Fourth Quarter and Full Year 2022 Results

Management Discussion & Analysis Report

9 February 2023

Key highlights: Record results in 2022, with a positive outlook for 2023 and beyond

2022 results

Fuel volumes

9,867 million liters

+8.0% y-o-y

Retail fuel volumes: +3.2% supported by growth in country's ongoing economic activities and network expansion

Commercial fuel volumes: +19.1% on a strong growth in the corporate business, new contracts signed in Q4 2021 and during 2022 as well as higher spot trading

Revenue

32,111 AED million

+53.5% y-o-y

driven by growth in total fuel volumes and selling prices (as a result of higher crude oil prices) as well as a higher Non-fuel retail segment contribution

Gross profit

5,668 AED million

+17.7%* y-o-y

thanks to higher fuel volumes, inventory gains as well as growth in Non-fuel retail segment

3,593 AED million

Retail fuel: +25.2%* y-o-y

as a result of higher fuel volumes as well as higher inventory gains of AED 488 million in 2022 (2021: AED 366 million)

639 AED million

Non-fuel retail: +6.2% y-o-y

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

1,436 AED million

Commercial: +7.0%* y-o-y

on higher Corporate fuel volumes, partially offset by lower Aviation fuel volumes

EBITDA

3,517 AED million

+14.7% y-o-y

backed by higher fuel volumes and inventory gains as well as higher contribution from Non-fuel retail business

Underlying EBITDA (EBITDA excluding inventory losses/gains and one-offs)

3,167 AED million

+17.1% y-o-y

as a result of higher fuel volumes and higher contribution from Non-fuel retail business

Net profit

2,749 AED million

+22.0% y-o-y

thanks to higher EBITDA and lower depreciation charges due to a change in estimated useful life of assets implemented in 2022

** For comparable purposes, prior year periods OPEX was reclassified. Further details of the reclassification can be found on page 6 of this document*

Strong cash generation and balance sheet – 2022

3,391
AED million

Free cash flow (+50% y-o-y)

supported by sustainable cash flow from operating activities and a positive impact of the working capital change

The Company maintained a strong financial position at the end of December 2022 with liquidity of AED 5.5 billion, in the form of AED 2.7 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility

0.78x

Net debt to EBITDA ratio

Balance sheet remained strong with a Net debt to EBITDA ratio of 0.78x as of 31 December 2022 (1.06x as of 31 December 2021)

Successful refinancing

On 26 October 2022, ADNOC Distribution refinanced an AED 5.5 billion ($1.5 billion) loan for a 5-year term ahead of the maturity date of its previous term loan at competitive rates despite market conditions. This term loan was successfully converted into a Sustainability-Linked loan in January 2023, demonstrating the Company's commitment to embrace sustainability into its day-to-day operations and link its financing objectives to sustainability.

On 26 October 2022, the Company also secured a Revolving Credit Facility (RCF) of AED 2.8 billion ($750 million) from ADNOC PJSC for a 5-year term at competitive rates, reaffirming ADNOC's support to ADNOC Distribution. The new term debt matures at the end of 2027 with no covenants in place.

Operational highlights – 2022

68 **New stations in UAE and KSA**
including 8 sites in Dubai

568 **Total stations network**
502 in UAE (39 in Dubai)
66 in KSA

28 **New convenience stores in UAE**

362 **Total convenience stores network in UAE**

177 million **Fuel transactions**
+10.4% y-o-y

40 million **Non-fuel transactions**
+15.2% y-o-y

19% **Conversion rate, C-stores**
18% in 2021

Strategy update: Continued focus on growth and long-term shareholder value

ADNOC Distribution had a strong 2022, achieving new milestones in its operating and financial performance. It delivered robust results, demonstrating continued execution momentum on its Smart Growth Strategy. The Company remains committed to delivering on its growth initiatives and generating long-term shareholder value.

Fuel business (Retail and Commercial)

ADNOC Distribution's total fuel volumes sustained growth momentum over 2022, with an increase of 8% year-on-year, supported by the ongoing economic activity expansion in the UAE and a material growth in the corporate business. In addition, the Company continued to grow in Dubai and Saudi Arabia by adding new stations, resulting in incremental fuel volumes in 2022 compared to 2021.

Network expansion: the Company continued to execute on its Smart Growth Strategy throughout 2022, with the opening of 68 new stations in the UAE and KSA, meetings its 2022 network expansion target while materially exceeding the target for the UAE.

- **Domestically:** ADNOC Distribution's UAE network grew to 502 retail fuel stations as of 31 December 2022. In 2022, the Company opened 42 new service stations in the UAE, out of which 21 were added in Q4 2022.

  In Dubai, the Company opened 8 new stations in 2022. As a results, ADNOC Distribution's service station network in the emirate expanded to 39 stations at the end of 2022. This includes the Company's flagship station in Dubai, that leverages advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive and seamless customer journey.

- **Internationally:** ADNOC Distribution continued to execute on its plans in the Kingdom of Saudi Arabia, with 26 new stations opened during 2022, taking its total network in the country to 66 stations as of 31 December 2022. The Company is currently focusing on revitalizing and rebranding its network in KSA.

  Beyond the GCC region, in 2022 ADNOC Distribution further advanced its international expansion by entering into an agreement with TotalEnergies Marketing Afrique SAS to acquire a 50% stake in TotalEnergies Marketing Egypt LLC (which is among the top four fuel retail operators in Egypt) for approximately AED 683 million ($185.9 million), with an additional earn-out of up to AED 63.5 million ($17.3 million) to be paid if certain conditions are satisfied. Completion of the acquisition is expected to occur in Q1 2023 subject to satisfaction of certain conditions, including customary regulatory approvals.

