Third Quarter and Nine Months of 2022 Results

Management Discussion & Analysis Report

11 November 2022

Key Highlights: Record results in 9M 2022, with a positive outlook for Q4 2022 and beyond

9M 2022 Results

Fuel volumes

7,203 million liters

+6.5% y-o-y

Retail fuel volumes: +3.8% driven by country's ongoing economic activities growth and network expansion

Commercial fuel volumes: +12.6% driven by strong growth in the corporate business

Revenue

23,924 AED million

+62.8% y-o-y

driven by higher growth in total fuel volumes and selling prices (higher crude oil prices) as well as higher non-fuel business contribution

Gross profit

4,443 AED million

+23.7%* y-o-y

driven by higher fuel volumes and inventory gains as well as growth in the Non-Fuel Retail business

2,827 AED million

Retail fuel: +31.8%* y-o-y

driven by higher fuel volumes, as well as higher inventory gains of AED 488 million in 9M 2022 (9M 2021: AED 268 million)

478 AED million

Retail non-fuel: +8.7% y-o-y

driven by strong growth in non-fuel transactions, conversion rate in Q3 2022, convenience stores network expansion, improved customer offerings following revitalization of stores, marketing and promotion campaigns, and higher Food and Beverage (F&B) sales

1,138 AED million

Commercial: +13.0%* y-o-y

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

EBITDA

2,862 AED million

+26.4% y-o-y

driven by higher fuel volumes and inventory gains as well as higher contribution from non-fuel retail business

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

2,467 AED million

+22.3% y-o-y

driven by higher fuel volumes

Net profit

2,329 AED million

+38.5% y-o-y

driven by higher EBITDA and lower depreciation charges due to a change in estimated useful life of assets implemented in Q3 2022. For further details, please refer to page 6 of this document.

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

Strong cash generation and balance sheet – 9M 2022

2,249
AED million

Free cash flow (+26.6% y-o-y)
driven by robust cash flow from operating activities and a positive effect of the working capital change

The Company maintained a strong financial position at the end of September 2022 with **liquidity of AED 5.8 billion**, in the form of **AED 3.0 billion in cash and cash equivalents** and **AED 2.8 billion in unutilized credit facility**

0.68x

Net debt to EBITDA ratio
ADNOC Distribution's balance sheet remained strong with a Net debt to EBITDA ratio of 0.68x as of 30 September 2022

Successful refinancing
On 26 October 2022, the Company successfully refinanced a AED 5.5 billion ($1.5 billion) loan for a 5 year term ahead of the maturity date of its existing term loan (10 Nov. 2022) at competitive rates despite current market conditions. It also secured a Revolving Credit Facility (RCF) of AED 2.8 billion ($750 million) from ADNOC PJSC for a 5 year term at competitive rates, reaffirming ADNOC's support to ADNOC Distribution. The new term debt matures at the end of 2027 with no covenants in place

Operational highlights – 9M 2022

47 — **New stations in UAE and KSA**
Including 6 sites in Dubai

547 — **Total stations network**
481 in UAE (37 in Dubai)
66 in KSA

20 — **New convenience stores in UAE**

366 — **Total convenience stores network in UAE**

132 Million — **Fuel transactions**
+14.4% y-o-y

29 Million — **Non-Fuel transactions**
+17.6% y-o-y

Strategy Update: continued strong execution momentum

During the first nine months of 2022, ADNOC Distribution delivered strong results, demonstrating continued execution momentum on its Smart Growth Strategy. The Company remains committed to delivering on its growth initiatives and generating long-term shareholder value.

Fuel business (Retail and Commercial)

ADNOC Distribution's total fuel volumes continued to grow over the first nine months of 2022, with an increase of 7% year-on-year, supported by the ongoing economic activities expansion in UAE and strong growth in the corporate business. In addition, the Company continued to expand in Dubai and Saudi Arabia by adding new stations, resulting in incremental fuel volumes in 9M 2022 compared to the same period of 2021.

Network expansion: The Company accelerated delivery of its growth strategy throughout 9M 2022, with the opening of 47 new stations in the UAE and KSA, achieving c. 80% of its 2022 network expansion target.

- **Domestically:** ADNOC Distribution's UAE network grew to 481 retail fuel stations as of 30 September 2022. In the first nine months of 2022, the Company opened 21 new service stations in the UAE, out of which 6 were in Dubai. As a result, the company's service station network in Dubai expanded to 37 stations at the end of 9M 2022

  In Dubai, ADNOC Distribution recently opened its new flagship station in Dubai. The company's first station on Sheikh Zayed Road leverages advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive and seamless customer journey. The station also offers impressive sustainability credentials, being partially powered by renewable sources – including an energy-generating walkway in the first double-storey ADNOC Oasis convenience store

- **Internationally:** The Company continued to accelerate execution on its plans in the Kingdom of Saudi Arabia, with 26 new stations opened during the nine months of 2022, taking its total network in Saudi Arabia to 66 stations as of 30 September 2022. The Company is currently working on revitalization and rebranding its network in KSA

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

  The partnership with TotalEnergies, a leading global multi-energy company with a strong brand and successful track record in Egypt, includes a diversified portfolio comprising 240 fuel retail stations, 100+ convenience stores, 250+ lube changing stations, and car wash sites, as well as wholesale fuel, aviation fuel and lubricant operations. This move aligns with the Company's vision to establish ADNOC Distribution as a regional fuel distribution leader and will provide sizeable operations in one of the largest countries in MENA. The acquisition is expected to be earnings accretive to ADNOC Distribution from year one post closing.

