

Important Announcement regarding the Sale Price Range for the Shares in Abu Dhabi National Oil Company For Distribution PJSC and Listing of its Shares on the Abu Dhabi Securities Exchange



Following its announcement on 20 November 2017 of its intention to "float on the Abu Dhabi Securities Exchange", Abu Dhabi National Oil Company for Distribution PJSC (the "Company") hereby announces the price range for the sale of its shares.

The price range has been set at between AED 2.35 to AED 2.95 per share.

The number of ordinary shares, with a nominal value of eight (8) AED (0.88) per share, offered for sale by the Company's founder, Abu Dhabi National Oil Company ("ADNOC" or the "Founder"), shall be a maximum of one billion two hundred fifty million (1,250,000,000) and a maximum of two billion five hundred million (2,500,000,000), representing a minimum of ten percent (10%) and a maximum of twenty percent (20%) of the issued share capital of the Company (the "Offer Shares"). The final offering size shall be announced on 8 December 2017.

The final offer price of the Offer Shares will be determined following a bookbuilding process. The Company will issue a press release in the United Arab Emirates ("UAE") setting out the final offer price of the Offer Shares on 8 December 2017.

The Company's Board of Directors is pleased to publish the audited financial statements of the Company as of and for the nine months ended 30 September 2017, in addition to a summary of the Board of Directors' report submitted for listing equal rights upon completion of the offering and listing of the Offer Shares on 13 December 2017.

The Company is a public joint stock company in the UAE as per the Federal Commercial Companies Law No. 2 for the year 2015 and related regulations. The Company's share capital is one billion Dirhams (AED 1,000,000,000). The objects of the Company are the reporting of and trading in petroleum products, including natural gas, liquid gas, condensate, engine oils and other petroleum products, storage, transportation, distribution, marketing and sale of petroleum products, construction, ownership, possession and management of retail fuel and other product service stations, and providing related services, incorporation of companies and entering into partnership agreements inside and outside the UAE, and any other activities required for the Company's operations.

FOUNDER COMMITTEE REPORT

Messrs Shareholders
Abu Dhabi National Oil Company For Distribution PJSC
Public Joint Stock Company
Abu Dhabi - United Arab Emirates

FOUNDER COMMITTEE REPORT

The Founder Committee of the Company is pleased to publish its report, the audited financial statements of the Company as of and for the two years ended 31 December 2015 and 2016 and as of and for the nine months ended 30 September 2017, and the report of the Company's auditor.

MAIN ACTIVITIES AND REVIEW OF BUSINESS PROGRESS

The Company, established in 1973, is the leading operator of retail fuel service stations in the UAE with an approximate sixty seven percent (67%) market share by number of stations as at 30 September 2017 and the number one retail fuel brand. The Company's three hundred and sixty (360) retail fuel service stations as at 30 September 2017 are located in the emirates of Abu Dhabi and Sharjah. The Company currently is the sole retailer and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain. The Company also owns and operates two hundred and thirty five (235) ADNOC Oasis convenience stores as at 30 September 2017, making the Company the largest retailer in the UAE by number of stores. In addition, the Company is also a marketer and distributor of fuels to commercial, industrial, and government customers throughout the UAE, with a particularly dominant presence in Abu Dhabi, and provides refuelling and related services at Abu Dhabi International Airport and six (6) other commercial airports in the UAE.

The Company is currently 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 fueling the growth of Abu Dhabi and the UAE.

The capital of the Company is based at one billion Dirhams (AED 1,000,000,000), divided into twelve billion five hundred million (12,500,000,000) ordinary shares with a nominal value of eight (8) AED (0.88) per share. All of the Company's shares have equal rights. Upon completion of the offering and listing of the Offer Shares on the Abu Dhabi Securities Exchange, the Founder shall hold a minimum of eighty percent (80%) and a maximum of ninety percent (90%) of the Company's share capital.

The pre-listing profits covering the nine month period ended 30 September 2017 are included in the financial statements appearing below.

On behalf of the Founder Committee

Date: 26 November 2017

The following are included in this announcement:

- Summary of the Audited Financial Statements of the Company as of and for the two years ended 31 December 2015 and 2016 and as of and for the nine months ended 30 September 2017 and the auditor's report thereon. The full Audited Financial Statements of the Company and the auditor's report thereon are available on https://investor.adnocdistribution.ae
- Certificate from the auditor regarding the latest material recent developments of the Company from 12 November 2017 until 23 November 2017.

