Fourth Quarter and Full Year 2023 Results

Management Discussion & Analysis Report

7 February 2024

Key highlights: delivery on a critical commitment to capital markets with a new EBITDA record in 2023

Total fuel volumes – 2023

13.8
billion liters

+40.1% Y-o-Y

Retail: +44.9%, mainly attributable to consolidation of TotalEnergies Marketing Egypt

Commercial: +30.6%, mainly attributable to consolidation of TotalEnergies Marketing Egypt

11.0
billion liters sold in the UAE and KSA

+11.8% Y-o-Y

Retail: +9.6% supported by higher mobility, sustained momentum in the region's economic growth, network expansion and higher contribution from KSA operations

Commercial: +16.2% on a strong growth in corporate business and new contracts signed throughout 2022 and 2023

Revenue – 2023

34,629
AED million

+7.8% Y-o-Y
driven by growth in fuel volumes and higher non-fuel retail segment contribution, partially offset by lower pump prices as a result of lower oil prices in 2023 compared to 2022

Gross profit – 2023

5,836
AED million

+3.0% Y-o-Y

despite lower inventory gains of AED 339 million in 2023 compared to inventory gains of AED 622 million in 2022 in a fast rising oil price environment

3,735
AED million

Fuel retail: +4.0% Y-o-Y

Supported by higher retail fuel volumes, partially offset by a reduction in inventory gains from AED 489 million in 2022 in a fast rising oil price environment to AED 334 million in 2023

764
AED million

Non-fuel retail: +19.6% Y-o-Y

supported by a strong growth in non-fuel transactions, record-high level of convenience store conversion rate in four years, improved customer offerings following revitalization of stores, marketing and promotion campaigns, and higher Food and Beverage (F&B) sales

1,337
AED million

Commercial: -6.9% Y-o-Y

growth in corporate fuel volumes offset by a margin reduction and a decrease of inventory gains from AED 133 million in 2022 in a fast rising oil price environment to AED 6 million in 2023

EBITDA – 2023

3,680
AED million

+4.6% Y-o-Y

despite lower inventory gains in 2023 vs. 2022

Underlying EBITDA (EBITDA excl. inventory movements) – 2023

3,340
AED million

+15.4% Y-o-Y

driven by volume growth, higher contribution from non-fuel retail business and international activities (KSA and Egypt) as well as company-wide efficiency improvement initiatives

Net profit attributable to equity holders – 2023

2,601
AED million

-5.4% Y-o-Y

due to lower inventory gains in 2023 vs. 2022

Net profit excl. inventory movements – 2023

2,262
AED million

+6.4% Y-o-Y

despite higher finance costs, supported by volume growth, higher contribution from non-fuel retail business and international activities (KSA and Egypt) and company-wide efficiency improvement initiatives

Robust cash flow generation and balance sheet – 2023

4,025
AED million

Free cash flow

ADNOC Distribution increased free cash flow by 18.7% Y-o-Y and maintained a strong financial position at the end of December 2023 with liquidity of AED 6 billion, in the form of AED 3.2 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility

0.62x

Net debt to EBITDA ratio

balance sheet remained strong with a Net debt to EBITDA ratio of 0.62x as of 31 December 2023 (0.78x as of 31 December 2022)

Operational highlights – 2023

41

New stations

in the UAE, KSA and Egypt

840

Total stations network

529 in UAE
68 in KSA
243 in Egypt*

359

Convenience stores network in the UAE

179.7
million

Fuel transactions in the UAE

+1.7% Y-o-Y

44.8
Million

Non-fuel transactions in the UAE

+12.9% Y-o-Y

53

EV fast charging points installed in the UAE stations

24.7%
+300 bps

Convenience store conversion rate in the UAE

Compared to 21.7% in 2022

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

ADNOC Distribution delivered on a critical commitment to the capital markets and generated record-high EBITDA in 2023

In 2023, ADNOC Distribution achieved the highest ever EBITDA of AED 3,680 million, an increase of 4.6% year-on-year. Net profit of AED 2,601 million, while down 5.4% year-on-year, fully covers the dividend for 2023 of AED 2.57 billion as per the dividend policy(*). Underlying EBITDA grew by 15.4% year-on-year to AED 3,340 million, and net profit excluding inventory movements increased by 6.4% year-on-year to AED 2,262 million despite higher depreciation charge and finance costs. This financial performance was supported by a double-digit growth in fuel volumes and a number of non-fuel transactions, growing contribution from international operations (KSA and Egypt) and efficiency improvement initiatives. Strong underlying profitability contributed to the growth in free cashflow generation of 18.7% to AED 4,025 million in 2023. Together with a robust balance sheet (net debt/EBITDA of 0.62x as of 31 December 2023) this provides support to future growth prospects in line with the new 2024-28 strategy recently approved by the Board of Directors. ADNOC Distribution will communicate new targets during the upcoming Capital Markets Day in February 2024.

(*) subject to shareholders' approval

Fuel business (retail and commercial)

ADNOC Distribution's UAE and KSA retail and corporate fuel volumes increased in 2023 by 11.8% year-on-year to a new record of above 11 billion liters supported by region's economic growth and higher mobility. New stations in Dubai and network renovation in Saudi Arabia resulted in incremental retail fuel volumes. This, together with economic growth momentum and higher mobility led to a 9.6% increase in retail fuel volumes in the UAE and KSA compared to 2022. Including operations in Egypt, ADNOC Distribution recorded a 40.1% year-on-year increase in the total fuel volumes to nearly 14 billion liters.

Network expansion: ADNOC Distribution continued to expand its retail fuel network in 2023 by adding 41 new stations, and exceeded a full-year 2023 target to open 25-35 new stations across its network.

