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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Citigroup Global Markets Limited, First Abu Dhabi Bank PJSC, HSBC Bank Middle East Limited and Merrill Lynch International (collectively, the "Joint Global Coordinators"), EFG Hermes UAE Limited, EFG Hermes Promoting & Underwriting (solely in its capacity as underwriter), Goldman Sachs International and Morgan Stanley & Co. International plc (together with the Joint Global Coordinators, the "Joint Bookrunners"), Rothschild (Middle East) Limited (the "Financial Adviser"), the Company and the Selling Shareholder (as each such term is defined in the attached document) that (i) you are acting on behalf of, or you are either (a) acquiring such securities in an "offshore transaction" (as defined in Regulation S under the Securities Act), or (b) in the United States and a "qualified institutional buyer" ("QIB") within the meaning of Rule 144A under the Securities Act that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the United Kingdom, you are a "Qualified Investor" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the European Economic Area (the "EEA")) and any implementing measure in each relevant member state of the EEA (the "Prospectus Directive") and who (a) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (b) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) the securities acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors; and (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

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None of the Joint Bookrunners, the Financial Adviser or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Joint Bookrunners, the Financial Adviser and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners, the Financial Adviser or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners and the Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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CONFIDENTIAL

أدنـوك
ADNOC

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

(*a public joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates, which upon completion of the Global Offering will be subject to Federal Law No. 2 of 2015 concerning commercial companies with a paid up share capital of AED 1,000,000,000*)

Global Offering of up to 2,500,000,000 Shares

Offer Price Range: AED 2.35 to AED 2.95 per Share

A minimum of 1,250,000,000 and a maximum of 2,500,000,000 ordinary shares with a nominal value of AED 0.08 each (the "Shares") of Abu Dhabi National Oil Company for Distribution PJSC (the "Company") are being offered in this global offering (the "Global Offering") by our shareholder, Abu Dhabi National Oil Company ("ADNOC" or the "Selling Shareholder"). The Company will not receive any of the proceeds of the sale of the Shares, all of which will be paid to the Selling Shareholder.

The Global Offering comprises an offering of Shares (i) in the United States to qualified institutional buyers (each a "QIB") as defined in, and in reliance on, Rule 144A ("Rule 144A") under the US Securities Act of 1933 (the "Securities Act"), and outside the United States in reliance on Regulation S ("Regulation S") under the Securities Act (together, the "Qualified Institutional Offering"); (ii) in the Abu Dhabi Global Market ("ADGM") only as an Exempt Offer (the "ADGM Exempt Offer") pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority ("FSRA"); (iii) in the Dubai International Financial Centre ("DIFC") only as an Exempt Offer (the "DIFC Exempt Offer" and, together with the Qualified Institutional Offering and the ADGM Exempt Offer, the "Qualified Investor Offering") pursuant to the Markets Rules of the Dubai Financial Services Authority ("DFSA"); and (iv) in the United Arab Emirates (the "UAE") pursuant to a prospectus (the "UAE Prospectus"), the publication of which was approved by the UAE Securities and Commodities Authority (the "SCA") to (a) certain natural persons, companies, establishments and other entities, and (b) in accordance with the requirements of Federal Law No. 2 of 2015 concerning commercial companies, the Emirates Investment Authority up to 5% of the Shares (the "UAE Retail Offer").

Prior to the Global Offering, there has been no public market for the Shares. We have applied for the Shares to be listed on the Abu Dhabi Securities Exchange (the "ADX") under the symbol "ADNOCDIST" (the "Admission"). There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the ADX on or about 13 December 2017 (the "Closing Date").

Investing in the Shares involves significant risks. You should read this entire document and, in particular, "*Risk Factors*", before making an investment decision with respect to the Global Offering.

The Shares have not been and will not be registered under the Securities Act and, subject to certain limited exceptions, may not be offered or sold within the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Shares are offered by the Joint Bookrunners named herein when, as and if delivered to, and accepted by, the Joint Bookrunners and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners on the business day prior to the Closing Date, and delivery of the Shares is expected to be made on the Closing Date through the book-entry facilities operated by the ADX.

The SCA and the ADX have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the ADGM in accordance with the Market Rules of the FSRA and in the DIFC in accordance with the Market Rules of the DFSA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA and the DFSA have no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA and the DFSA have not approved this Offering Memorandum nor taken steps to verify the information set out in it and have no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their transferability and resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Joint Global Coordinators and Joint Bookrunners

BofA Merrill Lynch **Citigroup** **First Abu Dhabi Bank PJSC** **HSBC**

Joint Bookrunners

EFG Hermes **Goldman Sachs International** **Morgan Stanley**

This Offering Memorandum is dated 26 November 2017.

IMPORTANT INFORMATION

This offering memorandum (this "Offering Memorandum") does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on the Joint Bookrunners (as defined herein) or the Financial Adviser (as defined herein) or any person affiliated with the Joint Bookrunners or the Financial Adviser in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) no person has been authorised to give any information or make any representations other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in it is correct as at any subsequent time.

None of the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser or any of their respective representatives is making any representation to any prospective investor in the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge, accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted. None of the Joint Bookrunners, the Financial Adviser and any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Global Offering, and nothing in this Offering Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Joint Bookrunners, the Financial Adviser and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Offering Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners, the Financial Adviser or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum.

None of the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Citigroup Global Markets Limited, First Abu Dhabi Bank PJSC, HSBC Bank Middle East Limited and Merrill Lynch International have been appointed as joint global coordinators and joint bookrunners (the "Joint Global Coordinators"), and EFG Hermes UAE Limited, EFG Hermes Promoting & Underwriting (solely in its capacity as underwriter), Goldman Sachs International and Morgan Stanley & Co. International plc have been appointed as joint bookrunners (together with the Joint Global Coordinators, the "Joint Bookrunners"). Citigroup Global Markets Limited, Merrill Lynch International, Goldman Sachs International and Morgan Stanley & Co. International plc, which are each authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, and First Abu Dhabi Bank PJSC, HSBC Bank Middle East Limited (acting through its UAE branch, which is regulated by the UAE Central Bank and lead regulated by the DFSA), EFG Hermes UAE Limited and Rothschild (Middle East) Limited (the "Financial Adviser") are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Global Offering, will not regard any other person (whether or not a recipient of this Offering Memorandum) as a client in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Offering Memorandum.

In connection with the Global Offering, the Joint Bookrunners, the Financial Adviser and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Bookrunners, the Financial Adviser and any of their respective affiliates acting as investors for their own accounts. In addition, certain of the Joint Bookrunners, the Financial Adviser or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Joint Bookrunners and Financial Adviser (or their affiliates) may from time to time acquire, hold or dispose of Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, lending, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder. None of the Joint Bookrunners or the Financial Adviser intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Global Offering relates to securities of a UAE public joint stock company to be listed on the ADX and potential investors should be aware that this Offering Memorandum and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public joint stock company established in the UAE and listed on the ADX, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the ADGM Financial Services and Market Regulations 2015 or the DIFC Markets Law (DIFC Law No. 12 of 2004, as amended) (collectively, the "Market Laws"), or under the Markets Rules of the FSRA or the Market Rules of the DFSA (collectively, the "Market Rules"). The Global Offering has not been approved or licensed by the FSRA or the DFSA, and does not constitute an offer of securities in the ADGM or the DIFC in accordance with the Markets Laws or the Markets Rules.

NOTICE TO INVESTORS

The Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser to permit a public offering of the Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, Japan or the United States. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission, any securities commission of any state in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to, and is directed only at, persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (each, a "relevant member state"), with effect from and including the date on which the Prospectus Directive (2003/71/EC, as amended (the "Prospectus Directive")) is implemented in that relevant member state (the "relevant implementation date"), an offer of securities described in this Offering Memorandum may not be made to the public in that relevant member state, except that an offer to the public in that relevant member state may be made at any time under the following exemptions under the Prospectus Directive:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of securities shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of securities to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state.

None of the Company, the Selling Shareholder or any of the Joint Bookrunners has authorised, nor do they authorise, the making of any offer of the Shares through any financial intermediary, other than offers made by the Joint Bookrunners, which constitute the final placement of the Shares contemplated in this Offering Memorandum. None of the Company, the Selling Shareholder or any of the Joint Bookrunners has authorised, nor do they authorise, the making of any offer of Shares in circumstances in which an obligation arises for the Company, the Selling Shareholder or any Joint Bookrunners to publish or supplement a prospectus for such offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

The Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market except on the basis than an offer is:

(i) an "Exempt Offer" in accordance with the Market Rules issued by the Financial Services Regulatory Authority of the ADGM; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.4 of the FSRA Conduct of Business Rulebook.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to a company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority.

The DFSA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person.

The shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares should conduct their own due diligence on the Company and the Shares. If you do not understand the contents of this Offering Memorandum you should consult an authorised financial advisor.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical and Pro Forma Financial Information

Our carve-out financial statements as at and for the years ended 31 December 2015 and 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 have been included in this Offering Memorandum beginning on page F-1. The carve-out financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and applicable requirements of UAE laws, except for the carve-out of certain assets, liabilities, revenues and expenses relating to the sale and purchasing activity, and the related cash flows, of the civil aviation supply business that was transferred by us to ADNOC, as described in note 1 and note 3 of notes to the carve-out financial statements. As described in note 1 and note 3 of notes to the carve-out financial statements, our carve-out financial statements, and the historical financial information derived therefrom, have been prepared upon completion of, and to give effect for all periods presented to, the civil aviation supply carve-out (the "Civil Aviation Supply Carve-out"), pursuant to which the sales and purchasing activities of our former civil aviation supply business were transferred to ADNOC. See "*Business—Reorganisation—Civil Aviation Supply Carve-out*" and "*Related Party Transactions—Civil Aviation Supply Carve-out*".

The pro forma financial information for the year ended 31 December 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 has been prepared based on our carve-out financial statements (which reflect the Civil Aviation Supply Carve-out) as at such date and for such periods and gives pro forma effect to the following additional transactions as if such transactions had occurred on 1 January 2016 (in the case of the pro forma statement of profit and loss information), and as at 30 September 2017 (in the case of the pro forma statement of financial position information):

- the entry into an aviation operations, maintenance and support services agreement (the "Aviation Services Agreement") pursuant to which we have agreed to provide certain aviation refuelling and other related services to ADNOC's civil aviation customers and to provide certain operations and maintenance services with respect to the civil aviation supply assets that were transferred to a newly created wholly owned special purpose subsidiary of ADNOC ("AssetCo") as part of the ADNOC Refining Perimeter Reorganisation (as defined and described under "*Related Party Transactions—ADNOC Refining Perimeter Reorganisation*"), in each case for which we will be paid a fee on a cost-plus basis;
- the entry into an asset sale agreement (the "ADNOC Refining Asset Sale Agreement") pursuant to which Abu Dhabi Oil Refining Company ("Takreer"), which operates under the name ADNOC Refining and is a wholly owned subsidiary of ADNOC, transferred to us for approximately AED 696.2 million (representing the net book value of the transferred assets) certain fuel terminal and distribution assets that had been constructed for our use and benefit;
- the entry into a new refined products sales contract (the "Refined Products Supply Agreement") and a new butane, propane and mixed liquefied petroleum gas ("LPG") sales contract (the "LPG Supply Agreement") with ADNOC for the supply of refined petroleum products and LPG as described under "*Related Party Transactions—Supply Agreements*"; and
- the entry into new term loan and revolving credit facilities and the incurrence of USD 1,500.0 million (AED 5,509.5 million) of debt financing under the term loan portion of the facility as described under "*Business—Reorganisation—Debt Financing and Distribution*" (the "Debt Financing").

We refer to these transactions as the "Pre-Offering Transactions and Contractual Arrangements". The pro forma financial information does not give effect to the carve-out of our natural gas business as described under "*Business—Reorganisation—Natural Gas Division Carve-out*" as the impact would be immaterial. See "*Selected Historical Financial and Operating Information*", "*Selected Pro Forma Financial Information*", "*Business—Reorganisation*" and "*Related Party Transactions*".

Non-IFRS Information

We present in this Offering Memorandum certain measures to assess the financial performance of our business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include EBIT, EBITDA and adjusted pro forma net debt. We present EBITDA because it is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). Information regarding EBIT and EBITDA is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements, and net debt is sometimes used by investors to evaluate a company's level of indebtedness after taking into account its available cash. We use EBIT and EBITDA in assessing our growth and operational performance, and we use net debt in assessing our leverage and capital structure. There are no generally accepted principles governing the calculation of EBIT or EBITDA, and the criteria upon which EBIT and EBITDA are based can vary from company to company. EBIT and EBITDA do not by themselves provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as substitutes for operating profit or any other measure as indicators of operating performance, or as alternatives to cash generated from operating activities as measures of liquidity. In addition, these measures should not be used instead of, or considered as alternatives to, our historical financial results. We have presented these non-IFRS measures because we believe they are helpful to investors and financial analysts in highlighting trends in our overall business. For a reconciliation of EBIT and EBITDA to profit for the period, see "*Selected Historical Financial and Operating Information*" and "*Selected Pro Forma Financial Information*".

EBITDA has limitations as an analytical tool. Some of these limitations are:

- it does not reflect cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- it is not adjusted for all non-cash income or expense items that are reflected in ourstatements of cash flows.

Amounts excluding Emarat figures

We have presented certain figures excluding amounts relating to 59 Emarat service stations in Dubai to which we supplied fuel in anticipation of acquiring such service stations which acquisition was abandoned in 2016. This activity did not qualify as a discontinued operation under IFRS and therefore the amounts attributable to the supply of these service stations are included in our carve-out financial statements. We believe it is useful to present certain income statement and operating measures excluding amounts attributable to the supply of these services stations so that an investor can better understand the performance of our on-going business.

Currency presentation

All references in this Offering Memorandum to:

- "AED" are to UAE dirhams, the lawful currency of the United Arab Emirates; and
- "USD" are to US dollars, the lawful currency of the United States.

The value of UAE dirhams has been pegged to US dollars at a rate of AED 3.673 per USD 1 since 1997. All AED/USD conversions in this Offering Memorandum have been calculated at this rate.

Rounding

Certain data in this Offering Memorandum, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Offering Memorandum may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Market data

We have included in this Offering Memorandum market data and other market information derived from reports (the "Industry Reports") prepared for us by IHS Markit Ltd. ("IHS Markit") and OC&C Strategy Consultants ("OC&C"). We confirm that the data and other information derived from the Industry Reports and any other third-party information included herein has been accurately reproduced and that, as far as we are aware and are able to ascertain from the Industry Reports and from information published by these and other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. We note that none of IHS, OC&C, or other third-party sources, and none of the Joint Bookrunners, accepts any liability for the accuracy of any such information, and prospective investors are advised to consider such information with caution. In addition, in certain instances in this Offering Memorandum we have included our own estimates, assessments, adjustments and judgments in preparing market information, which have not been verified by an independent third party. Such information is to a certain degree subjective. While we believe that our own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by us approximately reflects the industry and the markets in which we operate, there is no assurance that our own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

No incorporation of website information

None of the contents of the Company's website, ADNOC's website, or any website directly or indirectly linked to these websites have been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum 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 our 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", "risk", "intends", "estimates", "aims", "plans", "targets", "predicts", "continues", "assumes", "potential" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate. In particular, the statements under the headings regarding our strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*".

These forward-looking statements and other statements contained in this Offering Memorandum 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 are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward looking statements included in this Offering Memorandum and specifically under the section entitled "Risk Factors" or the underlying assumptions. These factors 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 initiative at our retail fuel service stations, our operations rationalisation initiatives, our convenience store optimisation initiatives, and our regional 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 new taxes in the UAE;
- any increased costs of leasing, or any loss of, the land on which we operate our service stations or maintain other assets;
- failure to successfully implement new policies, practices, systems and controls that we are implementing in connection with the Global Offering;
- any inadequacy of our insurance to cover losses that we may suffer;
- failure to attract qualified employees;
- general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE;

- instability and unrest in the Middle East and North Africa ("MENA") region; and
- the introduction of new laws and regulations in Abu Dhabi and the UAE.

If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward looking statements in this Offering Memorandum be regarded as a representation or warranty by us, the Selling Shareholder or the Joint Bookrunners or any other person with respect to the achievement of the results set out in such statements. Please refer to "*Risk Factors*" for further information in this regard.

The forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. The Company, the Selling Shareholder, the Joint Bookrunners and the Financial Adviser expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

AVAILABLE INFORMATION

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934 (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

SUMMARY

This summary should be read as an introduction to this offering memorandum (the "Offering Memorandum") and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Shares should be based on consideration of the Offering Memorandum as a whole. Potential investors should read this entire Offering Memorandum carefully, including "Risk Factors" and our carve-out financial statements and the pro forma financial information, including the related notes, before making any decision to invest in the Shares.

Overview

We are the leading operator of retail fuel service stations in the United Arab Emirates (UAE) with an approximate 67% market share by number of stations as at 30 September 2017 and the number one retail fuel brand. Our 360 retail fuel service stations as at 30 September 2017 are located in the emirates of Abu Dhabi and Sharjah, in each of which we currently are the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain. We also operate 235 ADNOC Oasis convenience stores as at 30 September 2017, making us the largest retailer in the UAE by number of stores. In addition, we lease space to tenants, such as quick service restaurants, at a majority of our service station locations, operate the only government authorised vehicle inspection centres in Abu Dhabi, and provide other services, such as car washes and lube and tyre change services at many of our service station locations. We also are the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and provide refuelling and related services at Abu Dhabi International Airport and six other commercial airports in the UAE.

We believe that our leading market position, our extensive fuel distribution infrastructure, the strength of our brand, and the support of ADNOC, our parent company, contribute to our success. We organise our business into four divisions:

- Retail, which accounted for 69.6% and 70.7% of our revenue and 64.7% and 66.0% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, owns and operates 360 retail fuel service stations and 235 ADNOC Oasis convenience stores, in each case as at 30 September 2017, where we sell fuels and other products, such as snacks, beverages, tobacco products, car care products, and personal care products, as well as provide related services such as car washes and lube and tyre change services;
- Allied Services, which accounted for 0.9% and 0.9% of our revenue and 3.7% and 4.2% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, manages and leases space at our retail fuel service stations to over 600 tenants selling quick service food and other ancillary products and services, such as banking services and automobile insurance, to our retail fuel service station customers, and operates vehicle inspection centres that are the only authorised providers of government mandated annual vehicle inspections to motor vehicle operators in Abu Dhabi;
- Corporate, which accounted for 21.6% and 20.0% of our revenue and 20.4% and 17.8% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, markets, distributes and sells refined petroleum products, including gas oil (diesel), gasoline, liquefied petroleum gas (LPG), our proprietary Voyager lubricants and other products to commercial, industrial and government customers throughout the UAE, and exports our Voyager lubricants to distributors in 19 countries outside of the UAE; and
- Aviation, which accounted for 7.5% and 8.1% of our revenue and 10.0% and 10.6% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, sells aviation fuels and provides refuelling and other related services to strategic customers at locations across the UAE, and utilises advanced refuelling facilities to provide refuelling, defueling and other related services to ADNOC's civil aviation customers (comprising international and regional commercial and private aviation customers) at Abu Dhabi International Airport and at six other commercial airports in the UAE, for which we are compensated by ADNOC on a cost-plus basis.

We have implemented and are in the process of implementing initiatives in each of our divisions that we believe will contribute to our continued growth in revenue and profitability. These include utilising our proprietary SMART technology to introduce mixed-mode (premium full- and self-service) refuelling across our network of retail fuel service stations, optimising our operations to bring our operating expenses in line with international fuel retailers, and revitalising and optimising our convenience store operations to bring them more in line with our regional competitors. We believe that these initiatives, together with expected overall growth of the markets in which we operate due to macro-economic factors such as forecasted population and GDP growth, will contribute to significant growth in our revenue and profitability in the future.

Established in 1973, we currently are a wholly owned subsidiary of ADNOC, an integrated energy company owned by the Emirate of Abu Dhabi that operates across the hydrocarbon value chain, including exploration, production, storage, refining, marketing and distribution. ADNOC was formed by the government of Abu Dhabi in 1971 to manage crude oil exploration, production and distribution in Abu Dhabi, developing Abu Dhabi into one of the world's leading oil producers and fuelling the growth of Abu Dhabi and the UAE. Immediately following the Global Offering, ADNOC will continue to own at least 80% of our share capital. We believe that this ownership stake, together with various agreements we and ADNOC have put in place in connection with the Global Offering, will allow us to continue to benefit from a number of competitive advantages, including a supply of refined petroleum products to meet our customers' needs, the strength of the ADNOC brand name and its position in the Gulf region, and ADNOC's experience and expertise in the oil and gas industry. See "*Related Party Transactions*".

Competitive Strengths

Our competitive strengths include the following:

We are the leading fuel and convenience store retailer in the UAE, with a 67% market share by number of retail fuel service stations and more store locations in the UAE than any other retailer at 30 September 2017, collectively generating approximately 200 million transactions in 2016. We are the leading operator of retail fuel service stations in the UAE with a market share of approximately 67% based on the number of service stations as at 30 September 2017 and the number one retail fuel brand. We are the sole operator of retail fuel service stations in the emirates of Abu Dhabi and Sharjah, and we operate approximately 90% of the retail fuel service stations in the Northern Emirates, including the emirates of Ajman, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain, as at 30 September 2017. In addition, our 235 ADNOC Oasis convenience stores as at 30 September 2017 represent the largest retail platform in the UAE by number of stores, with more locations than any other retailer. Our retail fuel service stations and ADNOC Oasis convenience stores together generated approximately 200 million transactions in 2016. We believe that our leading market position in the UAE positions us for significant additional growth due to the UAE's political stability and its open and growing economy.

We benefit from a stable and predictable UAE retail fuel pricing regime and a five-year retail fuel margin stabilisation agreement with ADNOC. Retail fuel price regulations implemented in the UAE in August 2015 have allowed us to generate stable and predictable gross profits from our retail fuel sales. For the year ended 31 December 2016 and the nine months ended 30 September 2017, our Retail division generated gross profit from fuel sales of AED 2,500.3 million and AED 1,862.2 million, respectively, representing gross profit margins from fuel sales of 21.6% and 19.6%, respectively. These regulations currently set retail fuel prices based on Platts global refined petroleum product price benchmarks plus a regulated margin set by the UAE Ministry of Energy to compensate retailers for transportation costs and other operating expenses. Moreover, pursuant to the Refined Products Supply Agreement that we entered into with ADNOC effective 1 October 2017, ADNOC will reduce the prices we pay for gasoline and gas oil (diesel) on a fils-for-fils basis if, during the initial term of the agreement which expires on 31 December 2022, the regulated margin on retail fuel sales is reduced below specified thresholds, or if revenue from retail sales of gasoline and gas oil (diesel) do not provide us with specified minimum annual per-litre gross profit levels. See "*Related Party Transactions—Supply Agreements*". We believe that these UAE price regulations and retail fuel margin stabilisation arrangements with ADNOC, combined with our strong relationship and long-term supply agreements with ADNOC, will continue to provide stable gross profits from retail fuel sales with limited exposure to commodity pricing risk.

Our Retail division is complemented by our Corporate and Aviation divisions, providing us with diversified sources of revenue. In addition to our Retail division, we enjoy diversified sources of revenue through our Corporate and Aviation divisions. Our Corporate division sells gas oil (diesel), gasoline, LPG, our proprietary Voyager lubricants, and other products to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and exports our proprietary Voyager lubricants to distributors in 19 other countries. We believe that new fuel distribution regulations in the UAE that will regulate fuel sales by unauthorised "grey market" distributors will contribute to increased sales by our Corporate division as these grey market distributors are driven from the market. Although it is difficult to measure the size of the grey market with any precision, we estimate that it currently accounts for approximately 20% of commercial and industrial fuel sales in the UAE. These regulations were signed into law in 2017, and we expect they will take effect in 2018. We also believe that sales of our Voyager lubricants will continue to grow as an increasing number of original equipment manufacturers certify our products for use in their engines, machinery and equipment and as we expand the countries in which we distribute our lubricant products. In addition, we are the principal supplier of aviation fuels and refuelling services to our strategic customers in the UAE and continue to expand the airports in the UAE in which we provide civil aviation refuelling and related services. We currently provide refuelling services at nine airports in the UAE, including seven commercial airports. We currently are the sole provider of refuelling services at Abu Dhabi International Airport and are in discussions to begin to provide refuelling services to ADNOC's civil aviation customers at Dubai International Airport, the third busiest airport in the world by passenger traffic. We believe that ADNOC's strong and long-term relationships with its civil aviation customers, together with forecasted growth in civil aviation activity in the UAE, will contribute to increased refuelling service revenue at these and our other airport locations.

Our extensive footprint and well-developed fuel distribution infrastructure in the UAE, together with the strength of the ADNOC brand throughout the Gulf region, provide significant opportunities for growth in the UAE and internationally, while also presenting significant barriers to entry to new market participants. Although we currently are the leading fuel retailer in the UAE, we believe significant opportunities exist to grow our number of service stations in the UAE and internationally. In the UAE, our throughput (volumes of fuel sold per service station) is significantly higher than international industry norms, suggesting opportunities for growth in our number of retail fuel service station locations in our existing markets. We believe that opening additional retail fuel service stations in these markets will lead to increased customer satisfaction, increased fuel sales by capturing customer traffic that currently is being lost to competitors operating in less dense areas, increased non-fuel revenue as a result of higher convenience store sales and sales of ancillary services, and decreased maintenance costs at our existing locations resulting from our high throughput. Moreover, we believe we enjoy widespread and favourable name recognition outside of our existing areas of operation, including in Dubai, Saudi Arabia and elsewhere in the Gulf region, which we believe will support expansion into new geographies. We believe our growth will be supported by our leading market position and our well-developed fuel distribution infrastructure, which we believe present significant barriers to entry to new market participants, as building out distribution capabilities comparable to ours would require significant time, investment, regulatory approvals and other government support.

Our experienced senior management team has a proven track record of implementing and executing on its business plan and achieving significant growth. Our senior management team averages over 25 years of experience in the oil and gas, retail fuels and related markets. Our management team has a proven track record of growing revenue and profitability and implementing initiatives to improve operating efficiency and profit margins. Saeed Mubarak Al Rashdi, our Acting Chief Executive Officer, Nasser Ali Al Hammadi, our Senior Vice President, Retail, and Saleh Khamis Humaid, our Senior Vice President, Operations each has over 20 years of experience with us serving in capacities throughout our organisation. Our management team has been enhanced with the addition of John Carey, our Deputy Chief Executive Officer, who brings over 20 years of downstream oil and gas and retail experience with BP and Castrol; Petri Pentti, our Chief Financial Officer, who brings 30 years of industry and public company experience at Emirates National Oil Company (ENOC), Neste Corporation, and Finnair; and José Aramburu, our Senior Vice President, Corporate, who brings 30 years of downstream and chemicals experience with CEPSA.

Our Strategies

We aim to grow our leading positions in our markets and to leverage these positions to selectively expand our product offering and geographic reach. To achieve our goals, we plan to pursue the following strategies:

Leverage our position as the leading fuel retailer in the UAE to introduce new services that we believe will enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability. As the leading operator of retail fuel service stations in the UAE, we believe we are uniquely positioned to introduce services to our extensive customer base to enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability. We have developed proprietary SMART technology, incorporating RFID technology to allow pump activation and seamless payment processing without employee involvement. Utilising our SMART technology, we intend to convert our retail fuel service stations to a mixed-mode model that offers customers the option either of self-service refuelling, which is not currently offered in our markets, or premium full-service refuelling for which customers will be charged an additional service charge. We believe that by offering our customers a premium fuelling experience, we will be able to charge customers a service charge in the range of AED 5 to AED 10 per transaction for premium full-service refuelling, in addition to existing per-litre fuel charges. We also believe that the relative affluence and high wages of consumers in the UAE, hot weather conditions, especially in the summer months, that discourage our customers from refuelling their own vehicles, and the fact that our customers are not accustomed to refuelling their own vehicles, will lead to a higher penetration rate for our premium service than is experienced in other markets, such as the US and Europe, where mixed-mode refuelling options currently are offered, and will also provide us with the opportunity to up-sell customers to higher grades of fuel which generate higher gross profit margins. We also are developing a proprietary customer loyalty program to drive incremental sales and further enhance customer loyalty and the customer experience. In addition, we are launching new services that offer our customers increased convenience by bringing the service station to the customer rather than the customer having to come to the service station. We intend to roll out an app-based service that allows customers to use their smart phones to order, schedule and pay for fuel to be delivered directly to their vehicles at their homes, workplaces, or elsewhere. We also will begin to deliver LPG cylinders, the primary cooking fuel for a majority of Abu Dhabi residences, directly to customers' homes. We believe that these initiatives will enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability.

Rationalise operations and capital expenditures to increase profitability. We believe that significant opportunities exist to rationalise operations at our retail fuel service stations, convenience stores and elsewhere in order to reduce supply costs, operating expenses and capital expenditures to bring them more in line with other international fuel and convenience store retailers. We have recently entered into new supply agreements with ADNOC that will reduce our costs of gasoline, gas oil (diesel) and LPG. See "*Related Party Transactions—Supply Agreements*". We also have undertaken an extensive analysis of our service station and convenience store operations and have identified significant opportunities to rationalise staffing levels and to reduce other operating expenses without sacrificing the customer experience. For example, we have identified service stations and convenience stores where current levels of operations, or the levels of operations at certain hours, do not justify current staffing levels. In addition, the implementation of our mixed-mode operating model will allow us to reduce staffing levels dedicated to refuelling to the extent our customers choose a self-service refuelling option, and to redeploy those employees to full-service refuelling operations where we will be able to charge a premium over existing per-litre fuel charges. We also intend to staff new retail fuel and convenience store locations primarily by relocating existing employees rather than through additional hiring. We also believe that significant opportunities exist to leverage our size and expertise to reduce maintenance capital expenditures and to reduce per-store capital expenditures for new service station and convenience store development.

Optimise convenience store operations and other non-fuel offerings to increase revenue and profitability. Our 235 ADNOC Oasis convenience stores as at 30 September 2017 represent the largest retail platform in the UAE by number of stores, with more locations than any other retailer. We have launched a number of initiatives to capitalise on our market position in order to increase revenue and profitability at our convenience stores and increase our ratio of non-fuel revenue to fuel volumes sold to be more in line with our regional competitors and with international industry norms. We also are engaged in advanced discussions with branded convenience store operators about the possibility of operating our convenience stores on a joint venture basis. We believe that through a combination of improved product category management, a comprehensive pricing strategy, and promotional activity designed to increase the number of our retail fuel customers who shop at our convenience stores, we can significantly grow our convenience store revenue and profitability. For example, in the second quarter of 2017, we began selling cigarettes and other tobacco products in our convenience stores, and since that time these have already become among the best selling products in our stores. We also are seeking to optimise product mix based on customer demand, implement a clear pricing strategy based on customer preferences and price sensitivity, and offer our customers high demand convenience store products at the pump as well as in our stores. In addition, we are redesigning the layout of our convenience stores and retraining and incentivising our store employees to have more of an "owner mind set" in order to increase sales and improve the customer experience. We also have implemented and are implementing other strategies to increase our non-fuel revenue and profitability, including implementing a price increase at our vehicle inspection centres, transitioning some of our quick service restaurant tenants at our retail fuel service stations from rent-only to a revenue sharing lease model, increasing pricing for our car washes to be line with our regional competitors, and retaining a third-party agency to increase advertising sales at our service stations.

Leverage the strength of the ADNOC brand name and our well-developed fuel distribution infrastructure to expand and optimise our network of retail fuel service stations and convenience stores by selectively targeting new locations with attractive fundamentals and expanding into new geographies. We believe that the ADNOC brand name is recognised throughout the UAE and the Gulf region for quality and reliability. We intend to leverage the strength of the ADNOC brand and our well-developed fuel distribution infrastructure to continue to expand in our existing markets and to expand into new geographies, including Dubai and Saudi Arabia. In our existing markets, we believe that growth will be driven by population and GDP growth, increases in disposable income, and increases in the number of vehicles on the road. We plan to optimise and expand our network of service stations and convenience stores by selecting new locations based on clear guidelines and pre-established evaluation criteria. We also expect to open our first two service stations in Dubai in 2018, and thereafter to continue selectively to open additional service stations in Dubai. We also believe that the ADNOC brand name is widely recognised outside of our existing areas of operation, which we believe will facilitate international expansion. We have identified a local partner in Saudi Arabia, with whom we intend to use a franchise model to open our first ADNOC-branded service stations in 2018. We believe that the large, growing and fragmented Saudi Arabian retail fuel market offers us an attractive expansion opportunity. We also believe that use of a franchise model will facilitate our expansion into Saudi Arabia by providing an opportunity to enter into the market and study its dynamics, which could facilitate future direct investment, while limiting near-term capital expenditures and risk.

Leverage long-standing relationship with our commercial, industrial and government customers to continue to grow revenue in our Corporate division. We have long-standing relationships with many of the leading commercial, industrial and government customers in the UAE, who we believe rely on us for the quality and reliability of our products and service. We believe that we can capitalise on the strength of these relationships and on our high quality reputation to drive incremental revenue in our Corporate division. The UAE government has recently adopted new fuel distribution regulations, which we expect will take effect in 2018, that will prohibit fuel sales by unauthorised "grey market" distributors. Although it is difficult to measure the size of the grey market with any precision, we estimate that it currently accounts for approximately 20% of commercial and industrial fuel sales in the UAE. We believe that the strength of the ADNOC brand and our long-standing customer relationships position us to capture a significant share of these sales. We also believe that significant opportunity exists to grow our Voyager lubricant sales due to product innovation and the high quality of our products, leading to an increasing number of original equipment manufacturers certifying our products for use in their engines, machinery and equipment and contributing to the continued growth of export sales of these products. In September 2017 we announced new partnerships with distributors in two additional countries, bringing the number of countries in which we distribute our Voyager lubricants to 19.

Risk Factors

Investing in and holding the Shares involve significant risk, including the following;

Risks Relating to Our Business and Industry

- ***We rely on ADNOC to supply us with substantially all of the fuels that we sell, and any interruption in the supply from ADNOC would materially adversely affect our results of operations and financial condition.***
- ***The prices at which ADNOC supplies us with fuels are subject to change, which may negatively impact our revenue and profit margins, materially adversely affecting our results of operations and financial condition. In addition, fluctuations and increases in the prices of our fuels also can adversely affect demand for our fuels by our customers, which could adversely affect our results of operations and financial condition.***
- ***The retail prices of the gasoline and gas oil (diesel) we sell to our retail customers are set by regulations implemented by a committee chaired by the UAE Ministry of Energy. There can be no assurance that these regulations and this retail pricing committee will continue to set retail prices at levels that provide us with the same or similar profit margins, and any reduction in our profit margins on these products could have a material adverse impact on our results of operations and financial position.***

- ***The prices that we charge customers in Abu Dhabi for LPG cylinders are regulated at levels that typically have been below our historic supply costs, and under an agreement with ADNOC to offset these losses, our operating profit on sales of LPG cylinders in Abu Dhabi is capped.***
- ***Our growth depends in part on initiatives we have undertaken and plan to undertake to grow fuel and non-fuel revenue in our existing markets. The failure to successfully implement these initiatives would impair our growth and could adversely affect our results of operations and financial condition.***
- ***Our growth also depends in part on our ability to expand our operations in the UAE and internationally, including through the introduction of a franchise model in certain international markets. The failure to successfully expand our operations would impair our growth and could adversely affect our results of operations. Moreover, use of a franchise model poses additional risks to our business.***
- ***The fuel distribution and convenience store industries are competitive, as are the markets for most of the other ancillary services that we offer at our service stations. Failure to effectively compete could result in lower revenue and profit margins. In addition, there can be no assurance that the governments of Abu Dhabi and Sharjah, where we currently are the only operator of fuel service stations, will not authorise other fuel distribution businesses to operate in the future.***
- ***A significant decrease in demand for the fuels we sell, including due to changes in general economic conditions in the UAE and elsewhere in the Gulf region, improvements in vehicle fuel efficiency and increased consumer preference for alternative fuels, would adversely affect our results of operations and financial condition.***
- ***The dangers inherent in the storage and transportation of the products we sell could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities. In addition, our fuel storage terminals are subject to operational and business risks which, if they occur, may adversely affect our results of operations and financial condition.***
- ***We rely on our information technology systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.***
- ***Our operations are subject to laws and regulations pertaining to environmental protection, operational safety, and product quality that may require significant expenditures or result in liabilities that could have a material adverse effect on our business.***
- ***We will continue to engage in transactions with ADNOC and other ADNOC-affiliated companies, and there can be no assurance that these transactions will be on terms favourable to us.***
- ***We depend on ADNOC to provide us with certain services to operate our business. The failure of ADNOC to provide us with these services could adversely affect our ability to manage our business, which could adversely affect our results of operations and financial condition.***
- ***Our operations are conducted under the ADNOC brand name pursuant to a brand usage agreement with ADNOC. Any negative events or developments that adversely affect the market perception or value of the ADNOC brand could have an adverse impact on our business.***
- ***We do not own the land on which our service stations or other assets are located. As a result, we are subject to the possibility of the loss of, or increased costs to retain, necessary land use which could adversely affect our results of operations and financial condition.***
- ***The introduction of an excise tax and value added tax in the UAE could adversely affect our results of operations and financial condition.***
- ***We have recently implemented a number of policies, processes, systems and controls with respect to which we have a limited or no operating history.***
- ***Our insurance coverage may be inadequate to cover all potential losses we could suffer.***
- ***We compete to attract and retain qualified employees.***
- ***We depend on our senior management's experience and knowledge of our industry and could be adversely affected were we to lose key members of our senior management team.***
- ***We may choose to purchase hedges or other financial products to fix the prices at which we purchase fuels, which could increase our costs and reduce our profit margins.***

Risks Relating to the UAE and to the MENA Region

- ***General economic, financial and political conditions, especially in Abu Dhabi and elsewhere in the UAE, where we conduct substantially all of our operations, may materially adversely affect our results of operations and financial condition.***
- ***Continued instability and unrest in the MENA region may materially adversely affect our results of operations and financial condition.***
- ***Abu Dhabi and the UAE may introduce new laws and regulations, including the introduction of a corporate income tax, which could adversely affect the way in which we are able to conduct our businesses and our results of operations and financial condition.***
- ***The UAE's Emiratisation initiative may increase our costs and may reduce our ability to rationalise our workforce.***
- ***A downgrade in Abu Dhabi's credit rating could adversely affect us.***
- ***Our financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.***

Risks Relating to the Global Offering and to the Shares

- ***After the Global Offering, ADNOC will continue to be able to exercise significant influence over us, our management and our operations.***
- ***Substantial sales of Shares by ADNOC could depress the price of the Shares.***
- ***The Global Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.***
- ***We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them.***
- ***It may be difficult for shareholders to enforce judgments against us in the UAE, or against our directors and senior management.***
- ***Holders of the Shares in certain jurisdictions outside of the UAE, including the United States, may not be able to exercise their pre-emptive rights if we increase our share capital.***

Our principal executive offices are located at Sheikh Zayed bin Sultan Street, P.O. Box 4188, Abu Dhabi, United Arab Emirates. Our registered office is the same as our principal executive offices. Our telephone number is + 971 (0) 2 677 1300. Our website address is www.adnocdistribution.ae. The information contained on our website is not incorporated by reference into, or otherwise included in, this Offering Memorandum.

THE GLOBAL OFFERING

Company . . . . Abu Dhabi National Oil Company for Distribution PJSC, a public joint stock company incorporated in the Emirate of Abu Dhabi, UAE, pursuant to Federal Law No. 12 of 1979, amending Federal Law No. 13 of 1973. A new law of establishment will be issued before Admission, which will approve the offering and issuance of the Shares, the share capital of the Company and the nominal value per Share, as well as the Company's Articles of Association. Upon completion of the Global Offering, we will be subject to Federal Law No. 2 of 2015 concerning commercial companies.

Selling Shareholder . . . . Abu Dhabi National Oil Company. Immediately following completion of the Global Offering, the Selling Shareholder will continue to own at least 80% of our issued and outstanding share capital.

Joint Global Coordinators and Joint Bookrunners . . . . Citigroup Global Markets Limited, First Abu Dhabi Bank PJSC, HSBC Bank Middle East Limited and Merrill Lynch International have been appointed as Joint Global Coordinators and Joint Bookrunners, and EFG Hermes UAE Limited, Goldman Sachs International and Morgan Stanley & Co. International plc have been appointed as Joint Bookrunners.

Global Offering . . . . A minimum of 1,250,000,000 and a maximum of 2,500,000,000 Shares are being offered in the Global Offering. All of the Shares are being sold by the Selling Shareholder. The Company will not receive any proceeds from the sale of Shares by the Selling Shareholder. The Global Offering comprises the Qualified Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The Shares are being offered outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A. The Exempt Offer is being made in the ADGM pursuant to an exemption from registration under the Market Rules of the FSRA and in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA. Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not be reduced to less than 5% of the total Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60% of the total Shares offered in the Global Offering.

Qualified Investor Offering . . . . 95% of the Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering (i) outside the United States in reliance on Regulation S, (ii) within the United States only to QIBs in reliance on Rule 144A, and (iii) pursuant to the Exempt Offer.

Exempt Offer . . . . A number of Shares to be determined by the Joint Bookrunners, the Selling Shareholder and us are being offered in the Exempt Offer in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA, and in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA.

UAE Retail Offer	5% of the Shares being offered in the Global Offering are being offered pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to (A) natural persons who hold a national investor number ("NIN") with the ADX and have a bank account in the UAE; (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the ADX and have a bank account in the UAE; and (C) in accordance with the requirements of Federal Law No. 2 of 2015 concerning commercial companies, to the Emirates Investment Authority for up to 5% of the Shares (collectively, "Eligible Applicants").
Shares	Our share capital consists of 12,500,000,000 ordinary shares, each with a nominal value of AED 0.08, which are fully paid, issued and outstanding. The Shares have the rights described under "*Description of Share Capital*".
Offer Price Range	The Offer Price range is AED 2.35 to AED 2.95 per Share.
Commencement of the Global Offering	On or about 26 November 2017.
Expected pricing date	On or about 7 December 2017.
Expecting Closing Date	On or about 13 December 2017.
Payment and settlement	Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either USD or AED, as specified by each purchaser to the Joint Bookrunners during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners on the business day prior to the Closing Date. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges. Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the ADX. Trading of the Shares will take place through the trading system of the ADX. Shares will be held under NINs assigned by the ADX either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the ADX by brokers or custodians may be performed only through members of the ADX that are authorised clearing members (the "Clearing Members"). Settlement of securities trading on the ADX is governed by the ADX's rules and regulations, which are available from its website, www.adx.ae.
Restrictions on purchases and transfers of Shares	The Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Dividends	Our ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and our capital expenditure plans and other cash requirements in future periods, and there is no assurance that we will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Risk Factors—Risks Relating to the Global Offering and to the Shares—We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them*". Subject to the foregoing, we intend to pay dividends twice each fiscal year, with an initial payment in October of that year and a second payment in April of the following year. We expect to pay (a) a special dividend in April 2018 in an aggregate amount of USD 200.0 million, (b) a dividend in respect of the year ending 31 December 2018 of at least an aggregate of USD 400.0 million, half of which we expect to pay in October 2018 and half of which we expect to pay in April 2019, and (c) a dividend in respect of the year ending 31 December 2019 in an amount at least equal to the amount paid in respect of the year ending 31 December 2018. Thereafter, we expect to pay an annual dividend in respect of each fiscal year in an aggregate amount equal to at least 60% of our distributable income (net income less legal reserves) for such year, subject to consideration by our Board of Directors of the cash management requirements of our business for operating expenses, interest expense, and anticipated capital expenditures. In addition, we expect that our Board of Directors also will consider market conditions, the then current operating environment in our markets, and the Board of Directors' outlook for our business. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of our Board of Directors. See "*Dividend Policy*".
Use of proceeds	The Company will not receive any proceeds from the Global Offering. All expenses of the Global Offering (including underwriting commissions and any discretionary fees) will be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising our profile with the international investment community.
Listing and trading	We have applied for the Shares to be listed on the ADX under the symbol "ADNOCDIST". Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the ADX on or about the Closing Date.

Lock-up	Pursuant to the terms of an underwriting agreement among the Company, the Selling Shareholder and the Joint Bookrunners (the "Underwriting Agreement"), we and the Selling Shareholder, which held all of the Shares immediately prior to the Global Offering, have contractually agreed, for a period of 180 days after the Closing Date, subject to certain exceptions, not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. For more information, see "*Subscription and Sale*".
Taxation	For a discussion of certain tax considerations relevant to an investment in the Shares, see "*Taxation*".
General Information	The security identification numbers of the Shares offered hereby are as follows: Shares ISIN: ADX Share Trading Symbol: ADNOCDIST
Risk Factors	You should read "*Risk Factors*" for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

SUMMARY HISTORICAL FINANCIAL AND OPERATING INFORMATION

The summary historical financial information set forth below as at and for the years ended 31 December 2015 and 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 has been derived from our carve-out financial statements as at such date and for such periods included elsewhere in this Offering Memorandum, which, in the case of the carve-out financial statements as at and for the years ended 31 December 2015 and 2016 and as at and for the nine months ended 30 September 2017, have been audited by Deloitte & Touche (M.E.), independent auditors, as stated in their report included therein. Our carve-out financial statements for the nine months ended 30 September 2016 are unaudited. Results for the nine months ended 30 September 2017 are not necessarily indicative of the results that can be expected for the full year. As described in note 1 and note 3 of notes to the carve-out financial statements, our carve-out financial statements, and the financial information derived therefrom, have been prepared upon completion of, and to give effect for all periods presented to, the Civil Aviation Supply Carve-out. See "Business—Reorganisation—Civil Aviation Supply Carve-out". The summary historical financial and operating information should be read in conjunction with "Selected Historical Financial and Operating Information", "Selected Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and our carve-out financial statements, including the related notes, included elsewhere in this Offering Memorandum.

Statement of Profit or Loss Data

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Revenue				
Retail[(1)]				
Fuel	13,844.4	11,593.5	8,537.1	9,491.3
Non-fuel	706.3	706.3	528.8	556.3
Total retail	14,550.8	12,299.8	9,065.8	10,047.6
Corporate[(1)]	4,657.9	3,819.4	2,899.0	2,839.3
Aviation[(2)]	1,816.5	1,328.5	974.3	1,146.4
Other[(3)]	194.8	222.3	159.4	187.7
Total revenue	21,220.0	17,670.1	13,098.5	14,220.9
Direct costs				
Retail[(1)]				
Fuel	(12,061.6)	(9,093.2)	(6,672.3)	(7,629.1)
Non-fuel	(472.7)	(471.3)	(347.3)	(360.8)
Total retail	(12,534.4)	(9,564.4)	(7,019.6)	(7,990.0)
Corporate[(1)]	(3,660.8)	(2,958.2)	(2,250.1)	(2,285.8)
Aviation[(2)]	(1,346.8)	(907.2)	(658.0)	(817.0)
Other[(3)]	(13.7)	(13.8)	(8.4)	(12.5)
Total direct costs	(17,555.5)	(13,443.6)	(9,936.1)	(11,105.3)
Gross profit				
Retail[(1)]				
Fuel	1,782.8	2,500.3	1,864.8	1,862.2
Non-fuel	233.6	235.1	181.4	195.5
Total retail	2,016.4	2,735.4	2,046.2	2,057.6
Corporate[(1)]	997.2	861.2	648.8	553.4
Aviation[(2)]	469.8	421.3	316.3	329.4
Other[(3)]	181.2	208.6	150.9	175.2
Total gross profit	3,664.5	4,226.5	3,162.3	3,115.7
Distribution and administrative expenses	(2,517.1)	(2,549.8)	(1,837.3)	(1,912.8)
Other income	216.6	161.0	112.0	160.1
Impairment losses and other operating expenses	(72.1)	(59.3)	(119.0)	(53.2)
Operating profit	1,291.9	1,778.5	1,318.0	1,309.8
Interest income	3.0	2.5	2.0	2.0

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Profit for the period				
Retail[(1)]	188.4	810.4	671.2	628.2
Corporate[(1)]	750.0	658.1	454.7	444.7
Aviation[(2)]	354.2	294.1	201.6	229.7
Other[(3)]	(7.0)	(20.3)	0.2	7.8
Unallocated	9.2	38.6	(7.6)	1.4
Total profit for the period	1,294.9	1,781.0	1,320.0	1,311.8

(1) Results of operations for our Retail division for 2015 and the three months ended 31 March 2016, and for our Corporate division for the three months ended 30 June 2016, include certain results of operations relating to 59 Emarat service stations in Dubai to which we supplied fuel in anticipation of acquiring such service stations, which acquisition was abandoned in 2016 as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*". The following table sets forth our revenue and gross profit attributable to the Emarat service stations:

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Revenue				
Retail fuel	2,103.4	412.5	412.5	—
Corporate	—	403.6	403.6	—
Total revenue	2,103.4	816.1	816.1	—
Gross profit				
Retail fuel	283.7	84.2	84.2	—
Corporate	—	31.3	31.3	—
Total gross profit	283.7	115.5	115.5	—

(2) Results of operations for our Aviation division give effect to the Civil Aviation Supply Carve-out for all periods presented but do not reflect our entry into the Aviation Services Agreement. See "*Business—Reorganisation—Civil Aviation Supply Carve-out*".

(3) Includes our Allied Services and Natural Gas divisions. In October 2017, we entered into certain agreements with ADNOC pursuant to which our Natural Gas division will be acquired from us by ADNOC. This transaction would have had an immaterial impact on our results of operations for all periods presented. See "*Business—Reorganisation—Natural Gas Division Carve-out*".

Statement of Financial Position Data

	31 December		30 September
	2015	2016	2017
	(AED millions)		
Non-current assets			
Property, plant and equipment	3,482.9	4,373.8	5,407.7
Advances to contractors	146.9	127.0	99.9
Total non-current assets	3,629.8	4,500.8	5,507.6
Current assets			
Inventories	842.0	1,093.8	1,100.9
Trade receivables and other current assets	2,757.9	1,656.8	1,817.8
Due from related parties	320.7	353.4	349.6
Cash and bank balances	921.2	3,833.5	6,556.4
Total current assets	4,841.8	6,937.5	9,824.7
Total Assets	8,471.6	11,438.3	15,332.3
Equity			
Share capital	1,000.0	1,000.0	1,000.0
Capital contribution	—	6,304.4	6,304.4
Legal reserve	329.5	333.3	333.3
Retained earnings (accumulated losses)	(36,147.7)	1,845.0	3,156.8
Total equity (deficit)	(34,818.2)	9,482.8	10,794.6

	31 December		30 September
	2015	2016	2017
	(AED millions)		
Non-current liability			
Provision for employees' end of service benefit	278.3	236.9	222.2
Current liabilities			
Trade and other payables	1,062.3	1,115.0	1,127.4
Due to related parties	41,949.2	603.5	3,188.1
Total current liabilities	43,011.6	1,718.6	4,315.4
Total liabilities	43,289.8	1,955.5	4,537.7
Total equity and liabilities	8,471.6	11,438.3	15,332.3

Statement of Cash Flows Data

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Net cash generated by operating activities	468.8	4,047.0	1,830.9	3,369.4
Net cash used in investing activities	(932.2)	(1,134.7)	(822.3)	(676.5)
Net (decrease) increase in cash and cash equivalents	(463.3)	2,912.3	1,008.6	2,692.9
Cash and cash equivalents at the beginning of the period	1,284.5	821.2	821.2	3,733.5
Cash and cash equivalents at the end of the period	821.2	3,733.5	1,829.8	6,426.4

Other Financial Information

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
EBITDA[(1)]	1,555.4	2,125.9	1,526.3	1,616.1
Capital expenditures	973.9	1,237.9	835.2	1,340.2

(1) EBITDA represents profit for the period before interest, tax, and depreciation and amortisation. Depreciation added back for the years ended 31 December 2015 and 2016 and for the nine months ended 30 September 2016 and 2017 includes AED 15.0 million, AED 17.6 million, AED 9.4 million and AED 16.3 million, respectively, relating to the Civil Aviation Supply Carve-out that is ultimately added back to distribution and administrative expenses as "recoverable expenses" for such periods. See note 17 and note 23 of notes to the carve-out financial statements. Information regarding EBITDA is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. We use EBITDA in assessing our growth and operational performance. There are no generally accepted principles governing the calculation of EBITDA, and the criteria upon which EBITDA is based can vary from company to company. EBITDA does not by itself provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, this measure should not be used instead of, or considered as an alternative to, our historical financial results. We have presented this non-IFRS measure because we believe it is helpful to investors and financial analysts in highlighting trends in our overall business. For a reconciliation of EBITDA to profit for each period presented, see "*Selected Historical Financial and Operating Information*".