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

1. Snapshot on the Establishment of the Company

Name of the Company: Abu Dhabi National Oil Company For Distribution PJSC

Primary objects of the Company: i. reporting of and trading in petroleum products, including natural gas, liquid gas, condensate, engine oils and other petroleum products; ii. storage, transportation, distribution, marketing and sale of petroleum products; iii. construction, ownership, possession and management of retail fuel and other product service stations, and providing related services; iv. incorporation of companies and acquisition of companies and entering into partnership agreements inside and outside the UAE; and v. any other activities required for the Company's operations.

Head office and branches: P.O. Box 4188, Abu Dhabi, United Arab Emirates

Details of trade register and date of engaging in the activity: CN 1002757 registered on 2 October 1973

Term of the Company: 100 years

Financial year: 1 January to 31 December

Major banks dealing with the Company: First Abu Dhabi Bank, Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank and Union National Bank

2. Strategies of the Company

The Company aims to grow its leading positions in its markets and to leverage its market position to selectively expand its product offering and geographic reach. To achieve its goals, the Company plans to pursue the following strategies:

- leverage the position of the Company as the leading fuel retailer in the UAE to introduce new services that the Company believes will enhance customer satisfaction, increase customer loyalty, and drive incremental full sale revenue and profitability;
- optimize operations and capital expenses to increase profitability;
- optimize convenience store operations and other non-fuel offerings to increase revenue and profitability;
- leverage the strength of the ADNOC brand name and the Company's well-developed fuel distribution infrastructure to expand and optimise its network of retail fuel service stations and convenience stores by selectively targeting new locations with attractive fundamentals and expanding into new geographies; and
- leverage long-standing relationships with the commercial, industrial and government customers of the Company to continue to grow revenue in its corporate division.

3. Relationship of the Company with any other companies (including subsidiary, sister or affiliate)



4. Securities previously issued by the Company

The Company has not issued any securities prior to listing its shares on Abu Dhabi Securities Exchange.

5. Members of the Board of Directors

The Board of Directors consists of the following directors, who have each been appointed for a three (3)-year term:

#	Name	Nationality	Position
1.	H.E. Dr. Sultan Ahmed Al Jaber	UAE	Non-executive Chairman
2.	Mr. Abdullah Salem Al Dhaheri	UAE	Non-executive Director
3.	Mr. Abdullaiz Abdulla Alhaghi	UAE	Non-executive Director
4.	Mr. Matar Hamdan Al Ameri	UAE	Non-executive Director
5.	Mr. Jassim Mohamed Alseddigi	UAE	Non-executive Independent Director
6.	Mr. Pedro Miró Roig	Spain	Non-executive Independent Director
7.	Mr. David-Emanuel Beau	France	Non-executive Independent Director

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

6. Members of Senior Management

The senior management of the Company consists of:

#	Name	Nationality	Position
1.	Mr. Saeed Mubarak Al Rashidi	UAE	Acting Chief Executive Officer and Senior Vice President, Technical
2.	Mr. John Carey	Ireland	Deputy Chief Executive Officer
3.	Mr. Petri Pentti	Finland	Chief Financial Officer
4.	Mr. José F. Aramburu	Spain	Senior Vice President, Corporate
5.	Mr. Nasser Al Al Hammadi	UAE	Senior Vice President, Retail
6.	Mr. Saleh Khamis Humaid	UAE	Senior Vice President, Operations

7. The ownership percentage of the members of the Board of Directors, senior management and their first degree relatives in the Company and its subsidiaries

None of the members of the Board of Directors, senior management or their first-degree relatives own any shares in the Company or its subsidiary.

8. List of the owners of 5% or more of the Company's shares and the number of shares owned:

Abu Dhabi National Oil Company (ADNOC)	100%
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9. Board of Directors' evaluation of the Company's performance and achievements in comparison with the objective plan

The current performance and achievements of the Company are in line with the expectations and forecast of the senior management of the Company.

10. The ownership percentage of non-UAE nationals in the capital of the Company

As of the date of this announcement, non-UAE nationals do not own any shares in the Company.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth below shows the Company's financial information as of and for the years ended 31 December 2015 and 2016 and as of and for the nine months ended 30 September 2017.

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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholder of Abu Dhabi National Oil Company for Distribution, Abu Dhabi, UAE

The summary carve-out financial statements, which comprise the summary carve-out statement of financial position as at 31 December 2016, the summary carve-out statement of profit or loss and comprehensive income, summary carve-out statement of changes in equity and summary carve-out cash flow statement for the year then ended, are derived from the audited 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") for the year ended 31 December 2016.