- **Domestically:** ADNOC Distribution added 31 new stations in the UAE to reach 529 stations (2022: 502), an increase of 5.4% year-on-year

  In Dubai, the Company opened 5 new stations in 2023. As a result, ADNOC Distribution's service station network in the emirate expanded by 12.8% to 44 stations compared to 39 at the end of 2022

- **Internationally:** ADNOC Distribution continued to execute on its plans in the Kingdom of Saudi Arabia, with 68 stations at the end of 2023, while c.85% of the network has been rebranded, providing support to operating and financial performance in KSA

  During 2023, the Company's assets in Egypt added 4 new service stations to the portfolio and operated 243 service stations. In addition, the Egypt portfolio comprised aviation fuel, lubricant and wholesale fuel operations as well as 100+ convenience stores, 250+ lube changing points and 15+ car wash locations

- **Total network of ADNOC Distribution** expanded by 1.5x to reach 840 stations (2022: 568)

Commercial business: In 2023, commercial segment fuel volumes in the UAE increased by 16.2% compared to 2022 driven by an increase of 17.1% year-on-year in corporate business volumes. This was a result of execution of new contracts signed in 2022-23, as the Company has been proactively focusing on gaining market share in Dubai and Northern Emirates.

The total number of export network countries in ADNOC Distribution's VOYAGER lubricants portfolio rose to 37 markets at the end of 2023 compared to 25 markets at the end of the same period last year. The Company is exploring opportunities to penetrate new growing lubricant markets through collaboration with leading partners worldwide.

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

Non-fuel business - UAE

During 2023, ADNOC Distribution in line with the non-fuel retail strategy implemented a series of marketing campaigns and customer-centric initiatives. The Company continued to enhance customer experience through various initiatives, such as offering a modern shopping environment, improvement in category management, a better assortment of products, including introduction of fresh food and premium coffee products, and digital channels to order and transact.

In addition, the Company executed on its convenience store revitalization program, with additional 15 stores refurbished during 2023. Since the launch of the program, the Company modernized c.210 ADNOC Oasis stores over 2020-23, offering fresh food, barista-brewed coffee and a wider menu selection. This led to a record-high convenience store conversion rate in four years of 24.7%, which implies an increase of 300 bps compared to 2022, and supported a 12.9% year-on-year increase in non-fuel transactions.

ADNOC Distribution expanded its vehicle inspection services in the UAE to 34 centres following an addition of two new centres between end of 2022 and end of 2023. The number of vehicles inspected (fresh tests) in the Company's vehicle inspection centres increased by 48.9% in 2023 year-on-year, driven by an increase of the number of vehicle inspection centres, particularly in the Northern Emirates, along with the introduction of new services, and supported by marketing and promotions.

ADNOC Rewards loyalty program and customer focus

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

ADNOC Rewards loyalty program welcomed c.350 thousand new members in 2023 with the total enrolled members of more than 1.9 million (+22% year-on-year). Over 100 partners provide discounts and deals through the ADNOC Distribution app. This growth was partially supported last year by an improvement in generosity of 3X. New system of ADNOC Rewards tiers was introduced in 2023: SILVER, GOLD, and PLATINUM – each delivering an expanded suite of exciting benefits and offers to customers.

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

The Company has also become the region's first fuel distributor to introduce the innovative ADNOC 'Fill & Go' technology at its service stations. The AI-backed solution utilizes the latest innovations in computer vision technologies, comprising machine learning models allowing computers to recognize vehicles, and responds by offering a hyper-personalized fuelling experience, reaffirming ADNOC Distribution's leadership position in the UAE's fuel and convenience retail sector.

OPEX

During 2023, ADNOC Distribution accelerated execution of efficiency improvement initiatives across all its operations and businesses including optimizing logistics costs, renegotiations of supply contracts with vendors, etc. In 2023 the Company achieved like-for-like OPEX savings of AED 103 million, above guidance of AED 92 million. As a result, the Company's cash OPEX remained unchanged compared to 2022, despite the continued expansion of the Company's operations and associated costs. In particular, number of stations in the UAE and KSA increased by 5.1% at the end of 2023 compared to the same period of last year. In addition, ADNOC Distribution consolidated operations of TotalEnergies Marketing Egypt from February 2023.

Efficient capital allocation

ADNOC Distribution invested AED 1.18 billion in 2023 vs. guidance of AED 0.9-1.1 billion (excl. M&A). The company expects to invest AED 0.9-1.1 billion in 2024 (excl. M&A).

ADNOC Distribution has demonstrated a proven track-record of value creation since IPO, by pursuing new opportunities in domestic and international markets and allocating cash towards growth. Through efficient capital allocation, the Company has consistently achieved healthy rates of return, including Return on Capital Employed (ROCE) of 26.3% in 2023 (28.5% in 2022) and Return on Equity (ROE) of 74.9% in 2023 (79.8% in 2022). The year-on-year reduction in return metrics was a result of lower inventory gains of AED 339 million in 2023 compared to inventory gains of AED 622 million in 2022 in a fast rising oil price environment.

In 2023, ADNOC Distribution generated robust free cash flow of AED 4,025 million, an increase of 18.7% year-on-year. At the end of December 2023, the Company maintained a strong financial position with liquidity of AED 6 billion in the form of AED 3.2 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility. The balance sheet remained strong with a net debt to EBITDA ratio of 0.62x as of 31 December 2023 (0.78x as of 31 December 2022).

Eng. Bader Al Lamki – Chief Executive Officer:

"Fueled by our record EBITDA of over USD 1 billion, 2023 was a remarkable and transformative year for ADNOC Distribution. Our team delivered on a critical commitment made to capital markets, underpinned by our focus on execution excellence, future-proofing the business, unwavering dedication to health safety and environment, and by our capability building and cultural transformation. This achievement is underscored by our focus on execution excellence and future-proofing the business.

