

INTRODUCTION

50 Years of Inspiring Journeys
Adnoc Distribution at a Glance
Vision, Mission, and Values
What We Do
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As ADNOC Distribution celebrates 50 years of inspiring journeys, 2023 stands out as a remarkable year for the business with several notable milestones. Established in 1973 as the pioneering UAE government-owned company dedicated to marketing and distribution of petroleum products, we embarked on a journey that resonates with innovation, resilience, and an unwavering commitment to excellence.

Over the last five decades, ADNOC Distribution has evolved into the UAE's largest fuel and convenience retailer. And now, the Company is expanding its presence out with the borders of its homeland and venturing into Saudi Arabia and Egypt, whilst its lubricant product range presence extends in to 37 countries.

Anchored by innovation and customer-centricity, their journey boasts transformative milestones. From launching Electric Vehicle (EV) charging points across its service stations, the inception of smart services such as Fill & Go, to their recent opening of the region's first high-speed hydrogen fueling station, and the enduring popularity of the ADNOC Rewards program. ADNOC Distribution is aiming to be the service station destination of choice for customers. Looking forward, ADNOC

Distribution is committed to playing its part in creating a carbon-neutral future. During 2023, the Company proudly announced a decarbonization plan aiming to reduce emissions intensity by 25% by 2030 and is actively investing in EV charging infrastructure and preparing their stations for renewable energy generation.

ADNOC Distribution's successful narrative is written by more than 13,000 dedicated individuals who work for the business. From the veterans who've been integral to their journey, to the newcomers adding fresh vigor. Each one has contributed to the Company's legacy of energizing communities. Whether through groundbreaking initiatives, or steadfast dedication, ADNOC Distribution has positively impacted generations of UAE residents, providing energy for life's journey.

In this annual report, you will find a comprehensive overview of ADNOC Distribution's business, markets, history and strategy. Readers can explore their marketing and customer experience focus, read about their 2023 financials, and gain insights into their retail and commercial business. In addition, readers can learn about the Company's commitment to sustainability through an overview of their ESG initiatives and sustainability framework. The following pages encapsulate ADNOC Distribution's journey so far and their commitment to a future where they continue to set benchmarks in the energy industry.



ADNOC DISTRIBUTION AT A GLANCE



840

Stations in our fuel retail network



~500

Convenience stores in our network



~600k

UAE customers served per day



~40mL

Fuel supplied to customers per day



>50

EV fast charging points across our network

ADNOC Distribution is a leading mobility retailer in the UAE. Since its inception in 1973, the Company has been at the forefront of delivering the best in customer service. Today, ADNOC Distribution enables, enhances, and energizes every customer journey thanks to digitally enabled and innovative customer experiences, as well as high-quality non-fuel retail products.

The Company operates service stations in all seven Emirates in the UAE, as well as Saudi Arabia and more recently, Egypt. While completing its 50th year, ADNOC Distribution currently has 840 service stations; 529 in the UAE, 68 in KSA and 243 in Egypt through the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC (TEME).

Furthermore, as a non-fuel retail leader in the UAE, ADNOC Distribution operates 359 ADNOC Oasis convenience

stores locally and 34 vehicle inspection centers, other leading services spanning car wash, lube change, and EV charging infrastructure, in addition to managing and leasing retail space within its service stations to restaurants and other service providers. The Company is also the leading marketer and distributor of fuels to commercial, industrial, and government customers throughout the UAE and sells its proprietary lubricants in 37 countries worldwide via distributors. ADNOC Distribution aims to be the mobility retailer of choice, enabler of sustainable mobility, and provider of exceptional customer experiences.

Note: all figures as of 31 December 2023

OUR VISION



To become a leading customer-centric, international mobility retailer

OUR PURPOSE



We enable, enhance and energize every customer journey

OUR AMBITION



To be a global mobility-retailer of choice, an enabler of sustainable mobility and a provider of exceptional customer experiences



OUR VALUES



PROGRESSIVE

We invest in new and emerging technologies to meet our customers' ever-evolving needs.