  The partnership with TotalEnergies, a leading global multi-energy company with a strong brand and successful track record in Egypt, includes a diversified portfolio comprising 240 fuel retail stations, 100+ convenience stores, 250+ lube changing stations, and car wash sites, as well as wholesale fuel, aviation fuel and lubricant operations.

  This move aligns with the Company's vision to establish ADNOC Distribution as a regional mobility retail and fuel distribution leader and will provide sizeable operations in one of the largest countries in MENA. The acquisition is expected to be earnings accretive to ADNOC Distribution from year one post-closing.

Commercial business: the Company continued to maintain strong focus on proactive sales strategy throughout 2022, mainly in the Corporate business. ADNOC Distribution's corporate fuel volumes witnessed a significant increase of 34% year-on-year compared 2021. The total number of export network countries of ADNOC Distribution's VOYAGER lubricants portfolio rose to 25 markets over the year compared to 19 markets at the end of 2021. The Company also launched a new ADNOC VOYAGER green series, an alternative 100% plant-based lubricant range for petrol and diesel engines.

Non-fuel business

The network of convenience stores increased to 362 as of 31 December 2022, which includes the addition of 28 new convenience stores in the UAE during 2022.

The convenience stores revitalization program accelerated in the fourth quarter with 31 stores refurbished during the quarter, bringing the total number of stores refurbished in the UAE throughout 2022 to 42, in line with the Company's target for the year. Since the launch of the revitalization program, the Company modernized a total of 193 ADNOC Oasis stores over 2020-2022, offering fresh food, barista-brewed coffee and a wider menu selection.

In line with the Company's ongoing non-fuel retail strategy to offer modern and digitally enabled shopping experience, ADNOC Distribution continued to enhance customer offerings through various initiatives, such as refurbishment of stores, improvement in category management, introduction of fresh food and premium coffee products. On the back of these initiatives, the Company saw growth in convenience stores transactions and revenues as well as an increase in gross profit margins.

ADNOC Distribution continued to expand its vehicle inspection services in the UAE with the addition of 2 new centers in Abu Dhabi and Northern Emirates. It also launched a new comprehensive test service as a major service during 2022, in which customers are able to make the right choices prior purchasing used vehicles via carrying out a full inspection comprising of 53 items.

ADNOC Rewards loyalty program and customer focus

ADNOC Rewards loyalty program continued to add members in 2022, with nearly 1.6 million members now enrolled and over 50 partner offers providing discounts and deals through the ADNOC Distribution app. The program has been expanded to include a fuel redemption option whereby customers can pay for their fuel with their ADNOC Rewards points.

Customer experience has been integral to the Company throughout 2022, with continuing to offer customers promotions in-store and through the ADNOC Rewards. This includes the Let's Go Shop and Win Raffle, as well as comprehensive vehicle inspection, car wash, and lube change offers.

OPEX

ADNOC Distribution's operational expenditure increased by 14% in 2022 compared to 2021, after an increase in its network by 13% year-on-year and associated operational costs. The Company continues to implement management initiatives to increase operational efficiency across all business units and achieve prudent cost controls.

CAPEX

In line with the plans to continue with its expansion strategy, the Company invested (including accruals/provisions) AED 1,253 million in 2022, of which nearly 65% spent on growth.

Sustainability & futureproofing of business

ADNOC Distribution's drive to deliver long-term shareholder value is underpinned by a commitment to futureproof the business. In this regard, the Company has recently taken a series of tangible actions to address energy transition as well as to decarbonize its operations through several initiatives:

I/ E$_2$GO

The Company continues to expand its network of EV charging stations, and has recently agreed with TAQA, one of the largest listed integrated utility companies in the EMEA region, to work together to establish a new mobility joint-venture, E$_2$GO. Once established, E$_2$GO will build and operate EV charging infrastructure in public and private sites across Abu Dhabi and the wider UAE.

The two companies will utilize their wealth of experience, vast network, and innovation capabilities to meet the evolving needs of EV customers nationwide and unlock new business revenue streams. E_2GO is to play a critical role in delivering EV charging infrastructure across Abu Dhabi where an estimated 70,000 EV charging points and up to nearly $200 million CAPEX is required to meet growing demand by 2030.

Through the partnership, ADNOC Distribution intends to become the destination of choice for charging and convenience for UAE customers.

II/ Decarbonization roadmap

ADNOC Distribution also 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 business 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 2023 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.

III/ Sustainability Linked Loan

ADNOC Distribution has become 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 has committed to a penalty/incentive which ties the loan to 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.

Change in financial presentation

To ensure robust reporting and fair representation of operating expenses, ADNOC Distribution reclassified certain OPEX items and changed the accounting estimate of useful life of assets for 2021 and 2022. The changes will structurally reduce OPEX and depreciation charge going forward.

The changes included:

1. Reclassification of certain OPEX items into Cost of Goods Sold (COGS):
   - Fuel transport costs: the cost to transfer fuels from depots to retail stations
   - Aviation related OPEX: costs incurred by ADNOC Distribution and recovered at a margin from ADNOC as per the Aviation Services Agreement which the Company entered with ADNOC at the time of the IPO
2. Change in accounting estimate of useful life of assets:
   - As part of regular review of useful lives of assets mandated by International Financial Reporting Standards (IFRS), lives of certain assets have been extended in line with IAS 16. More details can be found in note 3 of ADNOC Distribution's financial statements for the period ended 31 December 2022

Eng. Bader Al Lamki – Chief Executive Officer:

"The Company demonstrated robust financial and operational performance throughout 2022. We have sustained our growth trajectory while generating strong cash flow and maintaining a solid financial position. ADNOC Distribution's priority remains to accelerate sustainable growth and build incremental shareholder value through efficient capital allocation.