Certain Operating Data

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
Number of service stations (at end of period)				
Abu Dhabi[1]	156	166	162	188
Northern Emirates	144	169	153	172
Total number of service stations	300	335	315	360
Number of convenience stores (at end of period)				
Abu Dhabi	119	119	128	125
Northern Emirates	78	107	91	110
Total number of convenience stores	197	226	219	235
Retail division volumes (millions of litres, except where indicated)[2]				
Gasoline				
91E+ unleaded gasoline	1,197.2	1,190.7	899.5	845.5
95 unleaded gasoline	5,127.1	4,674.4	3,518.6	3,398.4
98 unleaded gasoline	303.7	278.1	213.0	191.2
Total gasoline	6,228.0	6,143.2	4,631.1	4,435.2
Gas oil (diesel)	841.2	834.5	624.5	582.0
Total gasoline and gas oil (diesel)	7,069.2	6,977.7	5,255.6	5,017.2
Average volumes sold per service station (thousands of litres)[2][3]	21,575	21,095	21,574	19,251
LPG	105.9	85.5	63.2	62.4
Lubricants	9.9	10.0	7.5	6.7
Corporate division volumes (millions of litres)[2]				
Gasoline	67.4	319.6	305.4	38.0
Gas oil (diesel)	2,090.0	1,787.0	1,357.0	1,343.0
Total gasoline and gas oil (diesel)	2,157.4	2,106.6	1,662.4	1,381.0
LPG	294.3	325.9	252.0	239.6
Lubricants	34.2	32.5	23.2	19.2

(1) Includes 10 limited service *ADNOC Xpress* service stations.

(2) Includes fuels supplied to 59 Emarat service stations in Dubai by our Retail division in 2015 and for the three months ended 31 March 2016 and by our Corporate division in the three months ended 30 June 2016. We ceased supplying fuel to these service stations in 2016 after the prospective acquisition of such service stations was abandoned as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of*

Operations—Termination of Emarat Dubai Transaction". The following table sets forth the volumes of fuel sold through these service stations for the relevant periods:

	Year ended 31 December		Nine months ended 30 September	
	2015	**2016**	**2016**	**2017**
	(Millions of litres)			
Fuel volumes				
Retail division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	1,044.3	232.9	232.9	—
98 unleaded gasoline	107.5	30.0	30.0	—
Total gasoline	1,151.8	262.9	262.9	—
Gas oil (diesel)	60.6	17.1	17.1	—
Total retail division fuel volumes	1,212.4	280.1	280.1	—
Corporate division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	—	234.2	234.2	—
98 unleaded gasoline	—	30.7	30.7	—
Total gasoline	—	264.9	264.9	—
Gas oil (diesel)	—	16.1	16.1	—
Total corporate division fuel volumes	—	281.0	281.0	—
Total fuel volumes	1,212.4	561.1	561.1	—

(3) Represents (a) the total volume of gasoline and gas oil (diesel) sold at our retail fuel service stations excluding volumes sold as part of the Emarat Dubai Transaction, divided by (b) the sum of the number of service stations open at the beginning of the period and the number of service stations open at the end of the period, divided by two.

SUMMARY PRO FORMA FINANCIAL INFORMATION

The summary pro forma financial information set forth below for the year ended 31 December 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 has been derived from our carve-out financial statements (which reflect the Civil Aviation Supply Carve-out) as at such date and for such periods and gives effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "Business—Reorganisation", as if they had occurred as at 1 January 2016 in the case of the pro forma statement of profit or loss data, and as at 30 September 2017 in the case of the pro forma statement of financial position data. The summary pro forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast our results of operations for any future period. The summary pro forma financial information does not give effect to the carve-out of our natural gas business as described under "Business—Reorganisation—Natural Gas Division Carve-out" as the impact would be immaterial. The summary pro forma financial information should be read in conjunction with "Selected Historical Financial and Operating Information", "Selected Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and our carve-out financial statements, including the related notes, included elsewhere in this Offering Memorandum.

Pro Forma Statement of Profit or Loss Data

	Year ended 31 December 2016		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Revenue	17,670.1	257.5(1)	17,927.5
Direct costs	(13,443.6)	23.4(2) 360.4(3)	(13,059.7)
Gross profit	4,226.5		4,867.8
Distribution and administrative expenses	(2,549.8)	(238.4)(1) (40.3)(4)	(2,828.5)
Other income	161.0		161.0
Impairment losses and other operating expenses	(59.3)		(59.3)
Operating profit	1,778.5		2,141.0
Interest income (expense)	2.5	(141.4)(5)	(138.9)
Profit for the period	1,781.0		2,002.2

	Nine months ended 30 September 2016		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Revenue	13,098.5	185.0(1)	13,283.5
Direct costs	(9,936.1)	11.5(2) 229.6(3)	(9,695.0)
Gross profit	3,162.3		3,558.5
Distribution and administrative expenses	(1,837.3)	(171.3)(1) (30.3)(4)	(2,038.8)
Other income	112.0		112.0
Impairment losses and other operating expenses	(119.0)		(119.0)
Operating profit	1,318.0		1,542.6
Interest income (expense)	2.0	(106.0)(5)	(104.0)
Profit for the period	1,320.0		1,438.6

	Nine months ended 30 September 2017		
	Carve-out	**Adjustments**	**Pro forma**
		(AED millions)	
Revenue	14,220.9	214.3(1)	14,435.2
Direct costs	(11,105.3)	65.0(2)	(10,935.6)
		104.7(3)	
Gross profit	3,115.7		3,499.6
Distribution and administrative expenses	(1,912.8)	(198.4)(1)	(2,141.4)
		(30.3)(4)	
Other income	160.1		160.1
Impairment losses and other operating expenses	(53.2)		(53.2)
Operating profit	1,309.8		1,465.1
Interest income (expense)	2.0	(106.1)(5)	(104.1)
Profit for the period	1,311.8		1,361.0

(1) Reflects revenue that would have been recognised, and distribution and administrative expenses that would have been incurred, under the Aviation Services Agreement for providing aviation refuelling and other related services to ADNOC's civil aviation customers and operations and maintenance services with respect to the civil aviation supply assets that were transferred to AssetCo as part of the ADNOC Refining Perimeter Reorganisation.

(2) Reflects reductions in our cost of LPG under the LPG Supply Agreement with ADNOC.

(3) Reflects reductions in our cost of refined petroleum products under the Refined Products Supply Agreement with ADNOC.

(4) Represents depreciation expense that would have been incurred related to the assets that were transferred to us as part of the ADNOC Refining Perimeter Reorganisation.

(5) Represents interest expense, including amortisation of transaction costs, related to the Debt Financing.

Pro Forma Statement of Financial Position Data

	As at 30 September 2017		
	Carve-out	**Adjustments**	**Pro forma**
		(AED millions)	
Total non-current assets	5,507.6	19.8(1)	5,527.4
Total current assets	9,824.7	5,462.2(2)	15,286.8
Total assets	15,332.3		20,814.2
Equity			
Total equity	10,794.6		10,794.6
Liabilities			
Total non-current liabilities	222.2	5,482.0(3)	5,704.2
Total current liabilities	4,315.4		4,315.4
Total liabilities	4,537.7		10,019.6
Total equity and liabilities	15,332.3		20,814.2

(1) Reflects transaction costs related to the revolving credit facility portion of the Debt Financing.

(2) Reflects the net cash proceeds received from borrowings under the term loan portion of the Debt Financing.

(3) Reflects the term loan portion of the Debt Financing, net of the transaction costs related to the term loan portion of the Debt Financing.

Other Pro Forma Financial Information

	Year ended 31 December 2016	Nine months ended 30 September 2016	Nine months ended 30 September 2017
	(AED millions)		
EBIT(1)	2,141.0	1,542.6	1,465.1
EBITDA(1)	2,528.4	1,781.2	1,801.7
Adjusted pro forma net debt (at end of period)(2)			1,902.5

(1) EBIT represents profit for the period before interest and tax. EBITDA represents profit for the period before interest, tax, and depreciation and amortisation. Information regarding EBIT and EBITDA is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. We use EBIT and EBITDA in assessing our growth and operational performance. There are no generally accepted principles governing the calculation of EBIT or EBITDA, and the criteria upon which EBIT and EBITDA are based can vary from company to company. EBIT and EBITDA do not by themselves provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as substitutes for operating profit or any other measure as indicators of operating performance, or as alternatives to cash generated from operating activities as measures of liquidity. In addition, these measures should not be used instead of, or considered as alternatives to, our historical financial results. We have presented these non-IFRS measures because we believe they are helpful to investors and financial analysts in highlighting trends in our overall business. For a reconciliation of pro forma EBIT and pro forma EBITDA to pro forma profit for each period presented, see "*Selected Pro Forma Financial Information*".

(2) Adjusted pro forma net debt represents total debt (including AED 27.5 million of related financing costs) less cash and bank balances, after giving effect to the repayment of a capital contribution to ADNOC in the amount of AED 6,304.4 million and the payment of an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million in November 2017. Net debt is sometimes used by investors to evaluate a company's level of indebtedness after taking into account its available cash. We use net debt in assessing our leverage and capital structure.

RISK FACTORS

Investing in and holding the Shares involve financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Offering Memorandum and should pay particular attention to the following risks associated with an investment in us and the Shares, which should be considered together with all other information contained in this Offering Memorandum. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in us and the Shares. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may arise or become material in the future and may have a material adverse effect on our business, results of operations, financial condition, prospects or the price of the Shares.

Risks Relating to Our Business and Industry

We rely on ADNOC to supply us with substantially all of the fuels that we sell, and any interruption in the supply from ADNOC would materially adversely affect our results of operations and financial condition.

Under our supply agreements with ADNOC, we are obligated to purchase substantially all of our fuels from ADNOC. See "*Related Party Transactions—Supply Agreements*". There may be circumstances outside of our and ADNOC's control, such as severe weather, natural disasters, acts of war or terrorism, and other geopolitical events, that result in a reduction or a total interruption in supply to us. For example, due to a major fire at the Ruwais refinery operated by ADNOC Refining, we experienced increased costs for supplies of gasoline and gas oil (diesel) and a shortage of supply of LPG which negatively impacted our results of operations during the first half of 2017. Moreover, under the Refined Products Supply Agreement that we entered into with ADNOC effective 1 October 2017, ADNOC will not have liability to us for its failure to deliver fuels to us if an event or circumstance were to occur which reduces the available quantity of fuels below that necessary to enable it to satisfy its obligations to us, including a reduction or cessation of production at the refineries operated by ADNOC Refining, so long as ADNOC has used its best endeavours to source the affected quantities of fuels from all available suppliers. Any significant interruption in ADNOC's supply of products to us would have a material adverse impact on our results of operations and financial condition. See "*Business—Operations*" and "*Related Party Transactions*".

The prices at which ADNOC supplies us with fuels are subject to change, which may negatively impact our revenue and profit margins, materially adversely affecting our results of operations and financial condition. In addition, fluctuations and increases in the prices of our fuels also can adversely affect demand for our fuels by our customers, which could adversely affect our results of operations and financial condition.

The prices we pay for gasoline and gas oil (diesel) under our supply agreements with ADNOC are set based on specified Platts price benchmarks, determined on a monthly basis, plus a fixed premium of 2.7 fils per litre. The prices that we pay ADNOC for other fuels, including LPG (other than LPG sold in subsidised cylinders) and base oil, are ADNOC's official selling prices from time to time, and thus are subject to change. See "*Related Party Transactions—Supply Agreements*". Consequently, the prices we pay ADNOC for fuels will fluctuate and may increase in the future. If the prices we pay ADNOC for fuels increase, whether due to an increase in the applicable Platts price benchmarks, changes in ADNOC's official selling prices, or renegotiations with ADNOC in anticipation of or following expiration of our supply agreements, we will only be able to pass on such increases to our Retail division customers if authorised to do so by the retail pricing committee (the "Retail Pricing Committee") chaired by the UAE Ministry of Energy. See "*—The retail prices of the gasoline and gas oil (diesel) we sell to our retail customers are set by regulations implemented by a committee chaired by the UAE Ministry of Energy. There can be no assurance that these regulations and this retail pricing committee will continue to set retail prices at levels that provide us with the same or similar profit margins, and any reduction in our profit margins on these products could have a material adverse impact on our results of operations and financial position*". Even in markets where the prices we charge our customers are not regulated, including our Corporate and Aviation divisions, competitive pressures may prevent us from passing on cost increases to our customers. This may reduce our revenue and our profit margins, which could have a material adverse effect on our results of operations and financial condition. Some of our competitors, particularly in our Corporate division, may be able to source fuels at costs lower than the prices we pay to ADNOC, which could make it more difficult for us to compete with them and which could erode our revenue and profit margins. See "*Business—Operations*" and "*Related Party Transactions".*

Numerous other factors outside of our and ADNOC's control could impact the prices we pay for our fuels and therefore the prices we charge to our customers. General economic and political conditions, acts of war or terrorism and instability in oil producing regions, particularly in the Middle East, could significantly impact crude oil supplies and petroleum costs. Significant increases or high volatility in petroleum costs could impact the prices we pay and the prices we charge our customers, which could in turn impact demand for our products by our customers. Such volatility makes it difficult to predict the impact that future petroleum costs fluctuations may have on our operating results and financial condition. A significant change in any of these factors could materially impact the volumes of products we distribute or sell, which in turn could have a material adverse effect on our business, financial condition and results of operations.

The retail prices of the gasoline and gas oil (diesel) we sell to our retail customers are set by regulations implemented by a committee chaired by the UAE Ministry of Energy. There can be no assurance that these regulations and this retail pricing committee will continue to set retail prices at levels that provide us with the same or similar profit margins, and any reduction in our profit margins on these products could have a material adverse impact on our results of operations and financial position.

The prices at which we sell gasoline and gas oil (diesel) to our retail customers in the UAE are based on regulations (the "UAE Retail Pricing Regulations") that authorise the Retail Pricing Committee to set prices on a monthly basis based on specified Platts pricing benchmarks for global refined petroleum products and specified margins per litre for retailers to cover transportation and other operating expenses. See "*Regulation—UAE Ministry of Energy*". Consequently, our profit margins on these products are limited. Also, because the Retail Pricing Committee resets retail prices monthly, we may need to sell fuel inventory we purchased in one month to our customers at retail prices set in a subsequent month, which may also have the effect of reducing profit margins on those sales. Although ADNOC has agreed to reduce the prices we pay for gasoline and gas oil (diesel) if the regulated margins are reduced below certain specified thresholds and to make payments to us to the extent our annual per-litre gross profit margins on retail sales of gasoline and gas oil (diesel) are below certain specified levels, ADNOC has only agreed to do so during the initial term of the Refined Products Supply Agreement, which expires on 31 December 2022. See "*Related Party Transactions—Supply Agreements*." In addition, prior to August 2015, the prices for refined petroleum products were set at a level below the cost we paid for them, reflecting the UAE Ministry of Energy's policy up until that time of subsidising the retail costs of fuels to consumers. There can be no assurance that the UAE Retail Pricing Regulations will not be amended in the future to reduce the authorised margins for retailers, and any reduction in the authorised margins on these products could have a material adverse impact on our results of operations and financial position.

The prices that we charge customers in Abu Dhabi for LPG cylinders are regulated at levels that typically have been below our historic supply costs, and under an agreement with ADNOC to offset these losses, our operating profit on sales of LPG cylinders in Abu Dhabi is capped.

The prices that we charge customers in Abu Dhabi for LPG distributed in LPG cylinders are regulated at levels that typically have been below our historic supply costs. ADNOC has agreed, for so long as LPG cylinder prices are regulated, to adjust our supply costs for LPG to be distributed in subsidised cylinders to equal the resale prices of such LPG cylinders minus 108% of our operating expenses incurred in connection with our distribution of these LPG cylinders. Although this pricing mechanism is designed to prevent us from incurring operating losses in connection with the distribution of subsidised LPG cylinders, it also limits the types and amounts of operating expenses that can be included in calculation of our LPG supply costs and in effect caps our operating profit for such activities at 8% of our operating expenses associated with such activities.

Our growth depends in part on initiatives we have undertaken and plan to undertake to grow fuel and non-fuel revenue in our existing markets. The failure to successfully implement these initiatives would impair our growth and could adversely affect our results of operations and financial condition.

We have undertaken a number of initiatives, and plan to implement additional measures, to grow our fuel and non-fuel revenue in our existing markets, including launching new services such as mixed-mode (premium full- and self-service) refuelling at our service stations using our proprietary SMART technology, rationalising operations at our service stations and convenience stores to bring operating expenses in line with international fuel and convenience store retailers, and implementing new pricing and merchandising initiatives in our convenience stores to increase revenue and profitability. Although mixed-mode refuelling is common in many parts of the world, it has never been successfully implemented in the UAE, and we may be unable to achieve desired levels of full-service market penetration. If our premium full-service offering fails to win acceptance by our customers, we may be unable to achieve the financial benefits that we anticipate from this initiative. In addition, optimising our operating expenses likely will require headcount reductions, which will be made more difficult in light of the UAE's Emiratisation initiative. See "*—Risks Relating to the UAE and to the MENA Region—The UAE's Emiratisation initiative may increase our costs and may reduce our ability to rationalise our workforce*". Our convenience store optimisation initiatives also may be unsuccessful in achieving the desired levels of price increases, increased customer traffic and increased average transaction size at our convenience stores. There can be no assurance that the assumptions and estimates we have made in respect of these or other elements of our strategy will prove correct, or that we will be able to successfully implement any of these initiatives, that we will not incur higher than anticipated costs in connection with these initiatives, or that any of these initiatives and new technologies will be accepted by our customers. The failure to successfully implement these initiatives would impair our ability to achieve our targeted financial objectives and grow our business, and could adversely affect our results of operations and financial condition.

Our growth also depends in part on our ability to expand our operations in the UAE and internationally, including through the introduction of a franchise model in Saudi Arabia. The failure to successfully expand our operations would impair our growth and could adversely affect our results of operations. Moreover, use of a franchise model poses additional risks to our business.

Because of our high concentration of service stations in Abu Dhabi and the Northern Emirates region, our future growth will depend in part on our ability to expand our operations elsewhere in the UAE and internationally, which we may not be successful in doing profitably or at all. There are several factors that could affect our ability to grow our businesses:

- the inability to identify and acquire suitable sites for new service stations, including due to the inability or unwillingness of ADNOC to acquire or lease such sites on our behalf (see "*—We do not own the land on which our service stations or other assets are located. As a result, we are subject to the possibility of the loss of, or increased costs to retain, necessary land use which could adversely affect our business and results of operations")*;
- difficulties associated with the growth of our existing financial controls, information systems, management resources and human resources needed to support our growth;
- difficulties with hiring, training and retaining skilled personnel;
- competition from other existing or new service station operators;
- difficulties in adapting distribution and other operational and management systems to an expanded network of locations;
- the potential inability to obtain adequate financing to fund our expansion;
- difficulties in obtaining governmental and other third-party consents, permits and licenses needed to operate additional locations in existing and new markets; and
- the potential diversion of our senior management's attention from focusing on our existing business due to an increased focus on expansion.

We do not currently operate in the Emirate of Dubai but intend to enter the Dubai market in 2018. Currently, ENOC and Emarat are the only operators of retail fuel service stations in Dubai, and there can be no assurance that we will be able to identify suitable locations in Dubai, that we will be able to efficiently supply our service station locations in Dubai, or that we otherwise will be successful in entering, operating and competing against ENOC and Emarat in the Dubai market. Moreover, ENOC has recently announced its intention to open 48 additional service stations in Dubai in the next three years.

We currently intend to implement a franchise model in order to expand into Saudi Arabia, pursuant to which we have identified a local partner who will license the ADNOC brand name from us and who will own and operate ADNOC-branded service stations in Saudi Arabia under a franchise agreement with us. We have never operated under a franchise model previously, and there can be no assurance that we will be successful in doing so. In addition, actions by our franchisee could adversely affect our reputation and the strength of the ADNOC brand name, which could adversely affect our growth prospects, as well as our results of operations and financial condition.

The fuel distribution and convenience store industries are competitive, as are the markets for most of the other ancillary services that we offer at our service stations. Failure to effectively compete could result in lower revenue and profit margins. In addition, there can be no assurance that the governments of Abu Dhabi and Sharjah, where we currently are the only operator of retail fuel service stations, will not authorise other retail fuel distribution businesses to operate in the future.

Many of the markets and market segments in which we operate are highly competitive and marked by constant change in the number and type of retailers offering products and services of the type we offer at our service stations. We compete with other fuel distributors, convenience store chains, independently owned convenience stores, supermarkets, drugstores, discount stores, and mass merchants. To remain competitive, we must constantly analyse consumer preferences and competitors' offerings and prices to ensure that we offer a selection of convenience products and services at competitive prices to meet consumer demand. We must also maintain and upgrade our customer service levels, facilities and locations to remain competitive and attract customer traffic to our stores. We may not be able to compete successfully against current and future competitors, and competitive pressures faced by us could have a material adverse effect on our business and results of operations.

We currently are the only operator of retail fuel service stations in Abu Dhabi and Sharjah and have a significant share of the retail fuel distribution business in the remainder of the Northern Emirates region. There can be no assurance, however, that the governments of Abu Dhabi and Sharjah will not authorise other companies to operate retail fuel distribution businesses in these emirates, or that competition will not increase in the remainder of the Northern Emirates region, which, if we do not compete effectively, could result in a reduction of our market share and have a material adverse effect on our financial condition and results of operations.

In our Corporate division, we face competition from other fuel wholesalers, some of whom are large and with considerable financial resources. In addition, some of our wholesale fuel competitors may be able to purchase fuels at a cost below the prices we pay under our supply agreements with ADNOC. Our inability to compete successfully against these other fuel providers could have a material adverse effect on our results of operations and financial condition.

A significant decrease in demand for the fuels we sell, including due to changes in general economic conditions in the UAE and elsewhere in the Gulf region, improvements in vehicle fuel efficiency and increased consumer preference for alternative fuels, would adversely affect our results of operations and financial condition.

Sales of fuels accounted for approximately 86.7% of our revenue and approximately 77.4% of our gross profit for the nine months ended 30 September 2017. Decreases in demand for our fuels, including due to changes in general economic conditions in the UAE and elsewhere in the Gulf region, increased vehicle fuel efficiency and increased preference for alternative fuels, would reduce our revenue, which would adversely affect our results of operations and financial position. Demand for fuels, and thus our revenue, is dependent on general economic conditions and various trends, such as trends in vehicle fuel efficiency, passenger car ownership and traffic, commercial truck traffic and government fuel consumption, and travel and tourism in our areas of operation, and these conditions and trends can change. Technological advancements, regulatory changes and changes in consumer preferences causing a significant shift toward alternative fuels could reduce demand for the conventional petroleum based fuels we currently sell. In addition, a shift toward electric, hydrogen, natural gas or other alternative power vehicles could fundamentally change our customers' shopping habits or lead to new forms of fuelling destinations or new competitive pressures. Because certain of our operating costs and expenses are fixed and do not vary with the volume of fuels we distribute, our costs and expenses might not decrease rateably or at all should we experience such a reduction. As a result, we may experience declines in our profit margin if our fuel distribution volumes decrease. Moreover, reductions in demand for fuels also could result in fewer visits to our service stations and convenience stores, which could lead to reduced revenue from sales of merchandise at our convenience stores and from the other services we provide at our service stations. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

The dangers inherent in the storage and transportation of the products we sell could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities. In addition, our fuel storage terminals are subject to operational and business risks which, if they occur, may adversely affect our results of operations and financial condition.

We store our fuels in underground and aboveground storage tanks, and transport our fuels using a combination of our own trucks, third-party carriers, and vessels that we charter. Our operations are subject to significant hazards and risks inherent in storing and transporting fuel. These hazards and risks include, but are not limited to, traffic accidents, fires, explosions, spills, discharges, and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims, and other damage to our properties and the properties of others. Any such event not covered by our insurance could have a material adverse effect on our business, financial condition and results of operations.

Our fuel storage terminals are subject to operational and business risks, the most significant of which include the following:

- outages at our fuel storage terminals or interrupted operations due to weather-related or other natural causes;
- the threat of acts of war and terrorism;
- the volatility in the prices of the products stored at our fuel storage terminals and the resulting fluctuations in our profit margins on those products; and
- changes in legislation or regulations, including environmental regulations, that could result in increased operating and capital costs.

The occurrence of any of these or other events could affect operations at our fuel storage terminals and our sales to our customers and could adversely affect our financial condition and results of operations.

In addition, during storage and transportation, our fuel inventories can become contaminated with water or microbial growth, which can affect the performance and, in extreme cases, merchantability of our fuel. Fuel contamination can lead to increased costs for remediation, and could potentially result in our inability to sell fuel inventories, which would increase operating costs and could lead to an interruption of supply to our service stations and to our customers. Moreover, sales of contaminated fuels to our customers could result in damage claims by our customers and damage to our reputation. There can be no assurance that fuel contamination will not occur in the future, which could have a material adverse effect on our results of operations and financial condition.

We rely on our information technology systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.

We depend on our information technology (IT) systems to manage numerous aspects of our business, including receiving, processing, fulfilling and billing for orders from our Corporate customers, maintaining inventory levels at our service stations, and facilitating purchases by our retail customers, and to provide analytical information to management. Our IT systems are an essential component of our business and growth strategies, and a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems may be vulnerable to interruptions, including damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches, computer viruses, cyberattacks, hackers, unauthorised access attempts, and other security issues, any of which could result in a loss of sensitive business information, systems interruption or the disruption of our business operations. There can be no assurance that a technology systems breach or systems disruptions or failures will not have a material adverse effect on our financial condition or results of operations.

Our operations are subject to laws and regulations pertaining to environmental protection, operational safety, and product quality that may require significant expenditures or result in liabilities that could have a material adverse effect on our business.

Our business is subject to environmental laws and regulations, including those relating to terminals, underground storage tanks, the release or discharge of regulated materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, the exposure of persons to regulated materials, and the health and safety of our employees. A violation of, liability under, or noncompliance with these laws and regulations, or any future environmental law or regulation, could, among other things, result in fines and civil litigation, and could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to laws and regulations that prescribe specific product quality specifications for certain products that we distribute. Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce our ability to procure product, require us to incur additional handling costs and/or require the expenditure of capital. The failure to procure product or recover these costs through increased prices or sales could have an adverse effect on our results of operations and financial condition. Moreover, the failure to comply with these regulations could result in substantial penalties.

We will continue to engage in transactions with ADNOC and other ADNOC-affiliated companies, and there can be no assurance that these transactions will be on terms favourable to us.

As at the date of this Offering Memorandum, ADNOC holds 100% of our issued share capital, and immediately following the Global Offering ADNOC will continue to hold at least 80% of our share capital. We historically have engaged, and intend to continue to engage, in significant transactions with ADNOC and its subsidiaries relating to, among other things, supply of substantially all of the refined petroleum products that we sell and the provision of certain related operational and administrative services. See "*Related Party Transactions*". There can be no assurance that any of the transactions with ADNOC and its other subsidiaries will be on terms favourable to us, or that ADNOC and its other subsidiaries will act in the best interest of our public shareholders.

A number of our agreements with ADNOC require ADNOC to compensate us for services provided to them based on operating expenses we incur to deliver those services and, in the case of our agreement for the supply of LPG, calculate the prices we pay for subsidised LPG cylinders based on our operating expenses to produce and deliver LPG cylinders to our customers. See "*Related Party Transactions*". Under these agreements, ADNOC has the right to audit our operating expenses, and may seek to cause us to limit our operating expenses to keep its payments to us lower. There can be no assurance that ADNOC will fully compensate us for the operating expenses we incur in connection with these activities, or that ADNOC will not require that we maintain our operating expenses at levels below those we otherwise would.

We depend on ADNOC to provide us with certain services to operate our business. The failure of ADNOC to provide us with these services could adversely affect our ability to manage our business, which could adversely affect our results of operations and financial condition.

On or prior to Admission, we will enter into a Shareholder Services Agreement with ADNOC pursuant to which ADNOC will agree to provide us with certain treasury, insurance and other services to support our business. If ADNOC were to fail to provide these services, we would be required either to contract with another provider of these services, or to develop the capability to perform these services internally, either of which could take a considerable amount of time and increase our costs. Consequently, ADNOC's inability or unwillingness to provide these services to us could have a material adverse effect on our results of operations and financial condition. See "*Related Party Transactions—Shareholder Services Agreement*".

Our operations are conducted under the ADNOC brand name pursuant to a brand usage agreement with ADNOC. Any negative events or developments that adversely affect the market perception or value of the ADNOC brand could have an adverse impact on our business.

We believe that the success of our operations is dependent in part on the continuing favourable reputation, market value and name recognition associated with the ADNOC brand. In addition to our operations, the ADNOC brand is associated with the operations of ADNOC and numerous other ADNOC-affiliated companies. Erosion of the value of the ADNOC brand for any reason, including due to the activities and operations of these other ADNOC-affiliated companies over which we have no control, could have a material adverse effect on our business, financial condition and results of operations. Our brand usage agreement with ADNOC is for an initial four-year term, during which we will pay no royalties to ADNOC for the use of its name. After the initial four-year period, we and ADNOC will be obligated to negotiate royalties that we will have to pay ADNOC for the use of its name. There can be no assurance that we will be successful in negotiating the continued use of the ADNOC brand name, or that the royalties we will be obligated to pay to ADNOC will not have a material adverse effect on our results of operations or our financial condition. See "*Related Party Transactions—Brand Usage Agreement*".

We do not own the land on which our service stations or other assets are located. As a result, we are subject to the possibility of the loss of, or increased costs to retain, necessary land use which could adversely affect our results of operations and financial condition.

All except one of our retail fuel service stations in Abu Dhabi, our head office in Abu Dhabi and our office in Al Ain were developed on land either granted to us by the government of Abu Dhabi or on land where the government of Abu Dhabi granted us usufruct rights (long-term leasehold rights). One service station in Abu Dhabi and all of our service stations in the Northern Emirates were developed on land leased to us by third parties. In order to continue to comply with property ownership laws in the UAE following the Global Offering, our real property portfolio was transferred to, and leased back to us by, ADNOC. See "*Regulation—Land Ownership*". As such, we are subject to the risk of cancellation of underlying land grants by the government of Abu Dhabi, which would result in termination of our related lease(s) with ADNOC. We are also subject to the risk that the leases between third party landowners and ADNOC outside of Abu Dhabi may not be renewed, which would similarly result in termination of our related sublease(s) with ADNOC. In addition, we are subject to the possibility that rent increases under any of these leases or subleases will increase our operating costs. Our inability to maintain the right to utilise the properties on which we operate our businesses on acceptable terms, or increased costs to maintain such rights, could have a material adverse effect on our financial condition and results of operations. See "*Business—Properties*" and "*Related Party Transactions*".

Due to legal restrictions in the UAE on foreign ownership of land (including by corporations with foreign owners), we anticipate that our future growth in the UAE will also depend on the ability and willingness of ADNOC to acquire, through grants and third-party leases, and lease or sublease (as the case may be) to us, locations for new service stations. ADNOC's inability or unwillingness to do so would adversely affect our growth plans, which could have a material adverse effect on our results of operations and financial condition.

Because of the restrictions on land granted to us and in our agreements with ADNOC, we are not able to, and are not able to require ADNOC to, sell, transfer, mortgage or otherwise take actions that might monetise the value of the land on which we conduct our operations, and no value is attributed to this land in our statement of financial position.

The introduction of an excise tax and value added tax in the UAE could adversely affect our results of operations and financial condition.

The UAE has announced the adoption of an excise tax effective 1 October 2017 and a value added tax (VAT) effective 1 January 2018. The excise tax imposes a 50% tax on carbonated beverages and a 100% tax on tobacco products and energy drinks. However, executive regulations relating to implementation of the VAT, including details about products and services that will be subject to VAT and which products will be zero rated or exempted, have yet to be announced. Although the supply of crude oil is zero rated, there is no assurance that the distribution of fuels will be zero rated under the executive regulations, and even if they are, there can be no assurance that they will be zero rated in the future. Moreover, under the VAT law, if the distribution of fuels is exempted from VAT, we will not be able to claim a credit for any VAT we pay on input supplies of fuels, and thus we may have to absorb such costs if we are unable to pass them on to our customers, which would have an adverse effect on our profit margins. In addition, we will incur compliance costs in connection with the collection and remittance of the excise tax and VAT to the UAE Ministry of Finance and otherwise complying with the related reporting requirements. We have not yet determined the costs of upgrading our IT systems to manage this process or whether we can be in a position to begin properly to collect such taxes when they take effect. There can be no assurance that the implementation of the excise tax or VAT in the UAE will not adversely affect demand for our products, that we will be able to pass on the taxes to our customers, or that the costs of upgrading our systems to manage the collection and remittance of the taxes or of any fines or other penalties to which we may be subject if we are unable to begin properly to collect the taxes when they take effect will not be material, which could adversely affect our results of operations and financial condition.

We have recently implemented a number of policies, processes, systems and controls with respect to which we have a limited or no operating history.

In preparation for the Global Offering, we have implemented a number of new policies, processes, systems and controls intended to permit us to operate and provide reports and other information consistent with a publicly listed company. However, we have a limited or no operating history with many of these policies, processes, systems and controls, and therefore can provide no assurance that we will be able to implement them successfully, and that we will be able to operate and provide reports and other information on a timely and accurate basis. The failure to do so could adversely affect our business and the trading price of the Shares.

Our insurance coverage may be inadequate to cover all potential losses we could suffer.

We procure and maintain all of our insurance through a group-wide, centralised insurance function administered by ADNOC. However, we are not fully insured against all risks incident to our business. We may be unable to obtain or maintain insurance with the coverage that we desire at reasonable rates. As a result of market conditions, the premiums and deductibles for certain of our insurance policies have increased and could continue to do so. Certain insurance coverage could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition and results of operations. See "*Business—Operations—Insurance*".

We compete to attract and retain qualified employees.

Our continued success depends on our ability to attract and retain qualified personnel in all areas of our business. We compete with other businesses with respect to attracting and retaining qualified employees. A tight labour market, increased overtime and a higher full-time employee ratio may cause labour costs to increase. A shortage of qualified employees may require us to enhance wage and benefits packages in order to compete effectively in the hiring and retention of such employees or to hire more expensive temporary employees. No assurance can be given that our labour costs will not increase, or that such increases can be recovered through increased prices charged to customers.

We depend on our senior management's experience and knowledge of our industry and could be adversely affected were we to lose key members of our senior management team.

We are dependent on the expertise and continued efforts of our senior management team, and our ability to maintain our competitive position and execute our strategy depends to a large degree on the services performed by our senior management. If, for any reason, any member of our senior management team were to leave his or her position and we could not find a suitable replacement in a timely manner, our business, financial condition and results of operations could be adversely affected. We do not maintain key man life insurance for our senior management team or other key employees.

We may choose to purchase hedges or other financial products to fix the prices at which we purchase fuels, which could increase our costs and reduce our profit margins.

Although we have not historically hedged the prices at which we purchase the fuels that we sell, we may choose to purchase hedges or other financial products in the future to fix the prices at which we purchase fuels. There can be no assurance that any such hedging strategy will be successful. Purchases of hedges or other financial instruments to fix the prices at which we purchase fuels could have the effect of increasing our costs and could reduce our profit margins, either of which could have a material adverse effect on our results of operations or financial condition.

Risks Relating to the UAE and to the MENA Region

General economic, financial and political conditions, especially in Abu Dhabi and elsewhere in the UAE, where we conduct substantially all of our operations, may materially adversely affect our results of operations and financial condition.

General economic, financial, and political conditions, especially in Abu Dhabi and elsewhere in the UAE, where we conduct substantially all of our operations, may have a material adverse effect on our results of operations and financial condition. Declines in consumer confidence and/or consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and our markets, including the market for our products and services, and lead to demand or cost pressures that could negatively and adversely impact our business. These conditions could affect all of our business segments. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;

- regulatory changes that could impact the markets in which we operate; and
- deflationary economic pressures, which could hinder our ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to our cost structure.

The nature of these types of risks make them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on our business.

Continued instability and unrest in the MENA region may materially adversely affect our results of operations and financial condition.

Although Abu Dhabi and the UAE enjoy domestic political stability and generally healthy international relations, since 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iraq, Lybia, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as war or other hostilities, or the impact that such events or occurrences might have on Abu Dhabi and the UAE. The MENA region currently is subject to a number of armed conflicts including those in Yemen (in which the UAE armed forces, along with a number of other Arab states, are involved), Syria, Iraq and Palestine, as well as the multinational conflict with the Islamic State. More recently, the governments of the UAE, Saudi Arabia, Bahrain and Egypt have imposed a boycott of Qatar after accusing Qatar of supporting terrorist activity in the region.

Abu Dhabi is, and will continue to be, affected by political developments in or affecting the UAE and the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including Abu Dhabi. Although the UAE has not experienced terrorist attacks such as those experienced by a number of other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE. Any terrorist incidents in or affecting Abu Dhabi or the UAE and increased regional geopolitical instability (whether or not directly involving Abu Dhabi or the UAE) may have a material adverse effect on Abu Dhabi and the UAE's attractiveness for foreign investment and capital, their ability to engage in international trade, their tourist industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact the Company and the trading prices of the Shares.

The UAE also is dependent on expatriate labour, including substantially all unskilled labourers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the emirate, or extremist or terrorist groups engage in activities in the country. There can be no assurance of the continued availability of expatriate labour, including labour with the skills we require. In addition, as the government endeavours to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments likely will increase.

Abu Dhabi and the UAE may introduce new laws and regulations, including the introduction of a corporate income tax, which could adversely affect the way in which we are able to conduct our businesses and our results of operations and financial condition.

Emerging market economies generally and the UAE in particular are characterised by less comprehensive legal and regulatory environments than are found in more developed regions. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and we expect will continue, to implement new laws and regulations which could impact the way we conduct our business.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;

- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

We are not currently subject to corporate income tax in the UAE, although some consideration has been given to the introduction of a corporate income tax in Abu Dhabi. See "*Taxation—UAE Taxation*". There can be no assurance that the introduction of a corporate income tax or any other changes to current laws would not increase our costs or otherwise materially adversely affect the way in which we conduct our business.

The UAE's Emiratisation initiative may increase our costs and may reduce our ability to rationalise our workforce.

Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining our Emiratisation targets reduces our flexibility to rationalise our workforce, which limits our ability to reduce costs in many areas of our operations. As a result, there can be no assurance that meeting and maintaining our Emiratisation targets will not have a material adverse effect on our business and results of operations.

A downgrade in Abu Dhabi's credit rating could adversely affect us.

As at the date of this Offering Memorandum, ADNOC holds 100% of our issued share capital, and immediately following the Global Offering ADNOC will continue to hold at least 80% of our share capital. ADNOC is owned by the government of Abu Dhabi. Abu Dhabi has a long-term foreign currency debt rating of "AA" with a stable outlook from Standard & Poor's Financial Services, a long-term foreign currency issuer default rating of "AA" with a stable outlook from Fitch Ratings, and an unsolicited rating of Aa2 from Moody's Investor Service ("Moody's"). Any downgrade or withdrawal at any time of a credit rating assigned to Abu Dhabi by any rating agency could have a material adverse effect on its cost of borrowing and could limit its access to debt capital markets, which could in turn adversely affect companies owned by the Abu Dhabi government, including ADNOC and us. In February 2016, Moody's placed its rating of Abu Dhabi on review for a possible downgrade. Although Moody's has since restored its outlook for Abu Dhabi to stable, there can be no assurance that Abu Dhabi's credit ratings will remain for any given period of time or that Abu Dhabi's credit ratings will not be downgraded or withdrawn entirely by any of the rating agencies in the future. Any such downgrade or withdrawal could have a material adverse effect on our business.

Our financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

Although most of our revenue and certain of our expenses are denominated in AED, our supply agreements with ADNOC for refined petroleum products are denominated in USD, as are certain other costs, and some of our revenue generated from customers in our Corporate and Aviation divisions is denominated in USD. In addition, all or a portion of the indebtedness under our term loan and revolving credit facilities may be denominated in USD. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future. The existing fixed rate may be adjusted in a manner that exposes us to volatility in rates or an increase in repayment obligations under our term loan and revolving credit facilities. Any change to the USD/AED exchange rate could increase the costs that we pay for our products or to service our indebtedness, or could cause our results of operations and financial condition to fluctuate due to currency translation effects, any of which could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to the Global Offering and to the Shares

After the Global Offering, ADNOC will continue to be able to exercise significant influence over us, our management and our operations.

As at the date of this Offering Memorandum, ADNOC holds 100% of our issued share capital, and immediately following the Global Offering ADNOC will continue to hold at least 80% of our share capital.

As a result, ADNOC will be able to exercise significant control over our management and operations and over matters requiring the consent of our shareholders, such as in relation to the payment of dividends and the election of the members of our Board of Directors and other matters. There can be no assurance that the interests of ADNOC will coincide with the interests of purchasers of the Shares. On or prior to Admission, we will enter into a relationship agreement (the "Relationship Agreement") with ADNOC that records the principal terms of the relationship between us and ADNOC. See "*Related Party Transactions*" and "*Principal and Selling Shareholder—Relationship Agreement*".

Furthermore, ADNOC's significant Share ownership may (i) delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company), (ii) deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company, and (iii) affect the liquidity of the Shares, any of which could have a material adverse effect on the market price of the Shares. In addition, there may be circumstances where our businesses compete directly or indirectly with ADNOC's businesses, and ADNOC may take decisions with respect to those businesses that are adverse to the interests of our other shareholders.

Substantial sales of Shares by ADNOC could depress the price of the Shares.

Sales of a substantial number of Shares by ADNOC following the completion of the Global Offering may significantly reduce our share price. ADNOC has agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 180 days from the Closing Date, except in certain limited circumstances, unless otherwise consented to by the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed). "See "*Subscription and Sale—Lock-up Arrangements*". Nevertheless, we are unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Global Offering) will be sold in the open market following the completion of the Global Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

The Global Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Global Offering, there has been no public trading market for the Shares. We cannot guarantee that an active trading market will develop or be sustained following the completion of the Global Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of our actual performance or conditions in the UAE.

The Company has applied for the Shares to be listed on the ADX. The ADX was established in 2000, but its future success and liquidity in the market for the Shares cannot be guaranteed. The ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the United States and the United Kingdom. As of 30 September 2017, there were 69 companies with securities traded on the ADX with a total market capitalisation of approximately AED 450.2 billion. The ADX had a total regular trading volume of AED 45.3 billion in 2016. Brokerage commissions and other transaction costs on the ADX are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of share prices on the ADX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX in the desired amount and at the price and time achievable in more liquid markets.

We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them.

While we intend to pay dividends in respect of the Shares, there can be no assurance that we will do so. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, applicable law and regulations, our results of operations, financial condition, cash requirements, contractual restrictions (including, in particular, those contained in the Debt Financing), our future projects and plans and other factors that our Board of

Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them. See "*Dividend Policy*".

It may be difficult for shareholders to enforce judgments against us in the UAE, or against our directors and senior management.

The Company is a public joint stock company incorporated in the UAE. All of our directors, other than Mr. Pedro Miró Roig, and all of our officers reside outside the United States, the United Kingdom and the EEA. In addition, all of our assets and the majority of the assets of our directors and senior management are located outside the United States, the United Kingdom and the EEA. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Company or our directors and senior management or to enforce judgments obtained against them in courts outside the UAE, including judgments predicated upon the civil liability provisions of the securities laws of the United States, the United Kingdom or the EEA.

Holders of the Shares in certain jurisdictions outside of the UAE, including the United States, may not be able to exercise their pre-emptive rights if we increase our share capital.

Under our Articles of Association to be adopted in connection with the Global Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of our ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. US holders of the Shares may not be able to exercise their pre-emptive rights unless a registration statement under the Securities Act is effective with respect to such rights and the related ordinary shares or an exemption from the registration requirements of the Securities Act is available. Similar restrictions exist in certain other jurisdictions outside the UAE. We currently do not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable US or other holders of the Shares to exercise their pre-emptive rights or, if available, that we will utilise such exemption. To the extent that the US or other holders of the Shares are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such US or other holders would be reduced.

USE OF PROCEEDS

The Company will not receive any proceeds from the Global Offering. All expenses of the Global Offering (including underwriting commissions and any discretionary fees) will be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising our profile with the international investment community.

DIVIDEND POLICY

Our ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and our capital expenditure plans and other cash requirements in future periods, and there is no assurance that we will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Risk Factors—Risks Relating to the Global Offering and to the Shares—We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them*".

Subject to the foregoing, we intend to pay dividends twice each fiscal year, with an initial payment in October of that year and a second payment in April of the following year. We expect to pay (a) a special dividend in April 2018 in an aggregate amount of USD 200.0 million, (b) a dividend in respect of the year ending 31 December 2018 of at least an aggregate of USD 400.0 million, half of which we expect to pay in October 2018 and half of which we expect to pay in April 2019, and (c) a dividend in respect of the year ending 31 December 2019 in an amount at least equal to the amount paid in respect of the year ending 31 December 2018. Thereafter, we expect to pay an annual dividend in respect of each fiscal year in an aggregate amount equal to at least 60% of our distributable income (net income less legal reserves) for such year, subject to consideration by our Board of Directors of the cash management requirements of our business for operating expenses, interest expense, and anticipated capital expenditures. In addition, we expect that our Board of Directors also will consider market conditions, the then current operating environment in our markets, and the Board of Directors' outlook for our business. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of our Board of Directors.

CAPITALISATION

The following table sets forth our cash and bank balances and total capitalisation as at 30 September 2017, as presented in our carve-out financial statements (which reflects the Civil Aviation Supply Carve-out) and on a pro forma basis to give effect to the Debt Financing as if it had occurred as at 30 September 2017. In November 2017, we used the proceeds of borrowings under the Debt Financing, together with available cash and bank balances, to repay a capital contribution to ADNOC in the amount of AED 6,304.4 million, and to pay an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million, which payments are not reflected in the table below and which would have reduced each of our pro forma cash and bank balances, our pro forma total equity and our pro forma total capitalisation by AED 8,439.1 million as at 30 September 2017. See "*Business—Reorganisation—Pre-Offering Transactions and Contractual Arrangements—Debt Financing and Distribution*". You should read this table together with "*Selected Historical Carve-out Financial and Operating Information*", "*Selected Pro Forma Combined Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and our carve-out financial statements and pro forma financial information, including the related notes, included elsewhere in this Offering Memorandum.

	As at 30 September 2017	
	Actual	**Pro Forma**
	(AED thousands)	
Cash and bank balances	6,556,374	12,018,526
Debt		
Revolving credit facility(1)	—	—
Term loan facility(2)	—	5,481,952
Total debt	—	5,481,952
Total equity	10,794,591	10,794,591
Total capitalisation	10,794,591	16,276,543

(1) In November 2017, we entered into a new USD 750.0 million (AED 2,754.8 million) revolving credit facility, which will be undrawn upon the closing of the Global Offering. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Liabilities and Contractual Obligations—Term Loan and Revolving Credit Facilities*".

(2) In November 2017, we entered into and drew down in full a new USD 1,500.0 million (AED 5,509.5 million) term loan facility. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Liabilities and Contractual Obligations—Term Loan and Revolving Credit Facilities*". The amount shown is net of AED 27.5 million of related financing costs which will be amortised over the life of the term loan facility.

SELECTED HISTORICAL FINANCIAL AND OPERATING INFORMATION

The selected historical financial information set forth below as at and for the years ended 31 December 2015 and 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 has been derived from our carve-out financial statements as at such dates and for such periods included elsewhere in this Offering Memorandum, which, in the case of the carve-out financial statements as at and for the years ended 31 December 2015 and 2016 and as at and for the nine months ended 30 September 2017, have been audited by Deloitte & Touche (M.E.), independent auditors, as stated in their report included therein. Our carve-out financial statements for the nine months ended 30 September 2016 are unaudited. Results for the nine months ended 30 September 2017 are not necessarily indicative of the results that can be expected for the full year. As described in note 1 of notes to the carve-out financial statements, our carve-out financial statements, and the financial information derived therefrom, have been prepared upon completion of, and to give effect for all periods presented to, the Civil Aviation Supply Carve-out. See "Business—Reorganisation—Civil Aviation Supply Carve-out". The selected historical financial and operating information should be read in conjunction with "Selected Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our carve-out financial statements, including the related notes, included elsewhere in this Offering Memorandum.

Statement of Profit or Loss Data

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Revenue				
Retail(1)				
Fuel	13,844.4	11,593.5	8,537.1	9,491.3
Non-fuel	706.3	706.3	528.8	556.3
Total retail	14,550.8	12,299.8	9,065.8	10,047.6
Corporate(1)	4,657.9	3,819.4	2,899.0	2,839.3
Aviation(2)	1,816.5	1,328.5	974.3	1,146.4
Other(3)	194.8	222.3	159.4	187.7
Total revenue	21,220.0	17,670.1	13,098.5	14,220.9
Direct costs				
Retail(1)				
Fuel	(12,061.6)	(9,093.2)	(6,672.3)	(7,629.1)
Non-fuel	(472.7)	(471.3)	(347.3)	(360.8)
Total retail	(12,534.4)	(9,564.4)	(7,019.6)	(7,990.0)
Corporate(1)	(3,660.8)	(2,958.2)	(2,250.1)	(2,285.8)
Aviation(2)	(1,346.8)	(907.2)	(658.0)	(817.0)
Other(3)	(13.7)	(13.8)	(8.4)	(12.5)
Total direct costs	(17,555.5)	(13,443.6)	(9,936.1)	(11,105.3)
Gross profit				
Retail(1)				
Fuel	1,782.8	2,500.3	1,864.8	1,862.2
Non-fuel	233.6	235.1	181.4	195.5
Total retail	2,016.4	2,735.4	2,046.2	2,057.6
Corporate(1)	997.2	861.2	648.8	553.4
Aviation(2)	469.8	421.3	316.3	329.4
Other(3)	181.2	208.6	150.9	175.2
Total gross profit	3,664.5	4,226.5	3,162.3	3,115.7
Distribution and administrative expenses	(2,517.1)	(2,549.8)	(1,837.3)	(1,912.8)
Other income	216.6	161.0	112.0	160.1
Impairment losses and other operating expenses	(72.1)	(59.3)	(119.0)	(53.2)
Operating profit	1,291.9	1,778.5	1,318.0	1,309.8
Interest income	3.0	2.5	2.0	2.0

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Profit for the period				
Retail(1)	188.4	810.4	671.2	628.2
Corporate(1)	750.0	658.1	454.7	444.7
Aviation(2)	354.2	294.1	201.6	229.7
Other(3)	(7.0)	(20.3)	0.2	7.8
Unallocated	9.2	38.6	(7.6)	1.4
Total profit for the period	1,294.9	1,781.0	1,320.0	1,311.8

(1) Results of operations for our Retail division for 2015 and the three months ended 31 March 2016, and for our Corporate division for the three months ended 30 June 2016, include certain results of operations relating to 59 Emarat service stations in Dubai to which we supplied fuel in anticipation of acquiring such service stations, which acquisition was abandoned in 2016 as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*". The following table sets forth our revenue and gross profit attributable to the Emarat service stations:

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Revenue				
Retail fuel	2,103.4	412.5	412.5	—
Corporate	—	403.6	403.6	—
Total revenue	2,103.4	816.1	816.1	—
Gross profit				
Retail fuel	283.7	84.2	84.2	—
Corporate	—	31.3	31.3	—
Total gross profit	283.7	115.5	115.5	—

(2) Results of operations for our Aviation division give effect to the Civil Aviation Supply Carve-out for all periods presented but do not reflect our entry into the Aviation Services Agreement. See "*Business—Reorganisation—Civil Aviation Supply Carve-out*".

(3) Includes our Allied Services and Natural Gas divisions. In October 2017, we entered into certain agreements with ADNOC pursuant to which our Natural Gas division will be acquired from us by ADNOC. This transaction would have had an immaterial impact on our results of operations for all periods presented. See "*Business—Reorganisation—Natural Gas Division Carve-out*".