Commercial business: the Company continued to maintain strong focus on proactive sales strategy during the first nine months of 2022, mainly in the Corporate business. ADNOC Distribution's corporate fuel volumes witnessed a 28% year-on-year increase compared to the same period of 2021. The total number of export network countries of ADNOC Distribution's VOYAGER lubricants portfolio also rose to 22 markets over the first nine months of the year compared to 17 markets in the same period last year. The company also launched a new ADNOC VOYAGER green series, an alternative 100% plant-based lubricant range for petrol and diesel engines.

Non-fuel business

The Company's UAE network of convenience stores increased to 366 as of 30 September 2022, which includes the addition of 20 new convenience stores in the UAE during nine months of 2022. The convenience stores revitalization program continued, with 11 stores refurbished in the UAE in 9M 2022, offering fresh food, barista-brewed coffee and a wider menu selection.

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

ADNOC Rewards loyalty program and Customer Focus

ADNOC Rewards loyalty program continued to add members in the first nine months of 2022, with more than 1.5 million members now enrolled and over 50 partner offers providing discounts and deals through the ADNOC Distribution app. The program has been expanded to include a fuel redemption option whereby customers can pay for their fuel with their ADNOC Rewards points.

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

Cost Optimization

ADNOC Distribution's operational expenditure (excl. depreciation) increased by 17.3% in the first nine months of 2022 compared to the same period in 2021, after an increase in its network by 18% year-on-year and associated operational costs. The Company continues to implement management initiatives to increase operational efficiency across all business units and prudent cost controls.

Over the period 2019-2021, the Company met its target of like-for-like OPEX savings of between AED 367 and 550 million over 2019-2023 by achieving like-for-like OPEX savings of AED 378 million over 2019-2021.

CAPEX

In line with the guidance and plans to continue with our expansion strategy, the Company incurred CAPEX (including accruals/provisions) of AED 744 million over nine months of 2022.

Change in Financial presentation

To ensure robust reporting and fair representation of operating expenses, during Q3 2022 ADNOC Distribution reclassified certain OPEX items and changed the accounting estimate of useful life of assets. The changes are effective from 1st January 2022. However, the full retrospective adjustments for 9M 2022 (c. AED 162 million OPEX reclassification to Cost of Goods Sold and AED 125 million reduction in depreciation charge) impacted the financials of Q3 2022, and will structurally reduce OPEX and depreciation charge going forward.

The changes include:

1. Reclassification of certain OPEX items into Cost of Goods Sold (COGS):
   - Fuel transport costs (the cost to transfer fuels from depots to retail stations)
   - Aviation related OPEX (costs incurred by ADNOC Distribution and recovered at a margin from ADNOC as per the Aviation Services Agreement which the Company entered with ADNOC at the time of the IPO)

2. Change in accounting estimate of useful life of assets:
   - As part of regular review of useful lives of assets mandated by International Financial Reporting Standards (IFRS), lives of certain assets have been extended in line with IAS 16. More details can be found in note 3 of ADNOC Distribution's financial statements for the period ended 30 September 2022

Eng. Bader Al Lamki – Chief Executive Officer:

"I am pleased with our strong financial and operational performance. We have demonstrated a growth trajectory and maintained robust cash generation with a strong balance sheet.

Meanwhile, the opening of our flagship service station in Dubai, has not only showcased our cutting-edge digital customer experience, but also reiterated our commitment to long-term sustainable growth and generating attractive shareholder returns.

We will continue to explore new growth opportunities that help us to business proof and support sustainable operations of our Company."

Outlook: Positive growth outlook expected to continue in Q4 2022 and beyond

With the strong 9M 2022 results, ADNOC Distribution's growth momentum is expected to continue through the fourth quarter and into 2023 on the back of volumes growth, domestic and international expansion and higher Non-Fuel Retail segment contribution. ADNOC Distribution remains committed to accelerating sustainable growth and shareholder value supported by strong balance sheet and robust cash generation, investment in electric vehicle chargers to capture new earnings growth opportunities, and distribution of attractive dividends supported by the solid earnings growth.

The company continues to execute on its growth commitment to reach min. AED 3.67 billion ($1bn) EBITDA by 2023.

Fuel business

New Stations: after adding 47 new stations in UAE and KSA during the first nine months of 2022, the Company expects delivery momentum to continue and fuel volumes growth to sustain over Q4 2022 and beyond. The Company remains on track to open 60 to 80 new stations in 2022.

Domestically, Dubai market remains at the heart of the Company's Smart Growth Strategy as it offers high potential for the Company to gain market share. The Company opened six stations in the first nine months of 2022 with an additional pipeline of more than 10 stations already approved for further development. Focus remains on high quality strategic locations in Dubai.

