage (F&B) sales

339 AED million

Commercial: +17.8% Y-o-Y

driven by growth in corporate fuel volumes and inventory gains of AED 4 million in Q1 2024 vs. inventory losses of AED 13 million in Q1 2023

EBITDA – Q1 2024

913 AED million

+17.6% Y-o-Y

supported by inventory gains in Q1 2024

Underlying EBITDA – Q1 2024

801 AED million

+7.0% Y-o-Y

driven by volume growth, higher contribution from non-fuel retail business and international activities

Net profit attributable to equity holders – Q1 2024

550 AED million

+2.3% Y-o-Y

despite AED 58 million UAE corporate income tax impact in Q1 2024

Net profit, excl. UAE corporate income tax impact – Q1 2024

607 AED million

+13.0% Y-o-Y

despite higher finance costs, supported by volume growth, higher contribution from non-fuel retail business and international activities (KSA and Egypt) as well as inventory gains

Cash generation and balance sheet – Q1 2024

581
AED million

Free cash flow

Free cash flow decreased by 44.5% Y-o-Y. Excluding the effect of working capital changes, free cash flow increased by 8.3% Y-o-Y

The Company maintained a strong financial position at the end of March 2024 with liquidity of AED 6.2 billion, in the form of AED 3.4 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility

0.50x

Net debt to EBITDA ratio

balance sheet remained strong with a Net debt to EBITDA ratio of 0.50x as of 31 March 2024 (0.62x as of 31 December 2023)

Operational highlights – Q1 2024

8

New stations

in the UAE, KSA and Egypt

846

Total stations network

532 in UAE

69 in KSA

245 in Egypt*

361

Convenience stores network in the UAE

45.3
million

Fuel transactions in the UAE

+6.6% Y-o-Y

11.3
million

Non-fuel transactions in the UAE

+6.9% Y-o-Y

89

EV fast and super-fast charging points in the UAE

c.70% growth compared to 53 charging points at the end of 2023

24.5%

Convenience store conversion rate in the UAE

Compared to 24.4% in Q1 2023

*Acquisition of 50% of TotalEnergies Marketing Egypt completed in February 2023

ADNOC DISTRIBUTION

Sustained growth momentum in Q1 2024 following record-high EBITDA delivered in 2023

In Q1 2024, ADNOC Distribution demonstrated strong year-on-year growth in EBITDA of 17.6% to AED 913 million, while net profit was up 2.3% year-on-year to AED 550 million despite the UAE corporate tax impact. Net profit excluding the tax impact increased by 13.0% year-on-year. This financial performance was supported by a double-digit growth in fuel volumes, continued expansion of the retail fuel network, higher number of non-fuel transactions and a growing contribution from international operations (KSA and Egypt). Together with a robust balance sheet (net debt/EBITDA of 0.50x as of 31 March 2024) this provides support to future growth prospects in line with the new 2024-28 strategy recently approved by the Board of Directors and communicated to capital markets during the Investor Day in February 2024.

Fuel business (retail and commercial)

ADNOC Distribution's UAE and KSA retail and corporate fuel volumes increased in Q1 2024 by 9.3% year-on-year to 2.90 billion liters supported by region's continued economic growth and higher mobility. New stations in Dubai and network renovation in Saudi Arabia resulted in incremental retail fuel volumes. This, together with economic growth momentum and higher mobility, resulted in a 7.0% increase in retail fuel volumes in the UAE and KSA of 1.87 billion liters compared to Q1 2023. Including the operations in Egypt, ADNOC Distribution recorded a 17.3% year-on-year increase in the total fuel volumes to 3.69 billion liters, including 17.7% higher retail and 16.3% higher commercial fuel volumes.

Network expansion: In Q1 2024, ADNOC Distribution further expanded its retail fuel activities by adding eight new stations in the UAE, KSA and Egypt and is on track to open 15-20 new stations in 2024.

- **Domestically:** ADNOC Distribution added four new stations in the UAE in Q1 2024 (one existing On the Go station in Abu Dhabi was closed during the period) to reach 532 stations in the home market, which compares to 507 stations at the end of Q1 2023.
- In Dubai, the Company opened one new station in Q1 2024. As a result, ADNOC Distribution's service station network in the emirate expanded to 45 stations at the end of the period, up by 12.5% from 40 stations at the end of Q1 2023.
- **Internationally:** ADNOC Distribution continued to execute on its plans in the Kingdom of Saudi Arabia, with two stations opened during Q1 2024 (one existing station was returned during the period), taking the total network in the country to 69 stations at the end of the period. The Company has revitalized and rebranded c.85% of its KSA stations as of the end of Q1 2024.

  During Q1 2024, the Company's assets in Egypt added 2 new service stations to the portfolio and operated 245 service stations. In addition, the Egypt portfolio comprised aviation fuel, lubricant and wholesale fuel operations as well as 100+ convenience stores, 250+ lube changing points and 15+ car wash locations
- **Total network of ADNOC Distribution** increased to 846 stations vs. 814 at the end of Q1 2023.
- **Network of fast and super-fast EV charging points** increased to 89 vs. 53 at the end of 2023.

Commercial business: In Q1 2024, commercial segment fuel volumes in GCC increased by 13.7% compared to Q1 2023 to 1.03 billion liters driven by an increase of 13.9% year-on-year in corporate business volumes. This was a result of execution of new contracts signed in 2023 and Q1 2024, as the Company has been proactively focusing on gaining market share in Dubai and Northern Emirates.

Commercial segment fuel volumes in Egypt increased by 43.9% compared to Q1 2023 partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt.

The total number of export network countries in ADNOC Distribution's VOYAGER lubricants portfolio rose to 40 markets at the end of Q1 2024 compared to 28 markets at the end of the same period last year. The Company is exploring opportunities to penetrate new growing lubricant markets through collaboration with leading partners worldwide.

Additionally, in 2023 the Company launched ADNOC Voyager brand signature range of premium and OEM-approved automotive vehicle lubricants in Egypt through TotalEnergies Marketing Egypt. The products are available for the Egyptian consumers to purchase at ADNOC-branded service stations.