Statement of Financial Position Data

	31 December		30 September
	2015	2016	2017
	(AED millions)		
Non-current assets			
Property, plant and equipment	3,482.9	4,373.8	5,407.7
Advances to contractors	146.9	127.0	99.9
Total non-current assets	3,629.8	4,500.8	5,507.6
Current assets			
Inventories	842.0	1,093.8	1,100.9
Trade receivables and other current assets	2,757.9	1,656.8	1,817.8
Due from related parties	320.7	353.4	349.6
Cash and bank balances	921.2	3,833.5	6,556.4
Total current assets	4,841.8	6,937.5	9,824.7
Total Assets	8,471.6	11,438.3	15,332.3
Equity			
Share capital	1,000.0	1,000.0	1,000.0
Capital contribution	—	6,304.4	6,304.4
Legal reserve	329.5	333.3	333.3
Retained earnings (accumulated losses)	(36,147.7)	1,845.0	3,156.8
Total equity (deficit)	(34,818.2)	9,482.8	10,794.6

	31 December 2015	31 December 2016	30 September 2017
	(AED millions)		
Non-current liability			
Provision for employees' end of service benefit	278.3	236.9	222.2
Current liabilities			
Trade and other payables	1,062.3	1,115.0	1,127.4
Due to related parties	41,949.2	603.5	3,188.1
Total current liabilities	43,011.6	1,718.6	4,315.4
Total liabilities	43,289.8	1,955.5	4,537.7
Total equity and liabilities	8,471.6	11,438.3	15,332.3

Statement of Cash Flows Data

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Net cash generated by operating activities	468.8	4,047.0	1,830.9	3,369.4
Net cash used in investing activities	(932.2)	(1,134.7)	(822.3)	(676.5)
Net (decrease) increase in cash and cash equivalents	(463.3)	2,912.3	1,008.6	2,692.9
Cash and cash equivalents at the beginning of the period	1,284.5	821.2	821.2	3,733.5
Cash and cash equivalents at the end of the period	821.2	3,733.5	1,829.8	6,426.4

Other Financial Information

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
EBITDA(1)	1,555.4	2,125.9	1,526.3	1,616.1
Capital expenditures	973.9	1,237.9	835.2	1,340.2

(1) EBITDA represents profit for the period before interest, tax, and depreciation and amortisation. Depreciation added back for the years ended 31 December 2015 and 2016 and for the nine months ended 30 September 2016 and 2017 includes AED 15.0 million, AED 17.6 million, AED 9.4 million and AED 16.3 million, respectively, relating to the Civil Aviation Supply Carve-out that is ultimately added back to distribution and administrative expenses as "recoverable expenses" for such periods. See note 17 and note 23 of notes to the carve-out financial statements. Information regarding EBITDA is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. We use EBITDA in assessing our growth and operational performance. There are no generally accepted principles governing the calculation of EBITDA, and the criteria upon which EBITDA is based can vary from company to company. EBITDA does not by itself provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, this measure should not be used instead of, or considered as an alternative to, our historical financial results. We have presented this non-IFRS measure because we believe it is helpful to investors and financial analysts in highlighting trends in our overall business. The table below sets forth a reconciliation of EBITDA to profit for each period presented:

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Profit for the period	1,294.9	1,781.0	1,320.0	1,311.8
Add:				
Interest	(3.0)	(2.5)	(2.0)	(2.0)
Taxes	—	—	—	—
Depreciation	263.5	347.1	208.3	306.3
EBITDA	1,555.4	2,125.9	1,526.3	1,616.1

Certain Operating Data

	Year ended 31 December		Nine months ended 30 September	
	2015	**2016**	**2016**	**2017**
Number of service stations (at end of period)				
Abu Dhabi[(1)]	156	166	162	188
Northern Emirates	144	169	153	172
Total number of service stations	300	335	315	360
Number of convenience stores (at end of period)				
Abu Dhabi	119	119	128	125
Northern Emirates	78	107	91	110
Total number of convenience stores	197	226	219	235
Retail division volumes (millions of litres, except where indicated)[(2)]				
Gasoline				
91E+ unleaded gasoline	1,197.2	1,190.7	899.5	845.5
95 unleaded gasoline	5,127.1	4,674.4	3,518.6	3,398.4
98 unleaded gasoline	303.7	278.1	213.0	191.2
Total gasoline	6,228.0	6,143.2	4,631.1	4,435.2
Gas oil (diesel)	841.2	834.5	624.5	582.0
Total gasoline and gas oil (diesel)	7,069.2	6,977.7	5,255.6	5,017.2
Average volumes sold per service station (thousands of litres)[(2)(3)]	21,575	21,095	21,574	19,251
LPG	105.9	85.5	63.2	62.4
Lubricants	9.9	10.0	7.5	6.7
Corporate division volumes (millions of litres)[(2)]				
Gasoline	67.4	319.6	305.4	38.0
Gas oil (diesel)	2,090.0	1,787.0	1,357.0	1,343.0
Total gasoline and gas oil (diesel)	2,157.4	2,106.6	1,662.4	1,381.0
LPG	294.2	325.9	252.0	239.6
Lubricants	34.3	32.5	23.3	19.2

(1) Includes 10 limited service *ADNOC Xpress* service stations.

(2) Includes fuels supplied to 59 Emarat service stations in Dubai by our Retail division in 2015 and for the three months ended 31 March 2016 and by our Corporate division in the three months ended 30 June 2016. We ceased supplying fuel to these service stations in 2016 after the prospective acquisition of such service stations was abandoned as described under "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*". The following table sets forth the volumes of fuel sold through these service stations for the relevant periods:

	Year ended 31 December		Nine months ended 30 September	
	2015	**2016**	**2016**	**2017**
	(Millions of litres)			
Fuel volumes				
Retail division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	1,044.3	232.9	232.9	—
98 unleaded gasoline	107.5	30.0	30.0	—
Total gasoline	1,151.8	262.9	262.9	—
Gas oil (diesel)	60.6	17.1	17.1	—
Total retail division fuel volumes	1,212.4	280.1	280.1	—
Corporate division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	—	234.2	234.2	—
98 unleaded gasoline	—	30.7	30.7	—
Total gasoline	—	264.9	264.9	—
Gas oil (diesel)	—	16.1	16.1	—
Total corporate division fuel volumes	—	281.0	281.0	—
Total fuel volumes	1,212.4	561.1	561.1	—

(3) Represents (a) the total volume of gasoline and gas oil (diesel) sold at our retail fuel service stations excluding volumes sold as part of the Emarat Dubai Transaction, divided by (b) the sum of the number of service stations open at the beginning of the period and the number of service stations open at the end of the period, divided by two.

SELECTED PRO FORMA FINANCIAL INFORMATION

The selected pro forma financial information set forth below for the year ended 31 December 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 has been derived from our carve-out financial statements (which reflect the Civil Aviation Supply Carve-out) as at such date and for such periods and gives effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "Business—Reorganisation", as if they had occurred as at 1 January 2016 in the case of the pro forma statement of profit or loss data, and as at 30 September 2017 in the case of the pro forma statement of financial position data. The selected pro forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast our results of operations for any future period. The selected pro forma financial information does not give effect to the carve-out of our natural gas business as described under "Business—Reorganisation—Natural Gas Division Carve-out" as the impact would be immaterial. The selected pro forma financial information should be read in conjunction with "Selected Historical Financial and Operating Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and our carve-out financial statements, including the related notes, included elsewhere in this Offering Memorandum.

Pro Forma Statement of Profit or Loss Data

	Year ended 31 December 2016		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Revenue	17,670.1	257.5(1)	17,927.5
Direct costs	(13,443.6)	23.4(2) 360.4(3)	(13,059.7)
Gross profit	4,226.5		4,867.8
Distribution and administrative expenses	(2,549.8)	(238.4)(1) (40.3)(4)	(2,828.5)
Other income	161.0		161.0
Impairment losses and other operating expenses	(59.3)		(59.3)
Operating profit	1,778.5		2,141.0
Interest income (expense)	2.5	(141.4)(5)	(138.9)
Profit for the period	1,781.0		2,002.2

	Nine months ended 30 September 2016		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Revenue	13,098.5	185.0(1)	13,283.5
Direct costs	(9,936.1)	11.5(2) 229.6(3)	(9,695.0)
Gross profit	3,162.3		3,558.5
Distribution and administrative expenses	(1,837.3)	(171.3)(1) (30.3)(4)	(2,038.8)
Other income	112.0		112.0
Impairment losses and other operating expenses	(119.0)		(119.0)
Operating profit	1,318.0		1,542.6
Interest income (expense)	2.0	(106.0)(5)	(104.0)
Profit for the period	1,320.0		1,438.6

	Nine months ended 30 September 2017		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Revenue	14,220.9	214.3[1]	14,435.2
Direct costs	(11,105.3)	65.0[2]	(10,935.6)
		104.7[3]	
Gross profit	3,115.7		3,499.6
Distribution and administrative expenses	(1,912.8)	(198.4)[1]	(2,141.4)
		(30.3)[4]	
Other income	160.1		160.1
Impairment losses and other operating expenses	(53.2)		(53.2)
Operating profit	1,309.8		1,465.1
Interest income (expense)	2.0	(106.1)[5]	(104.1)
Profit for the period	1,311.8		1,361.0

(1) Reflects revenue that would have been recognised, and distribution and administrative expenses that would have been incurred, under the Aviation Services Agreement for providing aviation refuelling and other related services to ADNOC's civil aviation customers and operations and maintenance services with respect to the civil aviation supply assets that were transferred to AssetCo as part of the ADNOC Refining Perimeter Reorganisation.

(2) Reflects reductions in our cost of LPG under the LPG Supply Agreement with ADNOC.

(3) Reflects reductions in our cost of refined petroleum products under the Refined Products Supply Agreement with ADNOC.

(4) Represents depreciation expense that would have been incurred related to the assets that were transferred to us as part of the ADNOC Refining Perimeter Reorganisation.

(5) Represents interest expense, including amortisation of transaction costs, related to the Debt Financing.

Pro Forma Statement of Financial Position Data

	As at 30 September 2017		
	Carve-out	Adjustments	Pro forma
		(AED millions)	
Total non-current assets	5,507.6	19.8[1]	5,527.4
Total current assets	9,824.7	5,462.2[2]	15,286.8
Total assets	15,332.3		20,814.2
Equity			
Total equity	10,794.6		10,794.6
Liabilities			
Total non-current liabilities	222.2	5,482.0[3]	5,704.2
Total current liabilities	4,315.4		4,315.4
Total liabilities	4,537.7		10,019.6
Total equity and liabilities	15,332.3		20,814.2

(1) Reflects transaction costs related to the revolving credit facility portion of the Debt Financing.

(2) Reflects the net cash proceeds received from borrowings under the term loan portion of the Debt Financing.

(3) Reflects the term loan portion of the Debt Financing, net of the transaction costs related to the term loan portion of the Debt Financing.

Other Pro Forma Financial Information

	Year ended 31 December 2016	Nine months ended 30 September 2016	2017
	(AED millions)		
EBIT(1)	2,141.0	1,542.6	1,465.1
EBITDA(1)	2,528.4	1,781.2	1,801.7
Adjusted pro forma net debt(2)			1,902.5

(1) EBIT represents profit for the period before interest and tax. EBITDA represents profit for the period before interest, tax, and depreciation and amortisation. Information regarding EBIT and EBITDA is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. We use EBIT and EBITDA in assessing our growth and operational performance. There are no generally accepted principles governing the calculation of EBIT or EBITDA, and the criteria upon which EBIT and EBITDA are based can vary from company to company. EBIT and EBITDA do not by themselves provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as substitutes for operating profit or any other measure as indicators of operating performance, or as alternatives to cash generated from operating activities as measures of liquidity. In addition, these measures should not be used instead of, or considered as alternatives to, our historical financial results. We have presented these non-IFRS measures because we believe they are helpful to investors and financial analysts in highlighting trends in our overall business. The table below sets forth a reconciliation of EBITDA to profit for each period presented:

	Year ended 31 December 2016	Nine months ended 30 September 2016	2017
	(AED millions)		
Profit for the period	2,002.2	1,438.6	1,361.0
Add:			
Interest	138.9	104.0	104.1
Taxes	—	—	—
EBIT	2,141.0	1,542.6	1,465.1
Depreciation	387.4	238.6	336.5
EBITDA	2,528.4	1,781.2	1,801.7

(2) Adjusted pro forma net debt represents total debt (including AED 27.5 million of related financing costs) less cash and bank balances, after giving effect to the repayment of a capital contribution to ADNOC in the amount of AED 6,304.4 million and the payment of an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million in November 2017. Net debt is sometimes used by investors to evaluate a company's level of indebtedness after taking into account its available cash. We use net debt in assessing our leverage and capital structure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations as at and for the years ended 31 December 2015 and 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017 should be read in conjunction with our carve-out financial statements and our unaudited pro forma financial information, in each case including the related notes, and the information relating to our business included elsewhere in this Offering Memorandum. Investors should read the whole of this Offering Memorandum and not just rely upon summarised information.

The discussion includes forward-looking statements that reflect the current view of our management and involves risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause our actual results to differ materially from the forward-looking statements contained herein.

Overview

We are the leading operator of retail fuel service stations in the UAE with an approximate 67% market share by number of stations as at 30 September 2017 and the number one retail fuel brand. Our 360 retail fuel service stations as at 30 September 2017 are located in the emirates of Abu Dhabi and Sharjah, in each of which we currently are the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain. We also operate 235 ADNOC Oasis convenience stores as at 30 September 2017, making us the largest retailer in the UAE by number of stores. In addition, we lease space to tenants, such as quick service restaurants, at a majority of our service station locations, operate the only government authorised vehicle inspection centres in Abu Dhabi, and provide other services, such as car washes and lube and tyre change services at many of our service station locations. We also are the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and provide refuelling and related services at Abu Dhabi International Airport and six other commercial airports in the UAE.

Key Factors Affecting Results of Operations

Our results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected our results in the periods under review and which we expect may affect our financial results in the future. Factors other than those set forth below could also have a significant impact on our results of operations and financial condition.

UAE government regulation of retail fuel pricing and our fuel supply agreements with ADNOC

Prior to August 2015, retail fuel prices in the UAE were subsidised, generally resulting in retail sales of gasoline and gas oil (diesel) by us and other retailers in the UAE at prices below supply costs for such fuels. Largely as a result of these subsidies, we had accumulated losses totalling AED 36,147.7 million as at 31 December 2015. In August 2015, the UAE Council of Ministers eliminated price subsidies for sales of gasoline and gas oil (diesel) and established the Retail Pricing Committee chaired by the Ministry of Energy to set the prices at which retailers in the UAE sell these products to retail customers. The Retail Pricing Committee, which includes representatives of each of the three fuel retailers in the UAE, including the Company, sets retail prices on a monthly basis based on Platts global refined petroleum product price benchmarks and a margin for retailers that is intended to compensate retailers for the costs of transportation and other operating expenses, and to provide for a profit margin. See "*Regulation—UAE Ministry of Energy*". The elimination of subsidies on gasoline and gas oil (diesel) generally has resulted in reduced volumes of fuels sold by our Corporate division as fuel distributors no longer purchased fuels from us for resale at higher prices elsewhere, and later as "grey market" distributors began to sell lower quality fuels imported from outside of the UAE. See "*—Factors affecting fuel volume sales by our Corporate division*".

We have entered into the Refined Products Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we have agreed to purchase all of our refined petroleum products from ADNOC, and new pricing formulae for fuels purchased from ADNOC are being applied. Although the exact impact of this new pricing on our results of operations will depend on the mix of fuels and grades that we purchase and resell, had this new supply agreement been in effect as of 1 January 2016, the prices we paid ADNOC for gasoline and gas oil (diesel) for the year ended 31 December 2016 and the nine months ended 30 September 2017 would have been reduced by AED 360.4 million and AED 104.7 million, respectively, resulting in corresponding increases in our gross profit, profit for the year, and EBITDA. See the pro forma financial information, including the related notes, included elsewhere in this Offering Memorandum. In addition, under the terms of the Refined Products Supply Agreement, ADNOC will reduce the price we pay for gasoline and gas oil (diesel) on a fils-for-fils basis if the regulated margins on retail sales of these fuels are reduced below certain specified levels or if revenue from retail sales of gasoline and gas oil (diesel) do not provide us with specified minimum annual per-litre gross profit levels, in each case during the initial term of the agreement, which expires on 31 December 2022. See "*Related Party Transactions—Supply Agreements—Refined Products Supply* Agreement". Although we believe that any such action by the UAE government or by the Retail Pricing Committee is unlikely, the margin stabilisation elements of the Refined Products Supply Agreement are designed to mitigate the risk of a reduction in our fils-per-litre gross profit margins during this period.

We also have entered into the LPG Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we have agreed to purchase all of our LPG from ADNOC. Under the LPG Supply Agreement, the price we pay ADNOC for LPG is ADNOC's official selling price, provided that, for so long as LPG cylinder prices are regulated, the price we pay ADNOC for LPG to be distributed in subsidised cylinders is equal to the regulated retail prices of such LPG cylinders minus 108% of our operating expenses for distributing these LPG cylinders. See "*Related Party Transactions—Supply Agreements—LPG Supply* Agreement". Had this new supply agreement been in effect as of 1 January 2016, the prices we paid ADNOC for LPG for the year ended 31 December 2016 and the nine months ended 30 September 2017 would have been reduced by AED 23.4 million and AED 65.0 million, respectively, resulting in corresponding increases in our gross profit, profit for the year, and EBITDA. See the pro forma financial information, including the related notes, included elsewhere in this Offering Memorandum. Although this pricing mechanism is designed to prevent us from incurring operating losses in connection with the distribution of subsidised LPG cylinders, it also limits the types and amounts of operating expenses that can be included in calculation of our LPG supply costs and in effect caps our operating profit for such activities at 8% of our operating expenses associated with sales and distribution of LPG cylinders.

Write off of amounts payable to ADNOC and the payment of a special dividend to ADNOC

In December 2016, following the elimination of retail price subsidies for gasoline and gas oil (diesel) in August 2015, the Supreme Petroleum Council, which formulates and oversees the implementation of Abu Dhabi's petroleum policies and strategies and acts as ADNOC's Board of Directors, approved a write off of amounts payable to ADNOC amounting to AED 42,520.0 million against our accumulated losses, as a result of which AED 6,304.4 million was recognised as an additional capital contribution from ADNOC to the Company. Primarily as a result of this capital contribution, we reported retained earnings of AED 1,845.0 million as at 31 December 2016, compared to cumulative losses of AED 36,147.7 as at 31 December 2015.

In November 2017, our Board of Directors authorised the repayment of the capital contribution to ADNOC in the amount of AED 6,304.4 million and the payment of an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million. If these payments had been made on 30 September 2017, amounts shown on our carve-out statement of financial position as at 30 September 2017 in respect of cash and bank balances, capital contribution and retained earnings would have been reduced by AED 8,439.1 million, AED 6,304.4 million and AED 2,134.7 million, respectively.

Carve-out of our civil aviation fuels supply business

In September 2017, we completed the Civil Aviation Supply Carve-out whereby all of our contracts for the sale and supply of jet fuel to the civil aviation sector, and related receivables and jet fuel inventories, were transferred to ADNOC. As described in note 1 and note 3 of notes to the carve-out financial statements, our carve-out financial statements give effect for all periods presented to the Civil Aviation Supply Carve-out. In connection with the Civil Aviation Supply Carve-out, we entered into the Aviation Services Agreement pursuant to which ADNOC compensates us on a cost-plus-8% basis for providing sales and marketing and fuel distribution services and aircraft refuelling operations to ADNOC's civil aviation customers, and for operating and maintaining the aviation fuel distribution assets transferred to AssetCo in connection with the ADNOC Refining Perimeter Reorganisation. See "*Related Party Transactions—Civil Aviation Supply Carve-out*". The revenue derived from, and the operating expenses associated with, providing services under the Aviation Services Agreement will be reflected in our results of operations beginning 1 October 2017. Our Aviation division continues to directly handle sales of fuels and refuelling and related services to our strategic customers, as opposed to acting as an agent of ADNOC.

Factors affecting fuel volume sales by our Corporate division

Several factors have impacted the volume of fuels sold by our Corporate division during the periods reflected in our carve-out financial statements. Prior to the elimination of retail fuel price subsidies in the UAE in August 2015, wholesale fuel prices in Abu Dhabi also were subsidised and, as a result, we also sold fuels to our Corporate division customers at subsidised prices. As margins on fuels sold by our Corporate division increased following the elimination of retail and wholesale fuel subsidies, Corporate division volumes sold decreased largely as a result of reduced sales to distributors who no longer could profitably purchase fuels from us for resale elsewhere and reduced sales to certain other commercial customers who no longer enjoyed a price advantage from purchasing fuels from us relative to other sources of supply. Moreover, following the elimination of fuel subsidies, a "grey market" developed whereby fuel distributors could purchase inferior fuels at lower or subsidised prices in other countries in the region for resale into our markets. Although it is impossible to determine the size of this grey market with any precision, we estimate that it currently comprises approximately 20% of the wholesale market for fuels. However, new regulations have been signed into law in the UAE, which we expect will go into effect in 2018, that will regulate the sale of fuels in the UAE by prohibiting the purchase of commercial quantities of petroleum products from unknown origins or sources, or from distributors otherwise operating without proper operating licenses. We believe that these new regulations will have the effect of largely driving grey market distributors from the UAE wholesale fuels market and that the share of the market currently supplied by these distributors will be captured by the primary market participants, including us, ENOC and Emarat.

Termination of Emarat Dubai Transaction

Effective 1 January 2015, we began supplying fuels to 59 Emarat retail fuel service stations in contemplation of our acquisition of these service stations and related convenience store operations. From 1 January 2015 through 31 March 2016, revenue from sales of fuels by these service stations, and the related costs, were reflected in our Retail division results of operations, and the results of operation of the related convenience stores and other ancillary services were reflected in Retail division "other income" in our statement of operations. In early 2016, this acquisition was abandoned, and for the three months ended 30 June 2016, our Corporate division continued to supply fuels to these service stations during a transition period before Emarat reclaimed operation of these locations. We refer to this collectively as the "Emarat Dubai Transaction". The following table sets forth our results of operations and fuel volumes attributable the Emarat Dubai Transaction that are reflected in our carve-out financial statements for the years ended 31 December 2015 and 2016 and the nine months ended 30 September 2016 and 2017:

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(AED millions)			
Revenue				
Retail fuel	2,103.4	412.5	412.5	—
Corporate	—	403.6	403.6	—
Total revenue	2,103.4	816.1	816.1	—
Gross profit				
Retail fuel	283.7	84.2	84.2	—
Corporate	—	31.3	31.3	—
Total gross profit	283.7	115.5	115.5	—
Distribution and administrative expenses	(195.9)	(98.3)	(98.3)	
Other income(1)	121.1	30.7	30.7	—
Operating profit	208.8	48.0	48.0	—
Fuel volumes (millions of litres)				
Retail division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	1,044.3	232.9	232.9	—
98 unleaded gasoline	107.5	30.0	30.0	—
Total gasoline	1,151.8	262.9	262.9	—
Gas oil (diesel)	60.6	17.1	17.1	—
Total retail division fuel volumes	1,212.4	280.1	280.1	—
Corporate division fuel volumes				
91E+ unleaded gasoline	—	—	—	—
95 unleaded gasoline	—	234.2	234.2	—
98 unleaded gasoline	—	30.7	30.7	—
Total gasoline	—	264.9	264.9	—
Gas oil (diesel)	—	16.1	16.1	—
Total corporate division fuel volumes	—	281.0	281.0	—
Total fuel volumes	1,212.4	561.1	561.1	—

(1) Other income includes income, net of expenses, generated by convenience store sales, lubricant sales, car wash and lube change services, and rental income at the Emarat service stations.

Carve-out of our natural gas division

In November 2017, we entered into a business transfer agreement (the "Business Transfer Agreement") with ADNOC pursuant to which we have agreed to transfer to ADNOC our natural gas distribution business (the "NG Business"), excluding those assets and operations located at our retail fuel service stations for the compression and sale of CNG to operators of natural gas-powered vehicles, for consideration equal to AED 64.1 million (representing the net book value of the transferred assets), plus all operating costs and capital expenditure incurred by us in relation to the NG Business between signing and closing, less (i) all customer receipts received by or on our behalf in relation to the NG Business between signing and closing, and (ii) an amount equal to all duties and liabilities incurred by us in connection with the employment of the employees to transfer with the NG Business prior to closing. See "*Business—Reorganisation—Natural Gas Division Carve-out*". This transaction is expected to close in mid-2018 and therefore did not impact our results in the periods under review. The transaction also will have an immaterial impact on our future financial statements.

The impact of fluctuations in crude oil prices on our sales of refined petroleum products

The prices at which we purchase and sell fuels fluctuate with fluctuations in prices for crude oil. Consequently, as crude oil prices increase, the prices we charge our customers for fuels will increase, resulting in increased revenue, and as crude oil prices decrease, the prices we charge our customers for fuels will decrease, resulting in decreased revenue. However, because our costs of supply and the prices at which we resell fuels generally fluctuate largely in tandem, we believe that fluctuations in crude oil prices have had, and, barring any unexpected significant increase in crude oil prices in the future which could impact customer demand for fuel, likely will continue to have, minimal impact on our profitability and cash flows. Moreover, the new supply agreements we have entered into with ADNOC are designed to mitigate against reductions in our per-litre gross margins on sales of gasoline and gas oil through 2022.

Because, however, we maintain inventories, which averaged 26 days and 27 days of inventory for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, our results of operations are impacted to some extent by fluctuations in the value of these inventories as crude oil prices, and thus the resale value of our inventories, fluctuate. During periods of increasing crude oil prices, the value of our inventories will increase, allowing us to sell such inventories to our customers at higher prices, generating increased gross profit margins, and during periods of decreasing crude oil prices, the value of our inventories will decrease, requiring us to sell such inventories to our customers at lower prices, generating lower gross profit margins. We believe that the impact of inventories on the periods presented has been immaterial. Moreover, as noted above, the new supply agreements we have entered into with ADNOC are designed to mitigate against reductions in our per-litre gross margins on sales of gasoline and gas oil (diesel) through 2022, mitigating our inventory risk during that period. See "*Related Party Transactions—Supply Agreements*".

Entry into our new term loan and revolving credit facilities

We had no indebtedness outstanding during the periods reflected in our carve-out financial statements. In November 2017, we entered into a new credit facility comprising a USD 1,500.0 million (AED 5,509.5 million) five-year, bullet maturity term loan facility and a USD 750.0 million (AED 2,754.8 million) five-year revolving credit facility. See "*—Financial Liabilities and Contractual Obligations—Term Loan and Revolving Credit Facilities*". The term loan facility was drawn in full and the proceeds therefrom, together with available cash and bank balances, were used to repay a capital contribution to ADNOC in the amount of AED 6,304.4 million, and to pay an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million. Consequently, our results of operations for future periods will reflect interest expense associated with these term loan borrowings. Had the term loan debt been incurred on 1 January 2016, we would have incurred AED 141.4 million and AED 106.1 million of interest expense associated with the term loan borrowings, including amortisation of debt financing costs, for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively. See the pro forma financial information, including the related notes, included elsewhere in this Offering Memorandum. The revolving credit facility currently is undrawn. Any future borrowings under the revolving credit facility would result in increased levels of interest expense.

Other macroeconomic factors affecting our results of operations

Our results of operations generally are affected by the level of economic activity in, and other macroeconomic factors affecting, Abu Dhabi and the UAE. For a discussion of some of these factors, see "*Industry Overview*".

Taxation

We are not currently, and during the periods under review have not been, subject to corporate income tax in the UAE. As such, taxation has had no effect on our results of operations to date. See "*Taxation—UAE Taxation*".

Explanation of Certain Statement of Operations Items

Revenue

Revenue primarily comprises Retail division revenue from the sale of refined petroleum and other products to customers at our retail fuel service stations, to our Corporate division customers, and to our Aviation division strategic customers. Revenue also includes (a) Retail division revenue from sales of merchandise (other than merchandise held on consignment, income from sales of which is reflected in other income) at our convenience stores, (b) Retail division revenue from the provision of other services at our retail fuel service stations, such as car wash and lube change services, and at our vehicle inspection centres, (c) lease revenue from our Allied Services division tenants, and (d) revenue associated with delivering fuels to our Corporate division customers. Beginning 1 October 2017, revenue also will include revenue derived under our the Aviation Services Agreement with ADNOC.

Direct Costs

Direct costs primarily reflect the costs of the refined petroleum (the vast majority of which is purchased from ADNOC) and other products and merchandise (other than merchandise held on consignment) that we sell to our customers. Also included in direct costs are costs, including staff, material, overhead and depreciation costs, associated with our lubricant blending operations.

Distribution and administrative expenses

Distribution and administrative reflects all operating expenses, other than direct costs, associated with the sales and delivery of products and services to our customers, primarily comprising the salaries and benefits of our employees. Included in distribution and administrative expenses for the years ended 31 December 2015 and 2016 and the nine months ended 30 September 2016 and 2017 are AED 200.0 million, AED 238.4 million, AED 171.3 million and AED 198.4 million, respectively, of recoverable expenses, reflecting expenses related to the provision of refuelling and other services to ADNOC's civil aviation customers. See note 17 of notes to the carve-out financial statements. Pursuant to the Aviation Services Agreement, effective 1 October 2017 ADNOC compensates us for providing these services at a rate equal to these recoverable expenses plus 8%, all of which will be reflected as revenue. Consequently, recoverable expenses will no longer be reflected as a reversal of distribution and administrative expenses for future periods. See "*—Factors Affecting Results of Operations—Carve-out of our Civil Aviation Fuels Supply Business*".

Results of Operations

Comparison of the nine months ended 30 September 2016 and 30 September 2017

The following discussion and analysis of our results of operations for the nine months ended 30 September 2016 and 30 September 2017 is based on the carve-out financial statements included elsewhere in this Offering Memorandum. The following table sets forth our results of operations for the nine months ended 30 September 2016 and 2017 as presented in our carve-out financial statements (which reflects the Civil Aviation Supply Contract), as well as our results of operations for such periods attributable to the Emarat

Dubai Transaction. See "*—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

	Actual		Emarat Dubai Transaction	
	Nine months ended 30 September		Nine months ended 30 September	
	2016	2017	2016	2017
	(AED millions)			
Revenue				
Retail				
Fuel	8,537.1	9,491.3	412.5	—
Non-fuel	528.8	556.3	—	—
Total retail	9,065.8	10,047.6	412.5	—
Corporate	2,899.0	2,839.3	403.6	—
Aviation	974.3	1,146.4	—	—
Other	159.4	187.7	—	—
Total revenue	13,098.5	14,220.9	816.1	—
Direct costs				
Retail				
Fuel	(6,672.3)	(7,629.1)	(328.3)	—
Non-fuel	(347.3)	(360.8)	—	—
Total retail	(7,019.6)	(7,990.0)	(328.3)	—
Corporate	(2,250.1)	(2,285.8)	(372.3)	—
Aviation	(658.0)	(817.0)	—	—
Other	(8.4)	(12.5)	—	—
Total direct costs	(9,936.1)	(11,105.3)	(700.6)	—
Gross profit				
Retail				
Fuel	1,864.8	1,862.2	84.2	—
Non-fuel	181.4	195.5	—	—
Total retail	2,046.2	2,057.6	84.2	—
Corporate	648.8	553.4	31.3	—
Aviation	316.3	329.4	—	—
Other	150.9	175.2	—	—
Total gross profit	3.162.3	3,115.7	115.5	—
Distribution and administrative expenses	(1,837.3)	(1,912.8)	(98.3)	—
Other income	112.0	160.1	30.7	—
Impairment losses and other operating expenses	(119.0)	(53.2)	—	—
Operating profit	1,318.0	1,309.8	47.9	—
Interest income	2.0	2.0	—	—
Profit for the period				
Retail	671.2	628.2	25.8	—
Corporate	454.7	444.7	22.1	—
Aviation	201.6	229.7	—	—
Other	0.2	7.8	—	—
Unallocated	(7.6)	1.4	—	—
Total profit for the period	1,320.0	1,311.8	47.9	—

The following table sets forth certain operating data for the nine months ended 30 September 2016 and 2017 on an as-reported basis (which reflects the Civil Aviation Supply Contract), as well as our results of operations for such periods attributable to the Emarat Dubai Transaction. See "*—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

	Actual		Emarat Dubai Transaction	
	Nine months ended 30 September		Nine months ended 30 September	
	2016	2017	2016	2017
	(millions of litres)			
Retail division volumes				
Gasoline				
91E+ unleaded gasoline	899.5	845.5	—	—
95 unleaded gasoline	3,518.6	3,398.4	232.9	—
98 unleaded gasoline	213.0	191.2	30.0	—
Total gasoline	4,631.1	4,435.2	262.9	—
Gas oil (diesel)	624.5	582.0	17.1	—
Total gasoline and gas oil (diesel)	5,255.6	5,017.2	208.1	—
LPG	63.2	62.4	—	—
Lubricants	7.5	6.7	—	—
Corporate division volumes				
Gasoline	305.4	38.0	264.9	—
Gas oil (diesel)	1,357.0	1,343.0	16.1	—
Total gasoline and gas oil (diesel)	1,662.4	1,381.0	281.0	—
LPG	252.0	239.6	—	—
Lubricants	23.2	19.2	—	—

Revenue

Revenue for the nine months ended 30 September 2017 was AED 14,220.9 million, an increase of AED 1,122,5 million, or 8.6%, from revenue of AED 13,098.5 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, revenue for the nine months ended 30 September 2017 was AED 14,220.9 million, an increase of AED 1,938.6 million, or 15.8%, from revenue of AED 12,282.3 million for the nine months ended 30 September 2016.

Retail division fuel revenue for the nine months ended 30 September 2017 was AED 9,491.3 million, an increase of AED 954.2, or 11.2%, from Retail division fuel revenue of AED 8,537.1 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel revenue for the nine months ended 30 September 2017 was AED 9,491.3 million, an increase of AED 1,366.7 million, or 16.8%, from Retail division fuel revenue of AED 8,124.6 million for the nine months ended 30 September 2016, primarily as a result of higher average selling prices. Average retail prices for 98 unleaded gasoline and for gas oil (diesel) for the nine months ended 30 September 2017 were AED 1.627 and AED 1.944 per litre, respectively, compared to AED 1.597 and 1.627 per litre, respectively, for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, volume of retail fuels sold was relatively flat at 5,017.2 million litres for the nine months ended 30 September 2017, compared with from 4,975.5 million litres for the nine months ended 30 September 2016.

Retail division non-fuel revenue for the nine months ended 30 September 2017 was AED 556.3 million, an increase of AED 27.5 million, or 5.2%, from Retail division non-fuel revenue of AED 528.8 million for the nine months ended 30 September 2016 primarily due to an increase in the number of convenience stores we operated.

Corporate division revenue for the nine months ended 30 September 2017 was AED 2,839.3 million, a decrease of AED 59.7 million, or 2.1%, from Corporate division revenue of AED 2,899.0 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Corporate division revenue for the nine months ended 30 September 2017 was AED 2,839.3 million, an increase of AED 344.0 million, or 13.8%, from Corporate division revenue of AED 2,495.3 million for the nine months ended 30 September 2016, primarily due to higher average selling prices. Although prices of fuels sold through our Corporate division are not regulated, prices nevertheless generally track retail fuel prices. Excluding the impact of the Emarat Dubai Transaction, volumes of gasoline and gas oil (diesel) sold through our Corporate division were flat at 1,381 million litres for the nine months ended 30 September 2017 and the nine months ended 30 September 2016. However, volumes of LPG and lubricants sold through our Corporate division declined by 5.2% and 20.8%, respectively, for the nine months ended 30 September 2017 compared to the nine months ended 30 September 2016. The supply of LPG from ADNOC was impaired during 2017 due to a major fire at ADNOC's Ruwais refinery, and our lubricants volumes were adversely affected by problems with a supplier. We believe that both situations have now been rectified.

Aviation division revenue for the nine months ended 30 September 2017 was AED 1,146.4 million, an increase of AED 172.1 million, or 17.7%, from Aviation division revenue of AED 974.3 million for the nine months ended 30 September 2016, primarily due to higher average selling prices. Aviation division volume was 593 million litres for the nine months ended 30 September 2017, an increase of 25 million litres, or 4.4%, from Aviation division volume 568 million litres for the nine months ended 30 September 2016

Other revenue, comprising revenue from our Allied Services division and our natural gas business, which, other than those assets and operations located at our retail fuel service stations for the sale of CNG to operators of natural gas-powered vehicles, is being transferred to ADNOC, were AED 187.7 million for the nine months ended 30 September 2017, an increase of AED 28.3 million, or 17.8%, from other revenue of AED 159.4 million for the nine months ended 30 September 2016.

Direct costs

Direct costs for the nine months ended 30 September 2017 were AED 11,105.3 million, an increase of AED 1,169.1 million, or 11.8%, from direct costs of AED 9,936.1 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, direct costs for the nine months ended 30 September 2017 were AED 11,105.3 million, an increase of AED 1,869.8 million, or 20.2%, from direct costs of AED 9,235.5 million for the nine months ended 30 September 2016.

Retail division fuel direct costs for the nine months ended 30 September 2017 were AED 7,629.1 million, an increase of AED 956.8 million, or 14.3%, from Retail division fuel direct costs of AED 6,672.3 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel direct costs for the nine months ended 30 September 2017 were AED 7,629.1 million, an increase of AED 1,285.2 million, or 20.3%, from Retail division fuel direct costs of AED 6,343.9 million for the nine months ended 30 September 2016. Retail division fuel direct costs increased at a higher rate than Retail division fuel revenue due to increased supply costs incurred following the fire at ADNOC's Ruwais refinery, requiring us to source fuels at higher costs from third-party sources. In future periods, ADNOC will be obligated under the Refined Products Supply Agreement as currently in effect to bear any similar increased costs.

Retail division non-fuel direct costs for the nine months ended 30 September 2017 were AED 360.8 million, an increase of AED 13.5 million, or 3.9%, from Retail division non-fuel direct costs of AED 347.3 million for the nine months ended 30 September 2016 primarily due to an increase in the number of convenience stores we operated.

Corporate division direct costs for the nine months ended 30 September 2017 were AED 2,285.8 million, an increase of AED 35.7 million, or 1.6%, from Corporate division direct costs of AED 2,250.1 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Corporate division direct costs for the nine months ended 30 September 2017 were AED 2,285.8 million, an increase of AED 408.0 million, or 21.7%, from Corporate division direct costs of AED 1,877.8 million for the nine months ended 30 September 2016. As with Retail division fuel direct costs, Corporate division direct costs increased at a higher rate than Corporate division revenue due to increased supply costs incurred following the fire at ADNOC's Ruwais refinery.

Aviation division direct costs for the nine months ended 30 September 2017 were AED 817.0 million, an increase of AED 159.0 million, or 24.2%, from Aviation division direct costs of AED 658.0 million for the nine months ended 30 September 2016. Aviation division direct costs increased at a higher rate than Aviation division revenue due to increased supply costs incurred following the fire at ADNOC's Ruwais refinery.

Other direct costs for the nine months ended 30 September 2017 were AED 12.5 million, compared with other direct costs of AED 8.4 million for the nine months ended 30 September 2016.

Gross Profit

On the basis of the foregoing, gross profit for the nine months ended 30 September 2017 was AED 3,115.7 million, a decrease of AED 46.7 million, or 1.5%, from gross profit of AED 3,162.3 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, gross profit for the nine months ended 30 September 2017 was AED 3,115.7 million, an increase of AED 69.0 million, or 2.3%, from gross profit of AED 3,046.7 million for the nine months ended 30 September 2016.

Retail division fuel gross profit for the nine months ended 30 September 2017 was AED 1,862.2 million, relatively flat with Retail division fuel gross profit of AED 1,864.8 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel gross profit for the nine months ended 30 September 2017 was AED 1,862.2 million, an increase of AED 81.6 million, or 4.6%, from Retail division fuel gross profit of AED 1,780.6 million for the nine months ended 30 September 2016.

Retail division non-fuel gross profit for the nine months ended 30 September 2017 was AED 195.5 million, an increase of AED 14.1 million, or 7.8%, from Retail division non-fuel gross profit of AED 181.4 million for the nine months ended 30 September 2016.

Corporate division gross profit for the nine months ended 30 September 2017 was AED 553.4 million, a decrease of AED 95.4 million, or 14.7%, from Corporate division gross profit of AED 648.8 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, Corporate division gross profit for the nine months ended 30 September 2017 was AED 553.4 million, a decrease of AED 64.1 million, or 10.4%, from Corporate division gross profit of AED 617.5 million for the nine months ended 30 September 2016.

Aviation division gross profit for the nine months ended 30 September 2017 was AED 329.4 million, an increase of AED 13.1 million, or 4.1%, from Aviation division gross profit of AED 316.3 million for the nine months ended 30 September 2016.

Other gross profit for the nine months ended 30 September 2017 was AED 175.2 million, an increase of AED 24.3 million, or 16.1%, from other gross profit of AED 150.9 million for the nine months ended 30 September 2016.

Distribution and administrative expenses

Distribution and administrative expenses for the nine months ended 30 September 2017 were AED 1,912.8 million, an increase of AED 75.5 million, or 4.1%, from distribution and administrative expenses of AED 1,837.3 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, distribution and administrative expenses for the nine months ended 30 September 2017 were AED 1,912.8 million, an increase of AED 174 million, or 10.0% from distribution and administrative expenses of AED 1,739 million for the nine months ended 30 September 2016, primarily due to growth of our Retail division.

Retail division distribution and administrative expenses for the nine months ended 30 September 2017 were AED 1,488.5 million, an increase of AED 32.0 million, or 2.2%, from Retail division distribution and administrative expenses of AED 1,456.6 million for the nine months ended 30 September 2016.

Corporate division distribution and administrative expenses for the nine months ended 30 September 2017 were AED 161.8 million, an increase of AED 27.9 million, or 20.9%, from Corporate division distribution and administrative expenses of AED 133.9 million for the nine months ended 30 September 2016 due to a significant increase in services provided to our strategic customers, which had a corresponding positive increase in our services revenue during this period.

Aviation division distribution and administrative expenses for the nine months ended 30 September 2017 were AED 97.8 million, an increase of AED 2.7 million, or 2.9%, from Aviation division distribution and administrative expenses of AED 95.1 million for the nine months ended 30 September 2016.

Other distribution and administrative expenses for the nine months ended 30 September 2017 were AED 164.6 million, an increase of AED 12.8 million, or 8.4%, from other distribution and administrative expenses of AED 151.8 million for the nine months ended 30 September 2016.

Other income

Other income for the nine months ended 30 September 2017 was AED 160.1 million, an increase of AED 48.1 million, or 43.0%, from other income of AED 112.0 million for the nine months ended 30 September 2016 primarily due to increased product delivery income from our Corporate division customers, increased sales of consigned goods at our convenience stores, and increased sales of scrap items such as used oil, batteries, and tyres.

Impairment losses and other operating expenses

Impairment losses and other operating expenses for the nine months ended 30 September 2017 were AED 53.2 million, a decrease of AED 65.8 million, or 55.3%, from impairment losses and other operating expenses of AED 119.0 million for the nine months ended 30 September 2016, primarily due to improvement of customers credit collection in the nine months ended 30 September 2017.

Operating profit

On the basis of the foregoing, operating profit for the nine months ended 30 September 2017 was AED 1,309.8 million, roughly flat with operating profit of AED 1,318.0 million for the nine months ended 30 September 2016. Retail division operating profit for the nine months ended 30 September 2017 was AED 628.2 million, a decrease of AED 43.0 million, or 6.4% from Retail division operating profit of AED 671.2 million for the nine months ended 30 September 2016. Corporate division operating profit for the nine months ended 30 September 2017 was AED 444.7 million, a decrease of AED 10.0 million, or 2.2% from Corporate division operating profit of AED 454.7 million for the nine months ended 30 September 2016. Aviation division operating profit for the nine months ended 30 September 2017 was AED 229.7 million, an increase of AED 28.1 million, or 14.0%, from Aviation division operating profit of AED 201.6 million for the nine months ended 30 September 2016. Other operating profit for the nine months ended 30 September 2017 was AED 7.8 million, an increase of AED 7.6 million from other operating profit of AED 0.2 million for the nine months ended 30 September 2016.

Interest Income

Interest income was AED 2.0 million for the nine months ended 30 September 2017 and for the nine months ended 30 September 2016. ADNOC historically held the majority of our cash balances on a non-interest bearing basis.

Profit for the period

On the basis of the foregoing, profit for the period for the nine months ended 30 September 2017 was AED 1,311.8 million, roughly flat with profit for the period of AED 1,320.0 million for the nine months ended 30 September 2016. Excluding the impact of the Emarat Dubai Transaction, profit for the period was AED 1,311.8 million for the nine months ended 30 September 2017, an increase of million AED 39.8 million, or 3.1%, from profit for the period of AED 1,272.0 million for the nine months ended 30 September 2016.

Comparison of the years ended 31 December 2015 and 2016

The following discussion and analysis of our results of operations and financial condition for the years ended 31 December 2015 and 2016 is based on the carve-out financial statements included elsewhere in this Offering Memorandum. The following table sets forth our results of operations for the years ended 31 December 2015 and 2016 as presented in our carve-out financial statements (which reflects the Civil Aviation Supply Contract), as well as our results of operations for such periods attributable to the Emarat

Dubai Transaction. See "—*Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

	Actual		Emarat Dubai Transaction	
	Year ended 31 December		Year ended 31 December	
	2015	2016	2015	2016
	(AED millions)			
Revenue				
Retail				
Fuel	13,844.4	11,593.5	2,103.4	412.5
Non-fuel	706.3	706.3	—	—
Total retail	14,550.8	12,299.8	2,103.4	412.5
Corporate	4,657.9	3,819.4	—	403.6
Aviation	1,816.5	1,328.5	—	—
Other	194.8	222.3	—	—
Total revenue	21,220.0	17,670.1	2,103.4	816.1
Direct costs				
Retail				
Fuel	(12,061.6)	(9,093.2)	(1,819.7)	(328.3)
Non-fuel	(472.7)	(471.3)	—	—
Total retail	(12,534.4)	(9,564.4)	(1,819.7)	(328.3)
Corporate	(3,660.8)	(2,958.2)	—	(372.3)
Aviation	(1,346.8)	(907.2)	—	—
Other	(13.7)	(13.8)	—	—
Total direct costs	(17,555.5)	(13,443.6)	(1,819.7)	(700.6)
Gross profit				
Retail				
Fuel	1,782.8	2,500.3	283.7	84.2
Non-fuel	233.6	235.1	—	—
Total retail	2,016.4	2,735.4	283.7	84.2
Corporate	997.2	861.2	—	31.3
Aviation	469.8	421.3	—	—
Other	181.2	208.6	—	—
Total gross profit	3,664.5	4,226.5	283.7	115.5
Distribution and administrative expenses	(2,517.1)	(2.549.8)	(195.9)	(98.3)
Other income	216.6	161.0	121.1	30.7
Impairment losses and other operating expenses	(72.1)	(59.3)	—	—
Operating profit	1,291.9	1,778.5	208.8	47.9
Interest income	3.0	2.5	—	—
Profit for the period				
Retail	188.4	810.4	208.8	25.8
Corporate	750.0	658.1	—	22.1
Aviation	354.2	294.1	—	—
Other	(7.0)	(20.3)	—	—
Unallocated	9.2	38.6	—	—
Total profit for the period	1,294.9	1,781.0	208.8	47.9

The following table sets forth certain operating data for the years ended 31 December 2015 and 2016 on an as-reported basis (which reflects the Civil Aviation Supply Contract), as well as our results of operation for such periods attributable to the Emarat Dubai Transaction. See "*—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

	Actual		Emarat Dubai Transaction	
	Year ended 31 December		Year ended 31 December	
	2015	2016	2015	2016
Retail division volumes (millions of litres, except where indicated)				
Gasoline				
91E+ unleaded gasoline	1,197.2	1,190.7	—	—
95 unleaded gasoline	5,127.1	4,674.4	1,044.3	232.9
98 unleaded gasoline	303.7	278.1	107.5	30.0
Total gasoline	6,228.0	6,143.2	1,151.8	262.9
Gas oil (diesel)	841.2	834.5	60.6	17.1
Total gasoline and gas oil (diesel)	7,069.2	6,977.7	1,212.4	208.1
LPG	105.9	85.5	—	—
Lubricants	9.9	10.0	—	—
Corporate division volumes (millions of litres)				
Gasoline	67.4	319.6	—	264.9
Gas oil (diesel)	2,090.0	1,787.0	—	16.1
Total gasoline and gas oil (diesel)	2,157.4	2,106.6	—	281.0
LPG	294.3	325.9	—	—
Lubricants	34.2	32.5	—	—

Revenue

Revenue for the year ended 31 December 2016 was AED 17,670.1 million, a decrease of AED 3,550.0 million, or 16.7%, from revenue of AED 21,220.0 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, revenue for the year ended 31 December 2016 was AED 16,853.9 million, a decrease of AED 2,262,7 million, or 11.8%, from revenue of AED 19,116.6 million for the year ended 31 December 2015.

Retail division fuel revenue for the year ended 31 December 2016 was AED 11,593.5 million, a decrease of AED 2,250.9 million, or 16.3%, from Retail division fuel revenue of AED 13,844.4 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel revenue for the year ended 31 December 2016 was AED 11,180.9 million, a decrease of AED 560.1 million, or 4.8%, from Retail division fuel revenue of AED 11,741.0 million for the year ended 31 December 2015, due to lower volumes and lower average selling prices. Even though retail fuel subsidies were eliminated in August 2015, declining oil prices led to lower average retail fuel prices in 2016.

Retail division non-fuel revenue was AED 706.3 million for the year ended 31 December 2016 and the year ended 31 December 2015.

Corporate division revenue for the year ended 31 December 2016 was AED 3,819.4 million, a decrease of AED 838.5 million, or 18.1%, from Corporate division revenue of AED 4,657.9 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Corporate division revenue for the year ended 31 December 2016 was AED 3,415.8 million, a decrease of AED 1,242.1 million, or 26.7%, from Corporate division revenue of AED 4,657.9 million for the year ended 31 December 2015 due to lower volumes and lower average selling prices.

Aviation division revenue for the year ended 31 December 2016 was AED 1,328.5 million, a decrease of AED 488.0 million, or 26.9%, from Aviation division revenue of AED 1,816.5 million for the year ended 31 December 2015 due to lower volumes and lower average selling prices.

Other revenue, comprising revenue from our Allied Services division and our natural gas business, which, other than those assets and operations located at our retail fuel service stations for the sale of CNG to operators of natural gas-powered vehicles, is being sold to ADNOC, was AED 222.3 million for the year ended 31 December 2016, an increase of AED 27.5 million, or 14.1%, from other revenue of AED 194.8 million for the year ended 31 December 2015.

Direct costs

Direct costs for the year ended 31 December 2016 were AED 13,443.6 million, a decrease of AED 4,112.0 million, or 23.4%, from direct costs of AED 17,555.5 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, direct costs for the year ended 31 December 2016 was AED 12,742.9 million, a decrease of AED 2,993.0 million, or 19.0%, from direct costs of AED 15,735.9 million for the year ended 31 December 2015.

Retail division fuel direct costs for the year ended 31 December 2016 were AED 9,093.2 million, a decrease of AED 2,968.4 million, or 24.6%, from Retail division fuel direct costs of AED 12,061.6 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel direct costs for the year ended 31 December 2016 were AED 8,764.8 million, a decrease of AED 1,477.2 million, or 14.4%, from Retail division fuel direct costs of AED 10,242.0 million for the year ended 31 December 2015 due to lower volumes and lower supply costs as a result of lower oil prices in 2016 compared to 2015.

Retail division non-fuel direct costs for the year ended 31 December 2016 were AED 471.3 million, relatively flat with Retail division non-fuel direct costs of AED 472.7 million for the year ended 31 December 2015, reflecting flat Retail division non-fuel revenue for the periods.

Corporate division direct costs for the year ended 31 December 2016 were AED 2,958.2 million, a decrease of AED 702.6 million, or 19.2%, from Corporate division direct costs of AED 3,660.8 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Corporate division direct costs for the year ended 31 December 2016 were AED 2,585.9 million, a decrease of AED 1,074.9 million, or 29.4%, from Corporate division direct costs of AED 3,660.8 million for the year ended 31 December 2015 due to lower volumes and lower supply costs as a result of lower oil prices in 2016 compared to 2015.

Aviation division direct costs for the year ended 31 December 2016 were AED 907.2 million, a decrease of AED 439.6 million, or 32.6%, from Aviation division direct costs of AED 1,346.8 million for the year ended 31 December 2015 due to lower volumes and lower supply costs as a result of lower oil prices in 2016 compared to 2015.

Other direct costs for the year ended 31 December 2016 were AED 13.8 million, roughly flat with other direct costs of AED 13.7 million for the year ended 31 December 2015.