Year 2022 was marked by several milestones in ADNOC Distribution's history, including our largest-ever international acquisition in Egypt(1). We also opened a flagship service station in Dubai – our first on Sheikh Zayed Road. Furthermore, we showcased our ability to provide a cutting-edge digitally enabled customer experience, while also achieving long-term sustainable growth to generate attractive shareholder returns."

(1) Acquisition of 50% in TEME subject to satisfaction of certain conditions including obtaining regulatory approvals, aim to complete transaction in Q1 2023

Outlook: Sustained growth momentum following record 2022 results

ADNOC Distribution continues to represent a compelling investment case with record financial and operating performance in 2022, supporting growth momentum in fuel and non-fuel businesses into 2023 and beyond. The Company is well positioned to deliver on its commitment of min. $1 billion EBITDA by 2023 through a combination of organic and inorganic opportunities.

ADNOC Distribution maintains robust balance sheet and ample liquidity with confidence in the cash flow generation capability to pursue its expansion plans and is committed to allocate capital towards growth in a disciplined manner, deliver an enhanced customer experience to maximize value and generate sustainable value growth for its shareholders.

In its ongoing quest to futureproof its business, ADNOC Distribution continues to explore potential growth opportunities and new revenue streams created through energy transition, including new mobility solutions such as electric vehicle charging.

Fuel business

Renewal of the Refined Products Supply Agreement: ADNOC Distribution has successfully renewed its supply agreement with ADNOC for a new five-year term in 2023, reaffirming its strong value proposition driven by predictable margins and highly cash generative core business. It also demonstrates strong and ongoing support from the majority shareholder, ADNOC**.**

New stations: after achieving the 2022 target of opening 60-80 stations by adding 68 new stations in the UAE and KSA, including exceeding the target of opening 20-30 stations in the UAE by adding 42 stations, the Company expects delivery momentum to continue and targets 25-35 new stations over 2023.

Saudi Arabia: ADNOC Distribution has a fully operational team on the ground. Following the addition of 64 new stations in Saudi Arabia since the beginning of 2021, the Company is currently working on revitalization and rebranding its network in the Kingdom.

Egypt: ADNOC Distribution's recent partnership with TotalEnergies to acquire a 50% stake in TotalEnergies Marketing Egypt reaffirms its commitment to expanding business in attractive international growth markets. Egypt's fuel retail, lubricants and aviation markets are highly attractive with a potential for future growth. Due to its young and expanding population, alongside a series of progressive economic reforms, Egypt has recorded positive GDP growth with a strong outlook.

Through this transaction, ADNOC Distribution and TotalEnergies are expected to explore future growth opportunities of TotalEnergies Marketing Egypt by unlocking value potential in fuel distribution, lubricants and aviation businesses supported by economic growth and post-COVID recovery.

The transaction is to be earnings accretive to ADNOC Distribution from the year one post-closing. The acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

Beyond that, the Company is evaluating inorganic growth opportunities in international markets with a focus on efficient capital allocation towards growth.

Non-fuel business

After witnessing strong momentum in the convenience stores revitalization program over 2020-2022, with the refurbishment of 193 convenience stores, the Company continues to invest in offering customers a modern and engaging retail experience, in line with its ambitious non-fuel strategy. The focus remains on 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 convenience store revitalization program has ensured that the Company is well-positioned to capitalize on benefits of its customer centric initiatives and achieves continued growth in its convenience stores business.

Efficient capital allocation

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. The Company expects to invest AED 920-1,100 million in 2023 to deliver on its growth plans after investing AED 1,253 million in 2022, of which nearly 65% was spent on growth. The guidance does not include any potential M&A opportunities.

Through efficient capital allocation, ADNOC Distribution has consistently achieved healthy rates of return, including Return on Capital Employed (ROCE) of 28.5% in 2022 (24.8% in 2021) and Return on Equity (ROE) of 79.8% in 2022 (70.3% in 2021).

The Company's strong balance sheet and consistent robust cash generation provide support to potential future international expansion through value-accretive M&A transactions.

Operating and investment efficiency

ADNOC Distribution aims to become one of the leading cost-efficient fuel retailers and remains on track to take structural costs out, make its operations leaner and more efficient. The Company remains committed to achieving further operational excellence and expects to realize like-for-like OPEX savings in excess of $25 million in 2023.

The key drivers for further OPEX savings include staff 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.

Dividend policy

The Company's continued robust growth has enabled a progressive dividend policy for the shareholders. ADNOC Distribution is committed to delivering sustainable, profitable growth and attractive shareholder returns.

In line with ADNOC Distribution's approved dividend policy:

- The Company's Board of Directors has recommended distributing a cash dividend of AED 1.285 billion (10.285 fils per share) for the second half of 2022, which will be submitted to the Company's shareholders for approval at the Annual General Assembly Meeting in March 2023
- Subject to shareholders' approval, total dividend for fiscal year 2022 is expected to be AED 2.57 billion (20.57 fils per share). This would translate to a 4.6% annual dividend yield for 2022 (based on a share price of AED 4.44 as of 8th February 2023)
- The Company paid half of the 2022 dividend in October of last year, and expects to pay the final payment in April 2023, subject to the shareholders' approval

ADNOC Distribution's dividend policy for 2023 onwards sets a dividend equal to at least 75% of distributable profits, subject to shareholders' approval. In accordance with the dividend policy, the Company 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. The payment of dividend is subject to the discretion of ADNOC Distribution's Board of Directors and to the shareholders' approval.