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

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

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

The transaction will give ADNOC Distribution access to profitable lubricants and commercial aviation businesses in Egypt with further growth upside, and it is expected to be earnings accretive to ADNOC Distribution from the first year post closing. The acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

Beyond that, the Company is evaluating a number of potential inorganic growth opportunities in international markets. ADNOC Distribution's focus is to ensure capital is allocated efficiently towards growth in value-accretive expansion that meets targeted rate of returns.

Non-fuel business

After witnessing strong momentum in the convenience stores revitalization program over 2020-2021, with 150 convenience stores revitalized, the Company continues to invest in offering customers a modern and engaging retail experience, in line with its ambitious non-fuel strategy. ADNOC Distribution will continue to progress on C-stores refurbishment in the fourth quarter of 2022 and 2023, focusing on offering a modern environment, improvement in category management, a better assortment of products, including fresh food and premium coffee, bundle offers and digital channels to order and transact.

Cost efficiency

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

The Company has already met its target of like-for-like OPEX savings of between AED 367-550 million over 2019-2023 by achieving like-for-like OPEX savings of AED 378 million over 2019-2021. ADNOC Distribution remains focused on achieving further operational excellence and expects to deliver like-for-like OPEX savings of approximately AED 92 million over the period from 2022 to 2023.

CAPEX

The Company is committed to pursuing expansion plans in a disciplined manner to deliver on its Smart Growth Strategy. It expects to invest approximately AED 918 million of CAPEX in 2022, to deliver on its growth plans. However, continued improvement will be made to increase CAPEX efficiency, including the rolling out of less capital intensive new station formats, such as ‘ADNOC On the go’. Our CAPEX guidance does not include any potential M&A opportunities.

Dividend Policy

The Company's robust and continued growth has enabled a progressive dividend policy for the shareholders. ADNOC Distribution remains confident in the delivery of its strategic commitments and sustainable returns for its shareholders.

ADNOC Distribution's dividend policy sets a dividend of:

- For 2022: a minimum of AED 2.57 billion (20.57 fils per share) cash dividend, offering an annual dividend yield of 4.6% for 2022 (based on a share price of AED 4.47 as of 10th November 2022)

  The Company paid a dividend of AED 1.285 billion (10.285 fils per share) for the first half of 2022 in October 2022 and expects to pay a dividend of minimum AED 1.285 billion (10.285 fils per share) for the second half of 2022 in April 2023, subject to the discretion of Company's Board of Directors and to shareholders' approval

- For 2023 onwards: a dividend equal to at least 75% of distributable profits, subject to shareholders' approval

The Company's financial position remained strong at the end of September 2022 (cash & equivalent of AED 3.0 billion, retained earnings of AED 1.5 billion and Net debt to EBITDA of 0.68x at the end of September 2022).

In accordance with our approved dividend policy, we expect to continue to pay half of the annual dividend in October of the relevant year and the second half to be paid in April of the following year. The payment of dividend is subject to the discretion of ADNOC Distribution's Board of Directors and to shareholders' approval.

Financial summary: strong financial results

AED millions	Q3-22	Q2-22	*QoQ %*	Q3-21[(5)]	*YoY %*	9M 2022	9M 2021[(5)]	*YoY%*
Revenue	8,551	8,637	*-1.0%*	5,398	*58.4%*	23,924	14,698	*62.8%*
Gross profit	1,277	1,717	*-25.6%*[(4)]	1,152	*10.8%*	4,443	3,591	*23.7%*
Margin	*14.9%*	*19.9%*		*21.3%*		*18.6%*	*24.4%*	
EBITDA	868	1,113	*-22.0%*	737	*17.8%*	2,862	2,265	*26.4%*
Margin	*10.2%*	*12.9%*		*13.6%*		*12.0%*	*15.4%*	
Underlying EBITDA[1]	802	898	*-10.7%*	617	*30.0%*	2,467	2,017	*22.3%*
Operating profit	817	939	*-13.0%*	580	*40.8%*	2,474	1,817	*36.2%*
Net profit	767	891	*-14.0%*	529	*44.9%*	2,329	1,681	*38.5%*
Margin	*9.0%*	*10.3%*		*9.8%*		*9.7%*	*11.4%*	
Earnings per share (AED/share)	0.06	0.071	*-14.0%*	0.042	*44.9%*	0.186	0.134	*38.5%*
Net cash generated from operating activities	570	350	*62.8%*	-551	*NM*	2,986	2,241	*33.2%*
Capital expenditures	331	217	*52.4%*	148	*124.2%*	744	409	*82.1%*
Free Cash Flow[2]	291	92	*217.5%*	-720	*NM*	2,249	1,777	*26.6%*
Total equity	3,024	3,533	*-14.4%*	2,647	*14.2%*	3,024	2,647	*14.2%*
Net debt[3]	2,501	2,717	*-7.9%*	2,358	*6.1%*	2,501	2,358	*6.1%*
Capital employed	9,985	10,450	*-4.4%*	9,211	*8.4%*	9,985	9,211	*8.4%*
Return on capital employed (ROCE)	*30.9%*	*27.3%*		*29.5%*		*30.9%*	*29.5%*	
Return on equity (ROE)	*95.9%*	*75.3%*		*95.7%*		*95.9%*	*95.7%*	
Net debt to EBITDA ratio[3]	*0.68*	*0.77*		*0.71*		*0.68*	*0.71*	
Leverage ratio[3]	*45.3%*	*43.5%*		*47.1%*		*45.3%*	*47.1%*	