COLLABORATIVE

We leverage our collective strengths to exceed customer expectations.



RESPECTFUL

We foster a culture of inclusivity, diversity, and mutual respect.



RESPONSIBLE

We recognize our responsibilities to our employees, our communities, and sustainability.



EFFICIENT

We will continue to drive commercial and operational excellence to maximize value.

OUR CULTURE



BRING THE ENERGY

Unwavering passion, energy, and enthusiasm defines our character and is reflected in how we work.



EMBRACE TEAMWORK

Collaborative work is critical to our success and founded on the understanding that together, we can achieve more than we can alone.



SEEK EXCELLENCE

We thrive on innovating new solutions, seizing opportunities and raising standards across everything we do.



DELIVER RESULTS

We are driven to deliver results and willing to do what it takes to meet our targets and reach our aspirations.



EXCEED EXPECTATIONS

We endeavor to achieve our best every day and to never settle for anything less than the very best from ourselves, our people, and our company.



WHAT WE DO



B2C: RETAIL BUSINESS

Fuel (64% of total Gross profit) CORE FUEL

ADNOC Distribution is the largest fuel retailer in the UAE, with 529 domestic sites, operating across all seven Emirates. The Company is active in retail sales of liquefied petroleum gas (LPG), compressed natural gas (CNG), and automotive lubricants. Beyond the UAE, the Company operates 68 retail fuel stations in Saudi Arabia and owns 243 stations in Egypt through the acquisition of a 50% stake of TotalEnergies Marketing Egypt, with a strong focus on international expansion.

EV CHARGING AND ALTERNATIVE FUELS

ADNOC Distribution has 53 EV fast charging points installed in its stations across the UAE to address the current EV customer demand. The Company continues to accelerate the rollout of EV charging points and develop capabilities in alternative fuels such as biofuel and hydrogen. Today, the Company operates the first hydrogen refueling station (H2GO) in the region.



B2B: COMMERCIAL BUSINESS

Corporate (18% of total Gross profit)

ADNOC Distribution is the largest supplier of gasoil and gasoline to commercial, residential, industrial and government customers in the UAE wholesale fuels market. The Company sells and exports lubricants (engine oils and greases) to 37 countries. These are used by commercial, industrial, marine, and government customers for motor vehicles, as well as for other engines, machinery, and equipment.

Non-fuel (13% of total Gross profit)

ADNOC Distribution's non-fuel retail activities comprise convenience stores located at its fuel service stations, as well as value-added services such as car care services, vehicle inspection centers, and rental properties.

CONVENIENCE STORES

ADNOC Distribution is the UAE's largest convenience store retailer by number of stores, operating 359 convenience stores in the UAE and 12 stores in Saudi Arabia. The Company also has 138 stores in Egypt through the acquisition of a 50% stake of TotalEnergies Marketing Egypt.

CAR SERVICES

The Company offers car care services at many of its service station locations, including car wash and lube change services. In addition, various services are provided by its partners and tenants, such as vehicle servicing, repairs, and tire changes.

VEHICLE INSPECTION

The Company operates 34 vehicle inspection centers in the UAE. It is the only authorized provider of government-mandated annual vehicle inspections in the Emirate of Abu Dhabi, and also offers vehicle inspection services in other Emirates of the UAE.

PROPERTY MANAGEMENT

The Company manages and leases retail space within its service stations to restaurants and other service providers. Its tenants occupy more than 1,000 properties, operating quick-service restaurants and offering supplementary products and amenities, including banking services and automobile insurance. Major tenants include global brands such as McDonald's, Starbucks, KFC, and Burger King.