ADNOC DISTRIBUTION

Financial summary

AED million	Q4-22	Q3-22	QoQ %	Q4-21(5)	YoY %	2022	2021(5)	YoY%
Revenue	8,187	8,551	*-4.3%*	6,223	*31.6%*	32,111	20,921	*53.5%*
Gross profit	1,225	1,277	*-4.0%(4)*	1,223	*0.2%*	5,668	4,814	*17.7%*
Gross margin, %	*15.0%*	*14.9%*		*19.7%*		*17.7%*	*23.0%*	
EBITDA	654	868	*-24.6%*	802	*-18.4%*	3,517	3,067	*14.7%*
EBITDA margin, %	*8.0%*	*10.2%*		*12.9%*		*11.0%*	*14.7%*	
Underlying EBITDA (1)	699	802	*-12.8%*	688	*1.7%*	3,167	2,706	*17.1%*
Operating profit	499	817	*-38.9%*	613	*-18.6%*	2,973	2,429	*22.4%*
Net profit	419	767	*-45.3%*	571	*-26.6%*	2,749	2,252	*22.0%*
Net margin, %	*5.1%*	*9.0%*		*9.2%*		*8.6%*	*10.8%*	
Earnings per share (AED/share)	0.03	0.06	*-45.3%*	0.05	*-26.6%*	0.22	0.18	*22.0%*
Net cash generated from operating activities	1,522	570	*167.2%*	636	*139.3%*	4,507	2,878	*56.6%*
Capital expenditures	509	331	*53.5%*	206	*147.1%*	1,253	614	*103.9%*
Free Cash Flow (2)	1,142	291	*291.8%*	483	*136.3%*	3,391	2,260	*50.0%*
Total equity	3,445	3,024	*13.9%*	3,202	*7.6%*	3,445	3,202	*7.6%*
Net debt (3)	2,735	2,501	*9.3%*	3,244	*-15.7%*	2,735	3,244	*-15.7%*
Capital employed	10,441	9,985	*4.6%*	9,811	*6.4%*	10,441	9,811	*6.4%*
Return on capital employed (ROCE)	*28.5%*	*30.9%*		*24.8%*		*28.5%*	*24.8%*	
Return on equity (ROE)	*79.8%*	*95.9%*		*70.3%*		*79.8%*	*70.3%*	
Net debt to EBITDA ratio3	*0.78*	*0.68*		*1.06*		*0.78*	*1.06*	
Leverage ratio3	*44.3%*	*45.3%*		*50.3%*		*44.3%*	*50.3%*	

(1) Underlying EBITDA is defined as EBITDA excluding Inventory gains/losses and one-off gains/losses
(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 includes term deposits with banks
(4) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(5) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)
Notes: See the Glossary for the calculation of certain metrics referred to above

Operating and financial review

Fuel volumes

Q4 2022 total fuel volumes sold reached 2,664 million liters, increasing by 12.1% compared to Q4 2021. In Q4 2022, Retail fuel volumes sold increased by 1.6% year-on-year, while Commercial fuel volumes increased by 39.7% year-on-year driven by a significant growth of 54.2% in corporate volumes, partially offset by a reduction of 47.0% year-on-year in Aviation volumes due to lower uptake from strategic aviation customers.

Compared to Q3 2022, Q4 2022 total fuel volumes increased by 14.8% driven by growth across the business lines, including an increase of 10.3% quarter-on-quarter in Retail fuel volumes and 24.2% increase quarter-on-quarter in Commercial volumes.

2022 total fuel volumes sold reached 9,867 million liters, an increase of 8.0% year-on-year. Retail fuel volumes increased by 3.2% in 2022, while Commercial fuel volumes increased by 19.1% year-on-year, mainly driven by a 34.0% increase in Corporate volumes. This was partially offset by a 53.2% decline in Aviation volumes.

Fuel volumes by segment *(million liters)*	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Retail (B2C)	**1,747**	**1,583**	***10.3%***	**1,720**	***1.6%***	**6,586**	**6,384**	***3.2%***
Commercial (B2B)	**918**	**739**	***24.2%***	**657**	***39.7%***	**3,281**	**2,755**	***19.1%***
Of which Corporate	868	702	*23.6%*	563	*54.2%*	3,061	2,284	*34.0%*
Of which Aviation	50	37	*35.3%*	94	*-47.0%*	220	471	*-53.2%*
Total	**2,664**	**2,322**	***14.8%***	**2,377**	***12.1%***	**9,867**	**9,139**	***8.0%***

Fuel volumes by product *(million liters)*	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Gasoline (1)	1,612	1,451	*11.1%*	1,564	*3.1%*	6,065	5,799	*4.6%*
Diesel	832	668	*24.6%*	548	*51.7%*	2,884	2,237	*28.9%*
Aviation products	50	37	*35.3%*	94	*-47.0%*	220	471	*-53.2%*
Others (2)	170	166	*2.6%*	170	*0.1%*	698	632	*10.4%*
Total	**2,664**	**2,322**	***14.8%***	**2,377**	***12.1%***	**9,867**	**9,139**	***8.0%***

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

Results

Q4 2022 Revenue increased by 31.6% year-on-year to AED 8,187 million. The increase was driven by higher selling prices as a result of higher crude oil prices, growth in fuel volumes and higher contribution of non-fuel business.