NM: Not meaningful
(1) Underlying EBITDA is defined as EBITDA excluding Inventory gains/losses and one-off gains/losses
(2) Free Cash Flow is defined as Net cash generated from operating activities less payments for purchase of property, plant & equipment and advances to contractors
(3) Cash and bank balances used for Net Debt calculation includes term deposits with banks
(4) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(5) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)
Notes:
See the Glossary for the calculation of certain metrics referred to above

Operating and Financial Review

Fuel Volumes

Q3 2022 total fuel volumes sold reached 2,322 million liters, increasing by 1.9% compared to Q3 2021. In Q3 2022, Retail fuel volumes sold declined by 1.9% year-on-year due to more residents travelling outside of UAE during summer holidays compared to the same period of 2021 and higher pump prices. Q3 2022 Commercial fuel volumes increased by 11.1% year-on-year driven by a strong growth of 28.9% in corporate volumes, partially offset by a reduction of 69.4% year-on-year in Aviation volumes due to lower uptake from strategic aviation customers.

Compared to Q2 2022, Q3 2022 total fuel volumes declined by 4.1% due to a 10.0% decline in Commercial fuel volumes which can be attributed to reduced trading activity in the Corporate business and lower uptake from strategic aviation customers in the Aviation segment.

9M 2022 total fuel volumes sold reached 7,203 million liters, an increase of 6.5% year-on-year. Retail fuel volumes increased by 3.8% in 9M 2022, while Commercial fuel volumes increased by 12.6% year-on-year, mainly driven by a 27.4% increase in Corporate volumes. This was partially offset by a 54.8% decline in Aviation volumes.

Fuel volumes by segment *(million liters)*	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Retail (B2C)	**1,583**	**1,601**	***-1.1%***	**1,614**	***-1.9%***	**4,839**	**4,664**	***3.8%***
Commercial (B2B)	**739**	**821**	***-10.0%***	**665**	***11.1%***	**2,364**	**2,098**	***12.6%***
Of which Corporate	702	778	*-9.7%*	545	*28.9%*	2,193	1,721	*27.4%*
Of which Aviation	37	43	*-15.2%*	120	*-69.4%*	170	377	*-54.8%*
Total	**2,322**	**2,422**	***-4.1%***	**2,279**	***1.9%***	**7,203**	**6,763**	***6.5%***

Fuel volumes by product *(million liters)*	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Gasoline (1)	1,451	1,476	*-1.7%*	1,459	*-0.5%*	4,453	4,235	*5.2%*
Diesel	668	725	*-7.9%*	553	*20.8%*	2,052	1,689	*21.5%*
Aviation products	37	43	*-15.2%*	120	*-69.4%*	170	377	*-54.8%*
Others (2)	166	177	*-6.4%*	147	*13.1%*	528	462	*14.2%*
Total	**2,322**	**2,422**	***-4.1%***	**2,279**	***1.9%***	**7,203**	**6,763**	***6.5%***

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

Results

Q3 2022 revenue increased by 58.4% year-on-year to AED 8,551 million. The increase in revenue was driven by higher selling prices as a result of higher crude oil prices and growth in fuel volumes and higher contribution of non-fuel business.

Q3 2022 Gross profit increased by 10.8% year-on-year to AED 1,277 million, mainly driven by higher fuel volumes, growth in Non-Fuel Retail business as well as higher inventory gains of AED 88 million in in the fuel retail business in Q3 2022 versus inventory gains of AED 73 million in Q3 2021.

Q3 2022 reported EBITDA increased by 17.8% year-on-year to AED 868 million, mainly driven by higher fuel volumes and inventory gains.

Q3 2022 Underlying EBITDA (EBITDA excluding inventory losses/gains and one-offs) increased by 30.0% year-on-year to AED 802 million, mainly driven by higher fuel volumes.

Q3 2022 Net profit increased by 44.9% year-on-year to AED 767 million, driven by higher EBITDA and lower depreciation charges in Q3 2022, due to a change in accounting estimates related to useful life of assets that was implemented in Q3 2022. The change resulted in a reduction of AED 125 million in depreciation for 9M 2022 with a full impact reflected in Q3 2022.

9M 2022 Revenue increased by 62.8% year-on-year to AED 23,925 million. The increase in revenue was driven by growth in fuel volumes, higher selling prices as a result of higher crude oil prices as well as higher contribution of non-fuel business.

9M 2022 Gross profit increased by 23.7% year-on-year to AED 4,443 million, mainly driven by higher fuel volumes, growth in Non-Fuel Retail business as well as higher inventory gains of AED 488 million in 9M 2022 versus inventory gains of AED 268 million in 9M 2021.

9M 2022 reported EBITDA increased by 26.4% year-on-year to AED 2,862 million, mainly driven by higher fuel volumes and inventory gains.

9M 2022 Underlying EBITDA (EBITDA excluding inventory losses/gains and one-offs) increased by 22.3% year-on-year to AED 2,467 million, mainly driven by higher fuel volumes.

9M 2022 Net profit increased by 38.5% year-on-year to AED 2,329 million, driven by higher EBITDA and lower depreciation charges, as explained above.