Gross Profit

On the basis of the foregoing, gross profit for the year ended 31 December 2016 was AED 4,226.5 million, an increase of AED 562.0 million, or 15.3%, from gross profit of AED 3,664.5 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, gross profit for the year ended 31 December 2016 was AED 4,111.0 million, an increase of AED 730.2 million, or 21.6%, from gross profit of AED 3,380.8 million for the year ended 31 December 2015. The increase in gross profit reflects the full year impact of the elimination of fuel subsidies in August 2015.

Retail division fuel gross profit for the year ended 31 December 2016 was AED 2,500.3 million, an increase of AED 717.5 million, or 40.2%, from Retail division fuel gross profit of AED 1,782.8 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Retail division fuel gross profit for the year ended 31 December 2016 was AED 2,416.1 million, an increase of AED 917.0 million, or 61.2%, from Retail division fuel gross profit of AED 1,499.1 million for the year ended 31 December 2015.

Retail division non-fuel gross profit for the year ended 31 December 2016 was AED 235.1 million, an increase of AED 1.5 million, or 0.6%, from Retail division non-fuel gross profit of AED 233.6 million for the year ended 31 December 2015.

Corporate division gross profit for the year ended 31 December 2016 was AED 861.2 million, a decrease of AED 135.9 million, or 13.6%, from Corporate division gross profit of AED 997.2 million for the year ended 31 December 2015. Excluding the impact of the Emarat Dubai Transaction, Corporate division gross profit for the year ended 31 December 2016 was AED 829.9 million, a decrease of AED 167.3 million, or 16.8%, from Corporate division gross profit of AED 997.2 million for the year ended 31 December 2015.

Aviation division gross profit for the year ended 31 December 2016 was AED 421.3 million, a decrease of AED 48.4 million, or 10.3%, from Aviation division gross profit of AED 469.8 million for the year ended 31 December 2015.

Other gross profit for the year ended 31 December 2016 was AED 208.6 million, an increase of AED 27.4 million, or 15.1%, from other gross profit of AED 181.2 million for the year ended 31 December 2015.

Distribution and administrative expenses

Distribution and administrative expenses for the year ended 31 December 2016 were AED 2,549.8 million, an increase of AED 32.7 million, or 1.3%, from distribution and administrative expenses of AED 2,517.1 million for the year ended 31 December 2015 primarily due to increased depreciation expense.

Retail division distribution and administrative expenses for the year ended 31 December 2016 were AED 2,027.0 million, an increase of AED 24.2 million, or 1.2%, from Retail division distribution and administrative expenses of AED 2,002.8 million for the year ended 31 December 2015.

Corporate division distribution and administrative expenses for the year ended 31 December 2016 were AED 181.9 million, a decrease of AED 16.3 million, or 8.2%, from Corporate division distribution and administrative expenses of AED 198.2 million for the year ended 31 December 2015.

Aviation division distribution and administrative expenses for the year ended 31 December 2016 were AED 119.6 million, an increase of AED 7.5 million, or 6.7%, from Aviation division distribution and administrative expenses of AED 112.1 million for the year ended 31 December 2015.

Other distribution and administrative expenses for the year ended 31 December 2016 were AED 221.2 million, an increase of AED 40.7 million, or 22.5%, from other distribution and administrative expenses of AED 180.6 million for the year ended 31 December 2015.

Other income

Other income for the year ended 31 December 2016 was AED 161.0 million, a decrease of AED 55.6 million, or 25.7%, from other income of AED 216.6 million for the year ended 31 December 2015 due to the impact of the Emarat Dubai Transaction.

Impairment losses and other operating expenses

Impairment losses and other operating expenses for the year ended 31 December 2016 were AED 59.3 million, a decrease of AED 12.8 million, or 17.8%, from impairment losses and other operating expenses of AED 72.1 million for the year ended 31 December 2015 primarily due to improvement of customers credit collection in 2016.

Operating profit

On the basis of the foregoing, operating profit for the year ended 31 December 2016 was AED 1,778.5 million, an increase of AED 486.6 million, or 37.7%, from operating profit of AED 1,291.9 million for the year ended 31 December 2015. Retail division operating profit for the year ended 31 December 2016 was AED 810.4 million, an increase of AED 622.0 million, or 330.1% from Retail division operating profit of AED 188.4 million for the year ended 31 December 2015. Corporate division operating profit for the year ended 31 December 2016 was AED 658.1 million, a decrease of AED 91.9 million, or 12.3% from Corporate division operating profit of AED 750.0 million for the year ended 31 December 2015. Aviation division operating profit for the year ended 31 December 2016 was AED 294.1 million, a decrease of AED 60.1 million, or 17.0%, from Aviation division operating profit of AED 354.2 million for the year ended 31 December 2015. Other operating profit for the year ended 31 December 2016 was a loss of AED 20.3 million, compared with a loss of AED 7.0 million for the year ended 31 December 2015.

Interest Income

Interest income was AED 2.5 million for the year ended 31 December 2016, compared to interest income of AED 3.0 million for the year ended 31 December 2015. ADNOC historically held the majority of our cash balances on a non-interest bearing basis.

Profit for the year

On the basis of the foregoing, profit for the year for the year ended 31 December 2016 was AED 1,781.0 million, an increase of AED 486.1 million, or 37.5%, from profit for the year of AED 1,294.9 million for the year ended 31 December 2015.

Liquidity and Capital Resources

Our principal liquidity requirements historically have arisen from the need to fund our working capital, operating expenses, and capital expenditures. Following the Global Offering, our principal liquidity requirements will also include funds for the payment of dividends to our shareholders. During the periods reflected in our carve-out financial statements, our liquidity needs were funded from internally generated cash and capital provided by ADNOC, primarily to fund operating losses due to retail fuel price subsidies, which were eliminated in August 2015. For future periods, we expect to fund our liquidity needs primarily from internally generated operating cash flows and borrowings under our revolving credit facility (to the extent required).

Our cash and bank balances as at 30 September 2017 were AED 6,556.4 million, compared to AED 3,833.5 million and AED 921.2 million as at 31 December 2016 and 2015, respectively. In November 2017, we entered into a new credit facility comprising a USD 1,500.0 million (AED 5,509.5 million) five-year, bullet maturity term loan facility and a USD 750.0 million (AED 2,754.8 million) five-year revolving credit facility. The term loan facility was drawn in full and the proceeds therefrom, together with available cash and bank balances, were used to repay a capital contribution to ADNOC in the amount of AED 6,304.4 million, and to pay an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million. Upon the closing of the Global Offering, we expect to have cash and bank balances of approximately USD 500.0 million (AED 1,836.5 million).

Historically, ADNOC has held our cash balances on a non-interest bearing basis. In future periods we expect to deposit our cash balances in interest bearing accounts with commercial banks.

Cash Flow Information

Comparison of the nine months ended 30 September 2016 and 30 September 2017

The following table sets out a summarised presentation of our cash flow statements for the nine months ended 30 September 2016 and 30 September 2017:

	For the nine months ended 30 September	
	2016	**2017**
	(AED millions)	
Net cash generated by operating activities	1,830.9	3,369.4
Net cash used in investing activities	(822.3)	(676.5)
Net increase in cash and cash equivalents	1,008.6	2,692.9
Cash and cash equivalents at the beginning of the period	821.2	3,733.5
Cash and cash equivalents at the end of the period	1,829.8	6,426.4

Net cash generated by operating activities

Net cash generated by operating activities was AED 3,369.4 million for the nine months ended 30 September 2017, an increase of AED 1,538.4 million, or 84.0%, from net cash generated by operating activities of AED 1,830.9 million for the nine months ended 30 September 2016. Net cash generated by operating activities for the nine months ended 30 September 2017 resulted primarily from profit for the period of AED 1,311.8 million and an AED 1,888.3 million increase in amounts due to related parties due to timing differences between invoice and cash payment for the refined products supply from ADNOC. Invoicing and payment for refined products was impacted by irregular supply operations following the fire at ADNOC Refining's Ruwais refinery. These operations are expected to normalise in future periods. Net cash generated by operating activities for the nine months ended 30 September 2016 resulted primarily from profit for the period of AED 1,320.0 million and an AED 832.2 million decrease in trade receivables and other current assets.

Net cash used in investing activities

Net cash used in investing activities was AED 676.5 million for the nine months ended 30 September 2017, compared to net cash used in investing activities of AED 822.3 million for the nine months ended 30 September 2016, primarily due to payments for purchases of property, plant and equipment of AED 633.7 million and AED 773.1 million, respectively.

Comparison of the years ended 31 December 2015 and 2016

The following table sets out a summarised presentation of our cash flow statements for the years ended 31 December 2015 and 31 December 2016:

	For the year ended 31 December	
	2015	**2016**
	(AED millions)	
Net cash generated by operating activities	468.8	4,047.0
Net cash used in investing activities	(932.2)	(1,134.7)
Net (decrease) increase in cash and cash equivalents	(463.3)	2,912.3
Cash and cash equivalents at the beginning of the year	1,284.5	821.2
Cash and cash equivalents at the end of the year	821.2	3,733.5

Net cash generated by operating activities

Net cash generated by operating activities was AED 4,047.0 million for the year ended 31 December 2016, an increase of AED 3,578.2 million, or 763.2%, from net cash generated by operating activities of AED 468.8 million for the year ended 31 December 2015. Net cash generated by operating activities for the year ended 31 December 2016 resulted primarily from profit for the year of AED 1,781.0 million, an AED 1,078.8 million decrease in trade receivables and other current assets, and an AED 1,174.3 million increase in amounts due to related parties. Net cash generated by operating activities for the year ended 31 December 2015 resulted primarily from profit for the year of AED 1,294.9 million offset by an AED 672.4 million decrease in amounts due to related parties.

Net cash used in investing activities

Net cash used in investing activities was AED 1,134.7 million for the year ended 31 December 2016, compared to net cash used in investing activities of AED 932.2 million for the year ended 31 December 2015, primarily due to payments for purchases of property, plant and equipment of AED 1,040.2 million and AED 880.3 million, respectively.

Capital Expenditures

Our capital expenditures primarily consist of (i) capital expenditures related to the development and construction of new service stations and fuel terminal projects and capitalised maintenance costs related to our properties, (ii) purchase of machinery and equipment, and (iii) other capital expenditures related to our properties, including structural upgrades, technology infrastructure upgrades and other improvements. The table below presents our capital expenditures for the periods presented:

	Year ended 31 December		Nine months ended 30 September
	2015	**2016**	**2017**
	(AED millions)		
Service stations projects	626.0	808.6	430.9
Industrial projects	119.5	128.9	806.7
Natural gas projects	65.7	78.9	18.7
Machinery and equipment	48.2	70.8	27.8
Distribution fleet	10.4	30.2	8.3
Technology infrastructure	94.0	107.9	40.2
Office furniture and equipment	10.1	12.6	7.7
Total capital expenditures	973.9	1,237.9	1,340.2

We estimate that aggregate capital expenditures for the remainder of 2017 and for 2018 will be approximately USD 250.0 million (AED 918.3 million), primarily related to the construction of new retail fuel service stations. Approximately USD 30.0 million of total capital expenditures for 2018 is expected to relate to maintenance capital expenditures. In November 2017, we entered into the Business Transfer Agreement to transfer the NG Business. This transaction is expected to close in mid-2018, following which we will cease making capital expenditures for natural gas projects.

Financial Liabilities and Contractual Obligations

Term Loan and Revolving Credit Facilities

In November 2017, we entered into a new credit facility comprising a USD 1,500.0 million (AED 5,509.5 million) five-year, bullet maturity term loan facility, which has been drawn in full, and a USD 750.0 million (AED 2,754.8 million) five-year revolving credit facility, which currently is undrawn, with Abu Dhabi Commercial Bank PJSC, Bank of America Merrill Lynch International Limited, Citibank, N.A., London Branch, First Abu Dhabi Bank PJSC and HSBC Bank Middle East Limited, as mandated lead arrangers and bookrunners. Loans under the facilities will be drawn pro rata in USD and AED. Outstanding borrowings under the facilities bear interest at the London Interbank Offered Rate (LIBOR) plus 0.875% per annum, in the case of USD-denominated loans, and at the Emirates Interbank Offered Rate (EIBOR) plus 0.60% per annum, in the case of AED-denominated loans. In addition, we pay an annual commitment fee equal to 25% of the applicable margin on the facilities. Borrowings under the facilities may be prepaid without penalty or premium (other than customary LIBOR breakage costs), provided that borrowings under the term loan facility, if prepaid, may not be redrawn. We are not required to make amortisation payments of principal on the term loan facility prior to maturity in November 2022. However, we must prepay outstanding borrowings under the facilities if at any time ADNOC ceases to be the direct or indirect owner of at least 50% of our shares. The facilities contain customary representations, warranties and undertaking, but no financial covenants, and borrowings under the facilities are unsecured. Events of default under the facilities include non-payment (subject to a five-day grace period), breach of other obligations under the finance documents (subject to a grace period for remediable breach of 20 business days), misrepresentation, cross default, insolvency events, the Company ceasing to carry on business, unlawfulness or ineffectiveness of any finance document, and repudiation or rescission of the finance documents, in each case subject to customary qualifications and baskets.

Contractual obligations and commitments

We incur contractual obligations and financial commitments in the normal course of our operations and financing activities. Contractual obligations include future cash payments required under existing contracts, such as our lease agreements and our term loan facility. Financial commitments represent contingent obligations, such as financial guarantees, that become payable only if specified events occur. Details on these obligations are set forth below.

The following table summarises our contractual obligations and commitments as of 30 September 2017.

	Not later than one year	One to five years	Later than five years
	(AED millions)		
As at 30 September 2017	3.2	23.0	16.4
As at 31 December 2016	3.2	23.0	15.9

Amounts shown reflect the minimum lease payments associated with our leases of real property. In order to continue to comply with property ownership laws in the UAE following the Global Offering, our real property portfolio has been transferred to ADNOC and we have entered into Transfer Liability and Leaseback Agreements with ADNOC under which we lease back this property on a cost-pass-through basis. See "*Related Party Transactions—Real Property Transfer Liability and Leaseback Agreement*". Amounts payable under our term loan facility are not included, as there were no borrowings thereunder as at 30 September 2017. In November 2017, we borrowed USD 1,500.0 million (AED 5,509.5 million) under this facility, all of which will become due and payable in 2022.

As at 30 September 2017, we had contingent liabilities amounting to AED 1.4 million in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

We have no off-balance sheet arrangements.

Legal claims

We are involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, we do not believe that these matters will have a material adverse effect on our carve-out financial statements if concluded unfavourably.

Financial Risk Management

Market risk

Market risk is the risk that changes in market prices, such as interest rates or currency rates, will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

We have no significant currency risk exposure from our operations as a majority of our transactions are in AED or USD. The UAE dirham is pegged to the US dollar, and hence balances in US dollars are not considered to present a significant foreign exchange risk.

Cash flow and fair value interest rate risk

We are exposed to interest rate risk on our interest bearing assets. Consequently, our income and operating cash flows are dependent on changes in market interest rates. Our interest rate risk arises from borrowings under our term loan and revolving credit facilities and short term bank deposits. Deposits/ placements issued at fixed rates expose us to fair value interest rate risk. Our policy is to manage these risks based on our assessment of available options. Historically we have placed surplus funds with ADNOC for treasury management under which we did not earn interest on such funds. Following the Global Offering, we expect to place surplus funds with reputable banks and financial institutions.

Deposits and placements are on rollover bases for three months or less, and as such the carrying amounts have not been discounted as the impact of discounting is not deemed to be significant. Accordingly, the impact of changes in interest rates is not deemed to be significant.

Price risk

We are exposed to commodity price risk arising from retail prices of liquid fuels. Retail fuel prices are set by the UAE Ministry of Energy, which limits and may result in reductions in the profit margins on these products. There can be no assurance that the UAE Ministry of Energy will continue to set retail prices at a level that provides the same or a similar profit margin, and any reduction in the profit margin on these products could have a material adverse impact on our results of operations and financial position. Under our new supply agreements with ADNOC, ADNOC will provide us with protection against reductions in per-litre gross profits below certain specified levels. See "*Related Party Transactions—Supply Agreements*".

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. We assess the credit quality of our customers, taking into account financial position, past experience and others factors. Individual risk limits are based on management's assessment on a case-by-case basis.

Our policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and we do not expect any losses from non-performance of our counterparties as we believe that adequate allowance has been created against impaired receivables.

Our trade receivable balances are monitored on an ongoing basis with the result that our exposure to bad debts is not significant. The maximum exposure is the carrying amount of trade receivables as disclosed in note 7 of notes to the carve-out financial statements.

Liquidity risk

Liquidity risk is the risk that we will be unable to meet our financial obligations as they fall due. We limit our liquidity risk by ensuring adequate cash from operations is available to meet our funding requirements.

We monitor our risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both financial investments and financial assets (*e.g.*, bank deposits, trade receivables and other financial assets), and projected cash flows from operations. Historically our objective has been to maintain liquidity through credit lines available from ADNOC. In future periods, we intend to utilise borrowings under our revolving credit facility to the extent required.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of our accounting policies, which are described in note 3 of notes to our carve-out financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

For a discussion of key sources of estimation uncertainly, see note 4 of notes to our carve-out financial statements.

The following is a summary of significant accounting policies, which require management to make judgments, estimates and assumptions, and which we believe are material for potential investors. For a complete description of these and other significant accounting policies, see note 3 of notes to our carve-out financial statements.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products and services provided in the normal course of business. Revenue is recognised, net of rebates and discounts, when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue and associated cost can be measured reliably.

Sale of goods and petroleum products are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, which generally coincides with the actual delivery of goods. Delivery does not occur unless the products have been shipped out of the Company's premises or received by the customer.

Revenue from rendering of services is recognised when the services have been rendered and the outcome of the transactions can be estimated reliably.

Revenue from petroleum transport is recognised when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of assets to their residual values over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss. Land that had been provided by the Abu Dhabi government for no consideration was accounted for at a nominal value of AED 1 per plot of land. Land is not depreciated. In connection with the Global Offering, land owned by the Company has been transferred to and leased back from ADNOC. See "*Related Party Transactions—Real Property Transfer Liability and Leaseback Agreement*".

Capital work-in-progress

Capital work-in-progress is included in property, plant and equipment at cost. Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Company's policies when construction of the asset is completed and the asset is commissioned and available for use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Introduction

We participate primarily in the retail transportation fuels, wholesale fuels and forecourt convenience store markets in the UAE, with a particularly dominant position in the Emirate of Abu Dhabi, as well as the UAE and international lubricants market, the UAE LPG market, and the market for CNG to fuel natural gas vehicles in the UAE.

United Arab Emirates and Abu Dhabi

United Arab Emirates

According to data published by the International Monetary Fund (the "IMF"), the UAE is the second largest economy in the Gulf Cooperation Council (the "GCC") after Saudi Arabia, based on nominal gross domestic product ("GDP"). Approximately 35.5% of the UAE's GDP in 2016 was attributable to the oil and gas industry according to IHS Markit. The UAE has one of the most diversified economies in the GCC because of a strategy that seeks to diversify the economy away from dependence on the oil and gas sector and to develop other sources of income. While fluctuations in energy prices do have a bearing on economic growth, with declines in oil prices contributing to corresponding declines in GDP in the UAE in 2015 and 2016, the UAE generally is viewed as being less vulnerable than some of its GCC neighbours due to the growth in non-oil sectors, particularly trading, finance, real estate and tourism.

The UAE is viewed as one of the best foreign investment destinations in the GCC due to its relatively high rate of economic growth compared to other GCC countries and Western Europe, rising levels of disposable income, moderate rates of inflation, and a growing population. The IMF and the Economist Intelligence Unit ("EIU") each forecast that GDP in the UAE will grow at a compound annual growth rate ("CAGR") of 3.1% from 2017 to 2022, compared to EIU forecasted rates ranging from 2.6% in Bahrain to 1.7% in Saudi Arabia, and a 1.6% average (arithmetic mean) rate in the UK, France, Germany, Italy and Spain. BMI Research estimates that disposable income in the UAE will grow by 3.3% in 2017, and by at least 4.0% each year from 2018 to 2021. The EIU forecasts that the rate of inflation in the UAE will be 3.4% in 2017 and then range from 4.8% in 2018 to 3.0% in 2021, whereas the IMF forecasts rates of inflation ranging from 2.0% to 3.0% during the 2017-2022 period.

The population of the UAE has grown seven-fold from approximately 1.4 million in 1985 to approximately 10.0 million in 2017, reflecting an influx of foreign labour, principally from Asia, and is projected to continue to grow at a CAGR of almost 2% to approximately 11.0 million in 2022 according to IHS Markit, while the IMF projects a 3.0% CAGR in UAE population to approximately 11.8 million in 2022.

In May 2017, Moody's affirmed the UAE's long-term credit rating of Aa2 and upgraded its outlook from negative to stable, citing the UAE's effective policy response to the low oil price environment via an acceleration in the country's reform agenda; expected improvement in the UAE's fiscal and current account positions; and the economy's growth and diversification prospects.

Abu Dhabi

Abu Dhabi, the capital of the UAE, is a key centre of the UAE's political, industrial and cultural activity and has played an important role in the development of the UAE and its growing economy. Abu Dhabi occupies nearly 87% of the UAE's total land mass, with a coastline in excess of 700 kilometres long, making it the largest of the seven emirates that comprise the UAE. The emirate consists of the city of Abu Dhabi, the western region (Al Gharbia), and the eastern region (Al Ain). Abu Dhabi contains approximately 95% of the UAE's oil reserves and approximately 92% of the UAE's gas reserves.

In response to recent declines in oil prices, Abu Dhabi has accelerated its plans to diversify its economy away from oil and gas into areas such as tourism, media, logistic and healthcare. Largely due to the implementation of these plans, in May 2017 Moody's affirmed Abu Dhabi's long-term credit rating of Aa2 and upgraded its outlook from negative to stable, citing an effective and broad policy response to the lower oil price environment via an acceleration in the reform agenda; the economy's growth prospects, supported by a healthy banking system; and an easing of contingent liability risk.

The UAE Federal Constitution grants Abu Dhabi constitutional ownership rights and control of its natural resources, pursuant to which Abu Dhabi has implemented its own legislation and decrees. The Supreme Petroleum Council (the "SPC"), established by the government of Abu Dhabi in 1988, formulates and oversees the implementation of Abu Dhabi's petroleum policies and strategies. The SPC grants rights to exploit oil and gas through concessions to state-owned oil and gas exploration companies and consortia of foreign companies as minority shareholders, with ADNOC as majority shareholder.

Retail Transportation Fuels

The retail transportation fuels market in the UAE comprises three participants: ADNOC Distribution, which, as at 30 September 2017, operates 360 retail fuel service stations in Abu Dhabi and the Northern Emirates; Emirates National Oil Company (ENOC), owned by the government of Dubai, which according to its website operates 116 retail fuel service stations in Dubai and the Northern Emirates (other than Sharjah) under the ENOC and EPPCO brand names; and Emirates General Petroleum Company (Emarat), owned by the UAE government, which according to its website operates 61 retail fuel service stations, 59 of which are in Dubai. We are the sole operator of retail fuel service stations in Abu Dhabi and Sharjah and, as at 30 September 2017, operate approximately 90% of the retail fuel stations in the other Northern Emirates. We currently do not operate any service stations in Dubai. ENOC and Emarat operate 63% and 58%, respectively, of the retail fuel service stations in Dubai according to information published on their websites.

Demand in the UAE for retail transportation fuels, comprised primarily of gasoline and gas oil (diesel), is driven by changes in GDP and population, as well as the number of passenger vehicles on the road and vehicle miles travelled. In addition to the UAE GDP and population forecasts noted above, IHS Markit forecasts that the number of passenger cars in the UAE will grow from approximately 2.1 million in 2017 to approximately 2.7 million in 2022, a 5.6% CAGR. Although IHS Markit forecasts that the average kilometres travelled per light duty vehicle in the UAE will remain relatively flat during this period, declining slightly from 63.3 thousand kilometres in 2017 to approximately 63.0 thousand kilometres in 2022, this remains significantly higher than the averages in the US and Europe, which IHS Markit estimates to be 18.9 thousand kilometres and 11.3 thousand kilometres, respectively, in 2017, and forecasts to be 18.4 thousand kilometres and 11.6 thousand kilometres, respectively, in 2022.

Based on these and other metrics, IHS Markit forecasts that demand for retail fuels in the UAE will grow from approximately 11.8 billion litres per year in 2017 to approximately 13.8 billion litres per year in 2022, a CAGR of 3.2%, comprising a 3.4% CAGR in retail demand for gasoline and a 2.4% CAGR in retail demand for gas oil (diesel) during this period. Of this growth in retail fuel demand, IHS Markit forecasts that 39% of the growth in demand will be in Abu Dhabi, 32% of the growth will be in Dubai, and 29% of the growth will be in the Northern Emirates.

Because retail fuel prices in the UAE are regulated and set by the Retail Pricing Committee chaired by the UAE Ministry of Energy, retail fuel prices are fixed across the UAE, and thus competition is based primarily on location and on other services offered, such as convenience stores; other food and retail offerings; and car wash and lube change, tyre change, and other car care services. In addition, because the volume of fuels sold per station in the UAE is higher than in most other developed markets, we believe that competition also is driven by the ability of consumers to quickly and conveniently refuel their vehicles, and that consumers frequently will bypass a service station in order to refuel at service stations with shorter queuing times.

Although there are no regulatory barriers, other than ordinary course government permitting and other required governmental approvals, that would prevent new participants from entering the UAE retail transportation fuels market, or prevent existing or new participants from entering into the retail transportation fuels market in Abu Dhabi, we believe that any such entry would require significant time, investment and government support.

Wholesale Fuels

The UAE wholesale fuels market, comprising primarily sales of gasoline and gas oil (diesel) to commercial, industrial and government customers, also is served primarily by ADNOC Distribution, ENOC and Emarat, although "grey market" distributors selling lower quality fuels and/or arbitraging differences in fuel prices in different regional markets also comprise a share of the wholesale fuels market. Although it is difficult to estimate the size of this market with any precision, we estimate that the grey market comprises approximately 20% of wholesale fuel sales in the UAE.

The primary drivers of the wholesale fuels market are general levels of economic activity, including new commercial, industrial, and government infrastructure development. Among the significant developments expected in the UAE in the foreseeable future that we believe will drive demand in the wholesale fuels market are the construction of a new midfield terminal at Abu Dhabi International Airport, which is expected of being able to accommodate up to 30 million passengers each year; a multi-billion-dollar expansion of the Borouge petrochemicals complex at Ruwais, which is aimed at increasing both the variety and volume of products it can produce, will add an additional polypropylene plant and is expected to be completed in 2023; the expansion of Khalifa Industrial Zone Abu Dhabi (KIZAD) to become the largest free trade zone in the UAE and which is expected to add an additional 100 square kilometres of space to accommodate more industries as well as a new business park; the continued development of Saadiyat Island, a 27 square kilometre island being developed by the Tourism Development & Investment Company of the Abu Dhabi Tourism Authority as a major residential, resort, recreational and cultural destination; Expo 2020, a world expo that will run from October 2020 through April 2021, that is being constructed on a 1,000-acre site located midway between Dubai and Abu Dhabi and that IHS Markit forecasts will bring 25 million international visitors to the UAE; and Emaar Properties, a leading property developer that has announced plans to build over USD 10 billion of residential units through 2022.

Growth in the number of commercial vehicles on the road also is expected to contribute to growth in the UAE wholesale fuels market. IHS Markit forecasts that the number of light and heavy trucks in the UAE will increase from approximately 156,000 in 2017 to 198,000 in 2022, a CAGR of approximately 4.8%.

Based on these and other factors, IHS Markit forecasts that demand for commercial gasoline and gas oil (diesel) in the UAE will grow from approximately 4.7 billion litres per year in 2017 to approximately 5.4 billion litres in 2022, a CAGR of approximately 2.5%.

In addition, new regulations have been signed into law in the UAE in 2017 and are expected to go into effect in 2018 that regulate the sale of fuels in the UAE by prohibiting the purchase of commercial quantities of petroleum products from unknown origins or sources, or from distributors otherwise operating without proper operating licenses. We believe that these new regulations will have the effect of driving "grey market" distributors from the UAE wholesale fuels market and that the share of the market currently supplied by these distributors, which we estimate to be approximately 20%, will be captured by the primary market participants, including us, ENOC and Emarat.

Convenience Stores

OC&C estimates that the UAE convenience store market was approximately USD 790 million in 2016, of which the forecourt subsegment comprised approximately USD 460 million, or approximately 58%. OC&C estimates that the overall convenience store market has grown at a CAGR of approximately 12% from 2014 to 2016, split roughly evenly between new store growth and same store sales growth, outpacing growth in the overall grocery market, which Euromonitor estimates at a CAGR of approximately 8% during this period. OC&C believes that this growth has been driven by increasing participation by women in the workforce, which World Bank figures estimate has increased from approximately 34% in 2000 to approximately 42% in 2016, and a corresponding increase in households with two working adults, creating time constraints that favour convenience store shopping; continued immigration into the UAE from countries where convenience store shopping is more the norm; and increasing time poverty resulting from increasingly hectic lifestyles that contributes to consumers favouring time savings over cost savings.

Notwithstanding this strong growth, OC&C believes that the convenience store segment is underpenetrated in the UAE market compared to international benchmarks, both in terms of number of convenience stores and the convenience store share of overall grocery purchases. OC&C estimates that per capita convenience store revenue was approximately USD 84 in 2016 in the UAE according to OC&C, representing approximately 6% of total grocery store revenue in the UAE according to Euromonitor International, compared to approximately USD 718 in the United Kingdom, representing approximately 21% of total grocery store revenue, approximately USD 526 in the United States, representing approximately 17% of total grocery store revenue, approximately USD 277 in Italy, representing approximately 12% of total grocery store revenue, approximately USD 155 in France, representing approximately 4% of total grocery store revenue, and approximately USD 123 in Germany, representing approximately 5% of total grocery store revenue, whereas of the countries examined only Spain, Turkey and China were lower with per capita convenience store revenue of approximately USD 49, USD 30 and USD 13, respectively, according to Euromonitor.

The UAE forecourt convenience store market in which we participate is a subsegment of the broader UAE convenience store market, and comprises convenience stores built on or adjacent to retail fuel service stations. OC&C estimates that the forecourt subsegment of the UAE convenience store market has grown at a CAGR of approximately 8% from 2014 to 2016. The smaller growth in the forecourt subsegment relative to the broader convenience store segment likely is attributable to lower growth in the number of forecourts in the UAE, which have grown at a CAGR of approximately 3% from 2014 to 2016 according to OC&C, while same store sales have grown at a CAGR of approximately 8% over the same period. Nonetheless, forecourt convenience store sales in the UAE are relatively low in comparison to fuel volumes sold when compared with other countries with more developed forecourt operators. OC&C estimates that forecourt convenience stores generated approximately USD 0.04 of revenue per litre of fuel sold in the UAE, compared to approximately USD 0.41 of revenue per litre of fuel sold in the United Kingdom, approximately USD 0.38 of revenue per litre of fuel sold in Germany, approximately USD 0.27 of revenue per litre of fuel sold in the United States, approximately USD 0.22 of revenue per litre of fuel sold in France, and approximately USD 0.19 of revenue per litre of fuel sold in Spain, whereas of the countries examined only China, Russia, Italy and India were lower with forecourt convenience store revenue per litre of fuel sold of approximately USD 0.04, USD 0.02, USD 0.02, and 0.00, respectively.

OC&C forecasts that the overall UAE convenience store market will continue to grow at a CAGR of approximately 12% from 2016 to 2021, and that growth in the forecourt subsegment will be at a CAGR of approximately 8% during this period according to Euromonitor, split roughly evenly between new store growth and same store sales growth.

The overall UAE convenience store market includes 10 major branded competitors, including ADNOC Distribution, which operates 235 ADNOC Oasis forecourt convenience stores as at 30 September 2017 throughout the UAE other than in Dubai; ENOC, which operated approximately 112 forecourt and 104 stand-alone convenience stores under its Zoom brand in Dubai and the Northern Emirates in 2016 according to its annual report; Emarat, which operated 51 forecourt and 33 stand-alone convenience stores, according to its website and Euromonitor, respectively, primarily in Dubai, in 2016; AllDay Minimart, which operates 51 stand-alone convenience stores primarily in Dubai according to its website; Circle K, which operates 31 stand-alone convenience stores and kiosks in Abu Dhabi and Dubai according to its website; Spinneys, which operates 21 stand-alone convenience stores in the UAE according to its website; 24 Seven, which operates 14 stand-alone convenience stores in Dubai according to its website; LuLu Express, which operated 13 stand-alone convenience stores in Abu Dhabi and Dubai in 2016 according to Euromonitor; 7-Eleven, which operates 12 stand-alone convenience stores, mostly in Dubai, according to its website; and Carrefour City, which operates seven stand-alone convenience stores in Dubai according to its website. Of these, only ADNOC Distribution, ENOC and Emarat operate forecourt convenience stores, and only ADNOC Distribution operates forecourt convenience stores in the emirates of Abu Dhabi and Sharjah.

Lubricants

Lubricants, comprising primarily engine oils and greases, are utilised by retail customers primarily for motor vehicle engines, and by commercial, industrial, marine and government customers for motor vehicles as well as for other engines, machinery and equipment. According to IHS Markit, demand for lubricants in the UAE is expected to be 126.6 million litres in 2017, of which 51.1 million litres is expected to comprise industrial and marine lubricants, 45.8 million litres is expected to comprise heavy duty diesel engine oils, 38.4 million litres is expected to comprise passenger car motor oils, and 12.0 million litres is expected to comprise other automotive lubricants. The primary participants in the UAE lubricants market are: ADNOC Distribution, with a share that IHS Markit estimates at approximately 30%; ENOC, with a share that IHS Markit estimates at approximately 20%; Emirates Lube Oil Company (ELCO), with a share that IHS Markit estimates at approximately 10%; and Total, Shell and ExxonMobile, with a combined share that IHS Markit estimates at approximately 10%. IHS Markit forecasts that demand for lubricants in the UAE will grow at a CAGR of approximately 0.6% from 2017 to 2022. The sizable international lubricants market is characterised by a large number of competitors and a highly fragmented market. Demand for lubricants often is driven by original equipment manufacturer certifications, where failure to utilise lubricants that have been certified by the original equipment manufacturer can cause damage to the engine, machinery or equipment and may void any manufacturer's warranty.

LPG

LPG is the primary cooking fuel in the UAE and is also used for other commercial and industrial applications. LPG is sold in 25 and 50 lb. cylinders primarily to residential customers for home cooking use, and in bulk to residential, commercial and industrial customers. IHS Markit estimates that demand for LPG in the UAE will be 1.0 billion litres in 2017, and forecasts that demand will grow at a CAGR of 8.8% to 1.5 billion litres in 2022, primarily due to growth in commercial and industrial demand. Prices of 25 lb. and 50 lb. cylinders sold in Abu Dhabi are regulated at levels that typically are less than market levels, although we believe that consideration may be given to eliminating these subsidies in the future, consistent with the elimination of subsidies for transportation fuels in the UAE.

CNG

We estimate that there currently are approximately 6,200 natural gas vehicles in the UAE, approximately 65% of which are taxis, approximately 21% are ADNOC or government-owned vehicles, approximately 13% of which are privately owned vehicles, and approximately 1% of which are buses. We estimate that the number of natural gas vehicles in the UAE will grow to approximately 15,000 in 2022. IHS Markit forecasts that the growth in natural gas vehicles in the UAE will contribute to an approximate 21% CAGR in demand for CNG, from approximately 44 million cubic metres (mmscm) in 2017 to approximately 102 mmscm in 2022.

REGULATION

The fuel distribution business in the UAE is regulated by the UAE Ministry of Energy, as well as the SPC in Abu Dhabi and similar governmental agencies in the other emirates.

UAE Ministry of Energy

The UAE Ministry of Energy regulates the energy market in the UAE. In 2015, the UAE Council of Ministers eliminated price subsidies for retail sales of gasoline and gas oil (diesel) and established the Retail Pricing Committee, chaired by the Ministry of Energy, to set the prices at which retailers in the UAE sell these products to retail customers. The Retail Pricing Committee, which is chaired by the Deputy Minister of Energy and includes a representative of the UAE Ministry of Finance and representatives of each of the three fuel retailers in the UAE—the Company, Emarat and ENOC—sets retail prices on a monthly basis based on Platts global refined petroleum product price benchmarks and a margin for retailers, which margins are intended to compensate retailers for the costs of transportation and other operating expenses, and to provide for a profit margin. The benchmark utilised by the Retail Pricing Committee for grade 95 unleaded gasoline is the prior month's average of Platts FOB Mediterranean and Platts FOB Rotterdam, and the benchmark utilised by the Retail Pricing Committee for gas oil (diesel) is calculated as the prior month's average of Platts Rotterdam and Platts Arabian Gulf (MOPAG). Currently, Mr. Saeed Al Rashdi, our Acting Chief Executive Officer, serves as our representative on the Retail Pricing Committee. See "*Risk Factors—Risks Relating to our Business and Industry—The retail prices of the gasoline and gas oil (diesel) we sell to our retail customers are set by regulations implemented by a committee chaired by the UAE Ministry of Energy. There can be no assurance that these regulations and this retail pricing committee will continue to set retail prices at levels that provide us with the same or similar profit margins, and any reduction in our profit margins on these products could have a material adverse impact on our results of operations and financial position*". Although the regulated margins have not changed since they were adopted in 2015, and there is no official statement related to a regular review of the regulated margins, we believe that the Ministry of Energy will review these margins periodically and will consider inflation-based adjustments in the future.

UAE Authority for Standardization & Metrology

The quality of the gasoline, gas oil (diesel) and lubricants that we sell is regulated by the Emirates Authority for Standardization & Metrology ("ESMA"), which was established in 2001 to set product quality and measurement standards in the UAE. Pursuant to regulations adopted by ESMA, we are required to submit samples of covered products to ESMA and obtain "ECAS" conformity certificates attesting that our covered products meet applicable quality standards. We have obtained all required ECAS certificates for our covered products, and believe that our covered products meet or exceed all applicable ESMA standards.

Vehicle Inspection Centres

Vehicles driven on public roads in Abu Dhabi undergo an annual mandatory vehicle inspection test and renewal of licensing. We manage a network of 21 vehicle inspection centres in Abu Dhabi, which are the exclusive authorised provider of these testing and inspection services. The prices we charge for these services are set by agreement with the Abu Dhabi Police. In 2017, the Abu Dhabi Police authorised an increase in price from AED 120 to AED 165 for "fresh tests", which accounted for 92.4% of the vehicle inspections that we conducted in 2016.

Environmental Regulation

The primary legislation for environmental protection in the UAE is Federal Law No. 24 of 1999 for the protection and development of the environment. In addition, the several emirates, including Abu Dhabi, have issued environmental laws and decrees relating to, among other things, waste management, ground water protection, and comprehensive environment health and safety management systems. These laws and regulations are overseen and enforced by the UAE Federal Ministry of Climate Change and Environment (MOCCE), the Air Quality Department of MOCCE, and the Environment Agency—Abu Dhabi, as well as regulators in the other emirates. In the course of our business, we are required to maintain certain permits from these regulators related to our operations, such as for the design, construction and safe management of fuel storage tanks, non-compliance with which can lead to civil and criminal penalties. We believe we are in material compliance with all applicable environmental laws and regulations.

Land Ownership

All except one of our service stations in Abu Dhabi, our head office in Abu Dhabi and our office in Al Ain were developed on land either granted to us by the government of Abu Dhabi or on land where the government of Abu Dhabi granted us usufruct rights (long-term leasehold rights). One service station in Abu Dhabi and all of our service stations in the Northern Emirates were developed on land leased to us by third parties. In order to continue to comply with property ownership laws in the UAE following the Global Offering, our real property portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu Dhabi and the Rulers of the Northern Emirates. See "*Risk Factors—Risks Relating to our Business and Industry—We do not own the land on which our service stations or other assets are located. As a result, we are subject to the possibility of the loss of, or increased costs to retain, necessary land use which could adversely affect our business and results of operations*". To allocate liabilities associated with the property transfers, and to ensure we have continued access to our properties, we have entered in to Transfer Liability and Leaseback agreements with ADNOC. See "*Related Party Transactions*". Following the Global Offering, we expect that future sites for service stations development in the UAE will be acquired by ADNOC and leased to us under these same arrangements.

Transportation of Fuel by Pipeline

The regulation of rights to develop and manage fuel distribution pipelines is governed by the emirate concerned, which may include third-party access rights or rights to expand capacity/facilities as a matter of contract. Capacity and access rights are governed by contract. We qualify to obtain the type of licence, licensable activities and approvals which would be required in order to operate and use fuel distribution pipelines. However, we do not control all the land used for the laying of distribution pipelines and are subject to the same risks as identified under "*—Land Ownership*" above.

Health and Safety

The UAE Labour Law, along with several regulations, regulates health and safety requirements. However, the provisions of the Labour Law do not apply to government companies, including us. In Abu Dhabi, the Abu Dhabi Occupational Safety and Health Center (OSHAD) regulates health and safety matters in Abu Dhabi. OSHAD delegates some authorities to specific government departments, called Sector Regulatory Authorities, which have the power to issue licenses or no objection to entities within its concerned sector. Currently, there are ten Sector Regulatory Authorities under OSHAD, including industry, building and construction, energy, transport, tourism and culture, health, education, food, waste and commercial activities sector. Although the oil and gas sector is currently not regulated by OSHAD, we have adopted and implemented our own health and safety policies that we believe are consistent with federal regulations and laws.

BUSINESS

Investors should read this section of this Offering Memorandum in conjunction with the more detailed information contained in this Offering Memorandum, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our carve-out financial statements, including the related notes, included elsewhere in this Offering Memorandum.

Overview

We are the leading operator of retail fuel service stations in the United Arab Emirates (UAE) with an approximate 67% market share by number of stations as at 30 September 2017 and the number one retail fuel brand. Our 360 retail fuel service stations as at 30 September 2017 are located in the emirates of Abu Dhabi and Sharjah, in each of which we currently are the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain. We also operate 235 ADNOC Oasis convenience stores as at 30 September 2017, making us the largest retailer in the UAE by number of stores. In addition, we lease space to tenants, such as quick service restaurants, at a majority of our service station locations, operate the only government authorised vehicle inspection centres in Abu Dhabi, and provide other services, such as car washes and lube and tyre change services at many of our service station locations. We also are the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and provide refuelling and related services at Abu Dhabi International Airport and six other commercial airports in the UAE.

We believe that our leading market position, our extensive fuel distribution infrastructure, the strength of our brand, and the support of ADNOC, our parent company, contribute to our success. We organise our business into four divisions:

- Retail, which accounted for 69.6% and 70.7% of our revenue and 64.7% and 66.0% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, owns and operates 360 retail fuel service stations and 235 ADNOC Oasis convenience stores, in each case as at 30 September 2017, where we sell fuels and other products, such as snacks, beverages, tobacco products, car care products, and personal care products, as well as provide related services such as car washes and lube and tyre change services;
- Allied Services, which accounted for 0.9% and 0.9% of our revenue and 3.7% and 4.2% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, manages and leases space at our retail fuel service stations to over 600 tenants selling quick service food and other ancillary products and services, such as banking services and automobile insurance, to our retail fuel service station customers, and operates vehicle inspection centres that are the only authorised providers of government mandated annual vehicle inspections to motor vehicle operators in Abu Dhabi;
- Corporate, which accounted for 21.6% and 20.0% of our revenue and 20.4% and 17.8% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, markets, distributes and sells refined petroleum products, including gas oil (diesel), gasoline, liquefied petroleum gas (LPG), our proprietary Voyager lubricants and other products to commercial, industrial and government customers throughout the UAE, and exports our Voyager lubricants to distributors in 19 countries outside of the UAE; and
- Aviation, which accounted for 7.5% and 8.1% of our revenue and 10.0% and 10.6% of our gross profit for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, sells aviation fuels and provides refuelling and other related services to strategic customers at locations across the UAE, and utilises advanced refuelling facilities to provide refuelling, defueling and other related services to ADNOC's civil aviation customers (comprising international and regional commercial and private aviation customers) at Abu Dhabi International Airport and at six other commercial airports in the UAE, for which we are compensated by ADNOC on a cost-plus basis.

We have implemented and are in the process of implementing initiatives in each of our divisions that we believe will contribute to our continued growth in revenue and profitability. These include utilising our proprietary SMART technology to introduce mixed-mode (premium full- and self-service) refuelling across our network of retail fuel service stations, optimising our operations to bring our operating expenses in line with international fuel retailers, and revitalising and optimising our convenience store operations to bring them more in line with our regional competitors. We believe that these initiatives, together with expected overall growth of the markets in which we operate due to macro-economic factors such as forecasted population and GDP growth, will contribute to significant growth in our revenue and profitability in the future.

Established in 1973, we currently are a wholly owned subsidiary of ADNOC, an integrated energy company owned by the Emirate of Abu Dhabi that operates across the hydrocarbon value chain, including exploration, production, storage, refining, marketing and distribution. ADNOC was formed by the government of Abu Dhabi in 1971 to manage crude oil exploration, production and distribution in Abu Dhabi, developing Abu Dhabi into one of the world's leading oil producers and fuelling the growth of Abu Dhabi and the UAE. Immediately following the Global Offering, ADNOC will continue to own at least 80% of our share capital. We believe that this ownership stake, together with various agreements we and ADNOC have put in place in connection with the Global Offering, will allow us to continue to benefit from a number of competitive advantages, including a supply of refined petroleum products to meet our customers' needs, the strength of the ADNOC brand name and its position in the Gulf region, and ADNOC's experience and expertise in the oil and gas industry. See "*Related Party Transactions*".

Competitive Strengths

Our competitive strengths include the following:

We are the leading fuel and convenience store retailer in the UAE, with a 67% market share by number of retail fuel service stations and more store locations in the UAE than any other retailer at 30 September 2017, collectively generating approximately 200 million transactions in 2016. We are the leading operator of retail fuel service stations in the UAE with a market share of approximately 67% based on the number of service stations as at 30 September 2017 and the number one retail fuel brand. We are the sole operator of retail fuel service stations in the emirates of Abu Dhabi and Sharjah, and we operate approximately 90% of the retail fuel service stations in the Northern Emirates, including the emirates of Ajman, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain, as at 30 September 2017. In addition, our 235 ADNOC Oasis convenience stores as at 30 September 2017 represent the largest retail platform in the UAE by number of stores, with more locations than any other retailer. Our retail fuel service stations and ADNOC Oasis convenience stores together generated approximately 200 million transactions in 2016. We believe that our leading market position in the UAE positions us for significant additional growth due to the UAE's political stability and its open and growing economy.

We benefit from a stable and predictable UAE retail fuel pricing regime and a five-year retail fuel margin stabilisation agreement with ADNOC. Retail fuel price regulations implemented in the UAE in August 2015 have allowed us to generate stable and predictable gross profits from our retail fuel sales. For the year ended 31 December 2016 and the nine months ended 30 September 2017, our Retail division generated gross profit from fuel sales of AED 2,500.3 million and AED 1,862.2 million, respectively, representing gross profit margins from fuel sales of 21.6% and 19.6%, respectively. These regulations currently set retail fuel prices based on Platts global refined petroleum product price benchmarks plus a regulated margin set by the UAE Ministry of Energy to compensate retailers for transportation costs and other operating expenses. Moreover, pursuant to the Refined Products Supply Agreement that we entered into with ADNOC effective 1 October 2017, ADNOC will reduce the prices we pay for gasoline and gas oil (diesel) on a fils-for-fils basis if, during the initial term of the agreement which expires on 31 December 2022, the regulated margin on retail fuel sales is reduced below specified thresholds, or if revenue from retail sales of gasoline and gas oil (diesel) do not provide us with specified minimum annual per-litre gross profit levels. See "*Related Party Transactions—Supply Agreements*". We believe that these UAE price regulations and retail fuel margin stabilisation arrangements with ADNOC, combined with our strong relationship and long-term supply agreements with ADNOC, will continue to provide stable gross profits from retail fuel sales with limited exposure to commodity pricing risk.

Our Retail division is complemented by our Corporate and Aviation divisions, providing us with diversified sources of revenue. In addition to our Retail division, we enjoy diversified sources of revenue through our Corporate and Aviation divisions. Our Corporate division sells gas oil (diesel), gasoline, LPG, our proprietary Voyager lubricants, and other products to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and exports our proprietary Voyager lubricants to distributors in 19 other countries. We believe that new fuel distribution regulations in the UAE that will regulate fuel sales by unauthorised "grey market" distributors will contribute to increased sales by our Corporate division as these grey market distributors are driven from the market. Although it is difficult to measure the size of the grey market with any precision, we estimate that it currently accounts for approximately 20% of commercial and industrial fuel sales in the UAE. These regulations were signed into law in 2017, and we expect they will take effect in 2018. We also believe that sales of our Voyager lubricants will continue to grow as an increasing number of original equipment manufacturers certify our products for use in their engines, machinery and equipment and as we expand the countries in which we distribute our lubricant products. In addition, we are the principal supplier of aviation fuels and refuelling services to our strategic customers in the UAE and continue to expand the airports in the UAE in which we provide civil aviation refuelling and related services. We currently provide refuelling services at nine airports in the UAE, including seven commercial airports. We currently are the sole provider of refuelling services at Abu Dhabi International Airport and are in discussions to begin to provide refuelling services to ADNOC's civil aviation customers at Dubai International Airport, the third busiest airport in the world by passenger traffic. We believe that ADNOC's strong and long-term relationships with its civil aviation customers, together with forecasted growth in civil aviation activity in the UAE, will contribute to increased refuelling service revenue at these and our other airport locations.

Our extensive footprint and well-developed fuel distribution infrastructure in the UAE, together with the strength of the ADNOC brand throughout the Gulf region, provide significant opportunities for growth in the UAE and internationally, while also presenting significant barriers to entry to new market participants. Although we currently are the leading fuel retailer in the UAE, we believe significant opportunities exist to grow our number of service stations in the UAE and internationally. In the UAE, our throughput (volumes of fuel sold per service station) is significantly higher than international industry norms, suggesting opportunities for growth in our number of retail fuel service station locations in our existing markets. We believe that opening additional retail fuel service stations in these markets will lead to increased customer satisfaction, increased fuel sales by capturing customer traffic that currently is being lost to competitors operating in less dense areas, increased non-fuel revenue as a result of higher convenience store sales and sales of ancillary services, and decreased maintenance costs at our existing locations resulting from our high throughput. Moreover, we believe we enjoy widespread and favourable name recognition outside of our existing areas of operation, including in Dubai, Saudi Arabia and elsewhere in the Gulf region, which we believe will support expansion into new geographies. We believe our growth will be supported by our leading market position and our well-developed fuel distribution infrastructure, which we believe present significant barriers to entry to new market participants, as building out distribution capabilities comparable to ours would require significant time, investment, regulatory approvals and other government support.

Our experienced senior management team has a proven track record of implementing and executing on its business plan and achieving significant growth. Our senior management team averages over 25 years of experience in the oil and gas, retail fuels and related markets. Our management team has a proven track record of growing revenue and profitability and implementing initiatives to improve operating efficiency and profit margins. Saeed Mubarak Al Rashdi, our Acting Chief Executive Officer, Nasser Ali Al Hammadi, our Senior Vice President, Retail, and Saleh Khamis Humaid, our Senior Vice President, Operations each has over 20 years of experience with us serving in capacities throughout our organisation. Our management team has been enhanced with the addition of John Carey, our Deputy Chief Executive Officer, who brings over 20 years of downstream oil and gas and retail experience with BP and Castrol; Petri Pentti, our Chief Financial Officer, who brings 30 years of industry and public company experience at Emirates National Oil Company (ENOC), Neste Corporation, and Finnair; and José Aramburu, our Senior Vice President, Corporate, who brings 30 years of downstream and chemicals experience with CEPSA.