In our opinion, the accompanying summary carve-out financial statements are consistent, in all material respects, with the audited carve-out financial statements, in accordance with the accounting policies set out in note 3 to the audited carve-out financial statements.

Summary carve-out financial statements

The summary carve-out financial statements do not contain all the disclosures required in accordance with the accounting policies set out in note 3 to the audited carve-out financial statements. Reading the summary carve-out financial statements and auditor's report thereon, therefore, is not a substitute for reading the audited carve-out financial statements and auditor's report thereon. The summary carve-out financial statements and the audited carve-out financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited carve-out financial statements.

The audited carve-out financial statements and our reports thereon

We expressed an unmodified audit opinion on the audited carve-out financial statements in our report dated 12 October 2017. The report also includes an emphasis of matter related to basis of preparation that draws attention to notes 1 and 3 to the audited carve-out financial statements which describes that the audited 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 audited carve-out financial statements may not be suitable for another purpose.

Management's responsibility for the summary carve-out financial statements

Management is responsible for the preparation of the summary carve-out financial statements in accordance with the accounting policies set out in note 3 to the audited carve-out financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary carve-out financial statements are consistent, in all material respects, with the audited carve-out financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

Deloitte & Touche (M.E.)

Signed By: Rana Padmanabha Acharya
Registration Number 701

23 NOV 2017

Abu Dhabi, United Arab Emirates

SUMMARY CARVE-OUT STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	2016 AED'000	2015 AED'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,373,773	3,482,940
Advances to contractors	127,021	146,899
Accruals for property, plant and equipment	—	—
Advances to contractors transferred to property, plant and equipment	120,077	46,908
Additional capital contribution	6,304,418	—
Transfer of accumulated losses to due to a related party	36,215,583	—
Total non-current assets	4,500,794	3,629,839
Current assets		
Inventories	1,093,818	842,035
Trade receivables and other current assets	1,656,831	2,757,861
Due from related parties	353,390	320,694
Cash and bank balances	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

	2016 AED'000	2015 AED'000
Equity		
Share capital	1,000,000	1,000,000
Capital contribution	6,304,418	—
Legal reserve	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	238,928	278,259
Current liabilities		
Trade and other payables	1,115,047	1,062,315
Due to related parties	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

SUMMARY CARVE-OUT STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 AED'000	2015 AED'000
Revenue	17,670,071	21,220,026
Direct costs	(13,443,563)	(17,555,538)
Gross profit	4,226,508	3,664,488
Distribution and administrative expenses	(2,549,782)	(2,517,110)
Other income	160,995	216,578
Impairment losses and other operating expenses	(89,252)	(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	178.10	129.49

SUMMARY CARVE-OUT STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital AED'000	Capital contribution AED'000	Legal reserve AED'000	Retained earnings/(accumulated losses) AED'000	Total AED'000
Balance at 1 January 2015	1,000,000	-	200,000	(36,113,080)	(34,818,193)
Total comprehensive income for the year	-	-	-	1,294,887	1,294,887
Transfer to legal reserve	-	-	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	-	-	-	36,215,583	36,215,583
Additional capital contribution	-	6,304,418	-	-	6,304,418
Transfer to legal reserve	-	-	3,844	(3,844)	-
Balance at 31 December 2016	1,000,000	6,304,418	333,333	1,845,017	9,482,768

SUMMARY CARVE-OUT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 AED'000	2015 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	28,485	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	11,864	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)	(95,568)
Decrease in trade and other payables	(24,980)	(146,357)
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)

	2016 AED'000	2015 AED'000
Payments for advances to contractors	(100,199)	(60,493)
Proceeds from disposal of property, plant and equipment	3,138	5,564
Impairment received	2,491	3,031
Net cash used in investing activities	(1,134,724)	(832,164)
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	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	6,304,418	-
Transfer of accumulated losses to due to a related party	36,215,583	-

NOTE TO THE SUMMARY 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 LLC, (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 ("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.

The summary carve-out financial statements, which comprise the summary carve-out statement of financial position as at 31 December 2016, the summary carve-out statement of profit or loss and comprehensive income, summary carve-out statement of changes in equity and summary carve-out cash flow statement for the year then ended, are derived from the audited carve-out financial statements of the Group for the year ended 31 December 2016.

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