Revenue by segment *(AED millions)*	**Q3-22**	**Q2-22**	***QoQ %***	**Q3-21**	***YoY %***	**9M 2022**	**9M 2021**	***YoY %***
Retail (B2C)	**5,843**	**5,718**	***2.2%***	**3,910**	***49.4%***	**16,162**	**10,380**	***55.7%***
Of which Fuel Retail	5,560	5,447	*2.1%*	3,642	*52.7%*	15,324	9,577	*60.0%*
Of which Non-Fuel Retail(1)	282	271	*4.3%*	268	*5.3%*	838	804	*4.3%*
Commercial (B2B)	**2,708**	**2,919**	***-7.2%***	**1,488**	***81.9%***	**7,763**	**4,318**	***79.8%***
Of which Corporate	2,476	2,676	*-7.5%*	1,142	*116.8%*	6,972	3,329	*109.4%*
Of which Aviation	232	243	*-4.8%*	345	*-33.0%*	791	989	*-20.0%*
Total	**8,551**	**8,637**	***-1.0%***	**5,398**	***58.4%***	**23,924**	**14,698**	***62.8%***

Gross profit by segment *(AED millions)*	**Q3-22**	**Q2-22**	***QoQ %***	**Q3-21(4)**	***YoY %***	**9M 2022**	**9M 2021(4)**	***YoY %***
Retail (B2C)	**1,015**	**1,250**	***-18.8%(3)***	**827**	***22.8%***	**3,304**	**2,584**	***27.9%***
Of which Fuel Retail	852	1,094	*-22.1%(3)*	674	*26.3%*	2,827	2,144	*31.8%*
Of which Non-Fuel Retail(1)	163	156	*4.8%*	153	*7.0%*	478	440	*8.7%*
Commercial (B2B)	**262**	**467**	***-43.9%(3)***	**325**	***-19.5%***	**1,138**	**1,007**	***13.0%***
Of which Corporate	273	361	*-24.3%*	224	*21.8%*	925	713	*29.8%*
Of which Aviation	-11	106	*NM*	101	*NM*	213	294	*-27.6%*
Total	**1,277**	**1,717**	***-25.6%(3)***	**1,152**	***10.8%***	**4,443**	**3,591**	***23.7%***

EBITDA by Segment *(AED millions)*	**Q3-22**	**Q2-22**	***QoQ %***	**Q3-21**	***YoY %***	**9M 2022**	**9M 2021**	***YoY %***
Retail (B2C)	**623**	**777**	***-19.8%***	**484**	***28.6%***	**1,998**	**1,489**	***34.2%***
Commercial (B2B)	**244**	**336**	***-27.3%***	**253**	***-3.5%***	**862**	**780**	***10.6%***
Of which Corporate	219	298	*-26.5%*	178	*23.0%*	748	569	*31.5%*
Of which Aviation	25	38	*-33.6%*	75	*-66.4%*	114	207	*-45.1%*
Unallocated(2)	1	1	*-2.4%*	0	*NM*	2	-4	*NM*
Total	**868**	**1,113**	***-22.0%***	**737**	***17.8%***	**2,862**	**2,265**	***26.4%***

NM: Not meaningful
(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection
(2) Unallocated includes other operating income/expenses not allocated to specific segment
(3) Change is partially due to reclassification of certain OPEX items to Costs of Goods Sold (COGS)
(4) For comparable purposes, prior year periods OPEX were reclassified (refer to page 6 for details)

Distribution and administrative expenses

Q3 2022 distribution and administrative expenses were AED 483 million, a decrease of 16.8% compared to Q3 2021, mainly as a result of the retrospective adjustments related to 9M 2022 that were implemented in Q3 2022, after the reclassification of certain OPEX items into COGS and the change in accounting estimate of useful life of assets.

Excluding depreciation, OPEX increased by 1.8% y-o-y in Q3 2022 after an 18% year-on-year increase in the Company's network and associated staff costs and other expenses, this was accompanied with the retrospective adjustments related to 9M 2022 that were implemented in Q3 2022, related to the reclassification of certain OPEX items into COGS.

9M 2022 distribution and administrative expenses were AED 1,999 million, an increase of 9.7% compared to 9M 2021 after an increase in the Company's network and associated costs. The increase was partially offset by a lower depreciation charge as a result of the change in accounting estimate of useful life of assets as well as the impact of the OPEX reclassification implemented in Q3 2022.

Excluding depreciation, OPEX increased by 17.3% y-o-y in 9M 2022, in line with an 18% year-on-year increase in the Company's network and associated staff costs and other expenses.

AED millions	**Q3-22**	**Q2-22**	***QoQ %***	**Q3-21(3)**	***YoY %***	**9M 2022**	**9M 2021(3)**	***YoY %***
Staff costs	302	405	*-25.5%(2)*	285	*6.0%*	1,100	950	*15.7%*
Depreciation	51	174	*-70.5%(4)*	157	*-67.2%(4)*	388	448	*-13.4%(4)*
Repairs, maintenance and consumables	41	39	*5.3%(2)*	32	*25.3%*	125	115	*8.4%*
Distribution and marketing expenses	-7	24	*NM(2)*	10	*NM*	46	26	*72.7%*
Utilities	33	68	*-52.1%*	50	*-34.8%*	141	143	*-1.6%*
Insurance	6	4	*27.8%*	3	*95.7%*	14	8	*78.1%*
Others[1]	59	69	*-15.2%*	44	*33.8%*	186	131	*41.9%*
Total	**483**	**783**	***-38.3%(2)(4)***	**581**	***-16.8%***	**1,999**	**1,822**	***9.7%***

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

Capital expenditures

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

In Q3 2022, total CAPEX more than doubled compared to Q3 2021 mainly driven by the higher CAPEX on the development and construction of new service stations (c.75% of total CAPEX) as well as due to higher machinery and equipment capital expenditures.
In 9M 2022, total CAPEX increased by 82% compared the same period of last year, driven by higher CAPEX on service stations, industrial projects and machinery and equipment.