Q4 2022 Gross profit increased by 0.2% year-on-year to AED 1,225 million. During the period, the Company did not record any inventory gains in the Fuel retail business, whereas in Q4 2021 they amounted to AED 98 million. Q4 2022 Gross profit received support from higher fuel volumes and growth in Non-fuel retail business.

Q4 2022 reported EBITDA declined by 18.4% year-on-year to AED 654 million, due to the absence of inventory gains in the fuel retail business as well as due to higher operating expenses, partially offset by the higher fuel volumes.

Q4 2022 Underlying EBITDA (EBITDA excluding inventory losses/gains and one-offs) increased by 1.7% year-on-year to AED 699 million.

Q4 2022 Net profit decreased by 26.6% year-on-year to AED 419 million due to lower EBITDA.

2022 Revenue increased by 53.5% year-on-year to AED 32,111 million driven by growth in fuel volumes, higher selling prices as a result of higher crude oil prices as well as higher contribution of non-fuel business.

ADNOC DISTRIBUTION

2022 Gross profit increased by 17.7% year-on-year to AED 5,668 million, mainly driven by higher fuel volumes, growth in Non-fuel retail business as well as higher inventory gains of AED 488 million in 2022 versus inventory gains of AED 366 million in 2021.

2022 reported EBITDA increased by 14.7% year-on-year to AED 3,517 million driven by higher fuel volumes and inventory gains.

2022 Underlying EBITDA (EBITDA excluding inventory losses/gains and one-offs) increased by 17.1% year-on-year to AED 3,167 million due to higher fuel volumes.

2022 Net profit increased by 22.0% year-on-year to AED 2,749 million, driven by higher EBITDA and lower depreciation charges due to a change in estimated useful life of assets implemented in 2022.

Revenue by segment *(AED million)*	**Q4-22**	**Q3-22**	***QoQ %***	**Q4-21**	***YoY %***	**2022**	**2021**	***YoY %***
Retail (B2C)	**5,297**	**5,843**	***-9.3%***	**4,535**	***16.8%***	**21,458**	**14,915**	***43.9%***
Of which Fuel retail	4,985	5,560	*-10.4%*	4,246	*17.4%*	20,308	13,823	*46.9%*
Of which Non-fuel retail[(1)]	312	282	*10.5%*	289	*7.9%*	1,150	1,093	*5.2%*
Commercial (B2B)	**2,890**	**2,708**	***6.7%***	**1,687**	***71.2%***	**10,653**	**6,006**	***77.4%***
Of which Corporate	2,630	2,476	*6.3%*	1,379	*90.7%*	9,603	4,708	*104%*
Of which Aviation	259	232	*11.6%*	308	*-15.9%*	1,050	1,297	*-19.1%*
Total	**8,187**	**8,551**	***-4.3%***	**6,223**	***31.6%***	**32,111**	**20,921**	***53.5%***

Gross profit by segment *(AED million)*	**Q4-22**	**Q3-22**	***QoQ %***	**Q4-21[(4)]**	***YoY %***	**2022**	**2021[(4)]**	***YoY %***
Retail (B2C)	**928**	**1,015**	***-8.6%[(3)]***	**887**	***4.6%***	**4,232**	**3,471**	***21.9%***
Of which Fuel retail	766	852	*-10.1%[(3)]*	725	*5.6%*	3,593	2,869	*25.2%*
Of which Non-fuel retail[(1)]	162	163	*-1.0%*	162	*-0.1%*	639	602	*6.2%*
Commercial (B2B)	**298**	**262**	***13.7%[(3)]***	**336**	***-11.3%***	**1,436**	**1,343**	***6.9%***
Of which Corporate	227	273	*-16.7%*	247	*-8.0%*	1,150	960	*19.9%*
Of which Aviation	70	-11	*NM*	89	*-20.7%*	285	382	*-25.4%*
Total	**1,225**	**1,277**	***-4.0%[(3)]***	**1,223**	***0.2%***	**5,668**	**4,814**	***17.7%***

EBITDA by segment *(AED million)*	**Q4-22**	**Q3-22**	***QoQ %***	**Q4-21**	***YoY %***	**2022**	**2021**	***YoY %***
Retail (B2C)	**399**	**623**	***-36.0%***	**534**	***-25.3%***	**2,397**	**2,023**	***18.5%***
Commercial (B2B)	**255**	**244**	***4.4%***	**268**	***-5.0%***	**1,118**	**1,048**	***6.7%***
Of which Corporate	191	219	*-12.6%*	201	*-4.7%*	938	769	*21.9%*
Of which Aviation	64	25	*151.8%*	68	*-5.8%*	180	274	*-34.3%*
Unallocated[(2)]	1	1	*NM*	0	*NM*	3	-4	*NM*
Total	**654**	**868**	***-24.6%***	**802**	***-18.4%***	**3,517**	**3,067**	***14.7%***

NM: Not meaningful
(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
(3) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(4) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)

Distribution and administrative expenses

Q4 2022 distribution and administrative expenses were AED 763 million, an increase of 28.9% compared to Q4 2021 after an increase of 13% in the Company's network and associated costs and other expenses. The increase in cash OPEX was partially offset by a lower depreciation charge as a result of the change in accounting estimate of useful life of assets as well as the impact of the OPEX reclassification implemented in 2022.

Excluding depreciation, OPEX increased by 50.9% year-on-year in Q4 2022 after an 13% year-on-year increase in the Company's network and associated staff costs and other expenses.