Looking ahead, ADNOC Distribution's Board of Directors has approved a new five-year strategy for 2024-28, targeting the next phase of growth with a focus on sustainable mobility and convenience. It includes optimizing existing assets to improve our profitability, doubling down on non-fuel retail, and generating new revenue streams offered by energy transition to future-proof our business and increase customer satisfaction. I look forward to sharing more details about our five-year strategy during the upcoming Capital Markets Day in February 2024."

Management focus: Continue to deliver incremental growth through operational excellence and futureproofing the business

With the record in 2023 and attractive shareholder payback, ADNOC Distribution continues to represent a compelling investment case. After delivering on a critical commitment to Capital Markets of generating in 2023 in excess of $1 billion (AED 3.68 billion) EBITDA, the Company expects solid outlook for full year 2024 and beyond, underpinned by volume growth momentum, higher contribution of non-fuel retail, and growth in international operations. In its quest to futureproof the business, the Company is rapidly developing fast EV charging infrastructure across its UAE network. In addition, ADNOC Distribution continues to explore further growth opportunities in mobility and lifestyle as well as new revenue streams created through energy transition.

The Company's growth ambitions are underpinned by a solid macroeconomic backdrop. After posting a 7.9% increase in GDP in 2022 (including non-oil GDP of 7.2%), a 5.9% growth in the UAE non-oil GDP in 9M 2023 indicates ongoing economic expansion. Our main market Abu Dhabi GDP grew by 2.8% in 9M 2023 year-on-year (including non-oil GDP of 8.6%) supported by private consumption boosted by population growth and tourism rebound. Dubai GDP increased by 3.3%, including strong performance from accommodation and food services activities (+11.1%), transportation and storage services (+10.9%), and information and communications sector (+4.4%).

In 11 months of 2023, international visitor numbers to Dubai reached 15.37 million, up 20% year-on-year and 2.5% above the level of 2019. The recovery is also supported by hotel indicators, with occupancy and revenue per available room all above the pre-COVID levels. Hotels occupancy levels increased to 75.6% in the first 11 months of 2023 compared to 71.5% in full-year 2022. Revenue per available room in the period was 25% higher year-on-year in Abu Dhabi and 4.4% higher year-on-year in Dubai.

According to IMF, a near-term outlook is positive for the UAE but subject to elevated global risks and uncertainty. The agency estimates that the country's real GDP increased by 3.4% in 2023 and will grow by 4.0% in 2024 which is the highest rate among the GCC economies. IMF estimates that non-oil GDP growth in the UAE exceeded 4% in 2023 and will remain at a similar pace in 2024, driven by tourism, construction, and real estate related developments.

Beyond the strong macroeconomic indicators, business activity expansion has translated into higher traffic and improved consumer confidence across the country resulting in higher fuel volumes and number of non-fuel transactions for ADNOC Distribution in 2023. Leveraging on its leadership position in the UAE, customer focus and best-in-class mobility and lifestyle experience, the Company has grown its fuel volumes at a faster rate than the country's GDP growth, increasing 2023 retail fuel volumes in the GCC markets by 9.6% and commercial volumes by 16.2% year-on-year.

Fuel business

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

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

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

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

Non-fuel business

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

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

Operating and investment efficiency

ADNOC Distribution aims to become one of the leading cost-efficient fuel retailers and remains on track to reduce structural costs, make its operations leaner and more efficient. The key drivers for OPEX savings include 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.

Sustainability & futureproofing of business

I/ Rollout of Electric Vehicles (EV) charging points

In 2023, the Company accelerated rollout of EV chargers with 53 fast charging points installed across its service stations at strategic locations in the UAE to address current EV customer demand and offer enhanced customer value proposition.

ADNOC Distribution continues to expand its network of EV charging stations, and has agreed with TAQA, one of the largest listed integrated utility companies in the EMEA region, to work together to establish a new mobility joint-venture. Through the development of modern mobility solutions, ADNOC Distribution intends to become a destination of choice for charging and convenience for the UAE customers.

II/ Decarbonization roadmap

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

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

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

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

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

III/ Sustainability Linked Loan

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

Dividend policy

ADNOC Distribution is committed to delivering sustainable, profitable growth and attractive shareholder returns. The Company's continued growth and robust cash generation have enabled an attractive dividend policy for the shareholders.

In March 2023, ADNOC Distribution shareholders approved a new dividend policy which sets a minimum dividend of AED 2.57 billion (20.57 fils per share) for 2023 (compared to a minimum 75% of distributable profits as per the previous policy), yielding 5.8% (at a share price of AED 3.57 as of 6 February 2024) and offering higher payback visibility for the shareholders.

ADNOC Distribution paid AED 1.285 billion dividends for the first six months of 2023 (10.285 fils per share) in October 2023. On 6 February 2024, the Company's Board of Directors recommended a dividend of AED 1.285 billion for the second six-months period of 2023, which is expected to be paid in April 2024, subject to the shareholders' approval.