Non-fuel business - UAE

During Q1 2024, ADNOC Distribution in line with the non-fuel retail strategy implemented a series of marketing campaigns and customer-centric initiatives. The Company continued to enhance customer experience through various initiatives, such as offering a modern shopping environment, improvement in category management, a better assortment of products, including introduction of fresh food and premium coffee products, and digital channels to order and transact.

As a core part of its growth strategy, ADNOC Distribution is leveraging advanced technologies, such as Artificial Intelligence, to enhance customer experiences. AI-driven initiatives such as Fill and Go, which uses computer vision-enabled license plate recognition for a seamless refuelling process, are differentiating ADNOC Distribution's offering while positioning the Company as a leader in innovation within the industry.

In addition, the Company executed on its convenience store revitalization program and since the launch of the program modernized c.210 ADNOC Oasis stores, offering fresh food, barista-brewed coffee and a wider menu selection. As a result, today 90% of stores are new or refurbished, offering new look and feel and improved category management.

The Company continued to develop its non-fuel offerings in Q1 2024, opening two new high-capacity car wash tunnels, which have significantly greater capacity than conventional facilities, with plans to open eight additional car wash tunnels and upgrade 50% of existing automatic car washes over the course of 2024.

In its property management business, the Company aims to double the number of property units occupied by top international and regional food & beverage brands across its network by the end of 2025.

ADNOC Distribution increased the number of its vehicle inspection services in the UAE to 34 centres following an addition of 1 new centre between end of Q1 2023 and end of Q1 2024. The number of vehicles inspected (fresh tests) in the Company's vehicle inspection centres increased by 23.6% in Q1 2024 year-on-year, driven by an increase of the number of vehicle inspection centres, introduction of new services and supported by marketing and promotions.

ADNOC Rewards loyalty program and customer focus

ADNOC Distribution is committed to putting customers at the heart of what it does to help accelerate the mobility revolution and redefine the experience at service stations; thereby, cementing the Company's position as a destination of choice for its customers.

ADNOC Rewards loyalty program welcomed nearly 340,000 new members over the past 12 months, including more than 80,000 new members in Q1 2024. The total enrolled members in the program reached 2 million at the end of Q1, a 21% year-on-year increase, with over 120 partners providing deals and discounts through the ADNOC Distribution app. The growth was supported last year by an improvement in generosity of 3X. New system of ADNOC Rewards tiers was introduced in 2023: SILVER, GOLD, and PLATINUM – each delivering an expanded suite of exciting benefits and offers to customers.

As part of the loyalty programme, the Company offers its customers promotions in-store, and a range of initiatives that include linking ADNOC Rewards across service station purchases and allowing customers to earn and redeem points against valuable offerings – in fuel, lube change services, convenience store, and car washes. All this contributed to growth in the non-fuel business.

OPEX

ADNOC Distribution cash OPEX increased in Q1 2024 by 14.8% year-on-year to AED 595 million which is partially explained by a one-off cost of AED 11 million vs. a one-off gain of AED 40 million in Q1 2023. Excluding the impact of the one-off items, the cash OPEX increased by 4.5% year-on-year to AED 584 million, while the Company's operations and associated costs expanded. In particular, number of stations in the UAE and KSA increased by 4.7% at the end of Q1 2024 compared to the same period of last year. In addition, ADNOC Distribution recorded additional costs associated with the assets in Egypt due to the timing of consolidation of TotalEnergies Marketing Egypt.

Efficient capital allocation

In line with the plans to continue with its expansion strategy, ADNOC Distribution invested (including accruals/provisions) AED 169 million in Q1 2024, of which nearly 60% spent on growth. Our target remains to spend AED 0.9-1.1 billion ($ 250-300 million) on CAPEX in 2024.

ADNOC Distribution has demonstrated a proven track-record of value creation since IPO, by pursuing new opportunities in domestic and international markets and allocating cash towards growth. Through efficient capital allocation, the Company has consistently achieved healthy rates of return, including Return on Capital Employed (ROCE) of 29.5% in Q1 2024 (28.3 % in Q1 2023) and Return on Equity (ROE) of 96.8 % in Q1 2024 (97.0 % in Q1 2023).

In Q1 2024, ADNOC Distribution generated free cash flow of AED 581 million, a reduction of 44.5% year-on-year. Excluding the effect of working capital changes, in Q1 2024 free cash flow increased by 8.3% vs. Q1 2023.

At the end of March 2024, the Company maintained a strong financial position with liquidity of AED 6.2 billion in the form of AED 3.4 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility. The balance sheet remained strong with a net debt to EBITDA ratio of 0.50x as of 31 March 2024 (0.62x as of 31 December 2023).

Eng. Bader Al Lamki – Chief Executive Officer:

"Our robust first-quarter results with an 18% EBITDA growth are a testament to the Company's five-year strategy announced earlier this year. It prioritizes domestic growth, international platforms and future-proofing the business. We are well positioned to achieve our operational objectives for 2028, aiming to expand the ADNOC Distribution network to 1,000 stations, increase the number of fast and super-fast EV charging points to at least 500, grow our non-fuel transactions by 50% and increase the number of convenience stores by 25%.

The integration of AI, a cornerstone of our strategy, continues to yield tangible results across our operations. For instance, thanks to our innovative Fuel Demand AI Model, we harness predictive demand analytics to optimize fuel delivery across our network. The model is projected to prevent potential lost sales totalling AED 100 million in a five-year period."

Positive outlook for 2024 and beyond

With the strong EBITDA growth and attractive shareholder payback, ADNOC Distribution continues to represent a compelling investment case. After delivering on a critical commitment to Capital Markets of generating in 2023 in excess AED 3.68 billion ($1 billion) EBITDA, the Company expects solid outlook for full year 2024 and beyond, underpinned by the volume growth momentum, higher contribution of non-fuel retail and growth in international operations.