2022 distribution and administrative expenses were AED 2,762 million, an increase of 14.0% compared to 2021 after an increase in the Company's network and associated costs. The increase in cash OPEX was partially offset by a lower depreciation charge as a result of the change in accounting estimate of useful life of assets as well as the impact of the OPEX reclassification implemented in 2022. Excluding depreciation, OPEX increased by 24.3% year-on-year in 2022.

AED million	Q4-22	Q3-22	*QoQ %*	Q4-21(3)	*YoY %*	2022	2021(3)	*YoY %*
Staff costs	380	302	*26.0%(2)*	322	*18.1%*	1,480	1,272	*16.4%*
Depreciation	156	51	*202.4%(4)*	189	*-17.8%*	544	638	*-14.7%(4)*
Repairs, maintenance and consumables	62	41	*53.5%(2)*	31	*101.7%*	187	148	*26.7%*
Distribution and marketing expenses	9	-7	*NM(2)*	4	*143.1%*	55	38	*46.2%*
Utilities	57	33	*76.7%*	7	*696.5%*	198	150	*32.3%*
Insurance	5	6	*-18.3%*	5	*1.8%*	19	12	*51.7%*
Others1	94	59	*58.3%*	34	*173.7%*	278	165	*68.7%*
Total	**763**	**483**	***57.8%(2)(4)***	**592**	***28.9%***	**2,762**	**2,422**	***14.0%***

NM: Not meaningful
(1) Other costs include lease cost, bank charges, subscriptions, legal fees, consultancies, etc.
(2) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(3) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)
(4) Change is partially due to a change in accounting estimate of useful life of assets (refer to page 6 for details)

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 Q4 2022, total CAPEX increased by 147% compared to Q4 2021 to AED 509 million mainly driven by the higher spending on development and construction of new service stations (nearly 65% of total CAPEX) and industrial projects as well as due to higher machinery and equipment capital expenditures.

In 2022, total CAPEX more than doubled compared to 2021 to AED 1,253 million, driven by higher spending on service stations, industrial projects and machinery and equipment.

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

AED million	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Service stations projects	277	242	*14.9%*	112	*146.8%*	801	398	*101.0%*
Industrial projects	75	27	*174.9%*	31	*140.8%*	165	85	*94.6%*
Machinery and equipment	76	26	*190.2%*	24	*218.3%*	126	36	*250.2%*
Distribution fleet	4	6	*-43.9%*	5	*-23.0%*	13	5	*185.4%*
Technology infrastructure	60	25	*143.1%*	32	*86.5%*	118	87	*35.3%*
Office furniture and equipment	17	5	*NM*	2	*NM*	31	4	*NM*
Total	**509**	**331**	***53.5%***	**206**	***147.1%***	**1,253**	**614**	***103.9%***

NM: Not meaningful

Business segments operating review

Retail segment – B2C (Fuel and Non-fuel)

Volumes

Q4 2022 retail fuel volumes sold increased by 1.6% year-on-year driven by the network expansion. They also increased by 10.3% quarter-on-quarter as pump prices normalized post summer peak levels resulting in a higher demand.

2022 retail fuel volumes sold increased by 3.2% year-on-year as a result of ongoing growth in economic activity in UAE. In addition, the Company continued to expand in Saudi Arabia and Dubai by adding new stations, resulting in incremental fuel volumes in 2022 compared to the same period of 2021.

Retail segment volumes (million liters)	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Gasoline	1,536	1,385	*10.9%*	1,533	*0.2%*	5,793	5,690	*1.8%*
Diesel	155	147	*5.3%*	143	*8.2%*	591	525	*12.6%*
Other (1)	55	50	*9.8%*	44	*27.2%*	202	169	*19.9%*
Total	**1,747**	**1,583**	***10.3%***	**1,720**	***1.6%***	**6,586**	**6,384**	***3.2%***

(1) Includes CNG, LPG, kerosene and lubricants

Results

Q4 2022 retail segment Revenue increased by 16.8% compared to Q4 2021, driven by higher volumes and prices in the Fuel retail segment as well as growth in non-fuel revenue.

Q4 2022 retail segment Gross profit increased by 4.6% compared to Q4 2021, supported by higher fuel volumes and non-fuel business growth. The Fuel retail segment Gross profit increased by 5.6% year-on-year, mainly driven by higher fuel volumes, partially offset by the absence of inventory gains (versus inventory gains of AED 98 million in Q4 2021). Non-fuel retail Gross profit remained flat in Q4 2022 compared to Q4 2021.

Q4 2022 retail segment EBITDA declined by 25.3% compared to Q4 2021, mainly due to higher operating expenses and absence of inventory gains partially offset by higher retail fuel volumes.

2022 retail segment Revenue increased by 43.9% compared to 2021 driven by an increase in pump prices, fuel volumes growth and increase in non-fuel revenues.

2022 retail segment Gross profit increased by 21.9% compared to 2021, driven by higher retail fuel volumes, inventory gains and non-fuel business growth. The Fuel retail business Gross profit increased by 25.2% year-on-year, mainly driven by higher fuel volumes and inventory gains of AED 488 million in 2022 (versus inventory gains of AED 366 million in 2021). Non-fuel retail Gross profit rose by 6.2% in 2022 compared to 2021 driven by growth in non-fuel transactions, higher number of convenience stores, improvement in margins and improved customer offerings.

2022 retail segment EBITDA increased by 18.5% compared to 2021, mainly driven by higher retail fuel volumes, inventory gains and growth in non-fuel business.