Our Strategies

We aim to grow our leading positions in our markets and to leverage these positions to selectively expand our product offering and geographic reach. To achieve our goals, we plan to pursue the following strategies:

Leverage our position as the leading fuel retailer in the UAE to introduce new services that we believe will enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability. As the leading operator of retail fuel service stations in the UAE, we believe we are uniquely positioned to introduce services to our extensive customer base to enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability. We have developed proprietary SMART technology, incorporating RFID technology to allow pump activation and seamless payment processing without employee involvement. Utilising our SMART technology, we intend to convert our retail fuel service stations to a mixed-mode model that offers customers the option either of self-service refuelling, which is not currently offered in our markets, or premium full-service refuelling for which customers will be charged an additional service charge. We believe that by offering our customers a premium fuelling experience, we will be able to charge customers a service charge in the range of AED 5 to AED 10 per transaction for premium full-service refuelling, in addition to existing per-litre fuel charges. We also believe that the relative affluence and high wages of consumers in the UAE, hot weather conditions, especially in the summer months, that discourage our customers from refuelling their own vehicles, and the fact that our customers are not accustomed to refuelling their own vehicles, will lead to a higher penetration rate for our premium service than is experienced in other markets, such as the US and Europe, where mixed-mode refuelling options currently are offered, and will also provide us with the opportunity to up-sell customers to higher grades of fuel which generate higher gross profit margins. We also are developing a proprietary customer loyalty program to drive incremental sales and further enhance customer loyalty and the customer experience. In addition, we are launching new services that offer our customers increased convenience by bringing the service station to the customer rather than the customer having to come to the service station. We intend to roll out an app-based service that allows customers to use their smart phones to order, schedule and pay for fuel to be delivered directly to their vehicles at their homes, workplaces, or elsewhere. We also will begin to deliver LPG cylinders, the primary cooking fuel for a majority of Abu Dhabi residences, directly to customers' homes. We believe that these initiatives will enhance customer satisfaction, increase customer loyalty, and drive incremental fuel sale revenue and profitability.

Rationalise operations and capital expenditures to increase profitability. We believe that significant opportunities exist to rationalise operations at our retail fuel service stations, convenience stores and elsewhere in order to reduce supply costs, operating expenses and capital expenditures to bring them more in line with other international fuel and convenience store retailers. We have recently entered into new supply agreements with ADNOC that will reduce our costs of gasoline, gas oil (diesel) and LPG. See "*Related Party Transactions—Supply Agreements*". We also have undertaken an extensive analysis of our service station and convenience store operations and have identified significant opportunities to rationalise staffing levels and to reduce other operating expenses without sacrificing the customer experience. For example, we have identified service stations and convenience stores where current levels of operations, or the levels of operations at certain hours, do not justify current staffing levels. In addition, the implementation of our mixed-mode operating model will allow us to reduce staffing levels dedicated to refuelling to the extent our customers choose a self-service refuelling option, and to redeploy those employees to full-service refuelling operations where we will be able to charge a premium over existing per-litre fuel charges. We also intend to staff new retail fuel and convenience store locations primarily by relocating existing employees rather than through additional hiring. We also believe that significant opportunities exist to leverage our size and expertise to reduce maintenance capital expenditures and to reduce per-store capital expenditures for new service station and convenience store development.

Optimise convenience store operations and other non-fuel offerings to increase revenue and profitability. Our 235 ADNOC Oasis convenience stores as at 30 September 2017 represent the largest retail platform in the UAE by number of stores, with more locations than any other retailer. We have launched a number of initiatives to capitalise on our market position in order to increase revenue and profitability at our convenience stores and increase our ratio of non-fuel revenue to fuel volumes sold to be more in line with our regional competitors and with international industry norms. We also are engaged in advanced discussions with branded convenience store operators about the possibility of operating our convenience stores on a joint venture basis. We believe that through a combination of improved product category management, a comprehensive pricing strategy, and promotional activity designed to increase the number of our retail fuel customers who shop at our convenience stores, we can significantly grow our convenience store revenue and profitability. For example, in the second quarter of 2017, we began selling cigarettes and other tobacco products in our convenience stores, and since that time these have already become among the best selling products in our stores. We also are seeking to optimise product mix based on customer demand, implement a clear pricing strategy based on customer preferences and price sensitivity, and offer our customers high demand convenience store products at the pump as well as in our stores. In addition, we are redesigning the layout of our convenience stores and retraining and incentivising our store employees to have more of an "owner mind set" in order to increase sales and improve the customer experience. We also have implemented and are implementing other strategies to increase our non-fuel revenue and profitability, including implementing a price increase at our vehicle inspection centres, transitioning some of our quick service restaurant tenants at our retail fuel service stations from rent-only to a revenue sharing lease model, increasing pricing for our car washes to be line with our regional competitors, and retaining a third-party agency to increase advertising sales at our service stations.

Leverage the strength of the ADNOC brand name and our well-developed fuel distribution infrastructure to expand and optimise our network of retail fuel service stations and convenience stores by selectively targeting new locations with attractive fundamentals and expanding into new geographies. We believe that the ADNOC brand name is recognised throughout the UAE and the Gulf region for quality and reliability. We intend to leverage the strength of the ADNOC brand and our well-developed fuel distribution infrastructure to continue to expand in our existing markets and to expand into new geographies, including Dubai and Saudi Arabia. In our existing markets, we believe that growth will be driven by population and GDP growth, increases in disposable income, and increases in the number of vehicles on the road. We plan to optimise and expand our network of service stations and convenience stores by selecting new locations based on clear guidelines and pre-established evaluation criteria. We also expect to open our first two service stations in Dubai in 2018, and thereafter to continue selectively to open additional service stations in Dubai. We also believe that the ADNOC brand name is widely recognised outside of our existing areas of operation, which we believe will facilitate international expansion. We have identified a local partner in Saudi Arabia, with whom we intend to use a franchise model to open our first ADNOC-branded service stations in 2018. We believe that the large, growing and fragmented Saudi Arabian retail fuel market offers us an attractive expansion opportunity. We also believe that use of a franchise model will facilitate our expansion into Saudi Arabia by providing an opportunity to enter into the market and study its dynamics, which could facilitate future direct investment, while limiting near-term capital expenditures and risk.

Leverage long-standing relationship with our commercial, industrial and government customers to continue to grow revenue in our Corporate division. We have long-standing relationships with many of the leading commercial, industrial and government customers in the UAE, who we believe rely on us for the quality and reliability of our products and service. We believe that we can capitalise on the strength of these relationships and on our high quality reputation to drive incremental revenue in our Corporate division. The UAE government has recently adopted new fuel distribution regulations, which we expect will take effect in 2018, that will prohibit fuel sales by unauthorised "grey market" distributors. Although it is difficult to measure the size of the grey market with any precision, we estimate that it currently accounts for approximately 20% of commercial and industrial fuel sales in the UAE. We believe that the strength of the ADNOC brand and our long-standing customer relationships position us to capture a significant share of these sales. We also believe that significant opportunity exists to grow our Voyager lubricant sales due to product innovation and the high quality of our products, leading to an increasing number of original equipment manufacturers certifying our products for use in their engines, machinery and equipment and contributing to the continued growth of export sales of these products. In September 2017 we announced new partnerships with distributors in two additional countries, bringing the number of countries in which we distribute our Voyager lubricants to 19.

Reorganisation

In connection with the Global Offering, we have reorganised our aviation business and entered into certain other reorganisation transactions.

Civil Aviation Supply Carve-out

In September 2017, we completed the Civil Aviation Supply Carve-out whereby all contracts for the sale and supply of jet fuel to the civil aviation sector, and related receivables and jet fuel inventories, were transferred to ADNOC. The related personnel remain our employees. In connection with the Civil Aviation Supply Carve-out, we entered into the Aviation Services Agreement pursuant to which ADNOC compensates us on a cost-plus basis for providing sales and marketing and fuel distribution services to, and aircraft refuelling operations for, ADNOC's civil aviation customers, and for operating and maintaining the aviation fuel distribution assets transferred to AssetCo in connection with the ADNOC Refining Perimeter Reorganisation. See "*Related Party Transactions—Civil Aviation Supply Agreement*". Our Aviation division continues to directly handle sales of fuels and refuelling and related services to our strategic customers.

ADNOC Refining Perimeter Reorganisation

Prior to entering into the ADNOC Refining Asset Sale Agreement, ADNOC Refining owned, operated and maintained certain storage, pipeline and other fuel terminal and distribution assets that it had constructed primarily for our use and benefit. In September 2017, we entered into the ADNOC Refining Asset Sale Agreement pursuant to which ADNOC Refining has transferred these assets at net book value to us or, to the extent such assets have been built at specifications and capacities that exceed our needs, to AssetCo. In addition, we have entered into an operations and maintenance agreement (the "AssetCo O&M Agreement") with AssetCo pursuant to which we have agreed to provide operations and maintenance services with respect to certain of the assets transferred to AssetCo, for which we will be paid a fee on a cost-plus basis that will offset payments we owe to AssetCo for utilisation of the assets transferred to Asset Co (collectively, the "ADNOC Refining Perimeter Reorganisation").

In connection with the ADNOC Refining Perimeter Reorganisation, we have entered into new fuel supply agreements with ADNOC pursuant to which we will purchase from ADNOC refined petroleum products produced by ADNOC Refining and delivered to us by ADNOC Refining or AssetCo either by pipeline directly to our fuel depots, to vessels we have time chartered for delivery to our fuel depots and certain of our Corporate customers, or to our tanker trucks (or third-party tanker trucks contracted by us) for delivery to our fuel depots, retail service stations, and Corporate customers. See "*Related Party Transactions—Supply Agreements*" and "*—ADNOC Refining Perimeter Reorganisation*".

Natural Gas Division Carve-out

In November 2017, we entered into the Business Transfer Agreement with ADNOC pursuant to which we have agreed to transfer to ADNOC our natural gas distribution business, (excluding those assets and operations located at our retail fuel service stations for the compression and sale of CNG to operators of natural gas-powered vehicles), (the "NG Business") for consideration equal to AED 64.1 million (representing the net book value of the transferred assets), plus all operating costs and capital expenditure incurred by us in relation to the NG Business between signing and closing, less (i) all customer receipts received by or on our behalf in relation to the NG Business between signing and closing, and (ii) an amount equal to all duties and liabilities incurred by us in connection with the employment of the employees to transfer with the NG Business prior to closing. This transaction is expected to close in mid-2018.

In connection with the Business Transfer Agreement, we also entered into a natural gas supply agreement (the "Natural Gas Supply Agreement"), pursuant to which we will purchase natural gas from ADNOC for sale as CNG at our retail fuel service stations. Under the terms of the Natural Gas Supply Agreement, we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, specified quantities of natural gas, which we may only resell at our retail fuel service stations, as part of our business selling CNG to natural-gas powered vehicles, or back to ADNOC. The term of the Natural Gas Supply Agreement is for an initial period expiring five years after the effective date (1 October 2017) and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

At closing of the transaction, we will enter into a natural gas support services agreement (the "Natural Gas Support Services Agreement"), pursuant to which we will provide certain support services to assist ADNOC in operating the natural gas distribution business, including services related to marketing and communication, internal audit, information technology, finance, human resources, procurement and legal, for a one-year period unless extended by agreement of us and ADNOC; and a sales and transportation services agreement (the "CNG Sales and Transportation Services Agreement"), pursuant to which we will, if requested by ADNOC, sell CNG back to ADNOC and provide related transportation services under certain circumstances.

Debt Financing and Distribution

In November 2017, we entered into a credit facility with Abu Dhabi Commercial Bank PJSC, Bank of America Merrill Lynch International Limited, Citibank, N.A., London Branch, First Abu Dhabi Bank PJSC, and HSBC Bank Middle East Limited providing for a five-year USD 1,500.0 million term loan facility and a five-year USD 750.0 million revolving credit facility (or, in each case, the AED equivalent). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Liabilities and Contractual Obligations—Term Loan and Revolving Credit Facilities*". We also drew down on the term loan facility in full and used the net proceeds therefrom, together with available cash and bank balances, to repay a capital contribution to ADNOC in the amount of AED 6,304.4 million, and to pay an extraordinary interim dividend to ADNOC in the amount of AED 2,134.7 million.

Our Divisions

Retail Division

Our Retail division is our largest division, generating revenue of AED 12,299.8 million and AED 10,047.6 million, representing 69.6% and 70.7% of our total revenue, and gross profit of AED 2,735.4 million and AED 2,057.6 million, representing 64.7% and 66.0% of our total gross profit, for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively. Our Retail division primarily is comprised of direct sales of gasoline and gas oil (diesel) to vehicle operators at 360 retail fuel service stations and the operation of 235 ADNOC Oasis convenience stores at our service stations, in each case as at 30 September 2017. We also sell other products, such as lubricants, LPG cylinders and CNG, and provide other services, such as car washes, lube services, and tyre centres, at many of our service station locations. Our operations are all conducted under the ADNOC brand name. See "*Risk Factors—Risks Relating to our Business and Industry—Our operations are conducted under the ADNOC brand name. Any negative events or developments that adversely affect the market perception or value of the ADNOC brand could have an adverse impact on our revenue*". We are the leading operator of fuel service stations throughout the UAE, with a market share that we estimate to be approximately 67% based on number of service stations as at 30 September 2017.

The following table sets forth certain information regarding our Retail division operations:

	Year ended 31 December		Nine months ended 30 September	
	2015	**2016**	**2016**	**2017**
Number of service stations (at end of period)				
Abu Dhabi[(1)]	156	166	162	188
Northern Emirates	144	169	153	172
Total number of service stations	300	335	315	360
ADNOC Oasis convenience stores (at end of period)				
Abu Dhabi	119	119	119	125
Northern Emirates	78	107	91	110
Total number of convenience stores	197	226	219	235
Volumes sold (millions of litres)[(2)]				
Gasoline				
91E+ unleaded gasoline	1,197.2	1,190.7	899.5	845.5
95 unleaded gasoline	5,127.1	4,674.4	3,518.6	3,398.4
98 unleaded gasoline	303.7	278.1	213.0	191.2
Total gasoline	6,628.0	6,143.2	4,631.1	4,435.2
Gas oil (diesel)	841.2	834.5	624.5	582.0
Total gasoline and gas oil (diesel)	7,469.2	6,977.7	5,255.5	5,017.2
Average volumes sold per service station[(3)]	21,575	21,095	21,574	19,251
LPG	105.9	85.5	63.2	62.4
Lubricants	9.9	10.0	7.5	6.7

(1) Includes 10 limited service *ADNOC Xpress* stations.

(2) Reflects sales at our service stations through our Retail division only, excluding volumes sold as part of the Emarat Dubai Transaction. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

(3) Represents (a) the total volume of gasoline and gas oil (diesel) sold at our retail service stations, divided by (b) the sum of the number of service stations open at the beginning of the period and the number of service stations open at the end of the period, divided by two.

Our network of retail fuel service stations has grown from 205 locations in 2012 to 360 locations as at 30 September 2017. The majority of our service stations are full service stations that offer a full portfolio of products and services, with our ADNOC Oasis convenience stores located at approximately two-thirds of our service stations, and with at least one food service outlet (leased through our Allied Services division) at nearly 60% of our service stations. We also operate ten *ADNOC Xpress* stations, located in more dense areas of Abu Dhabi, that only sell fuel.

Our service stations generated approximately 200 million transactions in 2016, comprising approximately 153 million fuel transactions, and approximately 47 million convenience store and other non-fuel transactions. Our service stations were named a 2017 "Superbrand" by the Superbrand Council for the fourth consecutive year, and awarded "Brand of the Year" at the 2016 World Branding Awards.

Fuel Products and Services

Approximately 94.3% and 94.5% of our Retail division revenue for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively, derived from the sales of fuels, including 91E+, 95, and 98 unleaded liquid gasoline, diesel, LPG, lubricants and kerosene. For the year ended 31 December 2016 and the nine months ended 30 September 2017, total volume of petroleum products sold at our service stations was 7,073.6 million litres and 5,086.5 million litres, respectively, the vast majority comprising gasoline and diesel.

We are introducing innovations at our service station locations to increase revenue and profitability. Nearly 60% of our existing service station locations are equipped with our proprietary SMART technology, incorporating RFID technology that allows pump activation and seamless payment processing without ADNOC employee involvement. We believe that the convenience and efficiency afforded by this technology will enhance customer satisfaction and loyalty. Use of our SMART technology also will permit us to convert many of our service stations to offer customers the option either of self-service refuelling, which is not currently offered in our markets, or premium full-service refuelling for which customers will be charged an additional service charge. We believe that by offering our customers a premium fuelling experience, we will be able to charge customers a service charge in the range of AED 5 to AED 10 per transaction for premium full-service refuelling, in addition to existing per-litre fuel charges. We also believe that the relative affluence and high wages of consumers in the UAE, hot weather conditions, especially in the summer months, that discourage our customers from refuelling their own vehicles, and the fact that our customers are not accustomed to refuelling their own vehicles, will lead to a higher penetration rate for our premium full-service than is experienced in other markets, such as the US and Europe, where mixed-mode refuelling options currently are offered. For example, in Italy, Agenzia ANSA estimates that approximately 30% of motorists pay a premium that we estimate to be approximately 9% for full-service refuelling. We believe that the UAE's higher proportion of high income earners (defined as those earning an annual income in excess of USD 40,000), which we estimate to be approximately 36% in the UAE compared to approximately 30% in Italy, together with the UAE's hotter weather and the moderate additional service charge to customers for this service, will contribute to a higher penetration rate of full-service refuelling. Although there can be no assurance as to actual penetration rate we will be able to achieve, a 40–50% penetration rate for full-service refuelling at a price of AED 5 to AED 10 per transaction would have contributed an additional USD 80 million to USD 200 million in revenue in 2016, based on our 153 million retail fuel transactions in 2016. We also believe that implementation of our mixed-mode model will provide us with the opportunity to up-sell customers to higher grades of fuel which generate higher gross profit margins. We believe that implementation of our mixed-mode model will lead to a continuation of this trend. We also are developing a proprietary customer loyalty program to drive incremental sales and further enhance customer loyalty and the customer experience. We anticipate that substantially all of our service stations will be converted to our SMART technology and that we will launch our mixed-mode refuelling services by mid-2018. Our plan is to begin to phase the service in in Abu Dhabi, where we do not face competition, and then expand it to our Northern Emirates locations.

We also are launching new services that offer our customers increased convenience by bringing the service station to the customer rather than the customer having to come to the service station, and which we believe will drive incremental revenue and profitability. In 2018, we intend to roll out an app-based service that allows customers to use their smart phones to order, schedule and pay for fuel to be delivered directly to their vehicles at their homes, workplaces, or elsewhere, rather than having to visit a service station. We also will begin to deliver LPG cylinders, the primary cooking fuel for a majority of Abu Dhabi residences, directly to customers' homes. Currently, many customers purchase LPG cylinders from our service stations or from unreliable LPG distributors. We believe that customers will find our service, which will allow them to order and pay for replacement LPG cylinders and bulk LPG online or using an app to be delivered directly to their homes and businesses, to be an attractive alternative to these other options. Moreover, because of the dangers inherent in the use and transportation of LPG cylinders, the Abu Dhabi government has passed regulations that restrict the use of LPG cylinders in homes that have access to bulk LPG, and is considering additional regulations that would ban the transportation of LPG cylinders by private vehicles. We believe that these regulations will contribute to an increase in more profitable bulk LPG sales, and may afford us the opportunity to generate incremental revenue for delivering LPG cylinders to customers' homes and businesses.

Convenience Stores and Other Products and Services

We operate 235 ADNOC Oasis convenience stores at our service stations as at 30 September 2017, and plan to open an additional 37 to 47 locations over the next five years, primarily at new service station locations but also through construction of convenience stores at existing service station locations that do not already have an on-site convenience store. Our ADNOC Oasis convenience stores generated revenue of AED 2.8 million and AED 2.1 million per store and approximately 5.1% and 4.9% of our Retail division revenue for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively. Our convenience stores range in size from approximately 165 to approximately 775 square metres, with an average of approximately 470 square metres, and offer our customers a selection of snacks, beverages, tobacco products, car care products, personal care products, and other products in attractive and convenient locations adjacent to our retail fuelling facilities. We also sell other products, such as LPG cylinders and our high quality lubricants under our proprietary Voyager brand name, and provide other services, such as car washes, lube services, and tyre centres, at many of our service station locations. As at 30 September 2017 we operated 145 car washes and 165 lube change centres at our service stations. We believe that many of our customers are attracted to the convenience of having these products and services available at a single location.

We believe significant opportunity exists to increase revenues and profitability of the non-fuel services that we offer at our service stations. We believe that our convenience store revenue represents less than half of the sales per store and sales per square metre of ENOC and Emarat, our only competitors in the forecourt subsegment of the UAE convenience store market, and is also below the levels of major US, U.K., and European forecourt convenience store operators.

We have launched a number of initiatives to capitalise on our market position in order to optimise revenue and profitability at our convenience stores and increase our ratio of non-fuel revenue to fuel volumes sold to be more in line with our regional competitors and with international industry norms. We also are engaged in discussions with branded convenience store operators about the possibility of operating our convenience stores on a joint venture basis. We believe that through a combination of improved product category management, a comprehensive pricing strategy, and promotional activity designed to increase the number of our retail fuel customers who shop at our convenience stores, we can significantly grow out convenience store revenue and profitability. We believe that, through these initiatives, we can increase convenience store revenue and profitability through a combination of higher prices, higher sales per transaction, and higher conversion of our fuel customers into convenience store customers. Based on a recent survey conducted for us, we believe that our prices are, on average, approximately 5–8% below those of our closest competitors, that our average "basket size" (revenue per convenience store transaction), which was approximately USD 4.10 per transaction in 2016, is approximately 15% lower than our closest competitors, and that our ratio of convenience store revenue to volume of fuels sold at our retail fuel service stations is significantly below the levels achieved by ENOC and major US, U.K., and European forecourt convenience store operators, suggesting significant opportunities to increase revenue and profitability through successful implementation of our initiatives. Although there can be no assurance that we will be successful in implementing our convenience store initiatives, we believe that a combination of increasing average prices by approximately 4%, increasing our customer basket size by between USD 0.20 and USD 0.60 per transaction, and increasing our ratio of convenience store revenue to volume of fuels sold by converting more of our retail fuel customers into convenience store customers, we can generate approximately USD 30 million to USD 60 million of incremental EBITDA on an annual basis.

In the second quarter of 2017, we began selling cigarettes and other tobacco products in our convenience stores, and since that time these have already become among the best selling products in our stores. We also are seeking to optimise product mix based on customer demand, implement a clear pricing strategy based on customer preferences and price sensitivity, and offer our customers high demand convenience store products at the pump in addition to in our stores. In addition, we are redesigning the layout of our convenience stores and retraining and incentivising our store employees to have more of an "owner mind set" in order to increase sales and improve the customer experience.

Locations

Slightly more than half of our service stations are located in Abu Dhabi, where we are the only operator of retail fuel service stations, with the remainder located in the Northern Emirates region, where we operate nearly 90% of all retail fuel service stations. We strengthened our competitive position in the Northern Emirates region with the acquisition of 66 service stations in 2013 from the Emirates General Petroleum

Corporation that had previously operated under the Emarat brand, and 20 service stations in 2015 from the Emirates National Oil Company that had previously operated under the ENOC brand. In 2015, we reached an agreement in principle to acquire an additional 59 Emarat service stations in Dubai and began supplying fuels to these service stations beginning 1 January 2015. In 2016 this acquisition was abandoned and we ceased supplying fuels to these service stations on 30 June 2016. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

We currently are the only operator of retail service stations in the emirates of Abu Dhabi and Sharjah, and operate the largest network of retail service stations in the emirates of Ajman, Fujairah, Ras al-Khaimah, and Umm al-Quwain (which, together with Sharjah, comprise the Northern Emirates region). We plan to optimise and expand our network of service stations, selecting new locations based on clear guidelines and pre-established evaluation criteria. We believe that new location growth in our existing areas of operation will be driven by population and GDP growth, increases in disposable income, and increases in the number of vehicles on the road. We currently do not operate in the emirate of Dubai, although we expect to open our first service station in Dubai in 2018 and to continue thereafter to selectively open additional service stations in Dubai. Based on our analysis of our existing markets and projected growth, we anticipate opening approximately 10–12 additional service station locations each year over the next five years, with the majority in the Northern Emirates and Dubai.

The real estate on which we construct our service stations typically range from 6,000 to 9,000 square metres in size. We tailor the size and products and services offered at each new location based on local market demographics and property size. Planning, permitting, construction and commissioning of new service stations typically cost between USD 8.0 million to USD 10.0 million, based principally on size of the service station, and typically take nine to 12 months to complete.

We believe that the ADNOC brand name is widely recognised outside of our existing areas of operation, which we believe will facilitate international expansion. We initially are implementing a franchise model to expand our operations into Saudi Arabia, where near-term population and GDP growth are expected to exceed that of the UAE according to the IMF, and where we believe the market for retail fuel service stations is underdeveloped and highly fragmented. According to IHS Markit, demand for fuels in Saudi Arabia is expected to be approximately three times higher than in the UAE in 2017. Moreover, IHS Markit estimates that approximately 84% of retail fuel service stations in Saudi Arabia are "unbranded" (*i.e.*, operated by smaller, independent operators rather than by more widely known branded operators), compared to approximately 48% in the United States and none in the UAE, and according to Aldrees Petroleum, the top four market participants in Saudi Arabia account for only approximately 11% of the overall market for retail fuel service stations, both of which we believe suggest the opportunity for us successfully to enter the Saudi Arabian market. In 2015, the Saudi government introduced stricter regulations for fuel service stations in an attempt to address the poor quality of services provided. Since that time the Saudi government has authorised an increase in retail fuel prices, and published reports suggest that the market expects a further increase. Current profit margins for Saudi retail fuel service station operators are relatively low at approximately 2% of revenue, but would increase if Saudi regulators authorise further increase in retail fuel prices. We believe that use of a franchise model will allow us to capitalise on these trends and on the strength of our brand name while reducing the operating risk and capital expenditure requirements of international expansion. We entered into an agreement with a local franchisee in Saudi Arabia in 2014 but did not move forward at that time because we determined that market conditions were not favourable, and because, with the elimination of retail fuel subsidies in the UAE in 2015, we continued to focus on our operations within the UAE. Working with our franchisee we now expect to open our first ADNOC-branded service stations in 2018. We expect our franchise arrangements to be in line with typical franchising models, including a fixed franchise fee and a royalty fee of approximately 1–3% of revenue.

Competition

Competition in the UAE fuel retail market is regionally structured based on government policy and the original domicile location of the principal market participants. We currently are the only retailer of refined petroleum products in the emirates of Abu Dhabi and Sharjah, and thus our service station fuel offerings face competition only with respect to customers who are traveling to or from other emirates, especially Dubai where we currently have no retail presence. Although there are no regulatory barriers, other than ordinary course government permitting and other required governmental approvals, that would prevent new participants from entering the Abu Dhabi market, we believe that any such entry would require significant time, investment and government support. In the Northern Emirates region other than Sharjah, we face competition for retail fuels from ENOC, which is owned by the government of Dubai, and from Emarat, which is owned by the UAE government. However, we have an approximate 90% market share, based on number of service stations, in the Northern Emirates. To strengthen our market position in the Northern Emirates region, we acquired 66 service stations in the Northern Emirates from Emarat in 2013, and 20 service stations in the Northern Emirates from ENOC on 2015. We currently plan to open additional service stations in the Northern Emirates to further enhance our presence in that market. The market in Dubai, where we do not currently operate any service stations, is currently served by both Emarat, which we believe operates 59 service stations in Dubai, and ENOC, which we believe operates 92 service stations in Dubai and has announced its intention to open 48 additional service stations in Dubai in the next three years. As discussed above, we plan to enter the Dubai market in 2018.

The convenience store market is highly competitive, and we compete against other convenience store chains, independently owned convenience stores, supermarkets, drugstores, discount stores, mass merchants and other retailers, some of which are large and may have substantial resources. Although we believe that we have the largest number of store locations in the UAE, many of these retailers operate stores that are substantially larger than ours and offer substantially more products than are offered at our stores. Only we, ENOC and Emarat operate forecourt convenience stores, and we are the only operator of forecourt convenience stores in the emirates of Abu Dhabi and Sharjah, although the overall UAE convenience store market includes other major branded competitors, including AllDay Minimart, Circle K, Spinneys, 24 Seven, LuLu Express, 7-Eleven, and Carrefour City.

See "*Risk Factors—Risks Related to Our Business and Industry—The fuel distribution and convenience store industries are competitive, as are the markets for most of the other ancillary services that we offer at our service stations. Failure to effectively compete could result in lower sales and lower margins. In addition, there can be no assurance that the governments of Abu Dhabi and Sharjah, where we currently are the only operator of fuel service stations, will not authorise other fuel distribution businesses to operate in the future*".

Corporate

Our Corporate division markets and distributes refined petroleum products, including diesel, gasoline and lubricants, and LPG to over 1,500 customers throughout the UAE. Our Corporate customers generally fall into one of four categories: government; distributors; commercial and industrial customers, such as heavy industry and manufacturing companies; and marine customers. Revenue from Corporate division sales (excluding lubricants) to government customers comprised approximately 48% of our total Corporate division revenue in 2016. We currently are the sole provider of fuels to the Abu Dhabi government and the Abu Dhabi police, and our customers include other high profile public sector customers such as Emirates Steel, National Drilling Company, and National Petroleum Construction Company. Our Corporate division generated revenue of AED 3,819.4 million and AED 2,839.3 million, representing 21.6% and 20.0% of our total revenue, and gross profit of AED 861.2 million and AED 553.4 million, representing 20.4% and 17.8% of our total gross profit, for the year ended 31 December 2016 and the nine months ended 30 September 2017, respectively.

The following table sets forth certain information regarding our Corporate division operations:

	Year ended 31 December		Nine months ended 30 September	
	2015	2016	2016	2017
	(millions of litres)			
Fuel volumes sold[(1)]				
Gas oil (diesel)	2,090.0	1,770.9	1,340.5	1,343.0
Gasoline (all grades)	67.4	54.7	40.5	38.0
Total	2,157.4	1,825.6	1,381.0	1,381.0
LPG volumes sold	294.3	325.9	252.0	239.6
Lubricant sales				
Domestic	30.0	27.9	19.6	16.6
Export	4.2	4.6	3.6	2.6
Total	34.2	32.5	23.2	19.2
Fuel volumes by customer category				
Government	428.3	396.0	295.6	385.3
Distributors	168.7	173.1	130.7	127.7
Marine	426.9	486.3	352.2	408.7
Other commercial and industrial	1,462.0	1,128.6	877.7	718.1
Total	2,485.9	2,184.0	1,656.2	1,639.8

(1) Reflects sales through our Corporate division only, excluding volumes sold as part of the Emarat Dubai Transaction. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Termination of Emarat Dubai Transaction*".

Sales by our Corporate division tend to track general economic activity in the UAE. As a result, sales volumes decreased as a result of decreased economic activity in the emirate due to the 2015 decline in oil prices. Moreover, following the removal of government-mandated price subsidies in August 2015, Corporate division volumes further decreased, although profitability levels improved. However, our Corporate division volumes and profit margins also have been eroded by the development of a "grey market" for wholesale fuels in which unauthorised distributors sell lower quality products and/or arbitrage regional differences in wholesale fuel prices to capture a share of the market. New regulations have been signed into law in the UAE in 2017 and are expected to go into effect in 2018 that regulate the sale of fuels in the UAE by prohibiting the purchase of commercial quantities of petroleum products from unknown origins or sources, or from distributors otherwise operating without proper operating licenses. We believe that these new regulations will have the effect largely of driving these grey market distributors from the UAE wholesale fuels market. Excluding grey market distributers, we estimate that our share of the UAE wholesale diesel market in 2016 to be approximately 72% and that our share of the UAE wholesale gasoline market to be approximately 50%.

We generally do not have long-term contracts with our Corporate division customers, but rather enter into annual contracts that allow us to reset prices monthly and that provide payment and other terms for volumes that they choose to purchase from us. Although our Corporate division customers generally do not commit to purchase any specified or minimum volumes of fuels from us, many of our Corporate division customers have been long-term customers, some for as long as 40 years.

Our lubricants have been approved for use by an increasing number of major engine manufacturers, which we believe will contribute to increased sales, and as a result we have launched initiatives to increase sales of lubricants to our Corporate customers. Our lubricant products include our proprietary Voyager brand engine oils and other motor vehicle lubricants; industrial lubricants including circulating, hydraulic, and industrial gear oils; marine lubricants; greases; break fluids; and coolants. In addition to domestic sales of lubricants to our Corporate customers, we also export our lubricants to distributors in 19 countries outside of the UAE, including Egypt and India, and intend to further expand sales into other markets. We also are in advanced discussions with a third party to produce our lubricants in India, which we believe will reduce our operating costs and increase the markets in which we can sell our products.

Our Corporate division competes primarily with Emarat and ENOC, the two principal distributors of refined petroleum products in Dubai, as well as with grey market distributors selling products from Iran, Oman, and elsewhere. Although price generally is the most important differentiating factor among Corporate customers for many of our products, we believe that product quality, especially in the case of lubricants, reliability and customer service also drive sales to Corporate customers. We believe, therefore, that we can leverage our existing presence and distribution infrastructure and the strength of the ADNOC name to further increase sales to our Corporate customers.

Aviation

Our Aviation division has two lines of business:

- sales of aviation fuel and providing aviation fuel and related services to strategic customers in the UAE; and
- providing aviation fuel and related services, as an agent of ADNOC, to ADNOC's civil aviation customers.

Aviation Fuel Sales and Services to Strategic Customers

We sell aviation fuel and provide refuelling and other related services to strategic customers at locations across the UAE. Our contract for the most significant of these customers, which expires in 2018 and with respect to which we are in advanced stages of renewal negotiations, provides for us to supply aviation fuels and related services at prices that we believe are consistent with prices paid by our Corporate customers. Although the contract does not prescribe minimum purchase volumes, we believe we are the principal supplier of fuels to this and other strategic customers operating in the UAE.

In connection with our fuel sales and refuelling services for our strategic customers, we also provide them with certain other fuel depot maintenance and related services. Ownership of fuel inventories, included reserves, purchased by the strategic customers is transferred to the customer upon delivery to depots at various facilities. However, under our contractual arrangements, we continue to maintain these depots on the strategic customers' behalf.

Civil aviation services

In September 2017, we completed the Civil Aviation Supply Carve-out whereby all contracts for the supply and sale of jet fuel to the civil aviation sector were transferred to ADNOC, while the related personnel remain our employees. In connection with the Civil Aviation Supply Carve-out, we entered into the Aviation Services Agreement, pursuant to which ADNOC compensates us at a rate equal to our operating expenses plus 8% for acting as its agent to provide fuel distribution services and aircraft refuelling operations to its civil aviation customers. See "*Business—Reorganisation—Civil Aviation Supply Carve-out*" and "*Related Party Transactions—Civil Aviation Supply Carve-out*". Under the Aviation Services Agreement, we utilise advanced refuelling facilities and our fleet of more than 75 aircraft refuelling vehicles to provide refuelling, defueling and other related services to ADNOC's civil aviation customers (comprising international and regional commercial airlines and other aviation customers) at Abu Dhabi International Airport, the second largest in the UAE based on number of flights and enplanements (estimated to exceed 25 million in 2017), and at six other commercial airports. In 2016, we performed over 110,000 aviation refuelling services to these customers, over 70% of which were at Abu Dhabi International Airport.

Allied Services

Our Allied Services division leverages our extensive retail fuel service station network by managing and leasing space at our service stations to food service providers and providers of other ancillary products and services to our service station customers, and operating vehicle inspection centres that perform annual vehicle safety inspections mandated in Abu Dhabi.

Property Management

We lease space to more than 600 tenants, including more than 200 quick service restaurants, across an array of industries, including food service, car care providers, auto insurers, banks, and other miscellaneous services. Leasing activity has grown at a 25% CAGR from 2012 to 2016. Growth in leasing revenue has resulted from the growth in our number of service stations as well as an increase in occupancy rates over that period. For the nine months ended September 30. 2017, four key tenant types—food and beverage, car care providers, ATMs, and auto insurers—contributed over 95% of the lease revenue at our service stations, with approximately 63% of the lease revenue generated from food and beverage tenants, comprised primarily of leading fast food restaurants, coffee shops and cafes, including KFC and Costa Coffee. McDonald's, KFC and Burger King together generated approximately 32% of our lease revenue for the nine months ended 30 September 2017.

Leases with our Allied Services tenants generally have one-year terms with renewal options. Historically, our Allied Services leases have provided for fixed rents, but we are beginning to transition certain tenants, primarily quick service restaurants, to leases with a three-year term and a revenue sharing model whereby tenants pay a base rent plus a percentage of revenue generated at our service station locations. We are at the early stages of this transition, but believe that it will lead to incremental revenue. We also intend to grow revenue in our Allied Services division by expanding our tenant profile to include vending machines and other new businesses.

Vehicle Inspection Centres

We are the only authorised provider of government-mandated vehicle inspections in Abu Dhabi under an agreement with the Abu Dhabi police. Our vehicle inspection department currently operates 20 vehicle inspection centres and one permitting centre in Abu Dhabi and processes an average of over 3,000 vehicles each weekday. Revenue from vehicle inspections have grown at a 6.7% CAGR from 2012 to 2016, resulting from a 7.4% CAGR in the number of inspections performed. Because the prices we charge for inspection services are fixed by the Abu Dhabi police, our growth in this area historically has come entirely from the increase in the number of inspections performed. In June 2017, the Abu Dhabi police authorised a price increase from AED 120 to AED 165 for "fresh tests", which accounted for 92.4% of the vehicle inspections that we conducted in 2016, and which we expect to have a corresponding impact on our vehicle inspection revenues. We also intend to generate incremental revenue at our vehicle inspection centres by adding premium service offerings, such as VIP lanes and mobile inspection services, and are exploring launching vehicle inspections in the Northern Emirates region and increasing our vehicle inspection capacity by licensing third parties to conduct vehicle inspections on our behalf.

Operations

Fuel Operations

All of our refined petroleum products are supplied to us under contracts with ADNOC, which has historically provided us with a stable and controllable supply of products. See "*Related Party Transactions—Supply Agreements*". Following the ADNOC Refining Perimeter Reorganisation, we purchase from ADNOC refined petroleum products produced by ADNOC Refining that are delivered to us either by pipeline directly to our fuel depots, or to vessels we have time chartered or to our tanker trucks (or third-party tanker trucks contracted by us) for delivery to our fuel depots, retail service stations, and Corporate customers. See "*Related Party Transactions—ADNOC Refining Perimeter Reorganisation*".

We time charter marine vessels to transport fuels to our depots that are not connected by pipeline to the refineries, and to transport fuels to certain of our Corporate customers. As at 30 September 2017, we had six vessels under time charter. We transport fuels from our depots to our retail fuel service stations and to many of our Corporate customers utilising our fleet of 70 trailer heads, over 150 trailers, and 34 fixed chassis vehicles, as well as through third-party operated tanker vehicles.

We operate two LPG plants in Abu Dhabi where we produce 25 lb and 50 lb LPG cylinders for sale at our retail service stations and through a network of distributors, and from which we distribute bulk LPG to our commercial, industrial and government customers and to other distributors. We sell LPG cylinders at our service stations in Abu Dhabi and the Northern Emirates to holders of Rahal e-Gas pre-paid cards, which permit residential customers to purchase a limited amount of LPG at subsidised prices, and at unsubsidised market rates to those without a Rahal e-gas card.

We operate a lubricant blending plant in Abu Dhabi with a capacity of approximately 50,000 tonnes per year where we produce over 125 different lubricants and greases utilising three of the American Petroleum Institute's five major classifications of base oil, Group I, Group II and Group III. Currently our Group I base oils are supplied to us under a supply agreement with ExxonMobil Petroleum & Chemical BVBA, our Group II base oils are supplied to us under a supply agreement with GS Caltex Corporation, and our Group III base oils are supplied to us under a supply agreement with ADNOC. See "*Related Party Transactions*". Our lubricant blending plant blends these base oils with additives purchased from numerous suppliers. All of these supply arrangements are renegotiated annually, and we believe that adequate alternative sources of base oils and additives would be available if any supplier were unwilling or unable to supply us with product. Following blending, our lubricants and greases are bottled for retail distribution or stored in drums for commercial and industrial distribution. Our lubricant blending plant also distributes coolants and other engine fluids. We typically purchase these products in concentrated form and dilute them for distribution to retail, commercial and industrial customers. We currently are in advanced discussions with a lubricant blending facility in India, where we believe we can blend lubricants at lower cost for distribution in India.

Our systems are highly automated, with virtually all aspects of transactions between our depots and our service stations, between us and our Retail customers, and between us and our Corporate customers, being managed by our IT systems. Our IT systems measure the volume of product being dispensed to customers at our service stations and assure proper credit card or other charges. Our systems also monitor inventory levels at our service stations and schedule fuel deliveries when needed. Corporate customers place orders directly through our systems, which then assure for proper product delivery and billing. See "*Risk Factors—Risks Relating to our Business and Industry—We rely on our information technology systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business*".

We maintain our own dedicated staff of experienced engineering and maintenance personnel who, supplemented by a roster of approved contractors, oversee the development, construction and maintenance of our facilities. Our staff is highly experienced in developing and constructing new service stations in a timely and efficient manner. Our service station managers also coordinate directly with our engineering and maintenance department to coordinate necessary repairs and upgrades at our service stations.

Convenience Store Operations

Inventory for our convenience stores is supplied by numerous vendors, each of whom delivers inventory directly to our store locations. We do not maintain any warehouse facilities, although our stores typically have small inventory storage areas. The majority of our inventory is owned by us when delivered to our stores, although some inventory is delivered to us on a consignment basis. We generally do not maintain long-term contracts with suppliers to our convenience stores, and believe that alternative sources of supply exist for substantially all of the products that we sell at our convenience stores.

Health and Safety

Our Health and Safety (HSE) division assures that all of our facilities and operations operate at the highest standards of operational excellence and safety. Our HSE division has established a central command and control centre to monitor activity at all of our service stations. The division also has installed vapour recovery units at our service stations that significantly reduce the safety risk posed by hazardous fuel vapours, enhance the environmental safety of our service stations, and recover product that otherwise would be lost. Our HSE division also has implemented extensive training programs for all of our employees to increase safety awareness and minimise time lost to injuries. The following table sets forth certain information with respect to the performance of our HSE division for each of our last five fiscal years:

	Year ended 31 December				
	2012	**2013**	**2014**	**2015**	**2016**
Lost time injury frequency(1)	0.53	0.38	0.18	0.17	0.14
Total recordable injury rate(2)	0.77	0.42	0.18	0.21	0.24
Loss of primary containment	—	1	3	—	2
Total number of employee fatalities	—	—	—	—	1

(1) Reflects frequency of employee lost time injuries per million hours.

(2) Reflects total number of employee injuries per million hours.

Insurance

We maintain insurance policies, where practicable, covering our assets and employees that we believe is in line with general business practices in our industry, with policy specifications and insured limits that we believe are reasonable. Risks that we are insured against include property loss or damage as well as breakdowns due to defects in material, design, erection or assembly. Certain customary exceptions apply, such as acts of war, terrorism and environmental pollution. Our policies together provide an indemnity against sums for which we become legally liable to pay as compensation for injury, loss or damage to a third party arising out of and in the course of our business, an indemnity against material damage to our properties, and an indemnity against the loss of our stock of products, in each case subject to deductibles and insured limits that we believe are reasonable. See "*Risk Factors—Risks Related to our Business and Industry—Our insurance coverage may be inadequate to cover all potential losses we could suffer*".

We procure and maintain all of our insurance needs through a group-wide, centralised insurance function administered by ADNOC, which allows us to benefit from group-wide bulk procurement. Pursuant to a Shareholder Services Agreement with ADNOC, this arrangement will continue following the Global Offering. See "*Related Party Transactions—Shareholder Services Agreement*". We are also a participant in a centralized fund administered by ADNOC to finance any deductibles required under our various insurance policies administered by ADNOC. The fund is made up of premium discounts, investment income and contributions from participants, including us.

Properties

The following tables set forth information regarding our principal properties. All of our properties are leased or subleased from ADNOC. See "*Risk Factors—Risks Relating to Our Business and Industry—We do not own the land on which our service stations or other assets are located. As a result, we are subject to the possibility of the loss of, or increased costs to retain, necessary land use which could adversely affect our business and results of operations*" and "*Related Party Transactions*".

Fuel Depots (excluding aviation)

	Location	Products	Capacity (metric tonnes)
Mussaffah Terminal	Abu Dhabi	Gasoline	434,715
		Gas oil	201,448
		Jet A1	280,953
		Kerosene	644
Al Ain Zakher Terminal	Abu Dhabi—Al Ain	Gasoline	160,000
		Gas oil	53,500
		Kerosene	284
Ruwais Terminal	Abu Dhabi—Western Region	Gasoline	26,932
		Gas oil	17,875
Madinat Zayed Terminal	Abu Dhabi—Western Region	Gasoline	22,883
		Gas oil	32,244
Dhow Harbour Terminal	Abu Dhabi	Gas oil	1,244
Sharjah Terminal	Sharjah	Gasoline	45,846
		Gas oil	62,996
Hamriyah Terminal	Sharjah	Gasoline	62,697
		Gas oil	49,896
		Jet A-1	75,734
Ras Al Khaimah Terminal	Ras Al Khaimah	Gasoline	12,351

We operate a total of 129 storage tanks at our fuel depots, of which 68 are owned by us and the remainder are owned by AssetCo.

Civil Aviation Depots

	Location	Capacity (thousands of litres)
Abu Dhabi International Airport—North Depot (AUH)	Abu Dhabi	92,000
Abu Dhabi International Airport—South Depot (AUH)	Abu Dhabi	47,000
Al Maktoum International Airport (DWC)	Dubai	Joint[(1)]
Sharjah International Airport (SHJ)	Sharjah	Joint[(1)]
Ras Al Khaimah International Airport (RKT)	Ras al-Khaimah	500
Al Ain International Airport (AAN)	Abu Dhabi	8,500
Al Bateen Executive Airport (AZI)	Abu Dhabi	—[(2)]
Fujairah International Airport (FJR)	Fujairah	1,000

(1) Fuel storage facilities at these locations are shared under joint venture or similar arrangements with other aviation fuel distributors.

(2) No fuel storage facilities at this locations.

Other Facilities

Location	
Lubricant production facility	Abu Dhabi (Sas Al Nakhl Island)
LPG plant	Abu Dhabi
LPG plant	Abu Dhabi—Al Ain
Quality Control Facility	Abu Dhabi (Ghuwaifat)

Offices

	Function
Abu Dhabi—Abu Dhabi city	Corporate headquarters
Abu Dhabi—Al Ain	Regional office
Abu Dhabi—Madinat Zayad	Regional office
Sharjah	Regional office

Employees

As at 30 September 2017, we had approximately 13,000 employees, approximately 715 of whom were employed in general corporate and administrative functions, approximately 335 of whom were employed in Retail and Allied Services division sales, approximately 550 of whom were employed in Corporate and Aviation division sales and operations, approximately 1,250 of whom were employed in operations and technical services, and approximately 10,150 of whom were employed in our retail fuel service stations and convenience stores.

Approximately 3,000 of our employment positions are designated as "Emiratisable", of which approximately 73% currently are filled with UAE nationals, consistent with our Emiratisation goals for 2017. See "*Risk Factors—Risk Relating to the UAE and the MENA Region—The UAE's Emiratisation initiative may increase our costs and may reduce our ability to rationalise our workforce*".

Legal Proceedings

There are no outstanding material governmental, legal or arbitration proceedings pending against us, and we are not aware of any such proceedings which are threatened.

MANAGEMENT

Board of Directors

The Board of Directors consists of the seven members listed below:

Name	Year of birth	Position	Year appointed
H.E. Dr. Sultan Ahmed Al Jaber	1973	Chairman	2016
Mr. Abdulla Salem Al Dhaheri	1969	Director	2008
Mr. Abdulaziz Abdulla Alhajri	1963	Director	2017
Mr. Matar Hamdan Al Ameri	1967	Director	2017
Mr. Jassim Mohamed Alseddiqi	1984	Director	2017
Mr. Pedro Miró Roig	1953	Director	2017
Mr. David-Emmanuel Beau	1970	Director	2017

The business address of each of the Directors is Sheikh Zayed bin Sultan Street, P.O. Box 4188, Abu Dhabi, United Arab Emirates.

The management expertise and experience of each of the Directors is set out below:

His Excellency Dr. Sultan Ahmed Al Jaber has served as Chief Executive Officer of ADNOC since February 2016. From January 2014 through February 2016, Dr. Al Jaber served as Chief Executive Officer, Energy, of Mubadala Development Company. Dr. Al Jaber also serves as UAE Minister of State, a position he has held since March 2013. Dr. Al Jaber also is Chairman of Masdar, Abu Dhabi Ports, the National Media Council and several ADNOC-affiliated companies as well as a member of the Board of Directors of Emirates Global Aluminium.

Mr. Abdulla Salem Al Dhaheri has served as Director, Marketing, Sales & Trading of ADNOC since 2016. Mr. Al Dhaheri served as our Chief Executive Officer from 2009-2016. Mr. Al Dhaheri also serves as Chairman or a director of several other ADNOC subsidiaries; a Director and a member of the Nominations and Remunerations Committee of Emirates Telecommunications Corporation (ETISALAT); a Director and a member of the Nomination and Compensation Committee of Compañía Española de Petróleos, S.A.U. (CEPSA); and a Director and a member of the Audit Committee of the Abu Dhabi Quality and Conformity Council.

Mr. Abdulaziz Abdulla Alhajri has served as Downstream Director of ADNOC since May 2016. From October 2007 through May 2016, Mr. Alhajhi was Chief Executive Officer of Abu Dhabi Polymers Company Ltd. (Borouge), a joint venture of ADNOC and Borealis AG. Mr. Alhajri also serves as Chairman or a director of several other ADNOC subsidiaries.

Mr. Matar Hamdan Al Ameri has served as Director, Finance & Investments of ADNOC since 2012. Mr. Al Ameri also serves as Chairman or a director of several other ADNOC subsidiaries.

Mr. Jassim Mohamed Alseddiqi has served as Chief Executive Officer of Abu Dhabi Financial Group since January 2011. He also serves as a director of First Abu Dhabi Bank PJSC, Chairman of Shuaa Capital PJSC and Chairman of Eshraq Properties PJSC. Mr. Alseddiqi also is a director of Tourism and Development Investment Company PJSC.

Mr. Pedro Miró Roig has been Chief Executive Officer of CEPSA since September 2013 and Vice Chairman since June 2014. From August 2011 through September 2013, Mr. Miró Roig served as Chief Operating Officer of CEPSA. Mr. Miró Roig also serves as Chairman of the Board of Trustees of Fundación Cepsa and as a member of the Boards of Trustees of the Princess of Asturias Foundation and Fundación para la Sostenibilidad Energética y Ambiental (FUNSEAM).

Mr. David-Emmanuel Beau is Chief Investment Officer of the Direct Investments Department at the Abu Dhabi Investment Council where he focuses on the MENA region. Prior thereto, Mr. Beau was a fund manager at the Abu Dhabi Investment Authority. Mr. Beau also is a director of InvestAD.

Senior Management

In addition to the members of the Board of Directors, the day-to-day management of our operations is conducted by our senior management team, as follows:

Name	Year of birth	Position	Date of appointment
Mr. Saeed Mubarak Al Rashdi	1971	Acting Chief Executive Officer and Senior Vice President, Technical	March 2016
Mr. John Carey	1962	Deputy Chief Executive Officer	September 2017
Mr. Petri Pentti	1962	Chief Financial Officer	November 2017
Mr. José F. Aramburu	1963	Senior Vice President, Corporate	October 2017
Mr. Nasser Ali Al Hammadi	1964	Senior Vice President, Retail	September 2017
Mr. Saleh Khamis Humaid	1966	Senior Vice President, Operations	February 2012

The management expertise and experience of each of the senior management team is set out below:

Mr. Saeed Mubarak Al Rashdi joined us in 1995 and has served as our Acting Chief Executive Officer since March 2016 and our Senior Vice President, Technical since February 2012. From 2008 through 2012, Mr. Al Rashdi served as our Senior Vice President, Operations. Mr. Al Rashdi also serves on the Board of Directors of Abu Dhabi Petroleum Ports Operating Company (IRSHAD), a subsidiary of ADNOC that is the exclusive operator of hydrocarbon ports in Abu Dhabi, and on the Board Advisory Committees of ADNOC Refining, a subsidiary of ADNOC and a leading oil refining company, and of Abu Dhabi National Tanker Company (ADNATCO), a subsidiary of ADNOC that is involved in the global transportation of petroleum products. Mr. Al Rashdi holds a B.S. in Electrical Engineering from the University of Evansville, and an M.B.A. from United Arab Emirates University.

Mr. John Carey joined us as Deputy Chief Executive Officer in September 2017. Before joining us, Mr. Carey had held numerous senior positions at BP plc since 1994, including most recently as Senior Vice President of BP plc, where he was a senior adviser on future downstream strategy, since February 2017. From 2015 through February 2017, Mr. Carey was Senior Vice President, Sales and Marketing, BP Fuels North America. From 2013 to 2015, Mr. Carey was President, BP West Coast Products LLC, responsible for strategic and operational leadership of BP's downstream business on the West Coast of the United States, focused on refining and retail of all products. From 2012-2013, Mr. Carey was Chief Executive Officer of BP Lubricants, Aviation, Offshore, Marine, Industrial and Energy. Mr. Carey holds a B.E. in Chemical Engineering from University College Dublin.