In its quest to futureproof the business, the Company is rapidly developing fast and superfast EV charging infrastructure across its UAE network. In addition, ADNOC Distribution is exploring further growth opportunities in mobility and lifestyle as well as new revenue streams created through energy transition. The Company continues to target value-accretive domestic and international expansion opportunities, including new markets to generate additional value for its shareholders.

ADNOC Distribution's growth ambitions are underpinned by a solid macroeconomic backdrop. Our main market Abu Dhabi GDP grew by 3.1% in 2023 year-on-year. This was driven by a 9.1% expansion in the non-oil sector, supported by private consumption that was boosted by population growth and tourism rebound. Notably, the strong performance of the Abu Dhabi non-oil GDP continued through the end of 2023, with Q4 2023 recording non-oil growth of 10.4% year-on-year and leading to a headline GDP growth of 4.1% year-on-year. The key divers of economic growth in Abu Dhabi in 2023 were construction sector (+13.1% year-on-year), transportation and storage (+17.1% year-on-year), and financial and insurance sector (+25.5% year-on-year).

The UAE Central Bank estimates the country's GDP growth for 2023 at 3.1% and forecasts economic expansion of 4.2% in 2024 and 5.2% in 2025, driven by non-oil growth of 4.7% in both years. According to IMF, a near-term outlook is positive for the UAE but subject to elevated global risks and uncertainty. The agency estimates that the country's real GDP increased by 3.4% in 2023 and will grow by 3.5% in 2024, which is one the highest rates among the GCC economies, accelerating to 4.2% in 2025.

Beyond the strong macroeconomic indicators, the UAE business activity expansion has translated into higher traffic and improved consumer confidence across the country resulting in higher fuel volumes and number of non-fuel transactions for ADNOC Distribution in Q1 2024. Leveraging on its leadership position in the UAE, customer focus and best-in-class mobility and lifestyle experience, the Company has grown its fuel volumes at a faster rate than the country's GDP growth, increasing Q1 2024 retail volumes in the GCC markets by 7.0% and commercial volumes by 13.7% year-on-year.

ADNOC Distribution successfully delivered on a set of critical commitments to the capital markets in 2023. Building on the strong execution and 2023 momentum, during Investor Day in February 2024 ADNOC Distribution unveiled key strategic initiatives and focus areas.

The Company is ready for the new phase of growth which will see ADNOC Distribution transforming from a fuel distributor into a multi-energy, convenience and mobility leader. The Company is scaling up its portfolio of low-carbon energy solutions including biofuels, EV and hydrogen to support de-carbonization of the transport industry and expanding its non-fuel retail offerings. ADNOC Distribution is prioritizing innovation and enhancing customer experience in line with its strategic objectives. The focus on seamless customer journeys through digital and hyper-personalization will drive improved brand engagement and increased footfall.

The Company aims to deliver EBITDA growth in the next five years through identified key strategic initiatives and focus areas, including: growing the number of non-fuel transactions by 50% in the next 5 years, increasing the number of fast and super-fast charging points by 10-15X by 2028, reducing like-for-like OPEX by up to AED 184 million ($50 million), and growing the network of service stations to ~1,000 by 2028.

Fuel business

New stations: after exceeding the 2023 target of opening 25-35 stations by adding 41 new stations, the Company expects to add 15-20 new stations across its network in 2024.

Saudi Arabia: with a fully operational team on the ground, the Company is nearing completion of revitalization and rebranding programme for its network in the Kingdom.

Egypt: ADNOC Distribution's acquisition of a 50% stake in TotalEnergies Marketing Egypt reaffirms the Company's commitment to expanding business in attractive international growth markets. Egypt's retail fuel, lubricants and aviation markets are highly attractive with a potential for future growth. Nine service stations were re-branded to ADNOC in Cairo during 2023 and Q1 2024, and further openings are targeted during 2024.

Renewal of the Refined Products Supply Agreement: at the beginning of 2023, ADNOC Distribution successfully renewed its supply agreement with ADNOC for a new five-year term, reaffirming the Company's strong value proposition driven by predictable margins and highly cash generative core business. The renewal also demonstrated strong and ongoing support from the majority shareholder, ADNOC.

Non-fuel business

ADNOC Distribution focuses on extracting additional growth and value by sweating the assets, providing enhanced customer experience and shifting capital towards mobility and lifestyle. By offering a modern environment and a better assortment of products to customers, including fresh food and premium coffee, bundle offers and digital channels to order and transact, the Company is transforming its stations into a "Destination of choice".

ADNOC Distribution invests in offering customers a modern and engaging retail experience. The convenience store revitalization program has ensured that the Company is positioned to capitalize on benefits of its customer-centric initiatives and generates consistent growth in its convenience stores business.

In line with its new growth strategy ADNOC Distribution is allocating capital towards convenience and mobility to transform its stations into destinations-of-choice. The Company continued to develop its non-fuel offerings in Q1 2024, opening two new high-capacity car wash tunnels, which have significantly greater capacity than conventional facilities, with plans to open eight additional car wash tunnels and upgrade 50% of existing automatic car washes over the course of 2024.

In its property management business, The Company aims to double the number of property units occupied by top international and regional food & beverage brands across its network by the end of 2025.

Operating and investment efficiency

ADNOC Distribution aims to become one of the leading cost-efficient fuel retailers and remains on track to reduce structural costs, make its operations leaner and more efficient. The key drivers for OPEX savings include optimization, with the more efficient deployment of staffing levels for stations and convenience stores, energy efficiency through smart technology, outsourcing of logistics, centralization of key functions, etc.

AI & futureproofing of business

I/ Technology

As a core part of its growth strategy, ADNOC Distribution is leveraging advanced technologies, such as Artificial Intelligence, to enhance customer experience. AI-driven initiatives such as Fill and Go – which uses computer vision-enabled license plate recognition for a seamless refuelling process – are differentiating ADNOC Distribution's offering while positioning the Company as a leader in innovation within the industry.