Retail segment (AED million)	Q4-22	Q3-22	QoQ %	Q4-21[3]	YoY %	2022	2021[3]	YoY %
Revenue	**5,297**	**5,843**	***-9.3%***	**4,535**	***16.8%***	**21,458**	**14,915**	***43.9%***
Of which Fuel retail	4,985	5,560	*-10.4%*	4,246	*17.4%*	20,308	13,823	*46.9%*
Of which Non-fuel retail[1]	312	282	*10.5%*	289	*7.9%*	1,150	1,093	*5.2%*
Gross profit	**928**	**1,015**	***-8.6%[2]***	**887**	***4.6%***	**4,232**	**3,471**	***21.9%***
Of which Fuel retail	766	852	*-10.1%[2]*	725	*5.6%*	3,593	2,869	*25.2%*
Of which Non-fuel retail[1]	162	163	*-1.0%*	162	*-0.1%*	639	602	*6.2%*
EBITDA	**399**	**623**	***-36.0%***	**534**	***-25.3%***	**2,397**	**2,023**	***18.5%***
Operating profit	255	578	*-55.8%*	360	*-29.0%*	1,902	1,446	*31.5%*
Capital expenditures	347	212	*64.0%*	155	*124%*	777	486	*59.9%*

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection
(2) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(3) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)

Other operating metrics

Q4 2022 fuel transactions were flat compared to Q4 2021, whereas 2022 fuel transactions increased by 10.4% compared to 2021 on the back of the network expansion, improving customer sentiment, as well as a result of the ongoing growth in economic activity in countries of the Company's presence.

Fuel operating metrics	Q4-22	Q3-22	QoQ %	Q4-21	YoY %	2022	2021	YoY %
Number of service stations - UAE [1]	502*	481	*4.4%*	462	*8.7%*	502*	462	*8.7%*
Number of service stations - Saudi Arabia [1] [2]	66	66	*0.0%*	40	*65.0%*	66	40	*65.0%*
Total number of service stations	**568**	**547**	***3.8%***	**502**	***13.1%***	**568**	**502**	***13.1%***
Throughput per station (million liters)	3.1	2.9	*6.3%*	3.4	*-10.2%*	11.6	12.7	*-8.8%*
Number of fuel transactions (million) - UAE	44.3	44.5	*-0.5%*	44.3	*0.0%*	176.8	160.1	*10.4%*

NM: Not meaningful
(1) At end of period
(2) Includes one franchised site
* Two stations were closed during 2022

Q4 2022 and 2022 non-fuel transactions increased by 9.2% and 15.2%, respectively year-on-year driven by improving consumer sentiment, increase in number of convenience stores, enhanced customer offerings following the revitalization of the stores, and marketing and promotion campaigns under ADNOC Rewards loyalty program to attract higher footfall and increase customer spending.

The convenience stores revenues increased by 9.6% in Q4 2022 compared to Q4 2021, and by 9.9% in 2022 compared to 2021, mainly driven by higher transactions compared to the same periods of last year. Q4 2022 convenience stores Gross profit declined by 3.1%, whereas it increased in 2022 by 11.2%, year-on-year, driven by higher transactions and improvement in margins as a result of enhanced customer offerings following revitalization of the stores, marketing and promotion campaigns as well as the higher F&B sales.

Average gross basket size increased by nearly 1% year-on-year in Q4 2022 compared to Q4 2021, whereas it declined by 3.4% year-on-year in 2022 after a double-digit year-on-year rise during the peak of COVID-19 pandemic as customers visited less during pandemic restrictions but bought more during each visit. However, average gross basket size is still above pre-pandemic levels, driven by customer centric initiatives.

In its property management business, the Company continues to transition its tenancy business to a revenue-sharing model to maximize revenues and profitability. The number of occupied properties increased by 7.4% year-on-year in both Q4 2022 and 2022 driven by proactive non-fuel growth strategy to bring in new tenants.

The number of vehicles inspected (fresh tests) in the Company's vehicle inspection centers increased by 8.6% in Q4 2022 compared to Q4 2021, and by 6.0% in 2022 compared to 2021, driven by a higher number of vehicle inspection centers.

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Non-fuel operating metrics	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Total number of non-fuel transactions (million) – UAE[(1)]	10.8	9.9	*9.8%*	9.9	*9.2%*	39.6	34.4	*15.2%*
Number of convenience stores - UAE[(2)]	362	366	*-1.1%*	346	*4.6%*	362	346	*4.6%*
Convenience stores revenue (AED million)	207	180	*14.9%*	188	*9.6%*	735	669	*9.9%*
Convenience stores Gross profit (AED million)	64	65	*-2.1%*	66	*-3.1%*	247	222	*11.2%*
Gross margin	*31.0%*	*36.4%*		*35.1%*		*33.6%*	*33.2%*	
Conversion rate %[(3)]	*20%*	*18%*		*19%*		*19%*	*18%*	
Average basket size (AED)[(4)]	22.5	21.6	*4.2%*	22.3	*1.2%*	22.0	23.2	*-5.0%*
Average gross basket size (AED)[(5)]	26.3	24.9	*5.5%*	26.1	*0.6%*	25.6	26.5	*-3.4%*
Number of Property Management tenants[(2)]	315	317	*-0.6%*	320	*-1.6%*	315	320	*-1.6%*
Number of occupied properties for rent[(2)]	1,022	1,003	*1.9%*	952	*7.4%*	1,022	952	*7.4%*
Number of vehicle inspection centers[(2)(6)]	32	32	*0.0%*	30	*6.7%*	32	30	*6.7%*
Number of vehicles inspected (fresh tests) (thousands)	223	208	*7.3%*	205	*8.6%*	856	807	*6.0%*
Other vehicle inspection transactions (thousands)[(7)]	88	69	*27.4%*	77	*14.5%*	309	282	*9.9%*