Financial summary

AED million	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Revenue	9,564	8,935	*7.0%*	8,187	*16.8%*	34,629	32,111	*7.8%*
Gross profit	1,526	1,659	*-8.0%*	1,225	*24.5%*	5,836	5,668	*3.0%*
Gross margin, %	*16.0%*	*18.6%*		*15.0%*		*16.9%*	*17.7%*	
EBITDA	941	1,111	*-15.3%*	654	*43.8%*	3,680	3,517	*4.6%*
EBITDA margin, %	*9.8%*	*12.4%*		*8.0%*		*10.6%*	*11.0%*	
Underlying EBITDA (1)	890	884	*0.7%*	697	*27.7%*	3,340	2,895	*15.4%*
Operating profit	749	942	*-20.5%*	499	*50.2%*	2,983	2,973	*0.3%*
Net profit attributable to equity holders	677	835	*-19.0%*	419	*61.4%*	2,601	2,749	*-5.4%*
Net margin, %	*7.1%*	*9.4%*		*5.1%*		*7.5%*	*8.6%*	
Earnings per share (AED/share)	0.05	0.07	*-19.0%*	0.03	*61.4%*	0.21	0.22	*-5.4%*
Net profit excluding inventory movements	626	608	*3.0%*	462	*35.5%*	2,262	2,126	*6.4%*
Net cash generated from operating activities	1,725	1,699	*1.6%*	1,522	*13.4%*	5,051	4,507	*12.1%*
Capital expenditures	556	236	*135.6%*	490	*13.4%*	1,176	1,232	*-4.5%*
Free cash flow (2)	1,356	1,447	*-6.3%*	1,142	*18.8%*	4,025	3,391	*18.7%*
Total equity	3,796	2,889	*31.4%*	3,445	*10.2%*	3,796	3,445	*10.2%*
Net debt (3)	2,298	2,267	*1.4%*	2,735	*-16.0%*	2,298	2,735	*-16.0%*
Capital employed	11,340	10,280	*10.3%*	10,441	*8.6%*	11,340	10,441	*8.6%*
Return on capital employed (ROCE), %	*26.3%*	*26.6%*		*28.5%*		*26.3%*	*28.5%*	
Return on equity (ROE), %	*74.9%*	*83.8%*		*79.8%*		*74.9%*	*79.8%*	
Net debt to EBITDA ratio (3)	0.62	0.67		0.78		0.62	0.78	
Leverage ratio, %	*37.7%*	*44.0%*		*44.3%*		*37.7%*	*44.3%*	

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

Operating and financial review

Fuel volumes

In Q4 2023, total fuel volumes sold reached 3,711 million liters, increasing by 39.3% year-on-year, mainly attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), Q4 2023 total fuel volumes amounted to 2,919 million liters, up by 9.6% year-on-year supported by ongoing growth in region's economic activities and higher mobility as well as network expansion. Q4 2023 UAE and KSA volumes increased by 4.1% compared to Q3 2023.

In Q4 2023, GCC retail fuel volumes increased by 7.6% year-on-year, while commercial fuel volumes were up by 13.2%. On a quarter-on-quarter basis, they increased by 3.7% and 4.9%, respectively.

2023 total fuel volumes sold reached 13,829 million liters, an increase of 40.1% year-on-year mainly attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), 2023 total fuel volumes amounted to 11,032 million liters, up by 11.8% on the back sustained momentum in the region's economic growth, higher mobility and addition of new service stations.

UAE and KSA retail fuel volumes increased by 9.6% in 2023, while commercial fuel volumes increased by 16.2% year-on-year driven by a 17.1% increase in the corporate volumes, while the aviation volumes were 3.3% up year-on-year.

Fuel volumes by segment (million liters)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Retail (B2C)	**2,546**	**2,461**	*3.4%*	**1,747**	*45.8%*	**9,544**	**6,586**	*44.9%*
Of which GCC	1,880	1,812	*3.7%*	1,747	*7.6%*	7,220	6,586	*9.6%*
Of which Egypt	666	649	*2.6%*			2,325		
Commercial (B2B)	**1,165**	**1,117**	*4.3%*	**918**	*27.0%*	**4,284**	**3,281**	*30.6%*
Of which GCC	1,039	991	*4.9%*	918	*13.2%*	3,812	3,281	*16.2%*
Of which Egypt	127	126	*0.1%*			472		
Of which Corporate	1,050	1,017	*3.2%*	868	*21.0%*	3,891	3,061	*27.1%*
Of which GCC	971	936	*3.7%*	868	*11.9%*	3,585	3,061	*17.1%*
Of which Egypt	79	80	*-2.4%*			307		
Of which Aviation	116	100	*15.3%*	50	*132.1%*	393	220	*78.5%*
Of which GCC	68	54	*24.6%*	50	*35.8%*	228	220	*3.3%*
Of which Egypt	48	46	*4.3%*			166		
Total	**3,711**	**3,578**	*3.7%*	**2,664**	*39.3%*	**13,829**	**9,867**	*40.1%*

Fuel volumes by product (million liters)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Gasoline (1)	2,007	1,940	*3.5%*	1,612	*24.5%*	7,625	6,065	*25.7%*
Diesel	1,390	1,342	*3.6%*	832	*67.0%*	5,003	2,884	*73.5%*
Aviation products	116	100	*15.3%*	50	*132.1%*	393	220	*78.5%*
Others (2)	199	196	*1.2%*	170	*16.7%*	808	698	*15.8%*
Total	**3,711**	**3,578**	*3.7%*	**2,664**	*39.3%*	**13,829**	**9,867**	*40.1%*
Of which GCC	2,919	2,803	*4.1%*	2,664	*9.6%*	11,032	9,867	*11.8%*
Of which Egypt	792	775	*2.2%*			2,797		

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

Financial results

In Q4 2023, revenue increased by 16.8% year-on-year to AED 9,564 million. The growth was driven by higher fuel volumes, growing contribution of non-fuel retail business and consolidation of TotalEnergies Marketing Egypt, partially offset by lower selling prices as a result of lower crude oil prices.

Q4 2023 gross profit increased by 24.5% year-on-year to AED 1,526 million, supported by higher fuel volumes and growth in non-fuel retail business. In addition, in Q4 2023 in a rising oil price environment inventory gains amounted to AED 51 million (AED 76 million inventory gains in fuel retail and AED 25 million inventory losses in commercial business) compared to inventory loss of AED 43 million in commercial business in Q4 2022.