Fuel Volume Breakdown by Business



WHERE WE ARE



529

UAE

68

SAUDI ARABIA

243*

EGYPT

Number of ADNOC Distribution's Fuel Stations
(31 December 2023)



* through owning a 50% stake in TotalEnergies Marketing Egypt

OUR HISTORY



1970's

1973

During the rule of Sheikh Zayed, Abu Dhabi National Oil Company for Distribution (ADNOC Distribution) is established by royal decree as the first UAE government-owned company specializing in the marketing and distribution of petroleum products

1976

The Company begins selling Liquid Petroleum Gas (LPG) in canisters for domestic consumption

1979

ADNOC Distribution opens a lubricant blending and packaging plant at Sas Al Nakhl in Abu Dhabi

1980's



1982

The Company begins refueling aircraft at Abu Dhabi International Airport

1983

The Company commissions a grease production unit at the Sas Al Nakhl lubricant plant. The unit, the second of its kind in the world at that time, manufactures high-quality greases

1984

The number of filling stations in remote areas increases as part of a plan to expand the Company's network across the whole of Abu Dhabi Emirate. New services, such as the sale and repair of tires, are added at some filling stations



1990's

1993

ADNOC Distribution becomes an American Petroleum Institute (API) member and receives its first API lubricants certification

1998

ADNOC Distribution rebrands and introduces a total retail offering (fuel and non-fuel)

1999

The Company's aviation division receives the MTMC (US Military Transport Management Command) Quality Award for Excellent Services



2000

The Company begins operating its vehicle inspection centers in coordination with Abu Dhabi Police

2006

ADNOC Distribution's service stations begin offering a third grade of gasoline, E-plus (Octane 91) for low-compression engines, to complement Super (98) for high-compression and Special (95) for medium-compression engines

2008

The Company begins construction of compressed natural gas (CNG) distribution facilities at its service stations to be used by natural gas vehicles (NGVs)

2009

ADNOC Distribution and other ADNOC group companies sign the ADNOC Sustainability Charter

2011

ADNOC Distribution becomes a member and strategic partner of the International Air Transport Association (IATA) and an associate member of the Joint Inspection Group (JIG), which governs standards for the operation of shared fuel storage and handling facilities at the world's major airports

2013

The Company agrees to acquire 75 service stations from Emirates General Petroleum Company (Emarat) in the five Northern Emirates of Sharjah, Ras Al Khaimah, Ajman, Umm Al Quwain, and Fujairah

2014

ADNOC Distribution agrees to take over 25 service stations in Sharjah from Emirates National Oil Company (ENOC)

2020

ADNOC Distribution introduces home delivery services from its convenience stores

The Company expands its Vehicle Inspection services to the Northern Emirates

The Company executes a definitive agreement to acquire 15 service stations in Saudi Arabia

2021

The Company executes two definitive agreements to acquire 20 service stations in Saudi Arabia

Free float increases to 23%, following ADNOC's placement of 375 million of ADNOC Distribution's shares

ADNOC Distribution shares included in major emerging market benchmark indices of MSCI and FTSE

2000's



2010's

2017

The Company completes its successful initial public offering (IPO), listing its shares on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST

2018

ADNOC Distribution opens its first service stations in Dubai and Saudi Arabia

2019

ADNOC Distribution launches an innovative smart fuel distribution concept, 'ADNOC On the go', a new 'ADNOC Rewards' loyalty program, and a next generation 'ADNOC Oasis' convenience store

ADNOC Distribution begins selling LPG gas in 25-pound and 50-pound canisters in Dubai

2020's

2022

ADNOC Distribution launched ADNOC Voyager Green Series, a 100% plant-based lubricant range for both petrol and diesel engines

ADNOC Distribution marks the opening of its 500th station in the UAE

2023

Entry to Egypt with the acquisition of a 50% stake in TotalEnergies Marketing Egypt

Launched a decarbonization roadmap and series of sustainability initiatives, including securing a sustainability-linked loan