Mr. Petri Pentti joined us as Chief Financial Officer in November 2017. Before joining us, Mr. Pentti had served as Chief Financial Officer of Emirates National Oil Company Limited (ENOC) LLC, an integrated global oil and gas company owned by the Government of Dubai, since October 2008. Previously, Mr. Pentti had served as Chief Financial Officer of Neste Corporation, an oil refining and marketing company, from 2004-2008, and of Finnair, the largest airline of Finland, from 1998-2004. Mr. Pentti holds a master's degree in Economics and Business Administration from the Turku School of Economics and Business Administration.

Mr. José F. Aramburu joined us as Senior Vice President, Corporate in October 2017. From 2012 to September 2017, Mr. Aramburu held numerous senior positions with Compañía Española de Petróleos, S.A.U. (CEPSA), an integrated energy company operating at every stage of the oil value chain, including Specialties Manager, Cepsa Commercial Petroleum, from May 2014 to September 2017, with responsibility for the lubricants, LPG, aviation and bitumen businesses; Lubricants Manager, Cepsa Commercial Petroleum from December 2012 to May 2014; Business Development Director, Cepsa Quimica, from March 2012 to December 2012; and Commercial Director, Polyester and LAB, Cepsa Quimica, from June 2008 to March 2012. Mr. Aramburu holds a B.S. from Universidad Autónoma de Madrid.

Mr. Nasser Ali Al Hammadi joined us in 1988 and has served as our Senior Vice President, Retail since October 2017 with responsibility over our fuel and non-fuel retail businesses. Prior thereto, Mr. Al Hammadi served as our Senior Vice President, Corporate from April 2011 to October 2017 with responsibility over our Corporate and Aviation divisions. Mr. Al Hammadi holds a B.A. from United Arab Emirates University.

Mr. Saleh Khamis Humaid joined us in 1993 and has served as our Senior Vice President, Operations since February 2012. Prior thereto, Mr. Humaid had served as our Vice President, Health, Safety, Security &

Environment, our Vice President, Maintenance & Technical Services, and our Engineering & Projects Division Manager. Mr. Humaid holds a B.Sc. in Electronics from the University of Arkansas at Little Rock, a Masters Certificate in Project Management from The George Washington University, and an Executive M.B.A. from Zayed University.

Executive Remuneration

Remuneration philosophy

The Company's overall philosophy to remuneration is based on the approach that remuneration should be linked to the performance and behaviour of an individual, business results and shareholder and customer outcomes. The approach to executive remuneration is intended to:

- attract, motivate and retain the executive team;
- provide an appropriate balance between fixed and variable pay;
- ensure strong performance orientation across the executive team with an appropriate balance between short- and long-term performance;
- provide an appropriate blend of corporate and divisional performance, to help balance "corporate glue" with line-of-sight to results;
- align the interests of the executive team with those of shareholders; and
- be straight-forward and easy to understand for shareholders and participants.

Reward levels are set to attract, retain and engage high calibre talent to support the business strategy. Selected employees are able to share in the success of the Company through participation in annual bonus schemes, with executive directors and other select members of the senior management team also eligible for participation in a long term incentive plan.

Guaranteed pay

In line with local UAE market norms, fixed pay arrangements comprise several different components. These include a blend of basic salary and a range of non-consolidated cash allowances.

- *Supplemental Allowance*—additional component to basic salary, paid as a monthly lump sum based on grade level to both UAE nationals and non-UAE nationals.
- *General Allowance*—intended to encompass a number of other allowances typically paid separately in other organizations (utility, vacation, furniture maintenance, annual leave airfare), paid as a monthly lump sum based on grade level to both UAE nationals and non-UAE nationals.
- *Social Allowance*—paid to all UAE Nationals in accordance with the Cabinet Resolution No. 5 of 1981, paid monthly as a lump sum based on grade level.
- *Child Allowance*—flat monthly lump sum paid to UAE nationals for each eligible child.
- *Child Education Assistance*—an annual reimbursement up to a maximum value based on grade level paid to both UAE Nationals and non-UAE Nationals to support eligible employees with children attending school in the UAE.
- *Housing Financial Assistance*—paid to both UAE Nationals and non-UAE Nationals to support employees in obtaining suitable unfurnished accommodation.

Salaries and allowance are periodically reviewed according to Company policy. Adjustments are made as required to ensure market competitiveness and maintain internal equity.

Benefits and pension

The Company provides all employees and eligible resident dependents with health and risk insurance coverage.

UAE National employees are automatically enrolled in the Pension Scheme of the Emirate of Abu Dhabi in accordance with Law No. 2 of 2000. The employee contribution is 5% of pensionable monthly salary with an employer contribution of 15% of pensionable monthly salary.

For other GCC Nationals, the Company contributes to the GCC Pension Scheme in accordance with the provisions of Law No.18 of 2007.

Annual bonus

Annual bonuses are payable at the sole discretion of the Board of Directors. Bonuses are based on the achievement of demanding metrics measured over a one-year performance period.

For the most senior executives, the potential bonus opportunity is capped in any financial year at a sufficiently motivational level, with consideration of local competitive market norms. Bonus opportunities will be cascaded by seniority as appropriate. Performance measures and targets will be based on an appropriate combination of Corporate, divisional and individual performance.

Long Term Incentive Plan ("LTIP")

Conditional on Admission, the LTIP will form the primary long-term incentive arrangement for executive directors and senior management. The purpose of the LTIP is to incentivise and reward the creation of long-term shareholder value.

Under the LTIP, it is intended that awards will be in the form of a conditional right to a cash payment structured as an award over notional shares, with the granting of any awards subject to the discretion of the Board of Directors each year.

In the normal course of events, awards under the LTIP will vest three years from the date of grant of the award (or, if later, upon the assessment of performance conditions) subject to the participant's continued service and the extent to which performance conditions specified for the awards are satisfied.

The performance conditions for the first awards to the senior management team are expected to be based on corporate measures including net profit growth.

During the early years of the operation of the LTIP, it is the Board of Directors' intention to reward the outperformance of the business targets that have been set out for investors to ensure that management are motivated to deliver on our commitments, drive value creation over the medium to long-term and that they are sufficiently motivated in doing this.

Operation and Eligibility

The Board of Directors will supervise the operation of the LTIP. The Board may delegate authority to manage the operation of the LTIP to any committee or sub-committee of the Board, and any reference to the "Board" herein includes a reference to such committee or sub-committee of the Board.

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Board.

Grant of awards under the LTIP

The Board may grant awards over notional shares comprising a conditional right to a cash payment.

Timing of grants

The Board may grant awards within six weeks following the Company's announcement of its results for any period. The Board may also grant awards within six weeks of adoption of the LTIP, or at any other time when it considers there to be exceptional circumstances which justify the granting of awards.

Performance conditions

The extent of vesting of awards granted to executive directors of the Company will be subject to performance conditions set by the Board. The extent of vesting of awards granted to other participants may be subject to performance conditions set by the Board.

Performance conditions are expected to be based on corporate measures including net profit growth.

The Board may vary the performance conditions applying to existing awards if an event has occurred which causes the Board to consider that it would be appropriate to amend the performance conditions, provided the Board considers the varied conditions to be fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Vesting of awards

Awards normally vest on the third anniversary of grant or, if later, when the Board determines the extent to which any performance conditions have been satisfied.

The Board may specify different normal vesting periods that end before or after the third anniversary of grant provided that an award granted to an executive director of the Company may not normally vest before the third anniversary of grant (although there is an exception for awards made to any participant within twelve months of Admission).

Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be ceasing to a director within the Company (where relevant).

However, if the participant ceases to be an employee or a director within the Company because of his death, injury, disability, his employing company or the business for which he or she works being sold out of the Company or in other circumstances at the discretion of the Board, then his or her award will vest on the date when it would have vested if he or she had not so ceased.

The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the award by reference to the period of time served in employment during the normal vesting period, although the Board can decide to reduce or eliminate the pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.

Alternatively, if a participant ceases to be an employee or director in the Company for one of the "good leaver" reasons specified above (or in other circumstances at the discretion of the Board), the Board can decide that their award will vest on cessation, subject to (i) the performance conditions measured at that time; and (ii) pro-rating by reference to the time of cessation as described above. Such treatment shall also apply in the case of death.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), all awards will vest early, subject to (i) the extent that the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the awards to reflect the period of time between their grant and vesting, although the Board can decide to reduce or eliminate the pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Board decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Board, would affect the market price of Shares to a material extent, then the Board may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Dividend equivalents

The Board may decide that participants will receive an additional cash payment at the time of delivery of the cash payment based on the vested notional shares, of an amount equivalent to the dividends that would have been paid had the notional shares been actual shares between the date of grant and the vesting of the related award.

This amount may assume the reinvestment of dividends.

Life of LTIP

An award may not be granted more than 10 years after the date on which the LTIP was adopted.

No payment is required for the grant of an award.

Awards are not transferable, except on death. Awards are not pensionable.

Variation of capital

In the event of any variation of the Company's share capital the Board may make such adjustment as it considers appropriate to the number of Notional Shares subject to an award.

Alterations

The Board may, at any time, amend the LTIP.

No alteration to the material disadvantage of a participant as to existing awards may be made without the prior consent of participants.

Corporate Governance

Relationship Agreement

On or prior to Admission, we will enter into the Relationship Agreement with ADNOC pursuant to which, among other things, ADNOC will agree not to take certain actions that might interfere with our status as an independent company and we will agree to enter into transactions with ADNOC, or any other company that is directly or indirectly owned or under the control of ADNOC, only with the approval of a majority of our Board of Directors, including a majority of the independent directors. See "*Principal and Selling Shareholder—Relationship Agreement*".

Governance Rules

Our Board of Directors (the "Board") is committed to standards of corporate governance that are in line with international best practice. As at the date of this Offering Memorandum, and on and following Admission, the Board complies and intends to continue complying with the corporate governance requirements applicable to joint stock companies as set out in Resolution No. (7/R.M) Concerning Corporate Discipline and Governance Standards of Public Joint Stock Companies issued on 28 April 2016 by the Chairman of the SCA (the "Governance Rules"). The Company will report to its shareholders and to the SCA on its compliance with the Governance Rules, in accordance with the provisions thereof.

As envisaged by the Governance Rules, the Board will establish two permanent committees: an Audit Committee and a Nomination and Remuneration Committee. If the need should arise, the Board may set up additional committees as appropriate. The Chairman is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

The Governance Rules require that the majority of the Board must comprise non-executive directors, and that at least one-third of the Board must be independent in accordance with the criteria set out in the Governance Rules. The Governance Rules define an independent member as a member who has no relationship with the Company, any member of executive management, its auditor, its parent company, its subsidiaries, any sister company, or any affiliate company that could lead to financial or moral benefit which may affect his or her decisions. The Board consists entirely of non-executive directors (the "Non-Executive Directors"). The Company regards Messrs. Alseddiqi, Miró Roig and Beau as "independent members of the Board" within the meaning of the Governance Rules and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

The Governance Rules further require that the Board meet at least four times each year.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the ADX, including the provisions of the Governance Rules.

The Governance Rules, as reflected in the Audit Committee charter, require that the Audit Committee must comprise at least three members who are Non-Executive Directors and that at least two of members must be independent. One of the independent members must be appointed as chairman of the committee. In addition, at least one member is required to have recent and relevant audit and accounting experience. The members of the Audit Committee will be appointed following completion of the Global Offering. The Audit Committee will meet not less than four times a year.

The Audit Committee has taken appropriate steps to ensure that the Company's external auditors are independent of the Company as required by the Governance Rules and has obtained written confirmation from our auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board and committees of the Board and, in particular, for monitoring the independent status of the independent Non-Executive Directors. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or committee members as the need may arise. In addition, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Governance Rules, as reflected in the Nomination and Remuneration Committee charter, require the Nomination and Remuneration Committee to be comprised of at least three Non-Executive Directors, at least two of whom must be independent. The chairman of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The members of the Nomination and Remuneration Committee will be appointed following completion of the Global Offering. The Nomination and Remuneration Committee will meet based on the Company's requirement from time to time.

RELATED PARTY TRANSACTIONS

We are and have been a party to various agreements and other arrangements with related parties, comprising ADNOC and certain of its other subsidiaries. The most significant of these transactions are described below. For details of the impact of related party transactions on our financial position and financial results as at and for the years ended 31 December 2015 and 2016, as at 30 September 2017, and for the nine months ended 30 September 2016 and 2017, please refer to note 8 of notes to the carve-out financial statements and to the pro forma financial information, in each case included elsewhere in this Offering Memorandum.

Relationship Agreement

We intend to enter into the Relationship Agreement with ADNOC on or prior to Admission. For a description of the principal terms of this agreement, please refer to "*Principal and Selling Shareholder—Relationship Agreement*".

Supply Agreements

Refined Products Supply Agreement

We entered into the Refined Products Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, refined liquid hydrocarbons, comprising unleaded gasoline (91, 95 and 98 grades), gas oil (diesel), illuminating kerosene, and aviation fuels. The term of the Refined Products Supply Agreement is for an initial period expiring on 31 December 2022, and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date. Under the Refined Products Supply Agreement, ADNOC has committed to supply all quantities of refined products included in annual and quarterly plans and has agreed to use its best endeavours to source such products from third-party suppliers to the extent not otherwise available to it.

Pursuant to the Refined Products Supply Agreement, the prices for gasoline and gas oil (diesel) will equal the Platt's benchmarks utilised by the Retail Price Committee chaired by the UAE Ministry of Energy to set retail pump prices plus 2.7 fils per litre, provided that during the initial term of the agreement expiring on 31 December 2022, such prices will be reduced on a fils-for-fils basis if the regulated gross margins on retail sales of gasoline and diesel are reduced from their current levels. In addition, ADNOC must make a payment to us to the extent that, for any contract year, the actual per-litre gross margin we earn on retail sales of gasoline and diesel (calculated by reference to actual retail fuel sale revenue less the price we pay for such fuel under the Refined Products Supply Agreement) is less than 26.3 fils per litre in the case of grade 91 gasoline, less than 33.3 fils per litre in the case of grade 95 gasoline, less than 44.3 fils per litre in the case of grade 98 gasoline, and less than 49.3 fils per litre in the case of diesel. Any fils-per-litre shortfall against such minimum margin levels is payable to us by ADNOC in respect of all fuel quantities we have sold of the affected grade during the relevant year. For other refined products, including illuminating kerosene and aviation fuels, prices will be ADNOC's official selling prices for such products.

Under the Refined Products Supply Agreement, we have agreed to purchase refined products exclusively from ADNOC, and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent, except for sales to Emarat, ENOC, customers purchasing more than 10,000 metric tonnes of refined products, and customers to whom we have elected not to sell refined products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower that the prices it charges us.

LPG Supply Agreement

We entered into the LPG Supply Agreement with ADNOC, effective 1 October 2017, pursuant to which we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, butane, propane and LPG in quantities requested by us and confirmed by ADNOC. The term of the LPG Supply Agreement is for an initial period expiring on 31 December 2022, and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date. Under the LPG Supply Agreement, ADNOC has committed to supply the quantities of products confirmed by ADNOC each month and has agreed to use its best endeavours to source such products from third-party suppliers to the extent not otherwise available to it.

Pursuant to the LPG Supply Agreement, prices for butane, propane and LPG are ADNOC's official selling prices as in effect from time to time, provided that, for so long as the retail price of LPG cylinders is regulated, the price for LPG to be resold in subsidised cylinders will be equal to such regulated retail price less 108% of our operating costs for distributing subsidised cylinders.

Under the LPG Supply Agreement, we have agreed to purchase butane, propane and LPG exclusively from ADNOC, and ADNOC undertakes not to compete with us in selling to any customer in the UAE without our consent, except for sales to Emarat, ENOC, customers purchasing more than 80,000 metric tonnes per annum of products, and customer to whom we have elected not to sell products. ADNOC has also undertaken not to sell on a spot basis to unaffiliated non-export customers in the UAE at prices lower than the prices it charges us.

Base Oil Supply Agreement

We purchase base oil used to produce lubricants and for resale to our Corporate division customers from ADNOC pursuant to an annual confirmation, the most recent of which is effective as of 1 October 2017, which incorporates ADNOC's general terms and conditions for sales of base oils (the "Base Oil Supply Agreement"). Under the terms of the Base Oil Supply Agreement, we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, specified volumes of base oil at prices set forth in the Base Oil Supply Agreement, which are reviewed annually. The term of the Base Oil Supply Agreement is for an initial five-year period expiring on 31 December 2022 and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

Sale of NG Business, Natural Gas Supply and Related Service Agreements

In November 2017, we entered into the Business Transfer Agreement with ADNOC pursuant to which we have agreed to transfer to ADNOC all of the assets and operations relating to the NG Business, which does not include those assets and operations located at our retail fuel service stations for the compression and sale of CNG to operators of natural gas-powered vehicles, for consideration equal to AED 64.1 million (representing the net book value of the transferred assets), plus all operating costs and capital expenditure incurred by us in relation to the NG Business between signing and closing, less (i) all customer receipts received by or on our behalf in relation to the NG Business between signing and closing, and (ii) an amount equal to all duties and liabilities incurred by us in connection with the employment of the employees to transfer with the NG Business prior to closing. This transaction is expected to close in mid-2018.

In connection with the Business Transfer Agreement, we also entered into the Natural Gas Supply Agreement, pursuant to which we will purchase natural gas from ADNOC for sale as CNG at our retail fuel service stations. Under the terms of the Natural Gas Supply Agreement, we have agreed to purchase from ADNOC, and ADNOC has agreed to sell to us, specified volumes of natural gas, which we may only resell at our retail fuel service stations, as part of our business selling CNG to natural-gas powered vehicles, or back to ADNOC. The term of the Natural Gas Supply Agreement is for an initial period expiring five years after the effective date (10 October 2017) and will be extended automatically for subsequent five-year terms unless either party notifies the other of its intention not to renew at least 12 months prior to the then-effective expiration date.

Upon the closing of the transfer of the NG Business, we will enter into the Natural Gas Support Services Agreement, pursuant to which we will provide certain support services to assist ADNOC in operating the natural gas distribution business, including services related to marketing and communication, internal audit, information technology, finance, human resources, procurement and legal, for a one-year period unless extended by agreement of us and ADNOC; and the CNG Sales and Transportation Services Agreement, pursuant to which we will, if requested by ADNOC, sell CNG back to ADNOC and provide related transportation services under certain circumstances.

Real Property Transfer Liability and Leaseback Agreement

In order to continue to comply with property ownership laws in the UAE following the Global Offering, our real property portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu

Dhabi and the Rulers of the Northern Emirates. To allocate liabilities associated with the property transfers, and to ensure we have continued access to our properties, we entered into Transfer Liability and Leaseback Agreements with ADNOC. Under the terms of the Real Estate Transfer Liability and Leaseback Agreements, ADNOC has agreed to lease all real estate transferred to it back to us on a cost-pass-through basis. Each lease has a term of four years and will renew automatically unless notice of termination is given by us at least one year prior to then-effective expiration date. Under the terms of the agreements, we will indemnify ADNOC for any environmental liabilities relating to our operations on the properties.

Brand Usage Agreement

On or prior to Admission, we will enter into a brand usage agreement (the "Brand Usage Agreement") with ADNOC pursuant to which ADNOC has granted to us a non-exclusive license to use certain of ADNOC's trademarks and logos in Africa, Europe, the GCC, and any other countries or territories as may be agreed by us and ADNOC in writing from time to time in connection with (a) the operation of fuel service stations, (b) the manufacture, sale, storage, marketing and distribution of petroleum products, including engine oils, bitumen and other petroleum by-products, (c) other goods and services related to the foregoing, including lubricants, car washing services, merchandise and sponsorships, and (d) any other activities that we currently are engaged in or that may be otherwise required for our operations from time to time. The license granted under the Brand Usage Agreement is royalty-free for the first four years. Thereafter, we will pay ADNOC a license fee in an amount to be agreed between us and ADNOC. Subject to the restrictions set forth in the Relationship Agreement, the Parent may terminate the Brand Usage Agreement upon twelve months' notice, including if the parties are unable to agree on the license fee payable after the first four years.

Civil Aviation Supply Carve-out

Aviation Sales Transfer Agreement

We entered into an aviation sales transfer agreement (the "Aviation Sales Transfer Agreement") with ADNOC in September 2017, pursuant to which we have transferred all contracts for the sale and supply of jet fuel to the civil aviation sector, and related receivables and jet fuel inventories (other than any Jet A-1 held at Al Dhafra Terminal), to ADNOC effective as at 30 September 2017, while related personnel have remained our employees. ADNOC has compensated us based on the net book value of the receivables and inventory and, on the effective date, ADNOC became responsible to perform all obligations under the transferred contracts, assumed all related liabilities, and agreed to indemnify us from any liabilities related thereto.

Aviation Services Agreement

We entered into the Aviation Services Agreement with ADNOC and AssetCo to provide ADNOC with services to operate its civil aviation supply business and to provide operations and maintenance services in respect of storage tanks and other assets transferred to AssetCo as part of ADNOC Refining Perimeter Reorganisation and in which ADNOC stores its jet fuel inventory following the Civil Aviation Supply Carve-out. Pursuant to the Aviation Services Agreement, ADNOC may request us to perform certain services relating to the transportation and delivery of fuel to its civil aviation customers, which we may perform ourselves or procure third-party service providers to perform. These services are expected to include sales and marketing, operations and supply chain management, quality control, fuel transportation, and aviation refuelling services. For providing services under the Aviation Services Agreement, ADNOC has agreed to compensate us in an amount equal to our operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the costs of any third-party service providers. During the term of the Aviation Services Agreement, we have agreed that we will not own or engage in a civil aviation supply business that competes with ADNOC's civil aviation supply business. The Aviation Services Agreement has an initial term expiring on 31 December 2022, with successive five-year renewal periods unless any party provides at least 12-months' notice of its intent not to renew.

As a result of the Aviation Sales Transfer Agreement and the Aviation Services Agreement, all commercial airlines and other civil aviation customers are customers of ADNOC, and are not our customers. We provide refuelling and other related services to these customers as an agent of ADNOC, for which we are compensated under the Aviation Services Agreement.

ADNOC Refining Perimeter Reorganisation

ADNOC Refining Asset Purchase Agreement

On 30 September 2017, we entered into the ADNOC Refining Asset Purchase Agreement with ADNOC Refining and AssetCo pursuant to which ADNOC Refining has transferred certain assets to us or, to the extent such assets have been built at specifications and capacities that exceed our needs, to AssetCo. These assets comprise certain storage, pipeline and other fuel terminal and distribution assets that ADNOC Refining had constructed primarily for our benefit. The assets that were transferred to us had historically been operated and maintained by us. In consideration of the transfer of assets that are being transferred to us, we have agreed to pay ADNOC Refining approximately AED 696.2 million, representing the net book value of such assets. On the fifth anniversary of such transfer, we will discuss with the AssetCo the potential acquisition of its assets, subject to agreement on pricing and other terms.

AssetCo O&M Agreement

We entered into the AssetCo O&M Agreement with AssetCo on 30 September 2017 pursuant to which we provide operations and maintenance services in respect of those assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement and that historically had been operated and maintained by us. Certain other assets that were transferred to AssetCo under the ADNOC Refining Asset Sale Agreement historically had been and will continue to be operated and maintained by ADNOC Refining, for which ADNOC Refining will be compensated by AssetCo. In addition, the AssetCo O&M Agreement grants us the right to use these assets in connection with our fuel distribution operations. For providing services under the AssetCo O&M Agreement, AssetCo has agreed to compensate us in an amount equal to our operating expenses incurred in connection therewith (including any related taxes or other charges) plus 8% of such amount, and to reimburse us for the amount of any required capital expenditures. Amounts due to us by AssetCo are offset by amounts we owe AssetCo for utilisation of the assets transferred to AssetCo. The AssetCo O&M Agreement has an initial term expiring on 31 December 2022, with successive five-year renewal periods unless we provide at least 12-months' notice of our intent not to renew.

Shareholder Services Agreement

Prior to Admission, we will enter into a Shareholder Services Agreement with ADNOC pursuant to which ADNOC will provide us with certain administrative and other support in the areas of treasury, accounting, finance, tax, legal and compliance support, corporate governance, HR, logistics, information technology, procurement, insurance, risk management, record keeping, reporting and general and administrative services to the extent we determine based on our business requirements. Pursuant to the terms of the Shareholder Services Agreement, we and ADNOC will negotiate the cost, including the cost of third-party service providers, for the provision of such services, provided that ADNOC will not charge us for the provision of such services, other than the actual cost of third-party service providers and allocated costs of group insurance, for the initial four-year term of the agreement. The Shareholder Services Agreement has an initial four-year term and thereafter may be extended by agreement of us and ADNOC.

PRINCIPAL AND SELLING SHAREHOLDER

Principal Shareholder

The following table sets forth our shareholder holding our Shares (i) as at the date of this Offering Memorandum, with a total share capital of 12,500,000,000 shares of AED 0.08 each, and (ii) immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Shares being offered:

	As at the date of this Offering Memorandum		Immediately following the Global Offering(1)	
	Number of Shares	**Percentage**	**Number of Shares**	**Percentage**
Shareholder				
ADNOC	12,500,000,000	100%	10,000,000,000	80%

(1) Assumes that the maximum number of Shares offered in the Global Offering are sold. A minimum of 1,250,000,000 and a maximum of 2,500,000,000 Shares are being offered in the Global Offering.

ADNOC is wholly owned by the government of Abu Dhabi. No Shares have voting rights that differ from those of any other Shares. As at the date of this Offering Memorandum, the Company is not aware of any arrangements that may result in a change in control of the Company.

Relationship Agreement

On or prior to Admission, we will enter into a Relationship Agreement with ADNOC pursuant to which ADNOC will agree, for so long as the Shares are listed on the ADX and ADNOC owns or controls more than 50% of the Shares, to take or not to take certain specified actions. These include: (a) not to take certain actions that might interfere with our status as an independent company, including (i) ADNOC will not take any action that would interfere with our ability to comply with our obligations under certain ADX and SCA listing and governance rules, and (ii) ADNOC will conduct all transactions with us on arms' length terms and on a commercial basis and will allow us to carry out our business independently; (b) not to engage in a competing gasoline or CNG filling station business or retail convenience store business in the UAE; (c) not to terminate, and to renew at our request, any real estate lease or land-use agreement, the Brand Usage Agreement, the Refined Products Supply Agreement, the LPG Supply Agreement, the CNG Supply Agreement and the Base Oil Supply Agreement, in each case so long as we are not in material default of our obligations under those agreements; and (d) to acquire or lease, on our behalf and at our expense, any real estate needed for the operation of our business, and to enter into a corresponding lease agreement, sub-lease or land use agreement with us for such land, save that if ADNOC ceases to hold the majority of the Company's shares, it shall continue to adhere to the provisions described in (c) and (d) as if it still held such majority, subject to any instruction or direction from a Governmental Authority, until such time as an alternative arrangement giving effect to the same can be entered into. In addition, ADNOC will agree not to seek to induce certain specified senior employees to become engaged (whether as an employee, consultant or otherwise) with ADNOC for a period of twelve months from the listing date.

Pursuant to the Relationship Agreement, we also will agree to enter into transactions with ADNOC and other members of the ADNOC group only with the approval of a majority of our directors, including a majority of the independent non executive directors (other than transactions that, in accordance with our delegation of authority, do not require Board approval). Any enforcement of the provisions of the Relationship Agreement against ADNOC requires approval by our Board of Directors, which is effectively controlled by ADNOC. See "*Risk Factors—Risks Relating to the Global Offering and to the Shares—After the Global Offering, ADNOC will continue to be able to exercise significant influence over us, our management and our operations*". However, for so long as ADNOC holds the majority of the Company's shares, ADNOC will agree to procure that there shall be three independent non-executive directors appointed to the Board at all times and, and, if the overall size of the Board increases, that the number of independent non-executive directors appointed to the Board shall, if necessary, also be increased so they amount to least one-third of the total number of directors on the Board.

Set out below is a summary of certain information concerning the Shares, certain provisions of our Articles of Association (the "Articles") to be adopted in connection with the Global Offering, and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

Our Share Capital

Our share capital is AED 1,000,000,000 divided into 12,500,000,000 Ordinary Shares of AED 0.08 each, which have been subscribed in full by the Selling Shareholder. The Selling Shareholder will offer up to 20% of the Company's share capital for sale as part of the Global Offering.

Our Memorandum and Articles of Association

The following is a summary of the rights under our Articles and Federal Law No. 2 of 2015 concerning commercial companies, as amended (the "Companies Law"). In the following description of the rights attaching to the Shares, a holder of Shares and a shareholder is, in both cases, the person registered in the Company's register of shareholders as the holder of the relevant shares.

Share Capital

All Shares rank in all respects equally with all other Shares of the same class. Shares are indivisible, but two or more persons may jointly hold one or more Shares, provided they are represented before the Company by one person only. Joint holders of one Share are responsible jointly for the obligations arising from such Share.

Each Share shall give its holder equal rights in the Company's assets and dividends as well as rights to vote at the general assembly of shareholders on a one-share-one-vote basis.

Share Register

Upon listing on the ADX, the Shares will be dematerialised and the share register will be maintained by the ADX.

The Shares may be sold, transferred, pledged, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, clearing, settling and recording.

Deceased Shareholders

In the event of a death of a shareholder, his or her heirs shall be the only persons having rights or interests in the shares of the deceased shareholder. Such heir shall be entitled to dividends and other privileges which the deceased shareholder had. Such person, after being registered as a shareholder in accordance with the Articles, shall have the same rights as a shareholder as the deceased shareholder had in relation to such Shares. The estate of the deceased shareholder shall not be exempted from any outstanding obligation relating to any Share held by him or her at the time of death.

Any person who becomes entitled to rights to Shares as a result of the death or bankruptcy of any shareholder, or pursuant to an attachment order issued by any competent court of law, should within 30 days:

- produce evidence of such right to the Board of Directors; and
- select either to be registered as a shareholder or to nominate another person to be registered as a shareholder of the relevant Share(s).

Changes in Share Capital

The Company may, subject to the provisions of the Companies Law and obtaining the approval of the SCA and the Abu Dhabi Department of Economic Development, by way of a special resolution at a general assembly increase its share capital by creating new shares of the same nominal value as the Shares.

The Company may, in accordance with the Companies Law, after obtaining approval by a special resolution of a general assembly and pursuant to a recommendation of the Board of Directors, reduce its share capital in any way and on such terms as it may decide.

The increase of capital may take place in one of the following ways: (i) the issuing of new Shares; (ii) the merging of the reserve into the share capital; (iii) the conversion of debentures into Shares; (iv) entering into a strategic partnership; and (iv) pursuant to an employee share incentive plan. New Shares shall be issued with a nominal value equal to the nominal value of the original shares.

The general assembly may by way of a special resolution resolve to add a premium to the nominal value of the Shares and specify its amount, provided that the approval of the SCA is obtained. This premium should be contributed to the legal reserves even if it will result in exceeding half of the share capital.

Pre-emption Rights

Any issue of new Shares must first be offered to the existing shareholders for subscription, in proportion to their existing shareholdings, before being offered to any third party, except (a) for the purpose of entering into a strategic partnership, (b) for the purpose of capitalising the Company's cash debts, (c) for the purpose of converting bonds or sukuk issued by the Company into Shares or (d) for the purpose of implementing an employee share incentive plan, provided that the Company obtains all required approvals from the SCA and the relevant increase in capital by a general assembly.

Dividends

Subject to the provisions of the Companies Law and the approval of the SCA, the Company may by ordinary resolution, and based on a recommendation from the Board of Directors, declare dividends payable to the shareholders. Dividends due on Shares shall be paid to the holder of those Shares registered in the share register on the 10th day following the date of convening the ordinary general assembly which resolved to distribute the dividends. Only that shareholder shall have the right to the profits due on those Shares whether these profits represent dividends or entitlement to a part of the Company's assets.

The Company may pay dividends out of the annual net profits of the Company as determined by the Company's auditors after deducting 10% of the annual net profits and allocated to the legal reserve. Such deduction shall cease to occur when the total amount of the reserve is equal to at least 50% of the share capital of the Company. If the legal reserve falls below this threshold, the Company will be required to resume deductions.

Transfer of Shares

The Articles provide that the transfer of Shares shall be governed by and shall comply with the regulations applicable to companies listed on ADX. The Shares may be sold, transferred, pledged or otherwise disposed of in accordance with the Articles. Transfers made other than in accordance with the Articles shall be void.

The transfer of Shares shall at all times be subject to the requirement for UAE nationals to hold at least 51% of the share capital of the Company.

General Meetings

Annual General Assembly

An annual general assembly will be held at least once a year, within four months of the end of the financial year. In particular, the annual general assembly of the Company shall consider the following issues:

- the report prepared by the Board of Directors in respect of the activity and the financial position of the Company during the year, the auditor's report and their ratification;
- the Company's balance sheet and the profits and losses account;
- election of the members of the Board of Directors, if necessary;
- appointment of the auditors and determination of their remuneration;
- the proposals of the Board of Directors concerning the distribution of profits, whether in cash or bonus shares;
- the proposals of the Board of Directors concerning the remuneration of the members and the determination of such remuneration;

- discharge or dismissal of the members of the Board of Directors, or as the case may be, filing a liability lawsuit against them; and
- discharge or dismissal of the auditors or, as the case may be, filing a liability lawsuit against them.

At least 15 days' notice must be given of an annual general assembly. The quorum for the annual general assembly is the attendance of shareholders representing at least 50% of the share capital of the Company. If a quorum is not present at the first meeting, the general assembly shall be adjourned to another meeting to be held after at least five days, but not exceeding 15 days, from the date of the first meeting. A quorum at the adjourned meeting shall be present irrespective of the number of the present shareholders.

The shareholders may also require the Board of Directors to convene a meeting if it is requested by a shareholder or a number of shareholders holding not less than 20% of the Company's issued share capital.

Any resolution taken in contravention to the law or the Articles without consideration to the Company's interests in favour of a particular group of shareholders which causes damage to the Company or provides a private benefit to the members of the Board of Directors or to third parties may be revoked. The judgment annulling a resolution of a general assembly shall consequently lead to the resolution being considered as non-existent vis-à-vis all shareholders. The Board of Directors must publish the annulment judgment in two local daily newspapers, one of which is published in the Arabic language. Proceedings for annulment are time barred on the expiry of 60 days from the date of adopting the resolution contested. Initiating the proceedings will not prevent the implementation of the resolution unless the court decides otherwise.

Special Resolution

The general assemblies by way of a special resolution may convene to discuss and approve matters other than those considered in annual general assemblies, such as:

- an increase or reduction of the share capital;
- the dissolution of the Company or its merger with another company; and
- any amendment to the Articles.

The Board of Directors

According to the Articles, the Company shall be managed by a Board of Directors of seven members. Board members will be elected by a general assembly meeting by cumulative voting by secret ballot. The first Board of Directors was appointed by ADNOC for a period of three years commencing on 16 November 2017. The majority of the Board of Directors must be UAE nationals, including the chairman.

If a position becomes vacant during the term of the Board of Directors, then the Board of Directors may appoint a new member so long as such appointment is presented to the next ordinary general assembly meeting following such appointment for ratification or to appoint/elect a replacement. Such new Board member shall complete the term of his predecessor. If the positions becoming vacant exceed one quarter of the number of the Board of Directors then the Board of Directors must call for an ordinary general assembly to convene no later than 30 days from the date on which the last position on the Board of Directors became vacant. In all cases, the Board of Directors will fill all vacancies and the Directors shall complete the term of his or her predecessor and such Director may then be re-elected in the ordinary general assembly.

Appointment of the Board of Directors

The Board of Directors shall elect from amongst its members a chairman and a vice-chairman. The chairman represents the Company before the courts and executes resolutions adopted by the Board of Directors. The vice-chairman shall act on behalf of the chairman in his or her absence or incapacitation. The Board of Directors may elect a managing director and determine his or her duties and remuneration. The Board of Directors may also form one or more committees from its members to manage the business performance of the Company, and carry out resolutions issued by the Board of Directors.

If a Director is absent for three successive or five non-successive Board meetings, during the term of the Board of Directors, without an excuse approved by the Board of Directors, such Director shall be deemed to have resigned.

Powers of the Board of Directors

The chairman, vice-chairman, managing director or any other authorised Board member acting within the powers granted to him by the Board of Directors may severally sign on behalf of the Company.

The Board of Directors shall have all the powers to manage the Company and shall have the authority to perform all deeds and act on behalf of the Company to the extent permitted by the Company. Such powers and authorities may only be restricted by the provisions of the Companies Law, the Articles or as resolved by the shareholders in a general assembly.

Board Meetings

The Board of Directors shall hold its meetings at the head office of the Company, or at any other place agreed by the Board of Directors. Meetings shall not be valid unless attended by a majority of the Board of Directors. A Director may appoint another Director to vote on his or her behalf and the appointee will have two votes, but a Director may not act on behalf of more than one Director. Resolutions are adopted by a majority of the votes of the Directors present or represented, and in case of a tie, the chairman shall have a casting vote. No Director shall vote by way of correspondence.

Details of the items discussed at meetings of the Board of Directors or its committees and decisions thereof, including any reservations or any dissenting opinions, shall be recorded in the minutes of such meetings provided that all the Directors present at the meeting sign the draft minutes prior to endorsement. Copies of the minutes shall be sent to the Directors following endorsement for their records. The minutes of the meetings or committees shall be kept with the secretary of the Board of Directors. If a Director refuses to sign the minutes, his or her refusal, with reasoning for the refusal to sign the minutes, will be noted in the minutes.

Directors' Interests

In the event that a Director has a conflict of interest with respect to a specific matter included in the agenda for consideration by the Board of Directors, the conflicted Director must disclose the interest to the Board of Directors and the conflicted Director may not vote on the matter in which he or she is conflicted. The provisions of the Related Parties Transactions set out in the Chairman of the Authority's Board Resolution No. 7/RM of 2016 shall not apply to transactions, or decisions relating to transactions, entered or to be entered into between the Company and ADNOC, or between the Company and any other company that is directly or indirectly owned or under the Control of ADNOC, or federal or local government in the UAE, or any transaction that could be challenged on the grounds of a conflict of interest arising out of the appointment by ADNOC of a Board Director. Any such transactions entered into by the Company shall be exempt from the relevant provisions of the Companies Law and any other related party transaction rules.

Liability of the Board of Directors

The Board of Directors shall be liable towards the Company, the Shareholders and third parties for all acts of fraud, abuse of power, violation of the law or the Company's Articles of Association. The Company shall have the right to initiate proceedings against the members of the Board of Directors claiming damages suffered by the shareholders as a result of the Board of Directors' faults. A resolution of the General Assembly shall be adopted specifying who shall initiate the proceedings on behalf of the Company.

Directors' Remuneration

Pursuant to Article 169 of the Companies Law, the Articles shall state the method of calculating the remuneration of the members of the Board of Directors, provided that it shall not exceed 10% of the net profits of the ending financial year after deducting all the depreciations and reserves. The penalties imposed on the Company due to contraventions by the Board of Directors of the Companies Law or the Articles during the ending financial year shall be deducted from the remuneration of the Board of Directors.

Liquidation Rights

The Company is incorporated for a 100-year term, which is renewable automatically for similar consecutive terms unless a special resolution at a general assembly is issued to dissolve the Company.

The Company shall cease to exist upon the occurrence of any of the following events: (i) the expiration of the specified term of the Company, unless it is renewed in accordance with the provisions set out in the Articles; (ii) the issue of a special resolution of the general assembly to dissolve the Company; (iv) the merger of the Company with another company; and (v) the depletion of all or most of the Company's assets, making it impossible to beneficially invest the remainder.

In the event that the Company incurs losses amounting to at least half the capital of the Company, the Board of Directors shall call for a general assembly to consider whether the Company should continue or be dissolved.

Immediately upon the general assembly approving the Company's dissolution, the Company shall be considered to be in liquidation.

The liquidation shall be performed by one or more liquidators appointed by the general assembly with a simple majority vote required to approve such shareholder resolution. If Company is liquidated pursuant to a court judgment, the court should specify the method of liquidation and appoint the liquidator.

The Company funds resulting from the liquidation should be distributed amongst the shareholders after settling the Company's debts. Each shareholder shall, at the time of distribution, receive an amount equal to the value he or she had contributed to the share capital of the Company.

The remaining Company funds shall be distributed amongst the shareholders proportionately to their shareholding.

If the net funds of the Company are insufficient to cover the payment of all the shareholders' contribution to the share capital of the Company, the loss shall be distributed amongst them in proportion to their shareholding.

Form of Notices and Communications

Unless the Articles expressly require otherwise, any notice, document or information to be sent or supplied by the Company to shareholders (including forms of appointment of a proxy and copies of the Company's annual accounts) may be sent or supplied in hard copy form, in electronic form (for example, by email or facsimile) or by means of the Company's or another website.

TAXATION

Certain US Federal Income Tax Considerations

The following discussion is a summary of certain US federal income tax consequences to US Holders (as defined below) relating to the acquisition, ownership and disposition of the Shares. This summary does not purport to be a comprehensive description of all of the US federal income tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion is based on the US Internal Revenue Code of 1986, as amended (the "Code") and US Treasury regulations promulgated thereunder, as well as judicial and administrative interpretations thereof, in each case as in effect as at the date of this Offering Memorandum. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below, and there can be no assurance that the US Internal Revenue Service (the "IRS") or US courts will agree with the tax consequences described in this summary.

This summary applies only to US Holders that purchase Shares in the Global Offering and hold the Shares as capital assets (generally, property held for investment). This summary does not address any US federal estate and gift tax, alternative minimum tax or Medicare tax on net investment income consequences, or any US state or local or non-US tax consequences.

This summary also does not address the tax considerations that may be relevant to certain types of investors subject to special treatment under US federal income tax laws, such as banks and other financial institutions; insurance companies; regulated investment companies or real estate investment trusts; dealers or traders in securities or commodities that use a mark-to-market method of accounting; broker-dealers; tax-exempt organisations, retirement plans, individual retirement accounts and other tax-deferred accounts; persons holding the Shares as part of a straddle, hedging, conversion or integrated transaction for US federal income tax purposes; US Holders whose functional currency for US federal income tax purposes is not the US dollar; any entity or arrangement classified as a partnership for US federal income tax purposes or investors therein; persons who own or are deemed to own, directly or indirectly, 10% or more of the total combined voting power of all classes of the Company's voting stock; or persons holding the Shares in connection with a trade or business conducted outside the United States.

As used in this discussion, the term "US Holder" means any beneficial owner of the Shares that is for US federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds the Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships considering an investment in the Shares and partners in such partnership should consult their tax advisors regarding the specific US federal income tax consequences to them of the acquisition, ownership and disposition of the Shares.

THE DISCUSSION BELOW IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-US AND OTHER TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SHARES.

Dividends and Other Distributions

Subject to the passive foreign investment company ("PFIC") rules discussed below, the gross amount of any distribution made by the Company to a US Holder with respect to the Shares generally will be included in such holder's gross income as non-US source dividend income to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that any distributions generally will be reported to US Holders as dividends. Any dividends the Company pays will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from US corporations. The Company does not expect that distributions will be eligible for the reduced qualified dividend income rate.

The amount of any distribution paid in UAE dirhams will be included in income in an amount equal to the US dollar value of such UAE dirhams on the date the distribution is actually or constructively received by a US Holder, regardless of whether the payment is in fact converted into US dollars at that time. The US Holder will have a basis in such UAE dirhams received equal to such US dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includable in the income of the US Holder to the date such payment is converted into US dollars (or the US Holder otherwise disposes of the UAE dirhams) will be foreign currency exchange gain or loss and will be treated as US source ordinary income or loss for foreign tax credit limitation purposes. If all UAE dirhams are converted into US dollars on the date of receipt, a US Holder generally should not be required to recognise foreign currency gain or loss in respect of the distribution.

Any dividends the Company pays to US Holders generally will constitute non-US source "passive category" income for foreign tax credit limitation purposes.

Sale, Exchange or Other Taxable Dispositions of Shares

Subject to the PFIC rules discussed below, a US Holder generally will recognise taxable gain or loss on any sale, exchange or other taxable disposition of a Share in an amount equal to the difference between the amount realised for the Share and the holder's tax basis in the Share. The gain or loss generally will be capital gain or loss, and generally will be a long-term capital gain or loss if the US Holder has held the Share for more than one year at the time of disposition. For certain non-corporate taxpayers (including individuals), long-term capital gains are subject to tax at favourable rates. The deductibility of capital losses is subject to limitations.

If upon the sale, exchange or other taxable disposition, a US Holder receives consideration for the Shares in a currency other than the US dollar, the amount realised generally will be the US dollar value of the amount received determined by reference to the spot rate of exchange on the date of such sale or other disposition. However, if the Shares are traded on an "established securities market" (within the meaning of the applicable Treasury regulations) and the US Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the US dollar value of the amount realised in the foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis US Holder that does not make the special election will recognise exchange gain or loss (taxable as ordinary income or loss) to the extent attributable to the difference between the exchange rates on the trade date and the settlement date. The US Holder's tax basis in the Shares generally will equal the cost of the Shares to the US Holder. If a US Holder uses foreign currency to acquire Shares, the cost of the Shares to such holder generally will be the US dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the Shares are treated as traded on an established securities market and the US Holder is either a cash basis taxpayer or an accrual basis taxpayer that has made the special election described above, such holder will determine the US dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. Any gain or loss that a US Holder recognises on a disposition of a Share generally will be treated as US source income or loss for foreign tax credit limitation purposes. US Holders should consult their tax advisors regarding the proper treatment of any gain or loss in their particular circumstances, including the effects of any applicable income tax treaties.

Passive Foreign Investment Company Considerations

The Company believes that it was not a PFIC for its 2016 taxable year and, based on the nature of its business, and the current and anticipated composition of its income and assets, the Company does not expect to be treated as a PFIC for US federal income tax purposes in the current taxable year or the foreseeable future. However, this is a factual determination made annually after the close of each taxable year, based on the Company's composition of income and assets. Accordingly, the Company cannot provide any assurance that it will not be a PFIC for the current or any future taxable year. A non-US corporation will be classified as a PFIC for any taxable year if at least 75% of its gross income consists of passive income (such as dividends, interest, rents, royalties or the excess of gains over losses from the disposition of assets that produce passive income), or at least 50% of the average value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce, or are held for the production of, passive income (including for this purpose its pro rata share of the gross income and assets of any corporation in which it is considered to own at least 25% of the shares, by value). If the Company were characterised as a PFIC for any taxable year in which the US Holder held the Shares, such US Holder would suffer adverse tax consequences. These consequences may include having gains realised on the disposition of the Shares treated as ordinary income rather than capital gains, and being subject to punitive interest charges on certain dividends and on the proceeds of the sale or other disposition of the Shares. US Holders also would be subject to annual information reporting requirements if the Company were a PFIC. US Holders should consult their own tax advisors regarding the application of the PFIC rules to their ownership of the Shares, including whether certain elections may be available that would result in alternative treatments of the Shares.

Information Reporting and Backup Withholding

Payments of dividends and other proceeds with respect to the Shares, by a US paying agent or other US intermediary, or made into the United States, will be reported to the IRS and to the US Holder as may be required under applicable Treasury regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status. Certain US Holders (including, among others, corporations) are not subject to backup withholding or information reporting. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a US Holder will be refunded (or credited against such US Holder's US federal income tax liability, if any), provided the required information is timely furnished to the IRS. Prospective investors should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Foreign Financial Asset Reporting

Certain US Holders may be required to report to the IRS certain information relating to an interest in the Shares unless such Shares are held in accounts maintained by certain financial institutions. A US Holder required to report such information must file a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets) with its tax return for each year in which it holds an interest in the Shares. Penalties apply if a US Holder is required to submit such information to the IRS and fails to do so. US Holders should consult their tax advisors regarding the application of these rules in their particular circumstances.

UAE Taxation

The following comments are general in character and are based on the current applicable tax regime in the UAE and the current practice of the UAE authorities as at the date of this Offering Memorandum. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

Taxation of the Company and Individuals

There is no corporate tax legislation at the federal UAE level. However, corporate tax legislation has been enacted in some of the Emirates (including Abu Dhabi) through their own decrees. These tax decrees are currently only enforced on foreign oil companies and branches of foreign banks. However, it should be noted that there is no guarantee that tax will not be enforced on other corporate entities at some time in the future since there is no specific legislation that grants an exemption from tax to entities which are not foreign oil companies and branches of foreign banks.

In accordance with the above practice, the Company is not currently subject to corporate income tax in the UAE or in Abu Dhabi.

There is currently no personal tax levied on individuals in the UAE.

Taxation of purchase of Shares

Completion of the Global Offering is likely to be characterised for UAE tax purposes as a purchase of Shares by the shareholders. If a shareholder is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Global Offering may be characterised differently and may be subject to tax in that other jurisdiction.

There are no transfer taxes in the UAE on the purchase of Shares. Accordingly, the purchase of Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations tax resident in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations.

Taxation of dividends and capital gains on sale

Based on the tax practice within the UAE outlined above, the purchase of Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations tax resident in the UAE, provided they are not subject to tax in the UAE by virtue of them being a foreign oil company or branch of a foreign bank. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations.

Based on the same principles as outlined above, UAE resident shareholders who are not subject to tax in the UAE or jurisdictions outside the UAE (both corporate and individual), should not currently be taxed on the receipt of dividend income and gains on the future sale of the Shares.

Shareholders who are subject to tax in the UAE by virtue of being a foreign oil company or branch of a foreign bank, or tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their own tax advisers as to the taxation of dividend income and gains on the future sale of the Shares under the relevant applicable local laws in those jurisdictions.

There is currently no withholding tax in the UAE and as such, any dividend payments made by the Company should be made free of any UAE or Abu Dhabi withholding tax, unless the applicable tax regime changes.

It is important to note that the UAE corporate tax treatment as set out above may be subject to change in the future. In this regard, a new corporate tax law was under discussion. However, the UAE Ministry of Finance has confirmed that no corporate tax will be introduced within the next few years.

UAE VAT

The UAE has adopted an excise tax, which was effect on 1 October 2017, and will implement a VAT, which will be effective on 1 January 2018. The excise tax imposes a 50% tax on carbonated beverages and a 100% tax on tobacco products and energy drinks. On 27 August 2017, the VAT Law was published on the website of the Federal Tax Authority. The executive regulations of the VAT Law are expected to be issued before the end of 2017. The executive regulations are expected to provide more details about products and services that will be subject to VAT and whether particular products will be zero-rated or exempted. The executive regulations of the VAT Law are to provide more details and conditions about the parameters of such VAT treatment. The GCC VAT Framework Agreement, which is a country level agreement between all the GCC States, sets out broad principles that should be followed by all the GCC countries in their VAT laws while providing individual member states some discretion to adopt a different VAT treatment in respect of certain matters. Each GCC country will enact its own domestic VAT legislation based on the underlying principles in this common framework.

VAT will apply on the sale of goods and services in the UAE and on imports to the UAE. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT. VAT will apply at the standard rate. The standard VAT rate will be 5%.

The mandatory registration threshold is AED 375,000 and the voluntary registration threshold is AED 187,500. Businesses must register for VAT if they have annual turnover that exceeds the mandatory registration threshold and an option to register for VAT will be available if the taxable supply and imports are below the mandatory registration threshold but exceed the voluntary registration threshold.

The supply of goods or services by VAT registered businesses will be subject to VAT at either the standard rate or zero rate. Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

The VAT Law is silent in relation to the treatment of transfer of shares; however, the expectation is that certain financial services and products such as the transfer of shares should be exempt from VAT and hence no VAT should be applicable on any transfer, particularly in light of the fact that the Global Offering will be completed prior to the VAT Law coming into force.

SUBSCRIPTION AND SALE

We, the Selling Shareholder and the Joint Bookrunners named below have entered into an Underwriting Agreement with respect to the Shares. Subject to the satisfaction of certain conditions set out in the Underwriting Agreement (described below), each Joint Bookrunner has agreed, severally but not jointly, to purchase or procure purchasers for such number of Shares as are set forth opposite its name in the following table.