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

AED millions	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Service stations projects	242	154	*56.9%*	96	*152.2%*	523	286	*82.9%*
Industrial projects	27	26	*6.8%*	25	*9.3%*	90	53	*67.7%*
Machinery and equipment	26	13	*93.6%*	6	*342.5%*	50	12	*312.8%*
Distribution fleet	6	0	*NM*	0	*NM*	10	0	*NM*
Technology infrastructure	25	17	*44.0%*	20	*22.3%*	58	55	*5.3%*
Office furniture and equipment	5	7	*-24.4%*	1	*NM*	14	2	*NM*
Total	**331**	**217**	***52.4%***	**148**	***124.2%***	**744**	**409**	***82.1%***

NM: Not meaningful

Business segments operating review

Retail Segment – B2C (Fuel and Non-Fuel)

Volumes

Q3 2022 retail fuel volumes sold declined by 1.9% y-o-y, as a result of high pump prices that temporarily impacted the consumer demand for retail fuel in the period. Q3 2022 also saw more residents travelling outside of UAE during summer holidays compared to Q3 2021, which had been negatively impacted by COVID-19 travel restrictions.

9M 2022 retail fuel volumes sold increased by 3.8% y-o-y as a result of the country's ongoing economic growth. In addition, the Company continued to expand in Saudi Arabia and Dubai by adding new stations, resulting in incremental fuel volumes in 9M 2022 compared to the same period of 2021.

Retail Segment volumes (million liters)	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Gasoline	1,385	1,411	*-1.8%*	1,440	*-3.8%*	4,257	4,158	*2.4%*
Diesel	147	140	*5.1%*	133	*10.7%*	435	381	*14.2%*
Other (1)	50	50	*1.7%*	41	*24.3%*	147	125	*17.4%*
Total	**1,583**	**1,601**	***-1.1%***	**1,614**	***-1.9%***	**4,839**	**4,664**	***3.8%***

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

Results

Q3 2022 retail segment revenue increased by 49.4% compared to Q3 2021, driven by an increase in pump prices and non-fuel retail revenue, partially offset by lower retail fuel volumes.

Q3 2022 retail segment Gross profit increased by 22.8% compared to Q3 2021, driven by higher inventory gains in the retail fuel business and non-fuel business growth. The Fuel retail business Gross profit increased by 26.3% year-on-year, mainly driven by inventory gains of AED 88 million in Q3 2022 (versus inventory gains of AED 73 million in Q3 2021). Non-fuel retail Gross profit rose by 7.0% in Q3 2022 compared to Q3 2021, driven by growth in non-fuel transactions, higher conversion rate, more convenience stores, improvement in margins and enhanced customer offerings.

Q3 2022 retail segment EBITDA increased by 28.6% compared to Q3 2021, mainly driven by higher inventory gains and growth in non-fuel business, partially offset by lower retail fuel volumes.

9M 2022 retail segment revenue increased by 55.7% compared to 9M 2021, driven by an increase in pump prices and, fuel volumes growth and increase in non-fuel revenues.

9M 2022 retail segment Gross profit increased by 27.9% compared to 9M 2021, driven by higher retail fuel volumes, inventory gains and non-fuel business growth. The Fuel retail business Gross profit increased by 31.8% year-on-year, mainly driven by higher fuel volumes and inventory gains of AED 488 million in 9M 2022 (versus inventory gains of AED 268 million in 9M 2021). Non-fuel retail Gross profit rose by 8.7% in 9M 2022 compared to 9M 2021, driven by growth in non-fuel transactions, higher number of convenience stores, improvement in margins and improved customer offerings.

9M 2022 retail segment EBITDA increased by 34.2% compared to 9M 2021, mainly driven by higher retail fuel volumes, inventory gains and growth in non-fuel business.

Retail Segment (AED million)	Q3-22	Q2-22	*QoQ %*	Q3-21[3]	*YoY %*	9M 2022	9M 2021[3]	*YoY %*
Revenue	**5,843**	**5,718**	**2.2%**	**3,910**	**49.4%**	**16,162**	**10,380**	**55.7%**
Of which Fuel Retail	5,560	5,447	2.1%	3,642	52.7%	15,324	9,577	60.0%
Of which Non-Fuel Retail[1]	282	271	4.3%	268	5.3%	838	804	4.3%
Gross profit	**1,015**	**1,250**	**-18.8%[2]**	**827**	**22.8%**	**3,304**	**2,584**	**27.9%**
Of which Fuel Retail	852	1,094	-22.1%[2]	674	26.3%	2,827	2,144	31.8%
Of which Non-Fuel Retail[1]	163	156	4.8%	153	7.0%	478	440	8.7%
EBITDA	**623**	**777**	**-19.8%**	**484**	**28.6%**	**1,998**	**1,489**	**34.2%**
Operating profit	578	618	-6.4%	342	68.8%	1,646	1,087	51.5%
Capital expenditures	212	141	50.1%	122	73.4%	430	331	30.2%

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

Other operating metrics

Q3 2022 and 9M 2022 fuel transactions increased by 7.9% and 14.4%, respectively, compared to the same periods of 2021 on the back of network expansion, improving customer sentiment, as well as a result of the country's ongoing economic growth and further ease in mobility and global travel restrictions.