Q4 2023 EBITDA increased by 43.8% year-on-year to AED 941 million supported by the higher fuel volumes, as well as inventory gains in Q4 2023 compared to inventory losses in Q4 2022.

Q4 2023 underlying EBITDA (EBITDA excluding inventory movements) increased by 27.7% year-on-year to AED 890 million driven by the higher volumes, growing contribution from non-fuel and international activities as a well as management initiatives to reduce costs.

Q4 2023 net profit attributable to shareholders increased by 61.4% year-on-year to AED 677 million due to an increase in EBITDA and despite higher finance costs. Q4 2023 net profit excluding inventory movements increased by 35.5% year-on-year to AED 626 million.

2023 revenue increased by 7.8% year-on-year to AED 34,629 million despite lower selling prices as a result of lower crude oil prices. The increase in revenue was driven by growth in fuel volumes and higher non-fuel business contribution as well as the consolidation of TotalEnergies Marketing Egypt.

In 2023, gross profit increased by 3.0% year-on-year to AED 5,836 million supported by higher volumes and despite pressure on commercial margins in a declining price environment.

In addition, in 2022 in a fast rising oil price environment inventory gains amounted to AED 622 million (AED 489 million in fuel retail and AED 133 million in commercial business). In 2023, the Company recorded lower inventory gains of AED 334 million in the fuel retail business and AED 6 million in the commercial business – total inventory gains of AED 339 million.

2023 EBITDA increased by 4.6% year-on-year to AED 3,680 million despite smaller inventory gains in 2023 compared to 2022.

2023 underlying EBITDA (EBITDA excluding inventory movements) increased by 15.4% year-on-year to AED 3,340 million, mainly driven by higher fuel volumes as well as growing contribution from non-fuel retail and international activities. In addition, the management implemented efficiency improvement initiatives which resulted in the reduction of OPEX.

2023 net profit attributable to shareholders decreased by 5.4% year-on-year to AED 2,601 million as a result of lower inventory gains year-on-year. However, net profit excluding inventory movements increased by 6.4% year-on-year to AED 2,262 million despite higher depreciation charge and finance costs.

Revenue by segment (AED million)	Q4 23	Q3 23	QoQ %	Q4 22	YoY %	2023	2022	YoY %
Retail (B2C)	**6,283**	**6,026**	*4.3%*	**5,297**	*18.6%*	**23,217**	**21,458**	*8.2%*
Of which fuel retail	5,897	5,672	*4.0%*	4,985	*18.3%*	21,814	20,308	*7.4%*
Of which non-fuel retail (1)	386	354	*8.9%*	312	*23.5%*	1,403	1,150	*22.0%*
Commercial (B2B)	**3,281**	**2,909**	*12.8%*	**2,890**	*13.5%*	**11,412**	**10,653**	*7.1%*
Of which corporate	2,829	2,512	*12.6%*	2,630	*7.6%*	9,872	9,603	*2.8%*
Of which aviation	452	397	*13.9%*	259	*74.4%*	1,540	1,050	*46.7%*
Total	**9,564**	**8,935**	*7.0%*	**8,187**	*16.8%*	**34,629**	**32,111**	*7.8%*

Gross profit by segment (AED million)	Q4 23	Q3 23	QoQ %	Q4 22	YoY %	2023	2022	YoY %
Retail (B2C)	**1,182**	**1,263**	*-6.4%*	**928**	*27.4%*	**4,499**	**4,232**	*6.3%*
Of which fuel retail	965	1,069	*-9.7%*	766	*26.0%*	3,735	3,593	*4.0%*
Of which non-fuel retail (1)	217	195	*11.7%*	162	*34.4%*	764	639	*19.6%*
Commercial (B2B)	**344**	**396**	*-13.3%*	**298**	*15.5%*	**1,337**	**1,436**	*-6.9%*
Of which corporate	270	316	*-14.6%*	227	*18.7%*	1,058	1,150	*-8.0%*
Of which aviation	74	80	*-7.8%*	70	*4.9%*	279	285	*-2.2%*
Total	**1,526**	**1,659**	*-8.0%*	**1,225**	*24.5%*	**5,836**	**5,668**	*3.0%*

EBITDA by segment (AED million)	Q4 23	Q3 23	QoQ %	Q4 22	YoY %	2023	2022	YoY %
Retail (B2C)	**708**	**786**	*-10.0%*	**399**	*77.5%*	**2,646**	**2,397**	*10.4%*
Commercial (B2B)	**246**	**331**	*-25.5%*	**255**	*-3.4%*	**1,048**	**1,118**	*-6.2%*
Of which corporate	181	250	*-27.5%*	191	*-5.3%*	783	938	*-16.5%*
Of which aviation	65	81	*-19.5%*	64	*2.6%*	265	180	*47.4%*
Unallocated(2)	-13	-6	*NM*	1	*NM*	-15	3	*NM*
Total	**941**	**1,111**	*-15.3%*	**654**	*43.8%*	**3,680**	**3,517**	*4.6%*

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

Distribution and administrative expenses

In Q4 2023, distribution and administrative expenses (OPEX) were AED 781 million, an increase of 2.4% compared to Q4 2022, mainly as a result of a 5.1% increase in the Company's network in the UAE and KSA and associated costs as well as consolidation of TotalEnergies Marketing Egypt.

Excluding depreciation, Q4 2023 cash OPEX decreased by 2.9% year-on-year to AED 589 million despite the growth of the Company's network.