YEAR IN REVIEW

A YEAR OF EXPANSION, TRANSFORMATION, AND STRONG PERFORMANCE

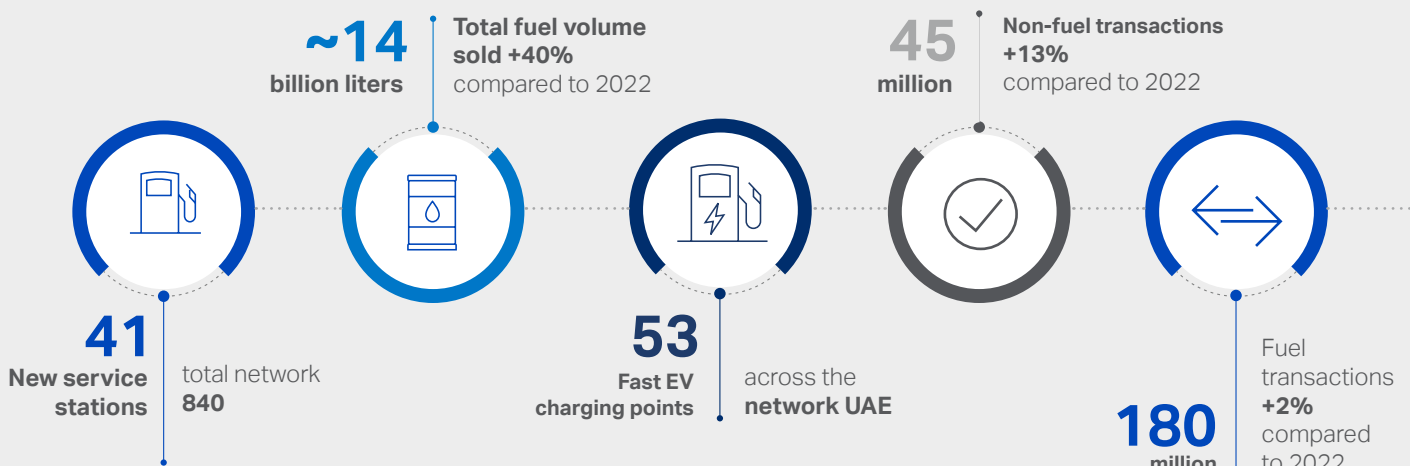
Q1

- ▶ **Decarbonization Roadmap and Sustainability-linked loan:** Announced a decarbonization roadmap to reduce greenhouse (GHG) emissions intensity by 25% by 2030, and converted an existing AED 5.5 billion (\$ 1.5 billion) term loan into a Sustainability Linked Loan, demonstrating a commitment to decarbonizing its operations
- ▶ **Renewal of the Refined Products Supply Agreement:** Renewed the 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
- ▶ **TotalEnergies Marketing Egypt:** Completion of the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC. An important milestone in ADNOC Distribution's international expansion journey, marking the Company's official entry into Egypt
- ▶ **Introduced "Fill & Go" Service:** Became the region's first fuel distributor to introduce "Fill & Go" innovative technology at its service stations
- ▶ **New Dividend Policy:** Shareholders approved the amendment to 2023 dividend policy, setting a minimum AED 2.57 billion (20.57 fils per share) dividend compared to minimum 75% of distributable profits in previous policy

Q2

- ▶ **PV Solar Panels:** Signed a deal with Emerge to install Photovoltaic solar panels across its stations in Dubai as part of the Company's phased out approach to solarizing its stations in the wider UAE
- ▶ **Lubricants agreement signed with HPCL of India:** Agreement with Hindustan petroleum corporation Limited (HPCL), one of India's largest lubricant marketers and fuel retailing companies
- ▶ **Launched "e-COOL LL" engine coolant** tailored for EVs to fulfil growing customers' needs
- ▶ **Launched Vehicle Inspection service for electric vehicles** by opening two dedicated lanes in selected location in Abu Dhabi for electric vehicle testing
- ▶ **Refurbishment of 5 convenience stores,** offering a modern shopping environment, improvement in category management, including offering fresh food, barista-brewed coffee and a wider menu selection