Using innovative Fuel Demand AI Model, we employ predictive demand analytics to optimize fuel delivery across our network. The model offers fuel forecast accuracy exceeding 95%, far surpassing conventional methods averaging 60%, resulting in reduced total fuel inventory runout, and is expected to prevent potential lost sales totalling AED 100 million in a five-year period.

Additionally, with the improved fuel demand forecast accuracy the Company's supply chain fleet reduced total fuel truck emissions by 10% through improved delivery timing efficiencies, supporting the ADNOC Distribution's objective of reducing carbon emissions by 25% by 2030.

II/ Rollout of Electric Vehicles (EV) charging points

ADNOC Distribution is committed to futureproofing its business through a disciplined rollout of profitable fast and super-fast EV charging points. The chargers are installed across the Company's service stations and dedicated mobility hubs at strategic locations in the UAE to address current EV customer demand and offer enhanced customer value proposition.

In Q1 2024, ADNOC Distribution accelerated the rollout of chargers with 89 fast and super-fast EV charging points at the end of the period, an increase of nearly 70% compared to 53 at the end of Q4 2023. This expansion included the establishment of a dedicated Mobility Hub in Masdar City. ADNOC Distribution plans to more than double its total network of EV charging points to around 150-200 by the end of 2024.

Sustainability

I/ Decarbonization roadmap

ADNOC Distribution plans to expand its sustainability-driven efforts to futureproof its business. In January 2023, the Company unveiled its Decarbonization roadmap, committing to a reduction of carbon intensity of its operations by 25% by 2030. The Decarbonization roadmap covers Scope 1 emissions which come directly from the Company's operations, and Scope 2 carbon emissions which come from the energy ADNOC Distribution uses to run its operations.

The Company aims to cut emissions through a set of identified initiatives that will be implemented in 2024 and beyond, such as installing solar panels at service stations, use of biofuels to power its fleet of vehicles and other energy optimization initiatives. ADNOC Distribution also aims to utilize 'green concrete', that is eco-friendly and has a smaller carbon footprint than traditional concrete, in the construction of new service stations.

ADNOC Distribution started installation of solar panels across its service stations network in Dubai, as part of the Company's phased approach to UAE-wide solar rollout to provide the power needed for daily operations, and already installed them at 26 stations in 2023.

Additionally, 100% of the Company's UAE heavy fleet is now using biofuel.

In 2023, ADNOC Distribution started operation of the region's first high-speed green hydrogen pilot refuelling station opened by ADNOC, to test a fleet of zero-emission hydrogen-powered vehicles. The station creates green hydrogen from water using an electrolyser powered by clean grid electricity and will be certified as "green" from solar sources by the International REC Standard, an internationally recognized certification organization. The pilot will be used to gather data to understand the long-term viability of hydrogen vehicles in the UAE.

II/ Sustainability Linked Loan

ADNOC Distribution became the first UAE fuel and convenience retailer to tap into sustainable financing, by converting in January 2023 an existing AED 5.5 billion ($ 1.5 billion) term loan into a Sustainability Linked Loan. The Company committed to a penalty/incentive model which ties the loan to the sustainability-linked indicators, including GHG emissions intensity and share of renewable energy contribution. By arranging the Sustainability Linked Loan, ADNOC Distribution has aligned its funding strategy with the sustainability roadmap.

Dividend policy

ADNOC Distribution is committed to delivering sustainable, profitable growth and attractive shareholder returns. In recognition of the Company's strong financial position and confidence in the future cash flow generation, in March 2024 the shareholders approved a new dividend policy that provides long-term payback visibility and dividend upside from future earnings growth. This dividend policy represents a balance between growth investments and sustainable shareholder payback.

For 2024-28, the policy sets a dividend of AED 2.57 billion (20.57 fils per share) or minimum 75% of net profit, whichever is higher (compared to a minimum 75% of distributable profits as per the previous policy). At AED 2.57 billion, 2024 dividend yields 5.9% (at a share price of AED 3.49 as of 8 May 2024), subject to the discretion of the Company's Board of Directors and to the shareholders' approval.

In accordance with the dividend policy, ADNOC Distribution expects to continue to pay half of the annual dividend in October of the relevant year and the second half to be paid in April of the following year.

In March 2024, the shareholders approved the dividend of AED 1.285 billion for the second six-months period of 2023, which was paid in April 2024. Furthermore, H1 2024 dividend is expected to be paid in October 2024, subject to the discretion of the Company's Board of Directors and to the shareholders' approval.

Financial summary

AED million	Q1 24	Q4 23	QoQ %	Q1 23	YoY %
Revenue	8,750	9,564	*-8.5%*	7,998	*9.4%*
Gross profit	**1,481**	**1,526**	***-3.0%***	**1,264**	***17.1%***
Gross margin, %	*16.9%*	*16.0%*		*15.8%*	
EBITDA	**913**	**941**	***-3.0%***	**776**	***17.6%***
EBITDA margin, %	*10.4%*	*9.8%*		*9.7%*	
Underlying EBITDA (1)	801	890	*-10.0%*	749	*7.0%*
Operating profit	735	749	*-1.9%*	626	*17.5%*
Net profit attributable to equity holders	**550**	**677**	***-18.8%***	**537**	***2.3%***
Net margin, %	*6.3%*	*7.1%*		*6.7%*	
Earnings per share (AED/share)	0.04	0.05	*-18.8%*	0.04	*2.3%*
Net profit, excluding UAE corporate tax impact	**607**	**677**	***-10.3%***	**537**	***13.0%***
Net cash generated from operating activities	865	1,725	*-49.9%*	1,257	*-31.2%*
Capital expenditures	169	556	*-69.6%*	157	*7.7%*
Free cash flow (2)	581	1,356	*-57.1%*	1,048	*-44.5%*
Total equity	2,964	3,796	*-21.9%*	2,793	*6.1%*
Net debt (3)	1,897	2,298	*-17.5%*	3,605	*-47.4%*
Capital employed	10,497	11,340	*-7.4%*	10,176	*3.2%*
Return on capital employed (ROCE), %	*29.5%*	*26.3%*		*28.3%*	
Return on equity (ROE), %	*96.8%*	*74.9%*		*97.0%*	
Net debt to EBITDA ratio (3)	0.50	0.62		1.06	
Leverage ratio, %	*39.0%*	*37.7%*		*56.3%*	