(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
(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 center
(7) Other vehicle inspection transactions include number of vehicles inspected (re-tests) and sale of safety items at vehicles inspection centers

Commercial segment – B2B (Corporate and Aviation)

Volumes

Q4 2022 Commercial fuel volumes increased by 39.7% compared to Q4 2021, driven by a significant increase of 54.2% year-on-year in Corporate volumes as a result of higher spot trading activity and execution of new Corporate segment contracts signed in H2 2022. The higher Corporate volumes were partially offset by a significant decline in the Aviation fuel volumes sold to strategic customers.

2022 Commercial fuel volumes increased by 19.1% year-on-year, driven by Corporate business. Corporate fuel volumes increased by 34.0% year-on-year partially driven by the new sales agreements signed in Q4 2021 and 2022. On the other hand, Aviation fuel volumes sold to strategic customers decreased by 53.2% year-on-year.

Commercial Segment volumes (million liters)	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Gasoline	76	66	*14.8%*	31	*141.9%*	272	108	*151.0%*
Diesel	677	520	*30.1%*	405	*67.2%*	2,294	1,713	*33.9%*
Aviation	50	37	*35.3%*	94	*-47.0%*	220	471	*-53.2%*
Other (1)	115	115	*-0.6%*	127	*-9.3%*	495	463	*7.0%*
Total	**918**	**739**	***24.2%***	**657**	***39.7%***	**3,281**	**2,755**	***19.1%***

(1) Includes LPG, lubricants and base oil

Results

Q4 2022 Commercial segment Revenue increased by 71.2% compared to Q4 2021, mainly driven by Corporate business revenue which increased by 90.7% in Q4 2022 compared to Q4 2021, on the back of higher selling prices as a result of increase in crude oil prices and the material growth in Corporate volumes. This was partially offset by a decline in Aviation revenues due to lower Aviation volumes.

Q4 2022 Commercial segment Gross profit declined by 11.3% compared to Q4 2021 as a result of a significant decline in the Aviation business fuel volumes sold to strategic customers, which was not fully offset by the higher Corporate volumes.

Q4 2022 Commercial segment EBITDA declined by 5.0% year-on-year, due to Gross profit reduction.

2022 Commercial segment Revenue increased by 77.4% compared to 2022, mainly driven by higher Corporate business revenue, partially offset by a decline in Aviation revenues due to lower aviation volumes.

2022 Commercial segment Gross profit increased by 7.0% compared to 2021 driven by higher Corporate fuel volumes, partially offset by lower Aviation volumes and Gross profit.

2022 Commercial segment EBITDA increased by 6.7% year-on-year, driven by higher Corporate volumes, partially offset by lower aviation volumes.

Commercial Segment (AED million)	Q4-22	Q3-22	*QoQ %*	Q4-21	*YoY %*	2022	2021	*YoY %*
Revenue	**2,890**	**2,708**	***6.7%***	**1,687**	***71.2%***	**10,653**	**6,006**	***77.4%***
Of which Corporate	2,630	2,476	*6.3%*	1,379	*90.7%*	9,603	4,708	*104.0%*
Of which Aviation	259	232	*11.6%*	308	*-15.9%*	1,050	1,297	*-19.1%*
Gross profit	**298**	**262**	***13.7%*** (1)	**336** (2)	***-11.3%***	**1,436**	**1,343** (2)	***7.0%***
Of which Corporate	227	273	*-16.7%*	247	*-8.0%*	1,151	960	*19.9%*
Of which Aviation	70	-11	*NM* (1)	89 (2)	*-20.7%*	285	382 (2)	*-25.4%*
EBITDA	**255**	**244**	***4.4%***	**268**	***-5.0%***	**1,118**	**1,048**	***6.7%***
Of which Corporate	191	219	*-12.6%*	201	*-4.7%*	938	769	*21.9%*
Of which Aviation	64	25	*151.8%*	68	*-5.8%*	180	274	*-34.3%*
Operating profit	243	238	*2.0%*	253	*-4.3%*	1,069	987	*8.4%*
Capital expenditures	16	1	*NM*	7	*132.6%*	21	28	*-26.7%*

NM: Not meaningful
(1) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(2) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)

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 December 2022 was AED 4.41. In the period from 1 January 2022 through 31 December 2022, the share price ranged between AED 3.95 and AED 4.88 at close. ADNOC Distribution market capitalization was AED 55.1 billion as of 31 December 2022. An average of 12 million shares traded daily in 2022 (0.6x 2021 level). In 2022, the average daily traded value of the Company's shares was approximately AED 53 million (0.7x 2021 level).

As of 31 December 2022, 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 www.adnocdistribution.ae

Q4/FY 2022 Earnings conference call details

A conference call in English for investors and analysts will be held on Thursday, February 9, 2023, at 5 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): 800-289-0462

Passcode: 651223

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, February 9, 2023 at https://www.adnocdistribution.ae/en/investor-relations/investor-relations/downloads/

Reporting date for the Q1 2023

We expect to announce our first quarter 2023 results on or around May 14, 2023.

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February 9, 2023
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 for the period for the twelve months ended divided by total equity 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.

ADNOC DISTRIBUTION

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 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.