In 2023, distribution and administrative expenses (OPEX) were AED 2,917 million, an increase of 5.6% compared to 2022. Excluding depreciation, cash OPEX of AED 2,220 million remained unchanged in 2023 year-on-year despite the expansion of the Company's fuel retail network and consolidation of TotalEnergies Marketing Egypt, supported by management initiatives to increase operational efficiency across all business units.

AED million	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Staff costs	386	341	*13.2%*	380	*1.7%*	1,461	1,480	*-1.3%*
Depreciation	192	169	*13.6%*	156	*23.3%*	697	544	*28.1%*
Repairs, maintenance, and consumables	59	53	*10.9%*	62	*-5.9%*	203	187	*8.4%*
Distribution and marketing expenses	33	21	*52.5%*	9	*256.2%*	65	55	*18.9%*
Utilities	48	71	*-31.5%*	57	*-15.7%*	210	198	*5.9%*
Insurance	-3	3	*NM*	5	*NM*	10	19	*-48.6%*
Others (1)	66	71	*-7.0%*	94	*-29.5%*	271	278	*-2.6%*
Total	**781**	**729**	*7.2%*	**763**	*2.4%*	**2,917**	**2,762**	*5.6%*

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

Capital expenditures

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

In 2023, total CAPEX decreased by 4.5% compared to 2022 to AED 1,176 million, driven by lower CAPEX on service stations, distribution fleet as well as office furniture and equipment. C. 60% of the CAPEX comprised development and construction of new service stations.

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

AED million	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Service stations projects	283	115	*147.1%*	277	*2.1%*	668	801	*-16.6%*
Industrial and other projects	124	72	*70.9%*	57	*117.5%*	233	143	*62.2%*
Machinery and equipment	95	30	*214.4%*	76	*25.1%*	166	126	*31.9%*
Distribution fleet	4	-1	*NM*	4	*1.5%*	4	13	*-72.0%*
Technology infrastructure	45	19	*136.2%*	60	*-25.5%*	91	118	*-22.3%*
Office furniture and equipment	6	1	*NM*	17	*-65.8%*	14	31	*-53.8%*
Total	**556**	**236**	*135.6%*	**490**	*13.4%*	**1,176**	**1,232**	*-4.5%*

NM: Not meaningful

Business segments operating review

Retail segment – B2C (fuel and non-fuel)

Volumes

In Q4 2023, retail fuel volumes increased by 45.8% year-on-year, mainly attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), the volumes increased by 7.6% year-on-year driven by the region's ongoing economic growth, higher mobility and addition of new service stations. The retail fuel volumes expanded in Q4 2023 by 3.7% compared to Q3 2023. In Egypt, retail fuel volumes increased in Q4 2023 by 2.6% compared to Q3 2023.

2023 retail fuel volumes increased by 44.9% year-on-year, mainly attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), they increased by 9.6% year-on-year as a result of economic growth and higher mobility in the region. In addition, the Company continued to expand in Dubai by adding new stations and upgraded its retail network in KSA, resulting in incremental fuel volumes in 2023 compared to the same period of 2022.

Retail segment volumes (million liters)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Gasoline	1,916	1,871	*2.4%*	1,536	*24.7%*	7,317	5,793	*26.3%*
Diesel	572	536	*6.7%*	155	*268.3%*	1,999	591	*238.5%*
Other (1)	58	55	*6.0%*	55	*4.7%*	228	202	*12.7%*
Total	**2,546**	**2,461**	*3.4%*	**1,747**	*45.8%*	**9,544**	**6,586**	*44.9%*
Of which GCC	1,880	1,812	*3.7%*	1,747	*7.6%*	7,220	6,586	*9.6%*
Of which Egypt	666	649	*2.6%*			2,325		

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

Financial results

In Q4 2023, retail segment revenue increased by 18.6% compared to Q4 2022 despite lower pump prices and was supported by higher volumes, strong growth in non-fuel retail revenue and consolidation of TotalEnergies Marketing Egypt.

Q4 2023 retail segment gross profit increased by 27.4% compared to Q4 2022, as a result of higher fuel volumes and growing contribution from non-fuel and international activities. In addition, the Company recorded inventory gains in Q4 2023 of AED 76 million vs. no inventory gains in Q4 2022.

Fuel retail segment gross profit increased by 26.0% year-on-year principally due the higher volumes as well as a positive impact of inventory movements. Non-fuel retail gross profit increased by 34.4% in Q4 2023 compared to Q4 2022 driven by growth in non-fuel transactions of 10.3% year-on-year and improved customer offerings.

Q4 2023 retail segment EBITDA increased by 77.5% compared to Q4 2022, mainly due to the higher fuel volumes year-on-year and a positive impact of inventory movements year-on-year.

Retail segment underlying EBITDA (EBITDA excluding inventory movements) increased in Q4 2023 by 58.3% year-on-year, supported by higher volumes and growing non-fuel business contribution.

2023 retail segment revenue increased by 8.2% compared to 2022 despite lower pump prices, supported by the fuel volumes growth, increase in non-fuel revenues and consolidation of TotalEnergies Marketing Egypt.

2023 retail segment gross profit was up 6.3% year-on-year. Fuel retail segment gross profit increased by 4.0% year-on-year as in 2022 inventory gains amounted to AED 489 million in a rising oil price environment, while in 2023 they were AED 334 million. The effect of lower inventory gains was partially offset by the higher retail fuel volumes.

Non-fuel retail segment gross profit increased by 19.6% year-on-year driven by growth in non-fuel transactions of 12.9% year-on-year and improved customer offerings.

In 2023, retail segment EBITDA increased by 10.4% compared to 2022, despite lower impact of inventory gains, and supported by the higher retail fuel volumes and growth in non-fuel business.