KEY HIGHLIGHTS OF 2023



Q3

- ▶ **Reverse Vending Machine:** As an innovative addition to the company's sustainability journey, reverse vending machines providing a recycling service were introduced in 40 locations across Abu Dhabi
- ▶ **100% of the ADNOC Distribution UAE heavy fleet are powered by B20 biofuel,** targeting a 15% reduction in CO₂ emissions from the fleet
- ▶ **Launched the ADNOC Mobile Vehicle Inspection Centre** in Abu Dhabi in collaboration with Abu Dhabi Police
- ▶ **First three ADNOC branded service stations launched in Egypt** as part of the Company's joint venture. The Company had nine ADNOC branded stations by the end of 2023
- ▶ **WELL health-Safety Rating:** obtained for more than 500 service stations across the UAE, demonstrating Company's commitment to health, safety and wellbeing of its employees, customers, and the local community
- ▶ **Refurbishment of 10 convenience stores,** bringing the total number of refurbished in 2023 to 15

Q4

- ▶ **Hydrogen refueling station "H2GO":** launched the region's first "high-speed" green hydrogen refueling station in collaboration of ADNOC and Masdar to test a group of vehicles that use hydrogen as fuel
- ▶ **Adopt a Mangrove initiative:** ADNOC Distribution started its bio-diversity journey by implementing a customer facing reforestation program permitting customers to adopt a mangrove using their Reward points through the ADNOC Rewards app, then monitoring the individual plant using a digital platform live
- ▶ **Company delivers on its market commitments by achieving an EBITDA of AED 3.68 billion** (\$1 billion), recording Company's highest ever EBITDA since IPO
- ▶ **Company exceeds its 2023 full year targets** in network expansion by opening 41 new service stations across the network (compared to target of 25-35), and achieving AED 103 million OPEX savings (compared to target of AED 92 million)
- ▶ **Company achieved six ISO certifications with UKAS accreditation,** in Environmental Management, Maintenance Data Collection, Business Continuity Management, Occupational Health and Safety Management, Energy Management, and Asset Management

AED **3.7**
billion

EBITDA, the highest since Company's IPO, **+5%** compared to 2022



AED **103**
million

Savings in operating expenses on a like-for-like basis



AED **4.0**
billion

Free Cash Flow +19% compared to 2022



AED **2.57**
billion

Dividend distributed in 2023



AWARDS & RECOGNITION

ADNOC Distribution won several awards across different categories in 2023.



BEST AI/ML PROJECT FOR THE YEAR 2023 BY UAE GOVERNMENT CYBER SECURITY COUNCIL

ADNOC Distribution's "Fuel Demand Prediction" project won the Best AI/ML Project for the year 2023 by UAE Government Cyber Security Council



BEST AI PROJECT FOR ENERGY SECTOR 2023 AT AI WORLD SHOW INTERNATIONAL CONFERENCE

ADNOC Distribution's "Smart Workforce Management" project won the "Best AI Project for Energy Sector 2023" at the AI World Show International Conference



BEST ACCELERATION USE CASE AND BEST ROI STORY IN DATAIKU FRONTRUNNER AWARDS

ADNOC Distribution's project "Driving Customer Engagement Through Data Driven Promotions & Hyper-Personalization" won the Award in two categories "Best Acceleration Use Case" and "Best ROI Story", from amongst 84 global participants



BEST EXPERIENCE AWARD BY KANTAR



**2023 GCC GOV HR AWARDS
IN THE CATEGORY OF
"INNOVATION OF THE YEAR"**

ADNOC Distribution project "Driving Sales Incentive Engagement Strategy" for its Retail & Commercial Group won 2023 GCC GOV HR Awards in the category of "Innovation of the Year"



**BEST IN RETAIL
INNOVATION
AWARD AT
RETAILME**



SHAREHOLDERS' INFORMATION

Trading of ADNOC Distribution shares on the Abu Dhabi Stock Exchange (ADX) began on December 13, 2017, under the symbol ADNOCDIST at an Initial Public Offering (IPO) price of AED 2.50.