(1) Underlying EBITDA is defined as EBITDA excluding inventory movements and one-off items
(2) Free cash flow is defined as net cash generated from operating activities less payments for purchase of property, plant & equipment, and advances to contractors
(3) Cash and bank balances used for net debt calculation include term deposits with banks
Note: See the Glossary for the calculation of certain metrics referred to above

ADNOC DISTRIBUTION

Operating and financial review

Fuel volumes

In Q1 2024, total fuel volumes sold reached 3,687 million liters, increasing by 17.3% year-on-year, driven by strong mobility trends and partially attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), Q1 2024 total fuel volumes amounted to 2,900 million liters, up by 9.3% year-on-year supported by ongoing growth in region's economic activities and higher mobility as well as the network expansion.

In Q1 2024, GCC retail fuel volumes increased by 7.0% year-on-year. Commercial fuel volumes were up by 13.7% driven by increases of 13.9% in corporate business and 9.5% in aviation business.

Fuel volumes by segment (million liters)	**Q1 24**	**Q4 23**	***QoQ %***	**Q1 23**	***YoY %***
Retail (B2C)	**2,529**	**2,546**	***-0.6%***	**2,148**	***17.7%***
Of which GCC	*1,868*	*1,880*	*-0.6%*	*1,746*	*7.0%*
Of which Egypt	*661*	*666*	*-0.7%*	*402*	*64.4%*
Commercial (B2B)	**1,158**	**1,165**	***-0.7%***	**995**	***16.3%***
Of which GCC	*1,031*	*1,039*	*-0.7%*	*907*	*13.7%*
Of which Egypt	*126*	*127*	*-0.2%*	*88*	*43.9%*
Of which Corporate	1,060	1,050	*1.0%*	926	*14.5%*
Of which GCC	*983*	*971*	*1.2%*	*863*	*13.9%*
Of which Egypt	*77*	*79*	*-2.4%*	*62*	*23.4%*
Of which Aviation	98	116	*-15.5%*	70	*40.5%*
Of which GCC	*48*	*68*	*-28.8%*	*44*	*9.5%*
Of which Egypt	*50*	*48*	*3.3%*	*26*	*93.9%*
Total	**3,687**	**3,711**	***-0.7%***	**3,143**	***17.3%***

Fuel volumes by product (million liters)	**Q1 24**	**Q4 23**	***QoQ %***	**Q1 23**	***YoY %***
Gasoline (1)	1,988	2,007	*-0.9%*	1,773	*12.1%*
Diesel	1,371	1,390	*-1.4%*	1,081	*26.9%*
Aviation products	98	116	*-15.5%*	70	*40.5%*
Others (2)	230	199	*16.0%*	220	*4.6%*
Total	**3,687**	**3,711**	***-0.7%***	**3,143**	***17.3%***
Of which GCC	2,900	2,919	*-0.7%*	2,654	*9.3%*
Of which Egypt	787	792	*-0.6%*	490	*60.7%*

(1) Includes grade 91, 95 and 98 unleaded gasoline
(2) Includes CNG, LPG, kerosene, lubricants, and base oil

Financial results

In Q1 2024, revenue increased by 9.4% year-on-year to AED 8,750 million. The growth was driven by higher fuel volumes, growing contribution of non-fuel retail business and consolidation of TotalEnergies Marketing Egypt, partially offset by lower pump prices as a result of lower crude oil prices in Q1 2024 compared to Q1 2023.

Q1 2024 gross profit increased by 17.1% year-on-year to AED 1,481 million, supported by higher fuel volumes and growth in non-fuel retail business. In addition, in Q1 2024 inventory gains amounted to AED 122 million (AED 118 million inventory gains in fuel retail and AED 4 million inventory gains in commercial business) compared to inventory loss of AED 13 million in commercial business in Q1 2023.

Q1 2024 EBITDA increased by 17.6% year-on-year to AED 913 million supported by the higher fuel volumes, as well as inventory gains in Q1 2024 compared to inventory losses in Q1 2023.

Q1 2024 underlying EBITDA (EBITDA excluding inventory movements and one-offs) increased by 7.0% year-on-year to AED 801 million.

Q1 2024 net profit attributable to shareholders increased by 2.3% year-on-year to AED 550 million despite AED 58 million UAE corporate income tax impact in Q1 2024.

Q1 2024 net profit excluding the UAE tax impact increased by 13.0% year-on-year to AED 607 million despite higher finance costs.

Revenue by segment (AED million)	**Q1 24**	**Q4 23**	***QoQ %***	**Q1 23**	***YoY %***
Retail (B2C)	**5,768**	**6,283**	***-8.2%***	**5,260**	***9.7%***
Of which fuel retail	5,402	5,897	*-8.4%*	4,937	*9.4%*
Of which non-fuel retail (1)	366	386	*-5.1%*	323	*13.4%*
Commercial (B2B)	**2,982**	**3,281**	***-9.1%***	**2,739**	***8.9%***
Of which corporate	2,587	2,829	*-8.5%*	2,430	*6.5%*
Of which aviation	394	452	*-12.7%*	308	*28.0%*
Total	**8,750**	**9,564**	***-8.5%***	**7,998**	***9.4%***

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection

Gross profit by segment (AED million)	**Q1 24**	**Q4 23**	***QoQ %***	**Q1 23**	***YoY %***
Retail (B2C)	**1,142**	**1,182**	***-3.4%***	**976**	***16.9%***
Of which fuel retail	941	965	*-2.4%*	804	*17.1%*
Of which non-fuel retail (1)	200	217	*-7.8%*	172	*16.2%*
Commercial (B2B)	**339**	**344**	***-1.4%***	**288**	***17.8%***
Of which corporate	261	270	*-3.4%*	232	*12.6%*
Of which aviation	78	74	*5.9%*	56	*39.6%*
Total	**1,481**	**1,526**	***-3.0%***	**1,264**	***17.1%***