Fuel operating metrics	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Number of service stations - UAE [1]	481	472	*1.9%*	459	*4.8%*	481*	459	*4.8%*
Number of service stations - Saudi Arabia [1] [2]	66	66	*NM*	5	*NM*	66	5	*NM*
Total number of service stations	**547**	**538**	***1.7%***	**464**	***17.9%***	**547**	**464**	***17.9%***
Total Throughput per station (million liters)	2.9	3.0	*-2.8%*	3.5	*-16.8%*	8.8	10.1	*-12.0%*
Number of fuel transactions (millions) - UAE	44.5	45.3	*-1.7%*	41.2	*7.9%*	132.5	115.8	*14.4%*

NM: Not meaningful
(1) At end of period.
(2) Includes one franchised site
* Two old station were closed during 9M 2022

Q3 2022 and 9M 2022 Non-fuel transactions increased by 17.0% and 17.6%, respectively year-on-year driven by improving consumer sentiment, increase in number of convenience stores, enhanced customer offerings following the revitalization of our stores and marketing and promotion campaigns under ADNOC Rewards loyalty program to attract higher footfall and increase customer spending.

The convenience stores revenues increased by 6.4% in Q3 2022 compared to Q3 2021, and by 9.8% in 9M 2022 compared to 9M 2021, mainly driven by higher transactions compared to the same periods of last year. Q3 2022 and 9M 2022 convenience stores Gross profit increased by 14.9% and 17.3%, respectively year-on-year driven by higher transactions and improvement in margins. The convenience stores business margins improved as a result of enhanced customer offerings following revitalization of our stores, marketing and promotion campaigns as well as the higher F&B sales.

Average gross basket size declined by 5.4% year-on-year in Q3 2022 and by 5.0% year-on-year in 9M 2022 after a double digit year-on-year rise during the peak of COVID-19 pandemic as customers visited less during pandemic restrictions but bought more during each visit. However, average gross basket size is still above pre-pandemic levels, driven by customer centric initiatives.

In its property management business, the Company continues to transition its tenancy business to a revenue sharing model to maximize revenue and profitability. The number of occupied properties increased by 8.4% year-on-year in both Q3 2022 and 9M 2022 driven by proactive non-fuel growth strategy to bring in new tenants.

The number of vehicles inspected (fresh tests) in the Company's vehicle inspection centers increased by 4.2% in Q3 2022 compared to Q3 2021, and by 5.1% in 9M 2022 compared to 9M 2021, driven by a higher number of vehicle inspection centers.

Non-Fuel operating metrics	**Q3-22**	**Q2-22**	***QoQ %***	**Q3-21**	***YoY %***	**9M 2022**	**9M 2021**	***YoY %***
Total number of non-fuel transactions (millions) – UAE (2)	9.9	9.4	*4.9%*	8.4	*17.0%*	28.8	24.5	*17.6%*
Number of convenience stores - UAE (1)	366	359	*1.9%*	342	*7.0%*	366	342	*7.0%*
Convenience stores revenue (AED million)	180	169	*6.5%*	169	*6.4%*	529	481	*9.8%*
Convenience stores Gross profit (AED million)	65	58	*12.1%*	57	*14.9%*	183	156	*17.3%*
Margin	*36.4%*	*34.6%*		*33.7%*		*34.6%*	*32.4%*	
Conversion rate % (3)	18%	17%		17%		18%	18%	
Average basket size (AED) (4)	21.6	21.6	*0.1%*	23.6	*-8.7%*	21.9	23.6	*-7.2%*
Average gross basket size (AED)(5)	24.9	24.9	*-0.2%*	26.3	*-5.4%*	25.4	26.7	*-5.0%*
Number of Property Management tenants (1)	317	330	*-3.9%*	297	*6.7%*	317	297	*6.7%*
Number of occupied properties for rent (1)	1,003	999	*0.4%*	925	*8.4%*	1,003	925	*8.4%*
Number of vehicle inspection centers (1) (6)	32	31	*3.2%*	29	*10.3%*	32	29	*10.3%*
Number of vehicles inspected (fresh tests) (thousands)	208	202	*3.0%*	199	*4.2%*	633	602	*5.1%*
Other vehicle inspection transactions (thousands)(7)	69	67	*3.6%*	67	*3.3%*	221	204	*8.1%*

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

Commercial Segment – B2B (Corporate and Aviation)

Volumes

Q3 2022 Commercial fuel volumes increased by 11.1% compared to Q3 2021, driven by a 28.9% year-on-year increase in the Corporate volumes. The higher Corporate volumes were partially offset by a significant decline in the Aviation fuel volumes sold to strategic customers.