Joint Bookrunner	Number of Shares[1]
Citigroup Global Markets Limited	475,000,000
First Abu Dhabi Bank PJSC	475,000,000
HSBC Bank Middle East Limited	475,000,000
Merrill Lynch International	475,000,000
EFG Hermes Promoting & Underwriting	200,000,000
Goldman Sachs International	200,000,000
Morgan Stanley & Co. International plc	200,000,000
Total	2,500,000,000

(1) Assumes that the maximum number of Shares offered in the Global Offering are sold. A minimum of 1,250,000,000 and a maximum of 2,500,000,000 Shares are being offered in the Global Offering. If fewer than 2,500,000,000 Shares are sold, each of the number of Shares reflected in the table above will be reduced proportionately.

The offer price range is AED 2.35 to AED 2.95 per Share. The Joint Bookrunners will receive an aggregate underwriting commission equal to 0.75% of the amount equal to the offer price multiplied by the aggregate number of Shares sold in the Global Offering.

In addition, the Joint Bookrunners may receive a discretionary fee of up to 0.75% of the amount equal to the offer price multiplied by the aggregate number of Shares sold in the Global Offering.

All underwriting commissions and any discretionary fees will be paid by the Selling Shareholder. The expenses of the Global Offering will be borne by the Selling Shareholder.

Underwriting Agreement

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and the Company has agreed to indemnify the several Joint Bookrunners against certain liabilities, including liability under the Securities Act. The Joint Bookrunners are offering the Shares when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, such as Admission and the receipt by the Joint Bookrunners of officers' certificates and legal opinions.

The Joint Bookrunners may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then the Global Offering will lapse.

Pricing of the Global Offering

Prior to the Global Offering, there has been no public market for the Shares. The offer price will be determined by negotiations between the Joint Global Coordinators, the Selling Shareholder and us. Among the factors considered in determining the offer price following the bookbuilding process will be our future prospects and the prospects of our industry in general, our revenue, our net profit and certain other financial operating information with respect to us in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours.

Lock-up Arrangements

Pursuant to the terms of the Underwriting Agreement, we have contractually agreed, for a period of 180 days after Admission, not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

Pursuant to the terms of the Underwriting Agreement, the Selling Shareholder has contractually agreed, for a period of 180 days after Admission, not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or request or demand that the Company file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. These restrictions shall not apply to:

(i) the sale of the Shares to be sold pursuant to the Global Offering;

(ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates ("Transferees");

(iii) accepting a general offer made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company;

(v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares;

(vi) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder, provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the lock-up restrictions; or

(vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

The Underwriting Agreement provides that the carve-out set in paragraph (ii) above is subject to the following conditions: (x) that any of such Transferees shall agree to be bound by the lock-up obligations of the Selling Shareholder; and (y) that any of such inter-company transfers of Shares shall be performed on terms and conditions that do not conflict with the Global Offering.

Allocation

The Global Offering comprises the Qualified Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The allocation of Shares among the Qualified Investor Offering (including the Exempt Offer) and the UAE Retail Offer will be determined by the Joint Global Coordinators, the Selling Shareholder and us.

Pursuant to Federal Law No. 2 of 2015 concerning commercial companies, the Emirates Investment Authority has the right to purchase up to 5% of the Shares.

Factors that may be taken into account by the Joint Global Coordinators, the Selling Shareholder and us when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that we, the Joint Global Coordinators and the Selling Shareholder may deem relevant.

Other relationships

Subject to the terms and conditions of the Underwriting Agreement, each of the Joint Bookrunners and any affiliate, acting as an investor for its own account, in connection with the Global Offering, may take up Shares and in that capacity may retain, purchase or sell for its own account such Shares and any related investments and may offer or sell such Shares or other investments otherwise than in connection with the Global Offering. Accordingly, references in this Offering Memorandum to the Shares being offered or placed should be read as including any offering or placement of Shares to the Joint Bookrunners and any affiliate acting as an investor for its own account.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, lending, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder.

None of the Joint Bookrunners intends to disclose the extent of any such investment or transactions otherwise than to the Company and the Selling Shareholder and in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Global Offering, certain of the Joint Bookrunners may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where securities are used as collateral, that could result in such Joint Bookrunners acquiring Shares.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Shares are being offered and sold outside the United States in reliance on Regulation S. The Underwriting Agreement provides that certain of the Joint Bookrunners may, directly or through their respective US broker-dealer affiliates, arrange for the offer and resale of the Shares within the United States only to a person who such Joint Bookrunner reasonably believes is a QIB purchasing for its own account or for the account of another QIB in reliance on Rule 144A.

In addition, until 40 days after the commencement of the Global Offering, an offer or sale of Shares within the United States by a dealer (whether or not participating in the Global Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

United Kingdom

In the United Kingdom, this Offering Memorandum is only addressed to and directed to Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, and/or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to "Relevant Persons"). The securities described herein are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered to the public in that Relevant Member State, except that an offer of Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Shares shall result in a requirement for the publication by the Group or any Joint Bookrunner of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospective Directive in a Relevant Member State, and each person who initially acquires any Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Directive.

For the purposes of this provision, the expression an "offer of any Shares to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State; the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive (Directive 2010/73/EU), to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

In the case of any Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Bookrunners of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Shares.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Bookrunners received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that any of the Joint Bookrunners is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Abu Dhabi Global Market

The Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules of the FSRA; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.4 of the FSRA Conduct of Business Rulebook.

Dubai International Financial Centre

The Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Kingdom of Saudi Arabia

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia ("KSA"), except to such persons as are permitted under the Offers of Securities Regulations (the "Saudi Regulations") issued by the Board of the Capital Market Authority (the "Capital Market Authority") resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 3-151-2016 dated 21 December 2016.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the Shares should conduct their own due diligence on the accuracy of the information relating to the Shares. If a prospective purchaser does not understand the contents of this Offering Memorandum, he or she should consult an authorised financial adviser.

The Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than to Sophisticated Investors within the meaning of Article 11 of the Saudi Regulations.

The offer of Shares in the KSA shall not, therefore, constitute a "public offer" pursuant to the Saudi Regulations. Prospective purchasers are informed that Article 18 of the Saudi Regulations places restrictions on secondary market activity with respect to the Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above stated jurisdictions shall not be recognised by us.

Lebanon

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled "*Risk Factors*" in this Offering Memorandum. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This Offering Memorandum is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this Offering Memorandum is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors".

For this purpose, an "accredited investor" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of USD 1,000,000 or more;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than USD 1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

Jordan

Any marketing of the Shares to Jordanian investors shall be done by way of private placement only. The Shares are being offered in Jordan on a cross border basis based on one-on-one contacts to no more than 30 potential investors and accordingly the Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "FIEL"). This Offering Memorandum is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Offering Memorandum has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Shares or the Global Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the Global Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA"), and the offer of Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Shares, namely a person who is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Shares under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) pursuant to Section 276(7) of the Securities and Futures Act.

TRANSFER RESTRICTIONS

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

United States

The Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

Rule 144A

Each purchaser of the Shares within the United States pursuant to Rule 144A, by accepting delivery of this Offering Memorandum, will be deemed to have represented, agreed and acknowledged that:

(i) It is (a) QIB, (b) acquiring such Shares for its own account or for the account of a QIB, and (c) aware, and each beneficial owner of such Shares has been advised, that the sale of such Shares to it is being made in reliance on Rule 144A.

(ii) It understands that such Shares have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that such Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS SECURITY.

(iv) The Company, the Selling Shareholder, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Shares, will be deemed to have represented, agreed and acknowledged as follows:

(i) The purchaser is, or at the time the Shares were purchased will be, the beneficial owner of such Shares and (a) is, and the person, if any, for whose account it is acquiring the Shares is, outside the United States, (b) is not an affiliate of the Company or a person acting on behalf of such an affiliate, and (c) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

(ii) The purchaser is aware that such Shares (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.

(iii) The purchaser acknowledges that the Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Shares will take place through the trading system of the ADX. Shares will be held under National Investor Numbers ("NINs") assigned by the ADX either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the ADX by brokers or custodians may be performed only through members of the ADX that are Clearing Members. Settlement of securities trading on the ADX is governed by the ADX's rules and regulations, which are available from its website at www.adx.ae.

Investors will be required to complete an application form for the Shares and return such form to the Joint Bookrunners during the bookbuilding period. Application forms will be available from the Joint Bookrunners.

Investors who receive an allocation of Shares will be required to deliver to the Joint Bookrunners a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 8 December 2017 to investors subscribing in the Qualified Investor Offering.

Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either USD or AED, as specified by each purchaser to the Joint Bookrunners during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners one business day prior to the expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges.

Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the ADX. There can be no assurance that such Shares will be credited to the NIN account of the relevant investor during trading hours of the ADX on the Closing Date and such investor may not be able to deal in the relevant Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for us by Shearman & Sterling LLP, Abu Dhabi, UAE, and Al Tamimi & Co., Dubai, UAE. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Bookrunners by Allen & Overy LLP, Abu Dhabi, UAE.

INDEPENDENT ACCOUNTANTS

Deloitte & Touche (M.E.) have reported on our historical carve-out financial statements as at and for the years ended 31 December 2015 and 2016 and as at and for the nine-month period ended 30 September 2017 as stated in their report appearing herein.

INDEX TO FINANCIAL STATEMENTS

Carve-out financial statements as of and for the year ended 31 December 2016

Carve-out financial statements as of and for the nine months ended 30 September 2017

Unaudited pro forma financial information

Deloitte.

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Abu Dhabi National Oil Company for Distribution
Abu Dhabi, U.A.E.

Report on the carve-out financial statements

Opinion

We have audited the carve-out financial statements of Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the carve-out statement of financial position as at December 31, 2016 and 2015, and the carve-out statement of profit or loss and comprehensive income, carve-out statement of changes in equity and carve-out statement of cash flows for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2016 and 2015, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies set out in note 3 to the carve-out financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the carve-out financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the carve-out financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter—Basis of preparation

We draw attention to notes 1 and 3 to the carve-out financial statements which describes the basis of preparation of these carve-out financial statements. The carve-out financial statements have been prepared for inclusion in the prospectus for the listing of the Group shares on the Abu Dhabi Securities Exchange. As a result, the carve-out financial statements may not be suitable for another purpose.

Responsibilities of management and those charged with governance for the carve-out financial statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with the accounting policies set out in note 3 to the carve-out financial statements, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error. In preparing the carve-out financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche (M.E.)

Signed by:
Rama Padmanabha Acharya
Registration Number 701

12 October 2017

Abu Dhabi
United Arab Emirates

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of financial position
as at 31 December 2016

	Notes	2016 AED'000	2015 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**4,373,773**	3,482,940
Advances to contractors		**127,021**	146,899
Total non-current assets		**4,500,794**	3,629,839
Current assets			
Inventories	6	**1,093,818**	842,035
Trade receivables and other current assets	7	**1,656,831**	2,757,861
Due from related parties	8	**353,390**	320,694
Cash and bank balances	9	**3,833,454**	921,191
Total current assets		**6,937,493**	4,841,781
Total assets		**11,438,287**	8,471,620
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**1,000,000**	1,000,000
Capital contribution	11	**6,304,418**	—
Legal reserve	12	**333,333**	329,489
Retained earnings/(accumulated losses)		**1,845,017**	(36,147,682)
Total equity/(deficit)		**9,482,768**	(34,818,193)
Non-current liability			
Provision for employees' end of service benefit	13	**236,926**	278,259
Current liabilities			
Trade and other payables	14	**1,115,047**	1,062,315
Due to related parties	8	**603,546**	41,949,239
Total current liabilities		**1,718,593**	43,011,554
Total liabilities		**1,955,519**	43,289,813
Total equity and liabilities		**11,438,287**	8,471,620

Salah Ahmed Al Sabbagh
Chief Financial Officer

Saeed Mubarak Al Rashdi
Acting Chief Executive Officer

Board of Director

The accompanying notes form an integral part of these carve-out financial statements.

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of profit or loss and comprehensive income for the year ended 31 December 2016

	Notes	2016	2015
		AED'000	AED'000
Revenue	15	**17,670,071**	21,220,026
Direct costs	16	**(13,443,563)**	(17,555,538)
Gross profit		**4,226,508**	3,664,488
Distribution and administrative expenses	17	**(2,549,782)**	(2,517,110)
Other income	18	**160,995**	216,578
Impairment losses and other operating expenses	19	**(59,252)**	(72,100)
Operating profit		**1,778,469**	1,291,856
Interest income		**2,491**	3,031
Profit for the year		**1,780,960**	1,294,887
Other comprehensive income		**—**	—
Total comprehensive income for the year		**1,780,960**	1,294,887
Earnings per share:			
Basic and diluted	21	**178.10**	129.49

The accompanying notes form an integral part of these carve-out financial statements.

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of changes in equity for the year ended 31 December 2016

	Share capital	Capital contribution	Legal reserve	Retained earnings/ (accumulated losses)	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2015	1,000,000	—	200,000	(37,313,080)	(36,113,080)
Total comprehensive income for the year	—	—	—	1,294,887	1,294,887
Transfer to legal reserve (note 12)	—	—	129,489	(129,489)	—
Balance at 1 January 2016	1,000,000	—	329,489	(36,147,682)	(34,818,193)
Total comprehensive income for the year	—	—	—	1,780,960	1,780,960
Waiver of amount due to a related party (notes 8 & 11)	—	—	—	36,215,583	36,215,583
Additional capital contribution (note 11)	—	6,304,418	—	—	6,304,418
Transfer to legal reserve (note 12)	—	—	3,844	(3,844)	—
Balance at 31 December 2016	**1,000,000**	**6,304,418**	**333,333**	**1,845,017**	**9,482,768**

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of cash flows
for the year ended 31 December 2016

	2016	2015
	AED'000	AED'000
Cash flows from operating activities		
Profit for the year	**1,780,960**	1,294,887
Adjustments for:		
Depreciation of property, plant and equipment	**347,076**	263,523
Impairment losses on receivables—net of recoveries	**22,238**	52,502
Employees' end of service benefit charge	**29,485**	35,155
Gain on disposal of property, plant and equipment	**(3,104)**	(5,465)
Reversal for write down of finished goods to net realisable value	**—**	(23,365)
Impairment loss for slow moving and obsolete inventories	**1,027**	1,350
Inventories written off	**11,964**	1,873
Interest income	**(2,491)**	(3,031)
Operating cash flows before movements in working capital	**2,187,155**	1,617,429
(Increase)/decrease in inventories	**(264,774)**	41,140
Decrease/(increase) in trade receivables and other current assets	**1,078,792**	(261,362)
Increase in due from related parties	**(32,696)**	(96,568)
Decrease in trade and other payables	**(24,980)**	(148,357)
Increase/(decrease) in due to related parties	**1,174,308**	(672,352)
Cash generated from operating activities	**4,117,805**	479,930
Payment of employees' end of service benefit	**(70,818)**	(11,093)
Net cash generated from operating activities	**4,046,987**	468,837
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	**(1,040,151)**	(880,266)
Payments for advances to contractors	**(100,199)**	(60,493)
Proceeds from disposal of property, plant and equipment	**3,135**	5,564
Interest received	**2,491**	3,031
Net cash used in investing activities	**(1,134,724)**	(932,164)
Net increase/(decrease) in cash and cash equivalents	**2,912,263**	(463,327)
Cash and cash equivalents at beginning of the year	**821,191**	1,284,518
Cash and cash equivalents at end of the year (note 9)	**3,733,454**	821,191
Non-cash transactions		
Accruals for property, plant and equipment	**77,712**	46,723
Advances to contractors transferred to property, plant and equipment	**120,077**	46,908
Additional capital contribution (note 11)	**6,304,418**	—
Transfer of accumulated losses to due to a related party (note 11)	**36,215,583**	—

The accompanying notes form an integral part of these carve-out financial statements.

1 General information

Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") is a company incorporated by Law No. 13 of 1973 issued by His Highness the Acting Ruler of the Emirate of Abu Dhabi.

The principal activities of the Company and its Subsidiary, ADNOC Distribution Global Company L.L.C., (together referred to as the "Group") are the marketing of petroleum products, natural gas and ancillary products.

The Group owns retail fuel stations located in the emirates of Abu Dhabi and Sharjah, in each of which the Group is the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain.

The Group operates "ADNOC Oasis" convenience stores at a majority of its service stations, and lease retail and other space to tenants, such as quick service restaurants.

The Group is also a marketer and distributor of fuels to corporate and government customers throughout the UAE. In addition, the Group provides refuelling and related services at eight airports in the UAE, and owns and operates a natural gas distribution network in Abu Dhabi.

The Group is a wholly owned subsidiary of Abu Dhabi National Oil Company ("ADNOC", "Shareholder", or the "Parent Company"), which is wholly owned by the Government of Abu Dhabi (the "Ultimate Shareholder"), and is registered in Abu Dhabi, United Arab Emirates.

The Group's registered head office is at P.O. Box 4188, Abu Dhabi, United Arab Emirates.

On 14 September 2017, the Parent Company approved the transfer of the sales and purchasing activities of the Civil Aviation Division (the "Division") to itself so that all the sales, cost of sales, receivables and inventories of the Division will be accounted for by the Parent Company. According to the transfer plan, the Division's selling and purchasing activities will be carried out by the Parent Company while ADNOC Distribution, acting as an agent of the parent company, will handle the operations of the Division, and will charge the Parent Company a percentage of the costs incurred as agreed by both parties.

Historically, the Division's sales and purchasing activities and transactions were accounted for by the Company and included in its consolidated financial statements. The carve-out financial statements presented herein reflect the financial position of the Group as at 31 December 2016 and 31 December 2015, and its financial performance and its cash flows for the years then ended excluding the sales and cost of sales, distribution and administrative expenses, receivables/payables and inventories of the Division.

The carve-out financial statements of the Group have been prepared for the inclusion in the prospectus for the listing of ADNOC Distribution shares in the Abu Dhabi Securities Exchange.

Statement of compliance

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), except for the carve-out of certain assets, liabilities, revenues and expenses relating to sale and purchasing activities of the Division, as well as the related cash flows which are to be transferred to the Parent Company as described under the "Basis of preparation" in note 3.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs applied with no material effect on the carve-out financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these carve-out financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 *Presentation of Financial Statements* relating to disclosure initiative

2 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Annual Improvements to IFRSs 2012–2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments:

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

A finalised version of IFRS 9 contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Management anticipates that IFRS 9 (2014) will be adopted in the Group's financial statements for the annual year beginning 1 January 2018. The application of IFRS 9 (2014) may have potential impact on measurement of the impairment of the Group's trade receivables that is based on estimates of losses arising from failure or inability of customers to make the required payments or the time value of money. The Group is continuing to assess the impact of these and other changes on the financial statements.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to

2 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, and principal versus agent considerations, as well as licensing application guidance.

The potential impact of the revenue standard for the Group is expected to be on the measurement of sales on contracts with customers that provide discounts, rebates, consignment inventories and upfront fees. The Group is continuing to assess the impact of these and other changes on the financial statements.

IFRS 16 Leases:

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and 15 replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

Management anticipates that IFRS 16 will be adopted in the Group's financial statements for the annual year beginning 1 January 2019. The application of IFRS 16 may have a significant impact on amounts reported and disclosures made in the Group's financial statements in respect of Group's financial assets and financial liabilities. With the adoption of IFRS 16, off-balance sheet operating lease commitments as disclosed in note 22 will be recognised as on balance sheet item as follows:

a. Recognised as a right of use asset and related lease liability; and
b. Rent expense will be replaced by amortisation charge on right of use of asset and a finance charge on minimum lease payments.

3 Summary of significant accounting policies

Basis of preparation

The carve-out financial statements have been prepared on a carve-out basis from the consolidated financial statements for the year ended 31 December 2016 by carving out the sales, cost of sales receivables/payables and inventories of the Division.

The carve-out financial statements may not be indicative of Group's future performance and they do not necessarily reflect what its carve-out results of operations, financial position and cash flows would have been, had the Division been transferred in prior years.

3 Summary of significant accounting policies (Continued)

The carve-out financial statements are presented in United Arab Emirates Dirham (AED) which is the functional currency of the Company and the Group's presentation currency. All amounts have been rounded to the nearest AED thousand ("000"), unless otherwise stated.

The carve-out financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies adopted are set out in the succeeding pages:

Basis of consolidation

The carve-out financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control is achieved where the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Details of the Company's subsidiary are as follows:

	Ownership interest			
Name of subsidiary	**2016**	**2015**	**Country of incorporation**	**Principal activities**
ADNOC Distribution Global Company L.L.C.	**100%**	100%	U.A.E.	Commercial agencies Commercial enterprises Investment, institution and management

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	5–25 years
Plant and machinery	5–15 years
Motor vehicles	4–10 years
Furniture, fixtures and equipment	5 years
Pipelines	15–20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's

3 Summary of significant accounting policies (Continued)

carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Land provided by the Government of Abu Dhabi for no consideration is accounted for at a nominal value of AED 1 per plot of land. Land is not depreciated.

Capital work-in-progress

Capital work-in-progress is included in property, plant and equipment at cost. Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and the asset is commissioned and available for use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial assets

The Group has the following financial assets as at 31 December 2016: 'cash and cash equivalents', term deposits, trade receivables and other current assets (excluding prepaid expenses) and due from related parties. These financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3 Summary of significant accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks in current accounts and short-term, high liquid investments with original maturities less than three months that are readily convertible to known amounts of cash and are subject to an insignificant changes in value.

Loans and receivables

Trade receivables and other current assets (excluding prepaid expenses) and due from related parties that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities comprise trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding) and due to related parties, which are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective

3 Summary of significant accounting policies (Continued)

interest method, with interest expense recognised on an effective yield basis except, for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for products and services provided in the normal course of business. Revenue is recognised, net of rebates and discounts, when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated cost can be measured reliably.

Sales of goods

Sale of goods and petroleum products are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, which generally coincides with the actual delivery of goods. Delivery does not occur unless the products have been shipped out of the Group's premises or received by the customer.

Rendering of services

Revenues from rendering of services are recognised when the services have been rendered and the outcome of the transactions can be estimated reliably.

Delivery income

Revenue from petroleum transport are recognised when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other income

Other income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

3 Summary of significant accounting policies (Continued)

Leases

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Foreign currencies

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the period in which they arise.

Employees' benefit

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

With respect to its UAE national employees, the Group makes contributions to the Abu Dhabi Retirement Pension and Benefits Fund (the "Fund") calculated in accordance with the Fund's regulations. With respect to its GCC national employees, the Group makes contributions to the pension funds or agencies of their respective countries. The Group's obligations are accrued over the period of employment.

The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefit is disclosed as a non-current liability.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects

4 Critical accounting judgments and key sources of estimation uncertainty (Continued)

only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates made by management are summarised as follows:

Key sources of estimation uncertainty

Impairment of trade receivables

The impairment charges reflect estimates of losses arising from the failure or inability of customers to make the required payments or the time value of money. The charge is based on the ageing of accounts, the customer's credit worthiness and historic loss experience. Changes to the estimated impairment provision may be required if the financial position of the customers was to improve or deteriorate. As at 31 December 2016, the Group's allowance for impairment of trade receivables amounted to AED 178,196 thousand (2015: AED 155,958 thousand).

Estimated useful lives and residual values of property, plant and equipment

Management reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period in accordance with IAS 16 *Property, Plant and Equipment*. Management determined that current year expectations do not differ from previous estimates based on its review.

Dismantling cost of property, plant and equipment

In accordance with IAS 16, the cost of property, plant and equipment shall include an initial estimate of the costs of dismantling and removing the item and restoring the site. Management have considered the requirements and determined that dismantling and removing the item and restoring the site in the future is not probable and estimate of costs is not significant.

5 Property, plant and equipment

	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Pipelines	Capital work-in-progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Cost							
1 January 2015	2,384,154	914,311	229,835	284,110	34,077	979,381	4,825,868
Additions	—	—	—	—	—	973,897	973,897
Transfers	434,875	200,755	10,696	55,246	3,057	(704,629)	—
Disposals	—	(936)	(14,526)	(1,527)	—	—	(16,989)
1 January 2016	2,819,029	1,114,130	226,005	337,829	37,134	1,248,649	5,782,776
Additions	—	—	—	—	—	1,237,940	1,237,940
Transfers	696,241	166,341	34,461	227,746	10,549	(1,135,338)	—
Disposals	(2,704)	(2,443)	(8,198)	(1,862)	—	—	(15,207)
31 December 2016	**3,512,566**	**1,278,028**	**252,268**	**563,713**	**47,683**	**1,351,251**	**7,005,509**

5 Property, plant and equipment (Continued)

	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Pipelines	Capital work-in-progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Accumulated depreciation							
1 January 2015	1,066,348	608,654	158,787	194,553	24,861	—	2,053,203
Charge for the year	117,136	86,026	23,409	36,115	837	—	263,523
Reclassifications	270	(431)	—	11	150	—	—
Disposals	—	(899)	(14,473)	(1,518)	—	—	(16,890)
1 January 2016	1,183,754	693,350	167,723	229,161	25,848	—	2,299,836
Charge for the year	147,450	110,981	22,753	64,080	1,812	—	347,076
Reclassifications	749	(2,260)	—	1,408	103	—	—
Disposals	(2,703)	(2,429)	(8,199)	(1,845)	—	—	(15,176)
31 December 2016	**1,329,250**	**799,642**	**182,277**	**292,804**	**27,763**	**—**	**2,631,736**
Carrying amount 31 December 2016	**2,183,316**	**478,386**	**69,991**	**270,909**	**19,920**	**1,351,251**	**4,373,773**
31 December 2015	1,635,275	420,780	58,282	108,668	11,286	1,248,649	3,482,940
Cost of fully depreciated assets							
31 December 2016	**386,967**	**466,249**	**103,800**	**163,784**	**17,632**	**—**	**1,138,432**
31 December 2015	364,723	428,485	76,228	136,363	17,595	—	1,023,394

The Group's buildings and facilities located in the Emirate of Abu Dhabi are constructed on land given by the Government of Abu Dhabi for no consideration. These lands are accounted for at nominal value of AED 1 per plot of land. Facilities located in other Emirates are constructed on land leased from third parties (note 22).

The depreciation charge has been allocated as follows:

	2016	2015
	AED'000	AED'000
Distribution and administrative expenses (note 17)	**344,471**	260,860
Direct cost (note 16)	**2,013**	2,165
Work-in-progress inventories (note 6)	**592**	498
	347,076	263,523

6 Inventories

	2016	2015
	AED'000	AED'000
Finished goods	**967,020**	701,485
Spare parts and consumables	**50,398**	37,676
Lubricants raw materials, consumables and work in progress	**59,851**	58,632
LPG cylinders	**32,206**	58,872
	1,109,475	856,665
Less: allowance for write down of finished goods to net realisable value	**(234)**	(234)
Allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders	**(15,423)**	(14,396)
	(15,657)	(14,630)
	1,093,818	842,035

6 Inventories (Continued)

The cost of inventories recognised as expense and included in 'direct cost' amounted to AED 13,413,420 thousand (2015: AED 17,526,952 thousand) (note 16). During the year, a direct write off of inventory was recognised as expense amounting to AED 11,964 thousand (2015: AED 1,873 thousand).

The cost of inventories includes depreciation expense capitalised as work in progress inventories amounted to AED 592 thousand (2015: AED 498 thousand) (note 5).

Movement of the Group's inventory write down of finished goods to net realisable value and allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders is as follows:

	2016 AED'000	2015 AED'000
At 1 January	**14,630**	36,645
Reversal for write down of finished goods to net realisable value	**—**	(23,365)
Impairment loss for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders (note 19)	**1,027**	1,350
At 31 December	**15,657**	14,630

The reversal of the previous write-down is on account of the deregulation of fuel prices in 2015 (note 29).

7 Trade receivables and other current assets

	2016 AED'000	2015 AED'000
Trade receivables	**1,633,665**	2,739,607
Less: allowance for impairment of trade receivables	**(178,196)**	(155,958)
	1,455,469	2,583,649
Prepaid expenses	**35,531**	39,686
Receivable from employees	**109,503**	95,591
Other receivables	**56,328**	38,935
	1,656,831	2,757,861

Receivables from employees consist of staff car loans, furniture loans, personal loans and staff advances.

As at 31 December 2016, the Group had significant concentration of credit risk with two customers (2015: three) accounting for 39% (2015: 60%) of its trade receivables outstanding as at that date. Management is confident that this concentration will not result in any loss to the Group considering the credit history of these customers.

The average credit period on sales and services is between 30 to 60 days. No interest is charged on trade receivables.

Trade receivable balances past due are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

7 Trade receivables and other current assets (Continued)

As at 31 December 2016, the aging of unimpaired trade receivables is as follows:

Ageing of trade receivables:

	2016	2015
	AED'000	AED'000
Not past due	**512,770**	373,053
Overdue for 30 days	**137,672**	283,921
Overdue for 31 to 60 days	**99,023**	388,439
Overdue for 61 to 90 days	**48,577**	102,069
Overdue for 91 to 180 days	**106,208**	581,307
Overdue for 181 to 360 days	**247,784**	415,774
Overdue for more than 360 days	**303,435**	439,086
	1,455,469	2,583,649

As at 31 December 2016, trade receivables with carrying amount of AED 178,196 thousand (2015: AED 155,958 thousand) were impaired. Movement in the allowance for impairment of trade receivables is as follows:

	2016	2015
	AED'000	AED'000
At 1 January	**155,958**	103,456
Recoveries during the year	**(24,023)**	(16,375)
Charge for the year (note 19)	**46,261**	68,877
	178,196	155,958

Amounts charged to the allowance for impairment of trade receivables are generally written off when there is no realistic expectation of recovery.

The carrying amounts of the Group's trade receivables are denominated in UAE Dirham and US Dollars and approximate to their fair value as at 31 December 2016.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

8 Related party balances and transactions

Related parties represent the Parent Company and its subsidiaries, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

	2016	2015
	AED'000	AED'000
Due from related parties		
Petroleum Services Company (ESNAAD)	**159,429**	179,549
National Drilling Company	**99,678**	56,416
Abu Dhabi Company for Onshore Oil Operations (ADCO)	**33,066**	32,666
Abu Dhabi Gas Development Company (AL HOSN)	**21,031**	10,336
Abu Dhabi Gas Industries Ltd. (GASCO)	**9,414**	10,786
Others	**30,772**	30,941
	353,390	320,694
Due to related parties		
Abu Dhabi National Oil Company (ADNOC)	**603,522**	41,944,688
Abu Dhabi Petroleum Ports Operating Co. (IRSHAD)	**24**	301
Abu Dhabi National Tanker Co. (ADNATCO)	**—**	4,033
Others	**—**	217
	603,546	41,949,239

The amounts due from related parties are against the provision of petroleum products and services. These balances are not secured, bear no interest and have an average credit period of 30–60 days.

The amount due to related parties are outstanding against purchases of petroleum products, vessel hires and port charges, administrative charges and amounts related to the transfer of the sales and purchasing activities of the Civil Aviation Division. The above balance is unsecured, bears no interest and is payable on demand.

The Group has an amount of AED 629,398 thousand (2015: AED 713,932 thousand) held with banks owned by the Government of Abu Dhabi.

The following transactions were carried out with related parties during the year:

	2016	2015
	AED'000	AED'000
Revenue—ADNOC group	**768,815**	799,400
Purchases—ADNOC	**13,181,779**	16,787,662
Administrative expenses—ADNOC	**1,700**	1,500
Vessel hire and port charges—ADNOC group	**78,038**	78,903
Transfer of accumulated losses (note 11)	**36,215,583**	—
Additional capital contribution (note 11)	**6,304,418**	—

8 Related party balances and transactions (Continued)

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	2016	2015
	AED'000	AED'000
Short term benefits	**13,350**	16,355
Pension contribution	**730**	745
	14,080	17,100

The Group has elected to use the exemption under IAS 24 *Related Party Disclosures* for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi other than the Parent Company and entities it owns and control.

The Group provides in the normal course of business petroleum distribution services to entities owned and controlled by the Government of Abu Dhabi.

9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows consist of the following amounts:

	2016	2015
	AED'000	AED'000
Cash held by ADNOC	**3,038,987**	36,217
Cash on hand and in bank	**794,467**	884,974
Cash and bank balances	**3,833,454**	921,191
Term deposit with maturities above 3 months	**(100,000)**	(100,000)
	3,733,454	821,191

Cash held by ADNOC are funds held by ADNOC on behalf of the Group and are available on demand. These funds are non-interest bearing in accordance with a decision approved by the Group's Board of Directors.

Cash and bank balances include short-term and call deposits amounting to AED 683 million (2015: AED 690 million) carrying rate ranging from 0.02% to 0.08% (2015: 0.02% to 0.05%) per annum.

10 Share capital

The original share capital of the Company as per the Law No. 13 of 1973 was AED 30 million divided into 300,000 shares, each valued at AED 100.

By virtue of the decision of the board of directors of the Parent Company dated 17 October 1984, the share capital of the Company was increased to AED 200 million divided into 2 million shares, each valued at AED 100.

By virtue of the decision of the Supreme Petroleum Council dated 6 October 1998, the share capital of the Company was increased to AED 600 million divided into 6 million shares, each valued at AED 100.

10 Share capital (Continued)

By virtue of the decision of the Supreme Petroleum Council dated 9 July 2006, the share capital of the Company was increased to AED 1,000 million as follows:

	2016 AED'000	2015 AED'000
Issued and fully paid up:		
10,000,000 ordinary shares of AED 100 each	**1,000,000**	1,000,000

The Company is in the process of updating its articles of association for the changes to its share capital.

11 Capital contribution

On 10 October 2016, the Supreme Petroleum Council (Executive Committee) approved to write off the amounts payable to ADNOC amounting to AED 42,520,001 thousand against the accumulated losses of the Company. An amount of AED 6,304,418 thousand has been further recognised as an additional capital contribution from ADNOC to the Company.

12 Legal reserve

In accordance with clause No. 64 of Law No. 13 of 1973, 10% of the profit for each year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as the reserve equals at least one third of the paid up share capital of the Group. The transfers to legal reserve in these carve-out financial statements are based on the results of the Company excluding the sales and purchasing activities of the Civil Aviation Division.

13 Provision for employees' end of service benefit

Movement in the provision recognised in the carve-out statement of financial position is as follows:

	2016 AED'000	2015 AED'000
At 1 January	**278,259**	254,197
Charge for the year (note 20)	**29,485**	35,155
Payments	**(70,818)**	(11,093)
At 31 December	**236,926**	278,259

Management believes that the calculation performed based on the entitlement due at the reporting date in accordance with the UAE Labour law will not be materially different if an actuarial valuation were performed as the net impact of the discount rate and future salary and benefit levels on the present value of the benefit obligation is not likely to be significant.

14 Trade and other payables

	2016 AED'000	2015 AED'000
Trade payables	**313,875**	450,815
Capital accruals	**291,519**	213,807
Operating accruals	**161,524**	164,800
Advances from customers	**34,396**	24,794
Coupon and prepaid card sales outstanding	**83,269**	80,728
Contract retentions payable	**62,676**	64,469
Other payables	**167,788**	62,902
	1,115,047	1,062,315

15 Revenue

	2016	2015
	AED'000	AED'000
Sale of goods	**17,371,932**	20,960,888
Rendering of services	**165,474**	132,125
Rental income	**85,572**	87,305
Delivery income	**47,093**	39,708
	17,670,071	21,220,026

During the year, sale of goods includes an amount of AED 496 million (2015: AED 2.23 billion) made through stations owned by Emirates General Petroleum Corporation ("Emarat"). The related assets are not recorded in these carve-out financial statements as the proposed acquisition of the Emarat retail fuel service stations was abandoned in 2016. The related direct cost of AED 328 million (2015: AED 1.82 billion), distribution and administrative expenses of AED 89 million (2015: AED 196 million), and other income of AED 31 million (2015: AED 121 million) are also included in these carve-out financial statements

16 Direct costs

	2016	2015
	AED'000	AED'000
Materials	**13,413,420**	17,526,952
Staff costs (note 20)	**12,976**	13,462
Overheads	**15,154**	12,959
Depreciation (note 5)	**2,013**	2,165
	13,443,563	17,555,538

17 Distribution and administrative expenses

	2016	2015
	AED'000	AED'000
Staff costs (note 20)	**1,836,494**	1,859,364
Depreciation (note 5)	**344,471**	260,860
Repairs, maintenance and consumables	**180,438**	184,862
Distribution and marketing expenses	**150,262**	124,892
Utilities	**80,299**	111,001
Insurance	**16,831**	8,481
Others	**179,386**	167,698
Recoverable expenses	**(238,399)**	(200,048)
	2,549,782	2,517,110

18 Other income

	2016	2015
	AED'000	AED'000
Gain on disposal of property, plant and equipment	**3,104**	5,465
Miscellaneous income	**157,891**	211,113
	160,995	216,578

Miscellaneous income consist mainly of convenient store income for the consigned goods and sales of scrap items, used oil, batteries, tyres.

19 Impairment losses and other operating expenses

	2016	2015
	AED'000	AED'000
Impairment loss of trade receivables (note 7)	**46,261**	68,877
Inventories written off	**11,964**	1,873
Impairment loss for obsolete inventories (note 6)	**1,027**	1,350
	59,252	72,100

20 Staff costs

	2016	2015
	AED'000	AED'000
Salaries and allowances	**1,672,740**	1,680,237
Other benefits	**192,331**	196,824
Employees' end of service benefit (note 13)	**29,485**	35,155
	1,894,556	1,912,216
Staff costs are allocated as follows:		
Distribution and administrative expenses (note 17)	**1,836,494**	1,859,364
Capital work-in-progress	**45,086**	39,390
Direct costs (note 16)	**12,976**	13,462
	1,894,556	1,912,216

Other benefits consists mainly of medical expenses, trainings, leave and travel expenses and uniforms.

21 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of share outstanding during the year.

	2016	2015
Profit attributable to owners of the Company (AED '000)	**1,780,960**	1,294,887
Weighted average number of shares in issue ('000)	**10,000**	10,000
Earnings per share	**178.10**	129.49

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

22 Commitments

The capital expenditure contracted for at the reporting date but not yet incurred amounted to AED 534.5 million (2015: AED 830.6 million.)

The Group has entered into numerous operating lease agreements relating to land on which certain petrol stations have been constructed. The minimum lease payments under these lease agreements are shown below.

	2016	2015
	AED'000	AED'000
Not later than one year	**3,200**	2,650
Later than one and not later than five years	**23,030**	20,200
Later than five years	**15,850**	15,140
	42,080	37,990

23 Segment Reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker, in order to allocate resources to the segment and to assess its performance. Information reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segments only. No information that includes the segments' assets and liabilities are reported to the Board of Directors.

For operating purposes, The Group is organised into four major business segments:

(i.) Corporate segment, which involves sale of petroleum products and ancillary products.

(ii.) Retail segments, which involves sale of petroleum products through service stations services and convenience stores catering the consumers.

(iii.) Government aviation segment, engages in the provision of fuel and fuelling services to strategic customers as well as fuelling services to the Parent Company's aviation customers.

(iv.) Operating segments Allied Services and Natural Gas have been aggregated as 'Other' reportable segment of the Group. Allied services involves property management and vehicle inspection services.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at the rates determined by management taking into consideration the cost of funds.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenues, profit, assets and liabilities is given.

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in current and previous year. Profit for the year is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

23 Segment Reporting (Continued)

Information regarding these segments are as follows:

	Corporate	Retail	Aviation	Others	Unallocated	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2016						
Revenue	3,819,446	12,299,777	1,328,539	222,309	—	17,670,071
Direct costs	(2,958,198)	(9,564,415)	(907,193)	(13,757)	—	(13,443,563)
Gross Profit	861,248	2,735,362	421,346	208,552	—	4,226,508
Distribution and administrative expenses	(181,907)	(2,027,003)	(119,637)	(221,235)	—	(2,549,782)
Other income	4,632	102,087	—	5,132	49,144	160,995
Impairment losses and other operating expenses	(25,909)	(40)	(7,612)	(12,699)	(12,992)	(59,252)
Interest income	—	—	—	—	2,491	2,491
Profit for the year	**658,064**	**810,406**	**294,097**	**(20,250)**	**38,643**	**1,780,960**
Depreciation—net	**15,703**	**253,648**	**9,277**	**50,809**	**—**	**329,437**
31 December 2015						
Revenue	4,657,908	14,550,750	1,816,532	194,836	—	21,220,026
Direct costs	(3,660,756)	(12,534,351)	(1,346,752)	(13,679)	—	(17,555,538)
Gross Profit	997,152	2,016,399	469,780	181,157	—	3,664,488
Distribution and administrative expenses	(198,228)	(2,002,772)	(112,117)	(180,563)	(23,430)	(2,517,110)
Other income	4,023	174,923	—	5,023	32,609	216,578
Impairment losses and other operating expenses	(52,939)	(116)	(3,451)	(12,597)	(2,997)	(72,100)
Interest income	—	—	—	—	3,031	3,031
Profit for the year	**750,008**	**188,434**	**354,212**	**(6,980)**	**9,213**	**1,294,887**
Depreciation—net	17,157	183,681	6,700	40,984	—	248,522

Unallocated income consists mainly of gain on sale of fixed assets, insurance recovery and other miscellaneous income.

Depreciation has been allocated in distribution and administrative expenses, direct costs and work-in-progress inventories (note 5). Reconciliation of depreciation net of Civil Aviation Division carve-out is as follows:

	2016	2015
Depreciation (note 5)	**347,076**	263,523
Less: amount relating to Civil Aviation Division carve-out	**(17,639)**	(15,001)
Depreciation—net	**329,437**	248,522

24 ADNOC Group central fund for risk financing

The Group is a participant in a centralised fund, administered by ADNOC, to finance certain self-insured risks. The fund is made up of premium discounts, investment income and contributions from participants, as agreed upon from time to time. Under the scheme, the Group is obliged to provide additional funding, if required. As at 31 December 2016, the Group's share in the fund held by ADNOC was AED 662 thousand (2015: AED 662 thousand).

25 Contingencies and litigations

As at 31 December 2016, the Group had contingent liabilities amounting to AED 2,201 thousand (2015: AED 922 thousand) in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group has a claim from ADNOC amounting to AED 36 million on price differences relating to prior year purchases. Management is in discussion with ADNOC regarding these claims and does not believe that these claims will have a material adverse effect on the Group's carve-out financial statements.

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's carve-out financial statements if concluded unfavourably.

26 Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management

(a) Market risk

(i) Foreign exchange risk

The Group has no significant currency risk exposure from its operations as a majority of the Group's transactions are in UAE Dirham or US Dollars. The UAE Dirham is pegged to the US Dollar, hence, balances in US Dollars are not considered to present a significant foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets. Consequently, the Group's income and operating cash flows are dependent on changes in market interest rates. The Group's interest rate risk arises from short term bank deposits. Deposits/placements issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage these risks based on management's assessment of available options and placing any surplus funds with ADNOC for treasury management (note 9).

The deposits and placements are on rollover basis for three months or less, as such the carrying amounts have not been discounted as the impact of discounting is not deemed to be significant. Accordingly, the impact of changes in interest rates is not deemed to be significant.

(iii) Price risk

The Group is exposed to commodity price risk arising from retail prices of the liquid fuels. Liquid fuel prices are set by the UAE Ministry of Energy, which limits and may result in reductions in the profit margins on these products. There can be no assurance that the UAE Ministry of Energy will continue to set retail prices at a level that provides the same or a similar profit margin, and

26 Financial instruments (Continued)

any reduction in the profit margin on these products would have a material adverse impact on our results of operations and financial position.

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and others factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 7.

(c) Liquidity risk

The Group limits its liquidity risk by ensuring adequate cash from operations is available to meet its funding requirements. The Group's terms of purchase require amounts to be paid on demand, after taking account of the Group's liquidity requirements.

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., bank deposits, trade receivables and other financial assets), and projected cash flows from operations. The Group's objective is to maintain liquidity through credit lines available from the Parent Company.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2016 and 2015 based on the contractual undiscounted payments.

	On demand	Less than 3 months	Total
	AED'000	AED'000	AED'000
At 31 December 2016			
Due to related parties	**603,546**	**—**	**603,546**
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	**—**	**997,382**	**997,382**
Total	**603,546**	**997,382**	**1,600,928**
At 31 December 2015			
Due to related parties	41,949,239	—	41,949,239
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	—	956,793	956,793
Total	41,949,239	956,793	42,906,032

Whilst the Parent Company account is payable on demand, the Parent Company considers the ability of the Group to pay, and its cash position prior to any payment request or transfer. The Parent Company account includes the cost of supplying the Group with its inventories as the Parent Company is the principal supplier of petroleum products to the Group (note 8).

26 Financial instruments (Continued)

Capital risk management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Group consists of share capital, contributed capital, legal reserve and retained earnings.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2016.

Fair value estimation

The carrying value less any impairment provision of trade receivables and payables, approximate to their fair values as they are mainly short-term in nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for financial instruments.

27 Financial instruments by category

	2016 AED'000	2015 AED'000
Financial assets:		
Cash and bank balances	**3,833,454**	921,191
Due from related parties	**353,390**	320,694
Trade and receivables and other current assets (excluding prepaid expenses)	**1,621,300**	2,718,175
	5,808,144	3,960,060
Financial liabilities:		
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	**997,382**	956,793
Due to related parties	**603,546**	41,949,239
	1,600,928	42,906,032

For the purpose of the financial statement disclosure, non-financial assets amounting to AED 35,531 thousand (2015: AED 39,686 thousand) have been excluded from trade receivables and other current assets and financial liabilities amounting to AED 117,665 thousand (2015: AED 105,522 thousand) have been excluded from trade and other payables.

28 Subsequent events

On 14 September 2017, the Company signed with the Parent Company an agreement relating to the transfer of the Company's aviation sales contracts and aviation inventory by virtue of which, effective 30 September, all aviation sales contracts and related receivables along with aviation inventories at 30 September 2017 would be transferred from the Company to the Parent Company.

On 30 September 2017, the Company entered into various agreements with related parties as noted below:

The Company entered into an agreement with Abu Dhabi Oil Refining Company (Takreer) and ADNOC Distribution Assets LLC (the "SPV"), a newly formed subsidiary of the Parent Company, for the transfer of certain terminals, fuel storage tanks and LPG bottling and storage assets from Takreer to the Group effective 30 September for a consideration of USD 189.6 million, representing the net book value of the assets transferred from Takreer to the Group.

28 Subsequent events (Continued)

The Company entered into an agreement with the SPV for the operation and maintenance of certain of the assets transferred to the SPV by Takreer with an effective date of 1 October 2017, for which the SPV will compensate the Company on the basis of an 8% return over and above the operating expenditure incurred by the Company for such operations (the "Owner Consideration") and the Company will compensate the SPV for the use of such assets (the "Operator Consideration"). The Company and the SPV also signed an asset use fee letter confirming that the Owner Consideration will be the same as, and will therefore offset, the Operator Consideration.

The Company entered into an agreement with the Parent Company and the SPV to provide support services relating to the Parent Company's civil aviation fuel supply business and to operate and maintain certain assets belonging to the SPV with an effective date of 30 September. The SPV will compensate the Company on the basis of an 8% return over and above the operating expenditure incurred by the Company for such support services and operations.

29 Comparative figures

During 2015, the UAE Ministry of Energy announced the deregulation of fuel prices effective 1 August 2015, and the adoption of a new pricing policy linked to global prices.

The fluctuation in the global prices had a positive impact on the Group's results of operations for the last quarter of 2015 and for the year ended 31 December 2016. Accordingly, comparative figures provided in the carve-out financial statements of profit or loss and comprehensive income, changes in equity and cash flows are for the year ended 31 December 2015 are not comparable with the figures for the year ended 31 December 2016.

30 Approval of carve-out financial statements

The carve-out financial statements were approved by the Board of Directors and authorised for issue on 12 October 2017.

Deloitte.

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Abu Dhabi National Oil Company for Distribution
Abu Dhabi, U.A.E.

REPORT ON THE CARVE-OUT FINANCIAL STATEMENTS

Opinion

We have audited the carve-out financial statements of Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the carve-out statement of financial position as at 30 September 2017, and the carve-out statement of profit or loss and comprehensive income, carve-out statement of changes in equity and carve-out statement of cash flows for the nine-month period ended 30 September 2017 , and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2017, and its financial performance and its cash flows for the nine-month period ended 30 September 2017 in accordance with the accounting policies set out in note 3 to the carve-out financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the carve-out financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the carve-out financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter—Basis of preparation

We draw attention to notes 1 and 3 to the carve-out financial statements which describes the basis of preparation of these carve-out financial statements. The carve-out financial statements have been prepared for inclusion in the prospectus for the listing of the Group shares on the Abu Dhabi Securities Exchange. As a result, the carve-out financial statements may not be suitable for another purpose.

Other matter

The carve-out financial statements for the period from 1 January 2016 to 30 September 2016 are unaudited.

Responsibilities of management and those charged with governance for the carve-out financial statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with the accounting policies set out in note 3 to the carve-out financial statements, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error. In preparing the carve-out financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche (M.E.)

Signed by:
Rama Padmanabha Acharya
Registration Number 701

12 NOV 2017

Abu Dhabi
United Arab Emirates

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of financial position as at 30 September 2017

	Notes	30 September 2017	31 December 2016
		AED'000	AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**5,407,694**	4,373,773
Advances to contractors		**99,893**	127,021
Total non-current assets		**5,507,587**	4,500,794
Current assets			
Inventories	6	**1,100,914**	1,093,818
Trade receivables and other current assets	7	**1,817,830**	1,656,831
Due from related parties	8	**349,568**	353,390
Cash and bank balances	9	**6,556,374**	3,833,454
Total current assets		**9,824,686**	6,937,493
Total assets		**15,332,273**	11,438,287
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**1,000,000**	1,000,000
Capital contribution	11	**6,304,418**	6,304,418
Legal reserve	12	**333,333**	333,333
Retained earnings		**3,156,840**	1,845,017
Total equity		**10,794,591**	9,482,768
Non-current liability			
Provision for employees' end of service benefit	13	**222,249**	236,926
Current liabilities			
Trade and other payables	14	**1,127,371**	1,115,047
Due to related parties	8	**3,188,062**	603,546
Total current liabilities		**4,315,433**	1,718,593
Total liabilities		**4,537,682**	1,955,519
Total equity and liabilities		**15,332,273**	11,438,287

Salah Ahmed Al Sabbagh
Chief Financial Officer

Saeed Mubarak Al Rashdi
Acting Chief Executive Officer

Board of Director

The accompanying notes form an integral part of these carve-out financial statements.

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of profit or loss and comprehensive income for the period ended 30 September 2017

	Notes	9 months ended 30 September 2017 AED'000	9 months ended 30 September 2016 AED'000 (unaudited)
Revenue	**15**	**14,220,921**	13,098,459
Direct costs	**16**	**(11,105,263)**	(9,936,148)
Gross profit		**3,115,658**	3,162,311
Distribution and administrative expenses	**17**	**(1,912,751)**	(1,837,293)
Other income	**18**	**160,098**	111,978
Impairment losses and other operating expenses	**19**	**(53,214)**	(118,979)
Operating profit		**1,309,791**	1,318,017
Interest income		**2,032**	2,008
Profit for the period		**1,311,823**	1,320,025
Other comprehensive income		**—**	—
Total comprehensive income for the period		**1,311,823**	1,320,025
Earnings per share:			
Basic and diluted	**21**	**131.18**	132.00

The accompanying notes form an integral part of these carve-out financial statements.

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of changes in equity for the period ended 30 September 2017

	Share capital	Capital contribution	Legal reserve	Retained earnings/ (accumulated losses)	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2016	1,000,000	—	329,489	(36,147,682)	(34,818,193)
Total comprehensive income for the period (unaudited)	—	—	—	1,320,025	1,320,025
Balance at 30 September 2016 (unaudited)	1,000,000	—	329,489	(34,827,657)	(33,498,168)
Balance at 1 January 2017	1,000,000	6,304,418	333,333	1,845,017	9,482,768
Total comprehensive income for the period	—	—	—	1,311,823	1,311,823
Balance at 30 September 2017	**1,000,000**	**6,304,418**	**333,333**	**3,156,840**	**10,794,591**

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Carve-out statement of cash flows
for the period ended 30 September 2017

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Cash flows from operating activities		
Profit for the period	**1,311,823**	1,320,025
Adjustments for:		
Depreciation of property, plant and equipment	**306,284**	208,318
Impairment losses on receivables—net of recoveries	**25,509**	86,401
Employees' end of service benefit charge	**19,513**	22,018
Gain on disposal of property, plant and equipment	**(51)**	(1,413)
Inventories written off	**—**	11,961
Impairment loss for slow moving and obsolete inventories	**2,056**	—
Interest income	**(2,032)**	(2,008)
Operating cash flows before movements in working capital	**1,663,102**	1,645,302
Increase in inventories	**(9,152)**	(157,138)
(Increase)/decrease in trade receivables and other current assets	**(186,508)**	832,171
Decrease/(increase) in due from related parties	**3,822**	(188,425)
Increase in trade and other payables	**44,009**	8,496
Increase/(decrease) in due to related parties	**1,888,290**	(249,548)
Cash generated from operating activities	**3,403,563**	1,890,858
Payment of employees' end of service benefit	**(34,190)**	(59,932)
Net cash generated from operating activities	**3,369,373**	1,830,926
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	**(633,726)**	(773,127)
Payments for advances to contractors	**(14,841)**	(52,633)
Proceeds from disposal of property, plant and equipment	**82**	1,413
Increase in term deposit	**(30,000)**	—
Interest received	**2,032**	2,008
Net cash used in investing activities	**(676,453)**	(822,339)
Net increase in cash and cash equivalents	**2,692,920**	1,008,587
Cash and cash equivalents at beginning of the period	**3,733,454**	821,191
Cash and cash equivalents at end of the period (note 9)	**6,426,374**	1,829,778
Non-cash transactions		
Accruals for property, plant and equipment	**259,834**	179,689
Advances to contractors transferred to property, plant and equipment	**41,969**	96,201
Transfer of property, plant and equipment from a related party	**696,226**	—

The accompanying notes form an integral part of these carve-out financial statements.