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection

EBITDA by segment (AED million)	Q1 24	Q4 23	QoQ %	Q1 23	YoY %
Retail (B2C)	**638**	**708**	***-9.9%***	**545**	***17.1%***
Commercial (B2B)	**260**	**246**	***5.6%***	**222**	***17.1%***
Of which corporate	186	181	*2.5%*	168	*10.3%*
Of which aviation	75	65	*14.1%*	54	*38.3%*
Unallocated (2)	15	-13	*NM*	9	*NM*
Total	**913**	**941**	***-3.0%***	**776**	***17.6%***

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection
(2) Unallocated includes other operating income/expenses not allocated to specific segment
NM: Not meaningful

Distribution and administrative expenses

In Q1 2024, distribution and administrative expenses (OPEX) were AED 773 million, an increase of 15.5% compared to Q1 2023, mainly as a result of a 5% increase in the Company's network in the UAE and KSA and associated costs as well as consolidation of TotalEnergies Marketing Egypt.

Excluding depreciation, Q1 2024 cash OPEX increased by 14.8% year-on-year to AED 595 million.

In Q1 2024, the Company incurred a one-off cost of AED 11 million compared a one-off gain of AED 40 million in Q1 2023. Excluding the impact of these items, cash OPEX increased by 4.5% year-on-year to AED 584 million while the Company's operations and associated costs expanded.

In particular, number of stations in the UAE and KSA increased by 4.7% at the end of Q1 2024 compared to the same period of last year. In addition, ADNOC Distribution recorded additional costs associated with the assets in Egypt due to the timing of consolidation of TotalEnergies Marketing Egypt.

AED million	Q1 24	Q4 23	QoQ %	Q1 23	YoY %
Staff costs	393	386	*1.8%*	361	*9.0%*
Depreciation	177	192	*-7.5%*	150	*18.1%*
Repairs, maintenance, and consumables	39	59	*-33.9%*	44	*-12.2%*
Distribution and marketing expenses	21	33	*-34.6%*	4	*384.1%*
Utilities	55	48	*13.6%*	34	*62.4%*
Insurance	3	-3	*NM*	5	*-41.3%*
Others (1)	84	66	*27.2%*	70	*19.6%*
Total	**773**	**781**	***-1.1%***	**669**	***15.5%***

(1) Other costs include lease cost, bank charges, subscriptions, legal fees, consultancies, etc.
NM: Not meaningful

Capital expenditures

The Company's capital expenditures (CAPEX) primarily consist of (i) investments related to the development and construction of new service stations and fuel terminal projects and capitalized maintenance costs related to properties, (ii) the purchase of machinery and equipment, and (iii) other capital expenditures related to properties, including structural upgrades, technology infrastructure upgrades and other improvements.

In Q1 2024, total CAPEX increased by 7.7% compared to Q1 2023 to AED 169 million, driven by higher spending on industrial and other projects, machinery and equipment as well as technology infrastructure. C. 60% of the CAPEX comprised development and construction of new service stations.

The table below presents the breakdown of capital expenditures for the reviewed period.

AED million	Q1 24	Q4 23	*QoQ %*	Q1 23	*YoY %*
Service stations projects	96	283	*-66.1%*	122	*-21.4%*
Industrial and other projects	37	124	*-69.9%*	8	*372.8%*
Machinery and equipment	18	95	*-81.0%*	13	*35.0%*
Distribution fleet	0	4	*NM*	0	*NM*
Technology infrastructure	18	45	*-60.8%*	12	*52.5%*
Office furniture and equipment	0	6	*NM*	2	*NM*
Total	**169**	**556**	***-69.6%***	**157**	***7.7%***

NM: Not meaningful

Business segments operating review

Retail segment – B2C (fuel and non-fuel)

Volumes

In Q1 2024, retail fuel volumes increased by 17.7% year-on-year to 2,529 million liters, driven by strong mobility trends and partially attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), retail fuel volumes increased by 7.0% year-on-year driven by the region's ongoing economic growth, higher mobility and addition of new service stations.

Retail segment volumes (million liters)	**Q1 24**	**Q4 23**	***QoQ %***	**Q1 23**	***YoY %***
Gasoline	1,899	1,916	*-0.9%*	1,701	*11.6%*
Diesel	560	572	*-2.0%*	389	*44.0%*
Other (1)	70	58	*20.9%*	58	*20.3%*
Total	**2,529**	**2,546**	***-0.6%***	**2,148**	***17.7%***
Of which GCC	1,868	1,880	*-0.6%*	1,746	*7.0%*
Of which Egypt	661	666	*-0.7%*	402	*64.4%*

(1) Includes CNG, LPG, kerosene, and lubricants

Financial results

In Q1 2024, retail segment revenue increased by 9.7% compared to Q1 2023 despite lower pump prices, and was supported by higher volumes, strong growth in non-fuel retail revenue and partially attributable to consolidation of TotalEnergies Marketing Egypt.

Q1 2024 retail segment gross profit increased by 16.9% compared to Q1 2023, as a result of higher fuel volumes and growing contribution from non-fuel and international activities (KSA and Egypt). In addition, the Company recorded retail segment inventory gains in Q1 2024 of AED 118 million vs. no inventory gains in Q1 2023.

Fuel retail segment gross profit increased by 17.1% year-on-year to AED 941 million principally due the higher volumes as well as a positive impact of inventory movements.

Non-fuel retail gross profit increased by 16.2% in Q1 2024 compared to Q1 2023 to AED 200 million driven by a year-on-year growth in non-fuel transactions and improved customer offerings.

Q1 2024 retail segment EBITDA increased by 17.1% compared to Q1 2023 to AED 638 million, mainly due to the higher fuel volumes year-on-year and a positive impact of inventory movements.