9M 2022 Commercial fuel volumes increased by 12.6% year-on-year, driven by Corporate business. Corporate fuel volumes increased by 27.4% year-on-year, partially driven by the new sales agreements confirmed in the Q4 2021. On the other hand, Aviation fuel volumes sold to strategic customers decreased by 54.8% year-on-year.

Commercial Segment volumes (million liters)	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Gasoline	66	66	*1.2%*	19	*254.9%*	196	77	*154.6%*
Diesel	520	584	*-11.0%*	420	*24.0%*	1,617	1,308	*23.6%*
Aviation	37	43	*-15.2%*	120	*-69.4%*	170	377	*-54.8%*
Other (1)	115	128	*-9.6%*	106	*8.8%*	381	337	*13.1%*
Total	**739**	**821**	***-10.0%***	**665**	***11.1%***	**2,364**	**2,098**	***12.6%***

(1) Includes LPG, lubricants and base oil.

Results

Q3 2022 Commercial segment revenue increased by 81.9% compared to Q3 2021, mainly driven by Corporate business revenue which more than doubled in Q3 2022 on the back of higher selling prices as a result of increase in crude oil prices and growth in Corporate fuel volumes. This was partially offset by a decline in Aviation revenues due to lower Aviation volumes.

Q3 2022 Commercial segment Gross profit declined by 19.5% compared to Q3 2021 as a result of a significant decline in the Aviation business fuel volumes sold to strategic customers. In addition, there was a one-off charge relating to reclassification of the Aviation business OPEX to COGS from 1 January 2022 of AED 115 million which was fully accounted for in Q3 2022. Excluding the impact of this reclassification, Q3 2022 Aviation business Gross profit would amount to AED 104 million.

Q3 2022 Commercial segment EBITDA declined by 3.5% year-on-year, due to lower aviation volumes, which was not fully offset by the higher Corporate volumes.

9M 2022 Commercial segment revenue increased by 79.8% compared to 9M 2022, mainly driven by higher Corporate business revenue, partially offset by a decline in Aviation revenues due to lower aviation volumes.

9M 2022 Commercial segment Gross profit increased by 13.0% compared to 9M 2021 driven by higher Corporate fuel volumes, partially offset by lower Aviation volumes and Gross profit.

9M 2022 Commercial segment EBITDA increased by 10.6% year-on-year, driven by higher Corporate volumes, partially offset by lower aviation volumes.

Commercial Segment (AED million)	Q3-22	Q2-22	*QoQ %*	Q3-21	*YoY %*	9M 2022	9M 2021	*YoY %*
Revenue	**2,708**	**2,919**	***-7.2%***	**1,488**	***81.9%***	**7,763**	**4,318**	***79.8%***
Of which Corporate	2,476	2,676	*-7.5%*	1,142	*116.8%*	6,972	3,329	*109.4%*
Of which Aviation	232	243	*-4.8%*	345	*-33.0%*	791	989	*-20.0%*
Gross profit	**262**	**467**	***-43.9%(1)***	**325(2)**	***-19.5%***	**1,138**	**1,007(2)**	***13.0%***
Of which Corporate	273	361	*-24.3%*	224	*21.8%*	925	713	*29.8%*
Of which Aviation	-11	106	*NM(1)*	101(2)	*NM*	213	294(2)	*-27.6%*
EBITDA	**244**	**336**	***-27.3%***	**253**	***-3.5%***	**862**	**780**	***10.6%***
Operating profit	238	321	*-25.8%*	238	*-0.1%*	826	734	*12.6%*
Capital expenditures	1	0	*NM*	4	*-75.6%*	4	22	*-80.7%*

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

Share trading and ownership

Our shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST. The closing share price as of 30 September 2022 was AED 4.44. In the period from 1 January 2022 through 30 September 2022, the share price ranged between AED 3.95 and AED 4.85 at close. Our market capitalization was AED 55.5 billion as of 30 September 2022. An average of 13 million shares traded daily in 9M 2022 (0.6x 2021 level). In 9M 2022, the average daily traded value of our shares was approximately AED 55 million (0.7x 2021 level).

As of 30 September 2022, ADNOC owned 77%, while 23% of our outstanding shares were publicly owned by institutional and retail investors.

Potential risks

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

Q3 2022 Earnings conference call details

A conference call in English for investors and analysts will be held on Friday, November 11, 2022, at 5 p.m. UAE / 1 p.m. London / 8 a.m. New York. To access the management presentation, followed by a Q&A session, please connect through one of the following methods:

Webcast

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

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

Audio Call Dial in Details:

UAE (Toll Free): 8000 3570 2606

KSA (Toll Free): 800 844 5726

UK (Toll Free): 0800 358 6374

US (Toll Free): 800-289-0462

Passcode: 126940

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

The presentation materials will be available for download in English on Friday, November 11, 2022 at https://www.adnocdistribution.ae/en/investor-relations/investor-relations/downloads/

Reporting date for the Fourth quarter 2022

We expect to announce our fourth quarter and full year 2022 results on or around February 10, 2022.

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November 11, 2022
ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

Glossary

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

Cautionary Statement Regarding Forward-Looking Statements

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