Retail segment underlying EBITDA (EBITDA excluding inventory movements) increased in 2023 by 21.2% year-on-year as result of higher volumes, growing contribution of non-fuel and international activities as well as management efficiency improvement initiatives.

Retail segment (AED million)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Revenue	**6,283**	**6,026**	*4.3%*	**5,297**	*18.6%*	**23,217**	**21,458**	*8.2%*
Of which fuel retail	5,897	5,672	*4.0%*	4,985	*18.3%*	21,814	20,308	*7.4%*
Of which non-fuel retail (1)	386	354	*8.9%*	312	*23.5%*	1,403	1,150	*22.0%*
Gross profit	**1,182**	**1,263**	*-6.4%*	**928**	*27.4%*	**4,499**	**4,232**	*6.3%*
Of which fuel retail	965	1,069	*-9.7%*	766	*26.0%*	3,735	3,593	*4.0%*
Of which non-fuel retail (1)	217	195	*11.7%*	162	*34.4%*	764	639	*19.6%*
EBITDA	**708**	**786**	*-10.0%*	**399**	*77.5%*	**2,646**	**2,397**	*10.4%*
Operating profit	550	634	*-13.3%*	255	*115.3%*	2,033	1,902	*6.9%*
Capital expenditures	467	183	*154.5%*	347	*34.4%*	864	777	*11.2%*

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

Other operating metrics

The number of fuel transactions in the UAE increased by 6.0% in Q4 2023 year-on-year and by 1.7% in 2023 year-on-year. This was supported by the network expansion, improvement in customer sentiment as well as the ongoing growth in economic activity and mobility in the UAE.

Fuel operating metrics	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Number of service stations – UAE (1)	529	518	*2.1%*	502	*5.4%*	529	502	*5.4%*
Number of service stations – Saudi Arabia (1)	68	67	*1.5%*	66	*3.0%*	68	66	*3.0%*
Number of service stations – Egypt (1)	243	243	*0.0%*			243		
Total number of service stations (1)	**840**	**828**	*1.4%*	**568**	*47.9%*	**840**	**568**	*47.9%*
Throughput per station – GCC (million liters)	3.1	3.1	*1.6%*	3.1	*2.4%*	12.1	11.6	*4.3%*
Number of fuel transactions – UAE (million)	47.0	46.1	*1.8%*	44.3	*6.0%*	179.7	176.8	*1.7%*

(1) At end of period

Q4 2023 and 2023 non-fuel transactions in the UAE increased by 10.3% and 12.9% year-on-year, respectively, driven by improving consumer sentiment, enhanced customer offerings following revitalization of the convenience stores, and marketing and promotion campaigns under ADNOC Rewards loyalty program to attract higher footfall and increase customer spending.

Convenience store conversion rate increased by 170 bps from 23.8% in Q4 2022 to 25.5% in Q4 2023 and by 300 bps from 21.7% in 2022 to 24.7% in 2023.

The UAE convenience stores revenue increased by 13.4% to AED 234 million in Q4 2023 compared to Q4 2022, and by 15.6% to AED 850 million in 2023 compared to 2022, mainly driven by higher number of transactions compared to the same period of last year.

In Q4 2023, UAE convenience stores gross profit increased by 27.5% to AED 82 million and in 2023 by 15.6% to AED 286 million driven by higher number of transactions as a result of enhanced customer offerings following revitalization of the convenience stores, marketing, and promotion campaigns as well as the higher F&B sales.

Average gross basket size increased by 4.2% year-on-year in Q4 2023 compared to Q4 2022, and by 2.9% year-on-year in 2023 compared to 2022.

In its property management business, the Company continues to transition its tenancy business to a revenue-sharing model to maximize revenues and profitability. In 2023, the number of occupied properties was unchanged year-on-year.

A number of vehicles inspected (fresh tests) in the Company’s vehicle inspection centres increased by 63.4% in Q4 2023 compared to Q4 2022 and by 48.9% in 2023 compared to 2022, driven by a higher number of vehicle inspection centres, introduction of new services, and supported by marketing promotions.

Non-fuel operating metrics	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Total number of non-fuel transactions – UAE (million) (1)	11.9	11.2	*6.1%*	10.8	*10.3%*	44.8	39.6	*12.9%*
Number of convenience stores – UAE (2)	359	355	*1.1%*	362	*-0.8%*	359	362	*-0.8%*
Convenience stores revenue (AED million) – GCC	234	208	*12.7%*	207	*13.4%*	850	735	*15.6%*
Convenience stores gross profit (AED million) - GCC	82	70	*17.0%*	64	*27.5%*	286	247	*15.6%*
Gross margin, %	*34.9%*	*33.6%*		*31.0%*		*33.6%*	*33.6%*	
Conversion rate (C-store sites only), % (3)	*25.5%*	*24.2%*		*23.8%*		*24.7%*	*21.7%*	
Average basket size – UAE (AED) (4)	22.8	21.5	*5.8%*	22.5	*1.1%*	22.2	22.0	*0.5%*
Average gross basket size – UAE (AED) (5)	27.4	25.3	*8.1%*	26.3	*4.2%*	26.4	25.6	*2.9%*
Number of Property Management tenants – UAE (2)	303	298	*1.7%*	315	*-3.8%*	303	315	*-3.8%*
Number of occupied properties for rent – UAE (2)	1,023	1,024	*-0.1%*	1,022	*0.1%*	1,023	1,022	*0.1%*
Number of vehicle inspection centres – UAE (2)(6)	34	33	*3.0%*	32	*6.3%*	34	32	*6.3%*
Number of vehicles inspected – fresh tests – UAE (thousands)	365	318	*14.7%*	223	*63.4%*	1,274	856	*48.9%*
Other vehicle inspection transactions – UAE (thousands) (7)	53	54	*-3.3%*	88	*-40.3%*	214	309	*-31.0%*

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

Commercial segment – B2B (corporate and aviation)

Volumes

In Q4 2023, commercial fuel volumes increased by 27.0% year-on-year, mainly attributable to consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), Q4 2023 volumes increased by 13.2% compared to Q4 2022, driven by growth in both corporate and aviation businesses on the back of new corporate contracts signed in 2022 and 2023.