Retail segment (AED million)	Q1 24	Q4 23	QoQ %	Q1 23	YoY %
Revenue	**5,768**	**6,283**	***-8.2%***	**5,260**	***9.7%***
Of which fuel retail	5,402	5,897	*-8.4%*	4,937	*9.4%*
Of which non-fuel retail (1)	366	386	*-5.1%*	323	*13.4%*
Gross profit	**1,142**	**1,182**	***-3.4%***	**976**	***16.9%***
Of which fuel retail	941	965	*-2.4%*	804	*17.1%*
Of which non-fuel retail (1)	200	217	*-7.8%*	172	*16.2%*
EBITDA	**638**	**708**	***-9.9%***	**545**	***17.1%***
Operating profit	484	550	*-12.0%*	408	*18.5%*
Capital expenditures	122	467	*-73.8%*	99	*23.8%*

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection

Other operating metrics

The number of fuel transactions in the UAE increased by 6.6% in Q1 2024 year-on-year despite three weeks of Ramadan during the reporting period vs. 1 week in Q1 2023.

The year-on-year growth was supported by the network expansion and the ongoing growth in economic activity and mobility in the UAE.

Fuel operating metrics	Q1 24	Q4 23	QoQ %	Q1 23	YoY %
Number of service stations – UAE (1)	532	529	*0.6%*	507	*4.9%*
Number of service stations – Saudi Arabia (1)	69	68	*1.5%*	67	*3.0%*
Number of service stations – Egypt (1)	245	243	*0.8%*	240	*2.1%*
Total number of service stations (1)	**846**	**840**	***0.7%***	**814**	***3.9%***
Throughput per station – GCC (million liters)	3.1	3.1	*-1.3%*	3.0	*2.2%*
Number of fuel transactions – UAE (million)	45.3	47.0	*-3.5%*	42.5	*6.6%*

(1) At end of period

Q1 2024 non-fuel transactions in the UAE increased by 6.9% year-on-year despite of three weeks of Ramadan during the reporting period vs. 1 week in Q1 2023, and was driven by improving consumer sentiment, enhanced customer offerings following revitalization of the convenience stores, and marketing and promotion campaigns under ADNOC Rewards loyalty program to attract higher footfall and increase customer spending.

The UAE convenience stores revenue increased by 8.7% to AED 219 million in Q1 2024 compared to Q1 2023, mainly driven by the higher number of transactions compared to the same period of last year.

In Q1 2024, UAE convenience stores gross profit increased by 12.8% to AED 75 million driven by higher number of transactions as a result of enhanced customer offerings following revitalization of the convenience stores, marketing, and promotion campaigns as well as the higher F&B sales.

Average gross basket size increased by 2.6% year-on-year in Q1 2024 compared to Q1 2023 and by 0.9% compared to Q4 2023.

In its property management business, the Company continues to transition its tenancy business to a revenue-sharing model to maximize revenues and profitability. In Q1 2024, the number of occupied properties increased by 5.5% year-on-year.

A number of vehicles inspected (fresh tests) in the Company's vehicle inspection centres increased by 23.6% in Q1 2024 compared to Q1 2023, driven by a higher number of vehicle inspection centres, introduction of new services, and supported by marketing promotions.

Non-fuel operating metrics	Q1 24	Q4 23	*QoQ %*	Q1 23	*YoY %*
Total number of non-fuel transactions – UAE (million) (1)	11.3	11.9	*-5.1%*	10.6	*6.9%*
Number of convenience stores – UAE (2)	361	359	*0.6%*	345	*4.6%*
Convenience stores revenue (AED million) – GCC	219	234	*-6.7%*	201	*8.7%*
Convenience stores gross profit (AED million) – GCC	75	82	*-8.7%*	66	*12.8%*
Convenience stores gross margin, %	*34.1%*	*34.9%*		*32.9%*	
Conversion rate (C-store sites only), % (3)	*24.5%*	*25.5%*		*24.4%*	
Average basket size – UAE (AED) (4)	22.8	22.8	*0.2%*	22.5	*1.5%*
Average gross basket size – UAE (AED) (5)	27.6	27.4	*0.9%*	26.9	*2.6%*
Number of Property Management tenants – UAE (2)	295	303	*-2.6%*	305	*-3.3%*
Number of occupied properties for rent – UAE (2)	1,052	1,023	*2.8%*	997	*5.5%*
Number of vehicle inspection centres – UAE (2)(6)	34	34	*0.0%*	33	*3.0%*
Number of vehicles inspected – fresh tests – UAE (thousands)	367	365	*0.8%*	297	*23.6%*
Other vehicle inspection transactions – UAE (thousands) (7)	61	53	*14.9%*	54	*11.7%*

(1) Includes convenience stores, car wash and oil change transactions
(2) At end of period
(3) Number of convenience stores transactions divided by number of fuel transactions at sites with convenience stores
(4) Average basket size is calculated as convenience store revenue divided by number of convenience store transactions
(5) Average gross basket size is calculated as convenience store revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions
(6) Includes one permitting centre
(7) Other vehicle inspection transactions include number of vehicles inspected (re-tests) and sale of safety items at vehicles inspection centres

Commercial segment – B2B (corporate and aviation)

Volumes

In Q1 2024, commercial fuel volumes increased by 16.3% year-on-year to 1,158 million liters, driven by economic expansion and partially attributable to consolidation of TotalEnergies Marketing Egypt.

In the GCC markets (UAE and KSA), Q1 2024 volumes increased by 13.7% compared to Q1 2023 to 1,031 million liters, supported by growth in both corporate and aviation businesses on the back of new corporate contracts signed in 2023 and Q1 2024.

Commercial segment volumes (million liters)	Q1 24	Q4 23	*QoQ %*	Q1 23	*YoY %*
Gasoline	89	91	*-2.4%*	72	*23.5%*
Diesel	811	818	*-0.9%*	691	*17.2%*
Aviation	98	116	*-15.5%*	70	*40.5%*
Other (1)	160	141	*13.9%*	162	*-1.1%*
Total	**1,158**	**1,165**	***-0.7%***	**995**	***16.3%***
Of which GCC	1,031	1,039	*-0.7%*	907	*13.7%*
Of which Egypt	126	127	*-0.2%*	88	*43.9%*

(1) Includes LPG, lubricants, and base oil

Financial results

Q1 2024 commercial segment revenue increased by 8.9% compared to Q1 2023 to AED 2,982 million, despite lower prices and was supported by consolidation of TotalEnergies Marketing Egypt.