1 General information

Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") is a company incorporated by Law No. 13 of 1973 issued by His Highness the Acting Ruler of the Emirate of Abu Dhabi.

The principal activities of the Company and its Subsidiary, ADNOC Distribution Global Company L.L.C., (together referred to as the "Group") are the marketing of petroleum products, natural gas and ancillary products.

The Group owns retail fuel stations located in the emirates of Abu Dhabi and Sharjah, in each of which the Group is the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain.

The Group operates "ADNOC Oasis" convenience stores at a majority of its service stations, and lease retail and other space to tenants, such as quick service restaurants.

The Group is also a marketer and distributor of fuels to corporate and government customers throughout the UAE. In addition, the Group provides refuelling and related services at eight airports in the UAE, and owns and operates a natural gas distribution network in Abu Dhabi.

The Group is a wholly owned subsidiary of Abu Dhabi National Oil Company ("ADNOC", "Shareholder", or the "Parent Company"), which is wholly owned by the Government of Abu Dhabi (the "Ultimate Shareholder"), and is registered in Abu Dhabi, United Arab Emirates.

The Group's registered head office is at P.O. Box 4188, Abu Dhabi, United Arab Emirates.

On 14 September 2017, the Parent Company approved the transfer of the sales and purchasing activities of the Civil Aviation Division (the "Division") to itself so that all the sales, cost of sales, receivables and inventories of the Division will be accounted for by the Parent Company. According to the transfer plan, the Division's selling and purchasing activities will be carried out by the Parent Company while ADNOC Distribution, acting as an agent of the parent company, will handle the operations of the Division, and will charge the Parent Company a percentage of the costs incurred as agreed by both parties.

Historically, the Division's sales and purchasing activities and transactions were accounted for by the Company and included in its consolidated financial statements. The carve-out financial statements presented herein reflect the financial position of the Group as at 30 September 2017 and 31 December 2016, and its financial performance and its cash flows for the period then ended excluding the sales and cost of sales, distribution and administrative expenses, receivables/payables and inventories of the Division.

The carve-out financial statements of the Group have been prepared for the inclusion in the prospectus for the listing of ADNOC Distribution shares in the Abu Dhabi Securities Exchange.

Statement of compliance

The carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), except for the carve-out of certain assets, liabilities, revenues and expenses relating to sale and purchasing activities of the Division, as well as the related cash flows which are to be transferred to the Parent Company as described under the "Basis of preparation" in note 3.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments:

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

A finalised version of IFRS 9 contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Management anticipates that IFRS 9 (2014) will be adopted in the Group's financial statements for the annual year beginning 1 January 2018. The application of IFRS 9 (2014) may have potential impact on measurement of the impairment of the Group's trade receivables that is based on estimates of losses arising from failure or inability of customers to make the required payments or the time value of money. The Group is continuing to assess the impact of these and other changes on the financial statements.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.

2 Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, and principle versus agent considerations, as well as licensing application guidance.

The potential impact of the revenue standard for the Group is expected to be on the measurement of sales on contracts with customers that provide discounts, rebates, consignment inventories and upfront fees. The Group is continuing to assess the impact of these and other changes on the financial statements.

IFRS 16 Leases:

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

Management anticipates that IFRS 16 will be adopted in the Group's financial statements for the annual year beginning 1 January 2019. The application of IFRS 16 may have a significant impact on amounts reported and disclosures made in the Group's financial statements in respect of Group's financial assets and financial liabilities. With the adoption of IFRS 16, off-balance sheet operating lease commitments as disclosed in note 22 will be recognised as on balance sheet item as follows:

a. Recognised as a right of use asset and related lease liability; and

b. Rent expense will be replaced by amortisation charge on right of use of asset and a finance charge on minimum lease payments.

3 Summary of significant accounting policies

Basis of preparation

The carve-out financial statements have been prepared on a carve-out basis from the consolidated financial statements for the period ended 30 September 2017 by carving out the sales, cost of sales receivables/payables and inventories of the Division.

The carve-out financial statements may not be indicative of Group's future performance and they do not necessarily reflect what its carve-out results of operations, financial position and cash flows would have been, had the Division been transferred in prior years.

The carve-out financial statements are presented in United Arab Emirates Dirham (AED) which is the functional currency of the Company and the Group's presentation currency. All amounts have been rounded to the nearest AED thousand ("000"), unless otherwise stated.

The carve-out financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3 Summary of significant accounting policies (Continued)

The principal accounting policies adopted are set out in the succeeding pages:

Basis of consolidation

The carve-out financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control is achieved where the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Details of the Company's subsidiary are as follows:

Name of subsidiary	Ownership interest 2017	Ownership interest 2016	Country of incorporation	Principal activities
ADNOC Distribution Global Company L.L.C.	**100%**	100%	U.A.E.	Commercial agencies Commercial enterprises Investment, institution and management

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	5–25 years
Plant and machinery	5–15 years
Motor vehicles	4–10 years
Furniture, fixtures and equipment	5 years
Pipelines	15–20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Land provided by the Government of Abu Dhabi for no consideration is accounted for at a nominal value of AED 1 per plot of land. Land is not depreciated.

3 Summary of significant accounting policies (Continued)

Capital work-in-progress

Capital work-in-progress is included in property, plant and equipment at cost. Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and the asset is commissioned and available for use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial assets

The Group has the following financial assets as at 30 September 2017: 'cash and cash equivalents', term deposits, trade receivables and other current assets (excluding prepaid expenses) and due from related parties. These financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks in current accounts and short-term, high liquid investments with original maturities less than three months that are readily convertible to known amounts of cash and are subject to insignificant changes in value.

3 Summary of significant accounting policies (Continued)

Loans and receivables

Trade receivables and other current assets (excluding prepaid expenses) and due from related parties that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities comprise trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding) and due to related parties, which are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except, for short-term liabilities when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly

3 Summary of significant accounting policies (Continued)

discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for products and services provided in the normal course of business. Revenue is recognised, net of rebates and discounts, when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated cost can be measured reliably.

Sales of goods

Sale of goods and petroleum products are recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, which generally coincides with the actual delivery of goods. Delivery does not occur unless the products have been shipped out of the Group's premises or received by the customer.

Rendering of services

Revenues from rendering of services are recognised when the services have been rendered and the outcome of the transactions can be estimated reliably.

Delivery income

Revenue from petroleum transport are recognised when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other income

Other income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

Leases

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3 Summary of significant accounting policies (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Foreign currencies

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the period in which they arise.

Employees' benefit

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

With respect to its UAE national employees, the Group makes contributions to the Abu Dhabi Retirement Pension and Benefits Fund (the "Fund") calculated in accordance with the Fund's regulations. With respect to its GCC national employees, the Group makes contributions to the pension funds or agencies of their respective countries. The Group's obligations are accrued over the period of employment.

The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefit is disclosed as a non-current liability.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates made by management are summarised as follows:

Key sources of estimation uncertainty

Impairment of trade receivables

The impairment charges reflect estimates of losses arising from the failure or inability of customers to make the required payments or the time value of money. The charge is based on the ageing of accounts,

4 Critical accounting judgments and key sources of estimation uncertainty (Continued)

the customer's credit worthiness and historic loss experience. Changes to the estimated impairment provision may be required if the financial position of the customers was to improve or deteriorate. As at 30 September 2017, the Group's allowance for impairment of trade receivables amounted to AED 203,705 thousand (31 December 2016: AED 178,196 thousand).

Estimated useful lives and residual values of property, plant and equipment

Management reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period in accordance with IAS 16 *Property, Plant and Equipment*. Management determined that current year expectations do not differ from previous estimates based on its review.

Dismantling cost of property, plant and equipment

In accordance with IAS 16, the cost of property, plant and equipment shall include an initial estimate of the costs of dismantling and removing the item and restoring the site. Management have considered the requirements and determined that dismantling and removing the item and restoring the site in the future is not probable and estimate of costs is not significant.

5 Property, plant and equipment

	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Pipelines	Capital work-in-progress	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Cost							
1 January 2016	2,819,029	1,114,130	226,005	337,829	37,134	1,248,649	5,782,776
Additions	—	—	—	—	—	1,237,940	1,237,940
Transfers	696,241	166,341	34,461	227,746	10,549	(1,135,338)	—
Disposals	(2,704)	(2,443)	(8,198)	(1,862)	—	—	(15,207)
1 January 2017	3,512,566	1,278,028	252,268	563,713	47,683	1,351,251	7,005,509
Additions	—	—	—	—	—	1,340,236	1,340,236
Transfers	564,440	551,244	12,838	61,760	—	(1,190,282)	—
Reclassifications	1,265	—	—	(1,265)	—	—	—
Disposals	(21)	(1,266)	(1,509)	(1,071)	—	—	(3,867)
30 September 2017	**4,078,250**	**1,828,006**	**263,597**	**623,137**	**47,683**	**1,501,205**	**8,341,878**
Accumulated depreciation							
1 January 2016	1,183,754	693,350	167,723	229,161	25,848	—	2,299,836
Charge for the year	147,450	110,981	22,753	64,080	1,812	—	347,076
Reclassifications	749	(2,260)	—	1,408	103	—	—
Disposals	(2,703)	(2,429)	(8,199)	(1,845)	—	—	(15,176)
1 January 2017	1,329,250	799,642	182,277	292,804	27,763	—	2,631,736
Charge for the period	128,120	89,613	17,235	70,183	1,133	—	306,284
Reclassifications	—	19	—	(19)	—	—	—
Disposals	(21)	(1,266)	(1,484)	(1,065)	—	—	(3,836)
30 September 2017	**1,457,349**	**888,008**	**198,028**	**361,903**	**28,896**	**—**	**2,934,184**
Carrying amount							
30 September 2017	**2,620,901**	**939,998**	**65,569**	**261,234**	**18,787**	**1,501,205**	**5,407,694**
31 December 2016	2,183,316	478,386	69,991	270,909	19,920	1,351,251	4,373,773

5 Property, plant and equipment (Continued)

The Group's buildings and facilities located in the Emirate of Abu Dhabi are constructed on land given by the Government of Abu Dhabi for no consideration. These lands are accounted for a nominal value of AED 1 per plot of land. Facilities located in other Emirates are constructed on land leased from third parties (note 22).

The depreciation charge has been allocated as follows:

	30 September 2017	31 December 2016
	AED'000	AED'000
Distribution and administrative expenses (note 17)	**304,109**	344,471
Direct cost (note 16)	**1,559**	2,013
Work-in-progress inventories (note 6)	**616**	592
	306,284	347,076

6 Inventories

	30 September 2017	31 December 2016
	AED'000	AED'000
Finished goods	**967,075**	967,020
Spare parts and consumables	**53,842**	50,398
Lubricants raw materials, consumables and work in progress	**54,094**	59,851
LPG cylinders	**43,616**	32,206
	1,118,627	1,109,475
Less: allowance for write down of finished goods to net realisable value	**(234)**	(234)
Allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders	**(17,479)**	(15,423)
	(17,713)	(15,657)
	1,100,914	1,093,818

The cost of inventories recognised as expense and included in 'direct cost' amounted to AED 11,086,668 thousand (30 September 2016: AED 9,914,716 thousand) (note 16). During the period, a direct write off of inventory was recognised as expense amounting to AED Nil (30 September 2016: AED 11,961 thousand).

The cost of inventories includes depreciation expense capitalised as work in progress inventories amounted to AED 616 thousand (31 December 2016: AED 592 thousand and 30 September 2016: AED 317 thousand).

Movement of the Group's inventory write down of finished goods to net realisable value and allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders is as follows:

	30 September 2017	31 December 2016
	AED'000	AED'000
At 1 January	**15,657**	14,630
Impairment loss for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders (note 19)	**2,056**	1,027
	17,713	15,657

7 Trade receivables and other current assets

	30 September 2017	31 December 2016
	AED'000	AED'000
Trade receivables	**1,805,212**	1,633,665
Less: allowance for impairment of trade receivables	**(203,705)**	(178,196)
	1,601,507	1,455,469
Prepaid expenses	**46,166**	35,531
Receivable from employees	**111,985**	109,503
Other receivables	**58,172**	56,328
	1,817,830	1,656,831

Receivables from employees consist of staff car loans, furniture loans, personal loans and staff advances.

As at 30 September 2017, the Group had significant concentration of credit risk with three customers (31 December 2016: two) accounting for 46% (31 December 2016: 39%) of its trade receivables outstanding as at that date. Management is confident that this concentration will not result in any loss to the Group considering the credit history of these customers.

The average credit period on sales and services is between 30 to 60 days. No interest is charged on trade receivables.

Trade receivable balances past due are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

As at 30 September 2017, the aging of unimpaired trade receivables is as follows:

Ageing of trade receivables:

	30 September 2017	31 December 2016
	AED'000	AED'000
Not past due	**651,801**	512,770
Overdue for 30 days	**116,315**	137,672
Overdue for 31 to 60 days	**81,268**	99,023
Overdue for 61 to 90 days	**115,479**	48,577
Overdue for 91 to 180 days	**192,316**	106,208
Overdue for 181 to 360 days	**85,832**	247,784
Overdue for more than 360 days	**358,496**	303,435
	1,601,507	1,455,469

As at 30 September 2017, trade receivables with carrying amount of AED 203,705 thousand (31 December 2016: AED 178,196 thousand) were impaired. Movement in the allowance for impairment of trade receivables is as follows:

	30 September 2017	31 December 2016
	AED'000	AED'000
At 1 January	**178,196**	155,958
Recoveries during the period/year	**(25,649)**	(24,023)
Charge for the period/year (note 19)	**51,158**	46,261
	203,705	178,196

Amounts charged to the allowance for impairment of trade receivables are generally written off when there is no realistic expectation of recovery.

7 Trade receivables and other current assets (Continued)

The carrying amounts of the Group's trade receivables are denominated in UAE Dirham and US Dollars and approximate to their fair value as at 30 September 2017.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

8 Related party balances and transactions

Related parties represent the Parent Company and its subsidiaries, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

	30 September 2017	31 December 2016
	AED'000	AED'000
Due from related parties		
Petroleum Services Company (ESNAAD)	**188,928**	159,429
National Drilling Company (NDC)	**55,478**	99,678
Abu Dhabi Company for Onshore Oil Operations (ADCO)	**52,408**	33,066
Abu Dhabi Gas Development Company (AL HOSN)	**11,878**	21,031
Abu Dhabi Gas Industries Ltd. (GASCO)	**10,203**	9,414
Others	**30,673**	30,772
	349,568	353,390
Due to related parties		
Abu Dhabi National Oil Company (ADNOC)	**2,453,052**	603,522
Abu Dhabi Oil Refining Company (TAKREER)	**696,226**	—
Abu Dhabi National Tanker Co. (ADNATCO)	**36,802**	—
Abu Dhabi Petroleum Ports Operating Co. (IRSHAD)	**1,886**	24
Others	**96**	—
	3,188,062	603,546

The amounts due from related parties are against the provision of petroleum products and services. These balances are not secured, bear no interest and have an average credit period of 30–60 days.

The amount due to related parties are outstanding against purchases of petroleum products, vessel hires and port charges, administrative expenses, transfer of property, plant and equipment and amounts related to the transfer of the sales and purchasing activities of the Civil Aviation Division. The above balance is unsecured, bears no interest and is payable on demand.

The Group has an amount of AED 929,481 thousand (31 December 2016: AED 629,398 thousand) held with banks owned by the Government of Abu Dhabi.

8 Related party balances and transactions (Continued)

The following transactions were carried out with related parties during the period:

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Revenue—ADNOC group	**686,081**	554,760
Purchases—ADNOC	**13,560,411**	12,153,547
Administrative expenses—ADNOC	**1,380**	1,110
Vessel hire and port charges—ADNOC group	**63,692**	59,326
Transfer of property, plant and equipment	**696,226**	—

Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Short term benefits	**7,773**	10,190
Pension contribution	**437**	530
	8,210	10,720

The Group has elected to use the exemption under IAS 24 *Related Party Disclosures* for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi other than the Parent Company and entities it owns and control.

The Group provides in the normal course of business petroleum distribution services to entities owned and controlled by the Government of Abu Dhabi.

9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows consist of the following amounts:

	30 September 2017	31 December 2016
	AED'000	AED'000
Cash held by ADNOC	**5,423,763**	3,038,987
Cash on hand and in bank	**1,132,611**	794,467
Cash and bank balances	**6,556,374**	3,833,454
Term deposit with maturities above 3 months	**(130,000)**	(100,000)
	6,426,374	3,733,454

Cash held by ADNOC are funds held by ADNOC on behalf of the Group and are available on demand. These funds are non-interest bearing in accordance with a decision approved by the Group's Board of Directors.

Cash and bank balances include short-term and call deposits amounting to AED 912 million (31 December 2016: AED 683 million) carrying rate ranging from 0.03% to 0.48% (31 December 2016: 0.02% to 0.08%) per annum.

10 Share capital

The original share capital of the Company as per the Law No. 13 of 1973 was AED 30 million divided into 300,000 shares, each valued at AED 100.

By virtue of the decision of the board of directors of the Parent Company dated 17 October 1984, the share capital of the Company was increased to AED 200 million divided into 2 million shares, each valued at AED 100.

By virtue of the decision of the Supreme Petroleum Council dated 6 October 1998, the share capital of the Company was increased to AED 600 million divided into 6 million shares, each valued at AED 100.

By virtue of the decision of the Supreme Petroleum Council dated 9 July 2006, the share capital of the Company was increased to AED 1,000 million as follows:

	30 September 2017	31 December 2016
	AED'000	AED'000
Issued and fully paid up:		
10,000,000 ordinary shares of AED 100 each	**1,000,000**	1,000,000

The Company is in the process of updating its articles of association for the changes to its share capital.

11 Capital contribution

On 10 October 2016, the Supreme Petroleum Council (Executive Committee) approved to write off the amounts payable to ADNOC amounting to AED 42,520,001 thousand against the accumulated losses of the Company. An amount of AED 6,304,418 thousand has been further recognised as an additional capital contribution from ADNOC to the Company.

12 Legal reserve

In accordance with clause No. 64 of Law No. 13 of 1973, 10% of the profit for each year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as the reserve equals at least one third of the paid up share capital of the Group. The transfers to legal reserve in these carve-out financial statements are based on the results of the Company excluding the sales and purchasing activities of the Civil Aviation Division.

13 Provision for employees' end of service benefit

Movement in the provision recognised in the carve-out statement of financial position is as follows:

	30 September 2017	31 December 2016
	AED'000	AED'000
At January	**236,926**	278,259
Charge for the period/year (note 20)	**19,513**	29,485
Payments	**(34,190)**	(70,818)
	222,249	236,926

Management believes that the calculation performed based on the entitlement due at the reporting date in accordance with the UAE Labour law will not be materially different if an actuarial valuation were performed as the net impact of the discount rate and future salary and benefit levels on the present value of the benefit obligation is not likely to be significant.

14 Trade and other payables

	30 September 2017	31 December 2016
	AED'000	AED'000
Trade payables	**328,512**	313,875
Capital accruals	**259,834**	291,519
Operating accruals	**194,645**	161,524
Contract retentions payable	**94,308**	62,676
Coupon and prepaid card sales outstanding	**79,283**	83,269
Advances from customers	**26,588**	34,396
Other payables	**144,201**	167,788
	1,127,371	1,115,047

15 Revenue

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Sale of goods	**13,990,034**	12,880,652
Rendering of services	**113,632**	122,653
Rental income	**68,628**	63,078
Delivery income	**48,627**	32,076
	14,220,921	13,098,459

During the nine month period ended 30 September 2016, sale of goods includes an amount of AED 496 million made through stations owned by Emirates General Petroleum Corporation ("Emarat"). The related assets are not recorded in these carve-out financial statements as the proposed acquisition of the Emarat retail fuel service stations were abandoned in 2016. The related direct cost, distribution and administrative expenses, and other income for the nine-month period ended 30 September 2016 amounted to AED 328 million, AED 89 million and AED 31 million, respectively, are also included in these carve-out financial statements. There was no sale of goods through stations owned by Emarat for the nine-month period ended 30 September 2017, and correspondingly no related direct cost, distribution and administrative expenses, and other income.

16 Direct costs

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Materials	**11,086,668**	9,914,716
Staff costs (note 20)	**9,403**	9,839
Overheads	**7,633**	10,245
Depreciation (note 5)	**1,559**	1,348
	11,105,263	9,936,148

17 Distribution and administrative expenses

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Staff costs (note 20)	**1,377,127**	1,378,898
Depreciation (note 5)	**304,109**	206,653
Repairs, maintenance and consumables	**108,601**	128,854
Distribution and marketing expenses	**97,152**	99,294
Utilities	**59,306**	60,210
Insurance	**7,733**	10,511
Others	**157,126**	124,167
Recoverable expenses	**(198,403)**	(171,294)
	1,912,751	1,837,293

18 Other income

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Gain on disposal of property, plant and equipment	**51**	1,413
Miscellaneous income	**160,047**	110,565
	160,098	111,978

Miscellaneous income consists mainly of convenient store income for the consigned goods and sales of scrap items, used oil, batteries and tyres.

19 Impairment losses and other operating expenses

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Impairment loss of trade receivables (note 7)	**51,158**	107,018
Inventories written off	**—**	11,961
Impairment loss for obsolete inventories (note 6)	**2,056**	—
	53,214	118,979

20 Staff costs

	9 months ended 30 September	
	2017	2016
	AED'000	AED'000 (unaudited)
Salaries and allowances	**1,264,608**	1,259,338
Other benefits	**134,689**	140,830
Employees' end of service benefit (note 13)	**19,513**	22,018
	1,418,810	1,422,186
Staff costs are allocated as follows:		
Distribution and administrative expenses (note 17)	**1,377,127**	1,378,898
Capital work-in-progress	**32,280**	33,449
Direct costs (note 16)	**9,403**	9,839
	1,418,810	1,422,186

Other benefits consist mainly of medical expenses, trainings, leave and travel expenses and uniforms.

21 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of share outstanding during the period.

	9 months ended 30 September	
	2017	2016
		(unaudited)
Profit attributable to owners of the Company (AED '000)	**1,311,823**	1,320,025
Weighted average number of shares in issue ('000)	**10,000**	10,000
Earnings per share	**131.18**	132.00

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

22 Commitments

The capital expenditure contracted for at the reporting date but not yet incurred amounted to AED 351 million (31 December 2016: AED 534.5 million.)

The Group has entered into numerous operating lease agreements relating to land on which certain petrol stations have been constructed. The minimum lease payments under these lease agreements are shown below.

	30 September 2017	31 December 2016
	AED'000	AED'000
Not later than one year	**3,200**	3,200
Later than one and not later than five years	**23,010**	23,030
Later than five years	**16,350**	15,850
	42,560	42,080

23 Segment Reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker, in order to allocate resources to the segment and to assess its performance. Information reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segments only. No information that includes the segments' assets and liabilities are reported to the Board of Directors.

For operating purposes, The Group is organised into four major business segments:

(i.) Corporate segment, which involves sale of petroleum products and ancillary products.

(ii.) Retail segments, which involves sale of petroleum products through service stations services and convenience stores catering the consumers.

(iii.) Government aviation segment, engages in the provision of fuel and fuelling services to strategic customers as well as fuelling services to the Parent Company's aviation customers.

(iv.) Operating segments Allied Services and Natural Gas have been aggregated as 'Other' reportable segment of the Group. Allied services involves property management and vehicle inspection services.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at the rates determined by management taking into consideration the cost of funds.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenues, profit, assets and liabilities is given.

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in current and previous year. Profit for the period is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

23 Segment Reporting (Continued)

Information regarding these segments are as follows:

	Corporate AED'000	Retail AED'000	Aviation AED'000	Others AED'000	Unallocated AED'000	Total AED'000
30 September 2017						
Revenue	**2,839,267**	**10,047,595**	**1,146,390**	**187,669**	**—**	**14,220,921**
Direct costs	**(2,285,834)**	**(7,989,985)**	**(816,986)**	**(12,458)**	**—**	**(11,105,263)**
Gross profit	**553,433**	**2,057,610**	**329,404**	**175,211**	**—**	**3,115,658**
Distribution and administrative expenses	**(161,811)**	**(1,488,537)**	**(97,795)**	**(164,608)**	**—**	**(1,912,751)**
Other income	**79,839**	**59,234**	**5,148**	**14,468**	**1,409**	**160,098**
Impairment losses and other operating expenses	**(26,783)**	**(100)**	**(7,010)**	**(17,264)**	**(2,057)**	**(53,214)**
Interest income	**—**	**—**	**—**	**—**	**2,032**	**2,032**
Profit for the period	**444,678**	**628,207**	**229,747**	**7,807**	**1,384**	**1,311,823**
Depreciation—net	**12,189**	**235,249**	**8,067**	**34,469**	**—**	**289,974**
30 September 2016 (unaudited)						
Revenue	2,898,963	9,065,838	974,306	159,352	—	13,098,459
Direct costs	(2,250,126)	(7,019,608)	(657,998)	(8,416)	—	(9,936,148)
Gross profit	648,837	2,046,230	316,308	150,936	—	3,162,311
Distribution and administrative expenses	(133,876)	(1,456,580)	(95,052)	(151,785)	—	(1,837,293)
Other income	15,611	81,602	959	11,491	2,315	111,978
Impairment losses and other operating expenses	(75,921)	(40)	(20,614)	(10,443)	(11,961)	(118,979)
Interest income	—	—	—	—	2,008	2,008
Profit for the period	454,651	671,212	201,601	199	(7,638)	1,320,025
Depreciation—net	10,549	148,928	7,649	31,836	—	198,962

Unallocated income consists mainly of gain on sale of fixed assets, insurance recovery and other miscellaneous income.

Depreciation has been allocated in distribution and administrative expenses, direct costs and work-in-progress inventories (note 5). Reconciliation of depreciation net of Civil Aviation Division carve-out is as follows:

	9 months ended 30 September	
	2017 AED'000	2016 AED'000 (unaudited)
Depreciation (note 5)	**306,284**	208,318
Less: amount relating to Civil Aviaton Division carve-out	**(16,310)**	(9,356)
Depreciation—net	**289,974**	198,962

24 ADNOC Group central fund for risk financing

The Group is a participant in a centralised fund, administered by ADNOC, to finance certain self-insured risks. The fund is made up of premium discounts, investment income and contributions from participants, as agreed upon from time to time. Under the scheme, the Group is obliged to provide additional funding,

24 ADNOC Group central fund for risk financing (Continued)

if required. As at 30 September 2017, the Group's share in the fund held by ADNOC was AED 666 thousand (31 December 2016: AED 662 thousand).

25 Contingencies and litigation

As at 30 September 2017, the Group had contingent liabilities amounting to AED 1,356 thousand (31 December 2016: AED 2,201 thousand) in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's carve-out financial statements if concluded unfavourably.

26 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has no significant currency risk exposure from its operations as a majority of the Group's transactions are in UAE Dirham or US Dollars. The UAE Dirham is pegged to the US Dollar, hence, balances in US Dollars are not considered to present a significant foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets. Consequently, the Group's income and operating cash flows are dependent on changes in market interest rates. The Group's interest rate risk arises from short term bank deposits. Deposits/placements issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage these risks based on management's assessment of available options and placing any surplus funds with ADNOC for treasury management (note 9).

The deposits and placements are on rollover basis for three months or less, as such the carrying amounts have not been discounted as the impact of discounting is not deemed to be significant. Accordingly, the impact of changes in interest rates is not deemed to be significant.

(iii) Price risk

The Group is exposed to commodity price risk arising from retail prices of the liquid fuels. Liquid fuel prices are set by the UAE Ministry of Energy, which limits and may result in reductions in the profit margins on these products. There can be no assurance that the UAE Ministry of Energy will continue to set retail prices at a level that provides the same or a similar profit margin, and any reduction in the profit margin on these products would have a material adverse impact on our results of operations and financial position.

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past

26 Financial instruments (Continued)

experience and others factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 7.

(c) Liquidity risk

The Group limits its liquidity risk by ensuring adequate cash from operations is available to meet its funding requirements. The Group's terms of purchase require amounts to be paid on demand, after taking account of the Group's liquidity requirements.

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., bank deposits, trade receivables and other financial assets), and projected cash flows from operations. The Group's objective is to maintain liquidity through credit lines available from the Parent Company.

The table below summarises the maturity profile of the Group's financial liabilities at 30 September 2017 and 31 December 2016 based on the contractual undiscounted payments.

	On demand	Less than 3 months	Total
	AED '000	AED '000	AED '000
At 30 September 2017			
Due to related parties	**3,188,062**	**—**	**3,188,062**
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	**—**	**1,021,500**	**1,021,500**
Total	**3,188,062**	**1,021,500**	**4,209,562**
At 31 December 2016			
Due to related parties	603,546	—	603,546
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	—	997,382	997,382
Total	603,546	997,382	1,600,928

Whilst the Parent Company account is payable on demand, the Parent Company considers the ability of the Group to pay, and its cash position prior to any payment request or transfer. The Parent Company account includes the cost of supplying the Group with its inventories as the Parent Company is the principal supplier of petroleum products to the Group (note 8).

Capital risk management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Group consists of share capital, contributed capital, legal reserve and retained earnings.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the period ended 30 September 2017.

26 Financial instruments (Continued)

Fair value estimation

The carrying value less any impairment provision of trade receivables and payables, approximate to their fair values as they are mainly short-term in nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for financial instruments.

27 Financial instruments by category

	30 September 2017	31 December 2016
	AED'000	AED'000
Financial assets:		
Cash and bank balances	**6,556,374**	3,833,454
Due from related parties	**349,568**	353,390
Trade and receivables and other current assets (excluding prepaid expenses)	**1,771,664**	1,621,300
	8,677,606	5,808,144
Financial liabilities:		
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	**1,021,500**	997,382
Due to related parties	**3,188,062**	603,546
	4,209,562	1,600,928

For the purpose of the financial statement disclosure, non-financial assets amounting to AED 46,166 thousand (31 December 2016: AED 35,531 thousand) have been excluded from trade receivables and other current assets and financial liabilities amounting to AED 105,871 thousand (31 December 2016: AED 117,665 thousand) have been excluded from trade and other payables.

28 Subsequent events

On 16 October 2017, ADNOC Distribution signed a mandate letter (the "Mandate Letter") with a consortium of banks where the consortium agreed to underwrite a 5 year, USD 2,250 million credit facility (the "Facility"). The Facility is to be bifurcated further into a term facility commitment of USD 1,500 million and a revolving facility commitment of USD 750 million. It is expected that the Facility will be able to be drawn in US Dollars ("USD") or in AED in predetermined amounts. The Facility carries variable interest at USD LIBOR plus a margin for USD denominated facility portion and EIBOR plus a margin for AED denominated facility portion. Bifurcation between currencies is based on the related commitment as per the Mandate Letter. The facility agreement is not yet signed at the date of issuance of these carve-out financial statements.

On 3 November 2017, ADNOC Distribution entered into an agreement with the Parent Company relating to its supply of Butane, Propane and Mixed Liquefied Petroleum Gas ("LPG") which specifies the pricing mechanism for those products. As per the new arrangement for LPG Cylinders, the Parent Company will charge ADNOC Distribution the regulated price with a deduction for direct operating costs and an agreed margin whereas historically the Company paid the Parent Company's official selling prices. The agreement is effective until 31 December 2022 unless terminated or extended as per the terms of the agreement.

On 12 November 2017, ADNOC Distribution entered into an agreement with the Parent Company for supply of refined petroleum products. As per this arrangement, the contract price applicable to Gasoline and Diesel shall be equal to the sum of (a) the mean of Platt's Average as defined in the agreement, plus (b) a fixed premium. For Illuminating Kerosene and JP-8, the contract price shall be the Parent Company's official selling prices applicable at the time of delivery (in the case of In-Truck deliveries) or on the

28 Subsequent events (Continued)

Completion Date (in the case of Ex-Pipeline deliveries). The agreement is effective until 31 December 2022 unless terminated or extended as per the terms of the agreement.

On 2 November 2017, the Company and Abu Dhabi National Oil Company (ADNOC) entered into a business transfer agreement relating to the transfer of the Company's Natural Gas business excluding compressed natural gas operations subject to certain conditions precedent. On the same day, the Company also entered into a sales confirmation agreement with ADNOC for the purchase of Natural Gas and Base Oil.

29 Approval of carve-out financial statements

The carve-out financial statements were approved by the Board of Directors and authorised for issue on 12 November 2017.

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O. Box 990
Abu Dhabi
United Arab Emirates

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

Independent Practitioner's Assurance Report on the Compilation of Unaudited Pro Forma Financial Information

The Board of Directors
Abu Dhabi National Oil Company for Distribution
Abu Dhabi
United Arab Emirates

Report on the Compilation of Unaudited Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") prepared by the Board of Directors (the "Directors") of the Company. The unaudited pro forma financial information consists of the unaudited pro forma statement of financial position as at 30 September 2017 and the pro forma statement of profit or loss for the nine-month period ended 30 September 2017 and 2016 and the year ended 31 December 2016 and related Notes 1 to 8 to the unaudited pro forma financial information. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Notes 1 to 8 (the "Applicable Criteria").

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the transactions described in Notes 2 to 6, referred to as the "Pre-Offering Transactions and Contractual Agreements" (the "Transaction") on the statement of financial position of ADNOC Distribution, as if the Transaction had taken place at 30 September 2017, and its financial performance as if the Transaction had taken place at 1 January 2016. As part of this process, information about ADNOC Distribution has been extracted by the Directors from the audited carve-out financial statements of ADNOC Distribution for the nine-month period ended 30 September 2017 and for the year ended 31 December 2016 on which an audit report and the unaudited comparative information for the nine month period ended 30 September 2016 included in the audited carve-out financial statements for the nine-month period ended 30 September 2017 as described in Note 1.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information on the basis of the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent practitioner's responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the independent practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the unaudited pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information is solely to illustrate the impact of the Transaction on unadjusted financial information of ADNOC Distribution as if the Transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 September 2017 in respect of the statement of financial position and 1 January 2016 in respect of the statement of profit or loss, would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the independent practitioner's judgement, having regard to the independent practitioner's understanding of the nature of ADNOC Distribution, the Transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion, the unaudited pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria.

Deloitte & Touche (M.E.)

Deloitte & Touche

ديلويت اند توش
120104
Deloitte & Touche

Abu Dhabi
United Arab Emirates

14 NOV 2017

Unaudited Pro Forma Financial Information

Set out below is unaudited pro forma financial information of Abu Dhabi National Oil Company for Distribution ("ADNOC Distribution" or the "Company") prepared in accordance with the notes below (the "Unaudited Pro Forma Financial Information") by the Board of Directors (the "Directors") of the Company. The Directors have prepared the Unaudited Pro Forma Financial Information to illustrate the impact of the transactions described in Notes 2 to 6, referred to as the "Pre-Offering Transactions and Contractual Agreements" (the "Transaction") on the statement of financial position for ADNOC Distribution, as if the Transaction had taken place at 30 September 2017, and its statement of profit or loss for the nine-month periods ended 30 September 2017 and 2016 and for the year ended 31 December 2016, as if the Transaction had taken place at 1 January 2016.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and because of its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent ADNOC Distribution's actual financial position and financial performance and may not give a true picture of its financial position and financial performance. In addition, the Unaudited Pro Forma Financial Information does not reflect forward-looking information and is not intended to present the expected future results of ADNOC Distribution, given that it has been prepared solely for the purposes of illustrating the identifiable and objectively measurable effects of the Transaction, applied to historical financial information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the applicable criteria as described in Notes 1 to 8 below (the "Applicable Criteria"). This Unaudited Pro Forma Financial Information has been prepared consistent with accounting policies set out in the audited carve-out financial statements of ADNOC Distribution for the nine-month period ended 30 September 2017.

The Unaudited Pro Forma Financial Information is presented in United Arab Emirates Dirham ("AED"), which is ADNOC Distribution's presentation currency.

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Unaudited pro forma statement of financial position at 30 September 2017

	ADNOC Distribution	Pro forma adjustment Adjustment 3	ADNOC Distribution Pro forma
	(Note 1) AED'000	(Note 4) AED'000	AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	**5,407,694**	**—**	**5,407,694**
Advances to contractors	**99,893**	**—**	**99,893**
Transaction costs—revolving facility	**—**	**19,800**	**19,800**
Total non-current assets	**5,507,587**	**19,800**	**5,527,387**
Current assets			
Inventories	**1,100,914**	**—**	**1,100,914**
Trade receivables and other current assets	**1,817,830**	**—**	**1,817,830**
Due from related parties	**349,568**	**—**	**349,568**
Cash and bank balances	**6,556,374**	**5,462,152**	**12,018,526**
Total current assets	**9,824,686**	**5,462,152**	**15,286,838**
Total assets	**15,332,273**	**5,481,952**	**20,814,225**
EQUITY AND LIABILITIES			
Equity			
Share capital	**1,000,000**	**—**	**1,000,000**
Capital contribution	**6,304,418**	**—**	**6,304,418**
Legal reserve	**333,333**	**—**	**333,333**
Retained earnings	**3,156,840**	**—**	**3,156,840**
Total equity	**10,794,591**	**—**	**10,794,591**
Non-current liability			
Long term finance	**—**	**5,481,952**	**5,481,952**
Provision for employees' end of service benefit	**222,249**	**—**	**222,249**
Total non-current liabilities	**222,249**	**5,481,952**	**5,704,201**
Current liabilities			
Trade and other payables	**1,127,371**	**—**	**1,127,371**
Due to related parties	**3,188,062**	**—**	**3,188,062**
Total current liabilities	**4,315,433**	**—**	**4,315,433**
Total liabilities	**4,537,682**	**5,481,952**	**10,019,634**
Total equity and liabilities	**15,332,273**	**5,481,952**	**20,814,225**

Salah Ahmed Al Sabbagh
Chief Financial Officer

Saeed Mubarak Al Rashdi
Acting Chief Executive Officer

Board of Director

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Unaudited pro forma statement of profit or loss for the nine-month period ended 30 September 2017

	ADNOC Distribution	Pro forma adjustments					ADNOC Distribution Pro forma
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	
	(Note 1) AED'000	(Note 2) AED'000	(Note 3) AED'000	(Note 4) AED'000	(Note 5) AED'000	(Note 6) AED'000	AED'000
Revenue	14,220,921	214,275	—	—	—	—	14,435,196
Direct costs	(11,105,263)	—	—	—	65,042	104,662	(10,935,559)
Gross profit	3,115,658	214,275	—	—	65,042	104,662	3,499,637
Distribution and administrative expenses	(1,912,751)	(198,403)	(30,252)	—	—	—	(2,141,406)
Other income	160,098	—	—	—	—	—	160,098
Impairment losses and other operating expenses	(53,214)	—	—	—	—	—	(53,214)
Operating profit	1,309,791	15,872	(30,252)	—	65,042	104,662	1,465,115
Interest income/ (expense)	2,032	—	—	(106,118)	—	—	(104,086)
Profit for the period	1,311,823	15,872	(30,252)	(106,118)	65,042	104,662	1,361,029

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Unaudited pro forma statement of profit or loss (Continued)
for the year ended 31 December 2016

	ADNOC Distribution	Pro forma adjustments					ADNOC Distribution Pro forma
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	
	(Note 1) AED'000	(Note 2) AED'000	(Note 3) AED'000	(Note 4) AED'000	(Note 5) AED'000	(Note 6) AED'000	AED'000
Revenue	17,670,071	257,471	—	—	—	—	17,927,542
Direct costs	(13,443,563)	—	—	—	23,375	360,441	(13,059,747)
Gross profit	4,226,508	257,471	—	—	23,375	360,441	4,867,795
Distribution and administrative expenses	(2,549,782)	(238,399)	(40,335)	—	—	—	(2,828,516)
Other income	160,995	—	—	—	—	—	160,995
Impairment losses and other operating expenses	(59,252)	—	—	—	—	—	(59,252)
Operating profit	1,778,469	19,072	(40,335)	—	23,375	360,441	2,141,022
Interest income	2,491	—	—	(141,359)	—	—	(138,868)
Profit for the year	1,780,960	19,072	(40,335)	(141,359)	23,375	360,441	2,002,154

ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION

Unaudited pro forma statement of profit or loss (Continued)
for the nine-month period ended 30 September 2016

	ADNOC Distribution	Pro forma adjustments					ADNOC Distribution Pro forma
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	
	(Note 1) AED'000	(Note 2) AED'000	(Note 3) AED'000	(Note 4) AED'000	(Note 5) AED'000	(Note 6) AED'000	AED'000
Revenue	13,098,459	184,998	—	—	—	—	13,283,457
Direct costs	(9,936,148)	—	—	—	11,530	229,626	(9,694,992)
Gross profit	3,162,311	184,998	—	—	11,530	229,626	3,588,465
Distribution and administrative expenses	(1,837,293)	(171,294)	(30,252)	—	—	—	(2,038,839)
Other income	111,978	—	—	—	—	—	111,978
Impairment losses and other operating expenses	(118,979)	—	—	—	—	—	(118,979)
Operating profit	1,318,017	13,704	(30,252)	—	11,530	229,626	1,542,625
Interest income/ (expense)	2,008	—	—	(106,020)	—	—	(104,012)
Profit for the period	1,320,025	13,704	(30,252)	(106,020)	11,530	229,626	1,438,613

1 Financial information of ADNOC Distribution

Information about ADNOC Distribution's Carve-out financial statements has been extracted from the following:

- For 30 September 2017, the amounts have been extracted from the audited carve-out financial statements for the nine-month period ended 30 September 2017, which were approved by management of ADNOC Distribution on 12 November 2017;
- For 31 December 2016, the amounts have been extracted from the audited carve-out financial statements for the year ended 31 December 2016, which were approved by management of ADNOC Distribution on 12 October 2017; and
- For 30 September 2016, the amounts have been extracted from the unaudited comparative information for the nine-month period ended 30 September 2016 included in the audited carve-out financial statements for the nine-month period ended 30 September 2017.

This Unaudited Pro Forma Financial Information has been prepared consistent with the accounting policies set out in the audited carve-out financial statements of ADNOC Distribution for the nine-month period ended 30 September 2017.

2 Adjustment 1—Transfer of Civil Aviation Division

On 14 September 2017, Abu Dhabi National Oil Company (the "Parent Company") approved the transfer of the sales and purchasing activities of ADNOC Distribution's Civil Aviation Division (the "Division") to itself so that all the sales, cost of sales, receivables and inventories of the Division will be accounted for by the Parent Company. According to the transfer plan, the Division's selling and purchasing activities will be carried out by the Parent Company.

Historically, the Division's sales and purchasing activities and transactions were accounted for by the Company and included in its consolidated financial statements. The carve-out financial statements reflect the financial position of the Group as at 30 September 2017 and 31 December 2016, and its financial performance and its cash flows for the periods then ended excluding the sales and cost of sales, distribution and administrative expenses, receivables/payables and inventories of the Division.

In connection with the transfer of the sales and purchasing activities of the Division, the Company entered into a services agreement (the "Aviation Services Agreement"), pursuant to which the Parent Company reimburses the Company for and pays an additional margin of 8% of the total distribution and administrative costs of the Division incurred by the Company for handling the operations of the Division and providing certain aviation refueling and other related services to its civil aviation customers. The adjustment to revenue reflects the amount that would have been paid by the Parent Company had the Aviation Services Agreement been in effect as at 1 January 2016. The cost of the Division's related handling operations which amounts AED 238,399 thousand for the year ended 31 December 2016 (9 months ended 30 September 2017: AED 198,403 thousand; 9 months ended 30 September 2016: AED 171,294 thousand) were recognised as recovery of expense in distribution and administrative expenses in the carve out financial statements of the Company. This recovery has been reversed in the Unaudited Pro Forma Financial Information.

3 Adjustment 2—Depreciation on assets transferred from Abu Dhabi Oil Refining Company

On 30 September 2017, the Company entered into an asset purchase agreement with Abu Dhabi Oil Refining Company ("Takreer"), which operates under the name ADNOC Refining and is a wholly owned subsidiary of the Parent Company, pursuant to which Takreer agreed to transfer to the Company at book value certain fuel terminal and distribution assets. The adjustment reflects the depreciation expense related to the transferred assets from Takreer had this transaction occurred as at 1 January 2016.

4 Adjustment 3—Recognition of credit facility for ADNOC Distribution

In November 2017, ADNOC Distribution entered into a 5 year, USD 2,250 million credit facilities agreement (the "Facilities Agreement") with a consortium of banks. As per the Facilities Agreement, the lenders have committed to a term facility of USD 1,500 million and a revolving facility of USD 750 million (the "Facilities"). The Facilities can be drawn in US Dollars ("USD") or in AED in predefined amounts in the Facilities Agreement. The Facilities carry variable interest at USD LIBOR plus a margin for the USD denominated facility portion and EIBOR plus a margin for the AED denominated facility portion. This adjustment reflects recognition of drawdown on term facility by ADNOC Distribution had the transaction occurred as at 30 September 2017 and recognition of related interest expense (including amortisation of transaction costs) had the transaction occurred on 1 January 2016. Transaction costs allocated to the term facility have been deducted from the liability amount and considered in the computation of the effective interest rate. The transaction costs allocated to the revolving facility have been capitalised and will be amortised on a straight-line basis over the term of the agreement. Bifurcation between currencies is based on the related commitment as per the Facilities Agreement. The amount disclosed in the unaudited pro forma statement of financial position in respect of "Long term finance" reflects expected proceeds from drawdown amounting to AED 5,509,500 thousand net of transaction costs amounting to AED 27,548 thousand.

5 Adjustment 4—New arrangement for Liquefied Petroleum Gas

In November 2017, ADNOC Distribution entered into an agreement with the Parent Company relating to its supply of Butane, Propane and Mixed Liquefied Petroleum Gas ("LPG") which specifies the pricing mechanism for those products. As per the new arrangement for LPG Cylinders, the Parent Company will charge ADNOC Distribution the regulated price with a deduction for Cylinder OPEX as defined in the agreement and an agreed margin whereas historically the Company paid the Parent Company's official selling prices. The agreement is effective until 31 December 2022 unless terminated or extended as per the terms of the agreement. This reimbursement will be recorded as reduction from the purchase price of the LPG Cylinders. The adjustment reflects the impact on the Company's costs had this agreement been in effect as at 1 January 2016.

6 Adjustment 5—New pricing formula for supply of Refined Petroleum Products

In November 2017, ADNOC Distribution entered into an agreement with the Parent Company for supply of refined petroleum products. As per this arrangement, the contract price applicable to Gasoline and Diesel shall be equal to the sum of (a) the mean of Platt's Average as defined in the agreement, plus (b) a fixed premium. For Illuminating Kerosene and aviation fuel, the contract price shall be the Parent Company's official selling prices applicable at the time of delivery (in the case of In-Truck deliveries) or on the Completion Date (in the case of Ex-Pipeline deliveries).

Also, during the initial term only, to the extent that during any invoicing period the difference between the contract price payable by ADNOC Distribution to the Parent Company for any litre of a Gasoline or Diesel and the sum of the relevant Platt's Average plus the relevant regulated margin for the same litre of Gasoline or Diesel, is less than specified amounts per litre for Gasoline or Diesel, such contract price shall be reduced for that period so that it is equal to the specified amounts less than the relevant retail price.

In addition, if at the end of any year during the initial term, it is determined that, for any grade of Gasoline (ULG 91, 95 or 98) or Diesel, the difference between the actual revenue per litre achieved by ADNOC Distribution for sales at the pump and the price paid by ADNOC Distribution to the Parent Company for the quantities sold, is less than Gasoline target margin for each grade of Gasoline or Diesel target margin for Diesel as specified in the agreement, then the Parent Company will pay ADNOC Distribution an amount equal to the per-litre difference, multiplied by the total volumes sold of the affected grade.

The agreement is effective until 31 December 2022 unless terminated or extended as per the terms of the agreement. The adjustment reflects the impact on the Company's costs had this agreement been in effect as at 1 January 2016.

7 Subsequent events

On 13 November 2017, ADNOC Distribution announced its intention to proceed with an initial public offering and to list its shares on Abu Dhabi Securities Exchange. ADNOC Distribution intends a sale of at least 10% of its existing shares held by the Parent Company.

On 14 November 2017, the Company entered into Real Estate Transfer Liability and Leaseback Agreements with the Parent Company. Under the terms of the Real Estate Transfer Liability and Leaseback Agreements, the Parent Company has agreed to lease all real estate transferred to it back to ADNOC Distribution on a cost-pass-through basis. Each lease has a term of four years and will renew automatically unless notice of termination is given by ADNOC Distribution at least one year prior to then-effective expiration date. Under the terms of the agreements, the Company will indemnify the Parent Company for any environmental liabilities relating to the operations on the properties.

The Board of Directors, in their meeting held on 13 November 2017 and based on the authority provided by the Parent Company, has approved an interim dividend of AED 2,134,688 thousand and payment for return of the capital contribution of AED 6,304,418 thousand to the Parent Company.

8 Limitations of the Unaudited Pro Forma Financial Information

For the purposes to understand the information provided in the Unaudited Pro Forma Financial Information, the following should be taken into account:

- given that the Unaudited Pro Forma Financial Information present a hypothetical situation, had the Transaction actually been consummated at the dates to which the Unaudited Pro Forma Financial Information refers to, the historical data would not necessarily have been identical to the pro forma data presented above;
- the Unaudited Pro Forma Financial Information has been prepared solely for the purposes of presenting the objectively measurable effects of the Transaction and, therefore, does not take account of the potential effects resulting from changes in management strategy and operational decisions resulting from execution of the Transaction; and
- the Unaudited Pro Forma Financial Information does not reflect forward-looking information and is not intended in any way to present the expected future financial position of the ADNOC Distribution following the Transaction and, therefore, should not be used in this sense.

9 Approval of the Unaudited Pro Forma Financial information

The Unaudited Pro Forma Financial Information was approved by the Directors and authorised for issue on 14 November 2017.

COMPANY

Abu Dhabi National Oil Company for Distribution PJSC
Sheikh Zayed bin Sultan Street
P.O. Box 4188
Abu Dhabi, United Arab Emirates

SELLING SHAREHOLDER

Abu Dhabi National Oil Company
Corniche Road
P.O. Box 898
Abu Dhabi, United Arab Emirates

FINANCIAL ADVISER

Rothschild (Middle East) Limited
DIFC, Burj Daman, Level 2, Office 203
P.O. Box 506570
Dubai, United Arab Emirates

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

BofA Merrill Lynch **Citigroup** **First Abu Dhabi Bank PJSC** **HSBC**

JOINT BOOKRUNNERS

EFG Hermes **Goldman Sachs International** **Morgan Stanley**

LEGAL ADVISORS

To the Company as to English and US Law

Shearman & Sterling LLP
Etihad Towers
21st Floor, Office Tower 3
Corniche Road
P.O. Box 2948
Abu Dhabi, United Arab Emirates

To the Company as to UAE law

Al Tamimi & Company
6th Floor, Building 4 East
Dubai International Financial Centre
P.O. Box 9275
Dubai, United Arab Emirates

To the Joint Bookrunners as to English, UAE and US law

Allen & Overy LLP
5th Floor, Al Mamoura Building B
Muroor Road
P.O. Box 7907
Abu Dhabi, United Arab Emirates

AUDITORS TO THE COMPANY

Deloitte & Touche (M.E.)
11 Floor, Al Sila Tower, ADGM Square
P.O. Box 990
Abu Dhabi, United Arab Emirates