In 2023, commercial fuel volumes increased by 30.6% compared to 2022, mainly as a result of consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), 2023 volumes increased by 16.2% compared to 2022. Corporate fuel volumes increased by 17.1% year-on-year while aviation fuel volumes were 3.3% up year-on-year.

Commercial segment volumes (million liters)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Gasoline	91	69	*32.0%*	76	*20.0%*	308	272	*13.2%*
Diesel	818	806	*1.5%*	677	*20.8%*	3,004	2,294	*31.0%*
Aviation	116	100	*15.3%*	50	*132.1%*	393	220	*78.5%*
Other (1)	141	142	*-0.7%*	115	*22.4%*	580	495	*17.0%*
Total	**1,165**	**1,117**	*4.3%*	**918**	*27.0%*	**4,284**	**3,281**	*30.6%*
Of which GCC	1,039	991	*4.9%*	918	*13.2%*	3,812	3,281	*16.2%*
Of which Egypt	127	126	*0.1%*			472		

(1) Includes LPG, lubricants, and base oil

Financial results

Q4 2023 commercial segment revenue increased by 13.5% compared to Q4 2022, despite lower prices and was supported by consolidation of TotalEnergies Marketing Egypt. Corporate business revenue was 7.6% higher year-on-year, while aviation business revenue increased by 74.4% compared to Q4 2022.

Q4 2023 commercial segment gross profit increased by 15.5% year-on-year to AED 344 million as in the corporate business the Company recorded AED 25 million inventory loss in Q4 2023 vs. AED 43 million inventory loss in Q4 2022. Q4 2023 gross profit also was supported by the higher volumes.

Q4 2023 commercial segment EBITDA decreased by 3.4% year-on-year to AED 246 million. Underlying EBITDA (EBITDA excluding inventory movements) decreased by 8.7% year-on-year due to pressure on commercial margins in a falling oil price environment.

2023 commercial segment revenue increased by 7.1% compared to 2022, mainly driven by consolidation of TotalEnergies Marketing Egypt.

2023 commercial segment gross profit decreased by 6.9%. In its corporate business ADNOC Distribution recorded AED 133 million inventory gains in 2022 in a fast rising oil price environment while in 2023 the inventory gains were AED 6 million. In addition, last year commercial margins were under pressure in a declining oil price environment.

2023 commercial segment EBITDA decreased by 6.2% year-on-year, due to the gross profit reduction. However, underlying EBITDA (EBITDA excluding inventory movements) increased by 5.9% year-on-year supported by the higher volumes.

Commercial segment (AED million)	Q4 23	Q3 23	*QoQ %*	Q4 22	*YoY %*	2023	2022	*YoY %*
Revenue	**3,281**	**2,909**	*12.8%*	**2,890**	*13.5%*	**11,412**	**10,653**	*7.1%*
Of which corporate	2,829	2,512	*12.6%*	2,630	*7.6%*	9,872	9,603	*2.8%*
Of which aviation	452	397	*13.9%*	259	*74.4%*	1,540	1,050	*46.7%*
Gross profit	**344**	**396**	*-13.3%*	**298**	*15.5%*	**1,337**	**1,436**	*-6.9%*
Of which corporate	270	316	*-14.6%*	227	*18.7%*	1,058	1,150	*-8.0%*
Of which aviation	74	80	*-7.8%*	70	*4.9%*	279	285	*-2.2%*
EBITDA	**246**	**331**	*-25.5%*	**255**	*-3.4%*	**1,048**	**1,118**	*-6.2%*
Of which corporate	181	250	*-27.5%*	191	*-5.3%*	783	938	*-16.5%*
Of which aviation	65	81	*-19.5%*	64	*2.6%*	265	180	*47.4%*
Operating profit	211	314	*-33.0%*	243	*-13.2%*	964	1,069	*-9.8%*
Capital expenditures	31	0	*NM*	16	*92.5%*	33	21	*61.2%*

NM: Not meaningful

Share trading and ownership

ADNOC Distribution shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST. The closing share price as of 31 December 2023 was AED 3.70. In the period from 1 January 2023 through 31 December 2023, the share price ranged between AED 3.32 and AED 4.64 at close. ADNOC Distribution market capitalization was AED 46.3 billion as of 31 December 2023.

An average of 8.2 million shares traded daily in 2023 (0.7x 2022 level). In 2023, the average daily traded value of the Company's shares was approximately AED 33.1 million (0.6x 2022 level).

As of 31 December 2023, ADNOC owned 77%, while 23% of ADNOC Distribution outstanding shares were publicly owned by institutional and retail investors.

Potential risks

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

2023 earnings conference call details

A conference call in English for investors and analysts will be held on Wednesday, February 7, 2024, 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

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Audio Call Dial in Details:

UAE (Toll Free): 8000 3570 2606

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UK (Toll Free): 0800 279 0424

US (Toll Free): 800-289-0462

Passcode: 190694

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 Wednesday, February 7, 2024 at https://www.adnocdistribution.ae/en/investor-relations/investor-relations/downloads/

Reporting date for the Q1 2024

We expect to announce our first quarter 2024 results on or around May 9, 2024.

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February 7, 2024
ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

Glossary

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

Cautionary statement regarding forward-looking statements

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