Corporate business revenue was 6.5% higher year-on-year, while aviation business revenue increased by 28.0% compared to Q1 2023.

Q1 2024 commercial segment gross profit increased by 17.8% year-on-year to AED 339 million supported by the higher volumes. In addition, in the corporate business the Company recorded AED 4 million inventory gain in Q1 2024 vs. AED 13 million inventory loss in Q1 2023.

Q1 2024 commercial segment EBITDA increased by 17.1% year-on-year to AED 260 million.

Commercial segment (AED million)	Q1 24	Q4 23	*QoQ %*	Q1 23	*YoY %*
Revenue	**2,982**	**3,281**	***-9.1%***	**2,739**	***8.9%***
Of which corporate	2,587	2,829	*-8.5%*	2,430	*6.5%*
Of which aviation	394	452	*-12.7%*	308	*28.0%*
Gross profit	**339**	**344**	***-1.4%***	**288**	***17.8%***
Of which corporate	261	270	*-3.4%*	232	*12.6%*
Of which aviation	78	74	*5.9%*	56	*39.6%*
EBITDA	**260**	**246**	***5.6%***	**222**	***17.1%***
Of which corporate	186	181	*2.5%*	168	*10.3%*
Of which aviation	75	65	*14.1%*	54	*38.3%*
Operating profit	**237**	**211**	***12.6%***	**208**	***13.8%***
Capital expenditures	7	31	*-77.0%*	10	*-29.2%*

Share trading and ownership

ADNOC Distribution shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST. The closing share price as of 31 March 2024 was AED 3.67. In the period from 1 January 2024 through 31 March 2024, the share price ranged between AED 3.50 and AED 3.73 at close. ADNOC Distribution market capitalization was AED 45.9 billion as of 31 March 2024.

An average of 8.8 million shares traded daily in Q1 2024 (1.07x 2023 level). In Q1 2024, the average daily traded value of the Company's shares was approximately AED 30.8 million (0.96x 2023 level).

As of 31 March 2024, ADNOC owned 77%, while 23% of ADNOC Distribution outstanding shares were publicly owned by institutional and retail investors.

Potential risks

Key risks potentially affecting ADNOC Distribution's financial and operational results include supply chain risks, asset integrity and information technology risks. The Company has identified and implemented several key controls and mitigation strategies to ensure business continuity, including engineered controls and managed controls as well as contractual safeguards to limit its financial exposure to these risks. For more detailed information on risks and risk management, please refer to the Risk Factors section of the international offering memorandum dated 26 November 2017 relating to ADNOC Distribution IPO, which is available on the Company's website at https://www.adnocdistribution.ae/investor-relations.

Q1 2024 earnings conference call details

A conference call in English for investors and analysts will be held on Thursday, May 9, 2024, at 4 p.m. UAE / 1 p.m. London / 8 a.m. New York. To access the management presentation, followed by a Q&A session, please connect through one of the following methods:

Webcast

Click here to join the webcast
Please note that participants joining by webcast will be able to ask questions via a chat box within the webcast player

Note: Click on the link above to attend the presentation from your laptop, tablet, or mobile device. Audio will stream through your selected device. If you have technical difficulties, please click the "Listen by Phone" button on the webcast player and dial one of the numbers provided therein.

Audio Call Dial in Details:

UAE (Toll Free): 8000 3570 2606

KSA (Toll Free): 800 844 5726

UK (Toll Free): 0800 279 0424

US (Toll Free): 800-289-0459

Passcode: 331603

For other countries, please connect to the above webcast link, select the "Listen by Phone" option on the webcast player and click on the audio numbers to access the dial in information

The presentation materials will be available for download in English on Thursday, May 9, 2024 at https://www.adnocdistribution.ae/en/investor-relations/investor-relations/downloads/

Reporting date for the Q2 2024

We expect to announce our second quarter 2024 results on or around August 8, 2024.

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May 9, 2024
ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

Glossary

- Net debt is calculated as total interest bearing debt less cash and bank balances (including term deposits with banks).
- Free cash flow is calculated as net cash generated from operating activities less payments for purchase of property, plant & equipment, and advances to contractors.
- Capital employed is calculated as the sum of total assets minus non-interest bearing current liabilities.
- Return on capital employed is calculated as operating profit for the twelve months ended divided by capital employed on the last day of the period presented.
- Return on equity is calculated as profit distributable to equity holders of the Company for the period of twelve months ended divided by equity attributable to owners of the Company on the last day of the period presented.
- Net debt to EBITDA ratio is calculated interest bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.
- Leverage ratio is calculated as (a) interest bearing net debt, divided by (b) the sum of interest bearing net debt plus total equity.
- Average basket size is calculated as convenience store revenue divided by number of convenience store transactions
- Average gross basket size is calculated as total convenience store sales revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions.

Cautionary statement regarding forward-looking statements

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in markets in which we operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology. These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC to supply us with substantially all of the fuel products that we sell; an interruption in the supply of fuels to us by ADNOC; changes in the prices that we pay ADNOC for our fuels and to the prices that we are allowed to charge our retail customers in the UAE; failure to successfully implement our operating initiatives and growth plans, including our mixed-mode service offering, our convenience store optimization initiatives, our cost savings initiatives, and our growth plans; competition in our markets; decrease in demand for the fuels we sell, including due to general economic conditions, improvements in fuel efficiency and increased consumer preference for alternative fuels; the dangers inherent in the storage and transportation of the products we sell; our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, and product quality; the extent of our related party transactions with ADNOC and our reliance on ADNOC to operate our business; the introduction of VAT and other new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated 26 November 2017 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications. Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.