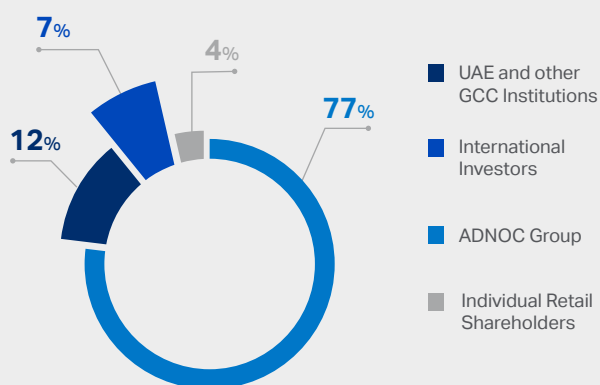
On December 31, 2023, the share price was AED 3.70 and the Company's market capitalization was AED 46.3 billion. The Company's paid-up share capital is AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08. ADNOC Distribution's shares are compliant with Shari'a as verified by the Unified Committee of Islamic Banks for Shari'a Screening of Equities (UAE).

ADNOC DISTRIBUTION SHARE OWNERSHIP STRUCTURE

As of December 31, 2023, Abu Dhabi National Oil Company (ADNOC), the parent company, owned 77% of the outstanding shares. The UAE and other GCC institutions, international institutions, and individual retail investors owned 52%, 30% and 18% of the free float, respectively.

The total number of shareholders as of December 31, 2023, was approximately 13,000.

Share Ownership Structure*



*Data source: ADNOC Distribution share register as of 31 December 2023

HOW TO BUY SHARES

Any investor with an up-to-date investor number (NIN) registered through the ADX can place orders to buy and sell shares through brokerage companies licensed and registered in the market.

Trading on ADX is allowed only through authorized brokers. Those interested may contact a broker or visit www.adx.ae (FAQs) for a complete list of brokerage companies. Interested parties can also call ADX customer service on 800239 or +971 2 6277777 for further information.

ADNOC Distribution Daily Share Performance, 2023 (Prices at daily close)



ADNOC Distribution Share Trading Performance Summary

	At Initial Public Offering (December 2017)	Last trading day 2022	Last trading day 2023	% change in 2023	High	Low
Share Price (AED)	2.50	4.41	3.70	-16.1%	4.64	3.32
ADX General Index - FTSE ADX General Index (FADGI)	4,384	10,211	9,578	-6.2%	10,316	9,220
FADX 15 (FADX15)	n.a.	10,189	9,334	-8.4%	10,264	8,995
Number of shares outstanding (billion)	12.5	12.5	12.5			
Market capitalization (AED billion)	31.3	55.1	46.3			
Average Daily Trading Volume during the year (million shares)	n.a.	12.4	8.2			
Average Daily Trading Value during the year (AED million)	n.a.	52.5	33.1			

Stock Exchange Listing
Abu Dhabi Securities Exchange (ADX)

Date listed on the stock exchange
December 13, 2017

Currency
AED (United Arab Emirates Dirham)

International Securities Identification Number (ISIN)
AEA006101017

ADX symbol
ADNOCDIST

Reuters Instrument Code (RIC)
ADNOCDIST.AD

Bloomberg symbol
ADNOCDIS UH

Indices in which ADNOC Distribution stock is included*:



FTSE ADX General Index
FTSE ADX15
FTSE ADX Energy Index
FTSE ADX ESG Screened Index



FTSE Emerging Index
FTSE4Good Index Series
FTSE Emerging ESG Low Carbon Select



The MSCI Emerging Markets Index
MSCI United Arab Emirates (UAE) Index
MSCI UAE Investable Market Index (IMI)

* Source: Bloomberg, ADX, MSCI, FTSE

Registrar

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