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A MESSAGE FROM OUR CHAIRMAN

I am pleased to report another successful year for the Company in 2023. In the year that ADNOC Distribution marked its 50th anniversary, we adapted to meet the changing needs of consumers, built a more resilient business model that prioritized innovation, the adoption of new AI tools, and accelerated domestic and international growth.

The Company's collective efforts resulted in exceptional financial performance in 2023, marked by record-high EBITDA of more than \$1 billion, a robust net profit of \$708 million, a net debt-to-EBITDA ratio of 0.62x, and operational efficiency improvements resulting in like-for-like OPEX savings of \$28 million.

Backed by a strong free cash flow of \$1.1 billion, a healthy balance sheet, and network of 840 service stations across the Middle East and North Africa, ADNOC Distribution is well-positioned to realize our growth ambitions as a multi-energy, convenience, and mobility leader.

Building on our strong performance in 2023, we recently unveiled the Company's five-year strategy, underpinned by three key drivers: domestic growth, international platforms, and future-proofing the business.

LEVERAGING DIGITAL TRANSFORMATION

Across ADNOC, we are working to become the world's most AI-enabled energy company to deliver smarter, cleaner, and safer energy for all.

At ADNOC Distribution, AI is putting customer-centricity at the heart of everything we do. Our new strategy aims to digitally transform our stations to strengthen our customer experience. In 2023, we invested in artificial intelligence

(AI) driven computer vision technology and launched Fill & Go, a hyper-personalized, seamless refueling solution.

We also deployed AI to upgrade our non-fuel offerings through ADNOC Rewards – the UAE's first and largest fuel retail loyalty program with nearly 2 million registered members – resulting in an increase in transactions and profitability.

DRIVING SUSTAINABILITY

In alignment with our sustainability roadmap, ADNOC Distribution made measurable progress towards reducing our carbon intensity by 25% by 2030. In 2023, we commenced multiple initiatives to support our sustainability journey, such as installing solar panels throughout our network, adopting biofuel across our entire commercial fleet, and utilizing green cement in the construction of all new stations.

We continued our commitment to sustainable mobility with the launch of 50 EV charging points and the region's first high-speed hydrogen refueling station, H2GO. Our new five-year strategy will see a strategic deployment of EV chargers across our network, and as demand grows, we intend to increase our investments in EV infrastructure and alternative fuels, such as hydrogen.



A year of growth and sustainability

MOVING FORWARD INTO 2024

As we transition into a multi-energy, AI-enabled convenience, and mobility leader, ADNOC Distribution will continue to invest in the core UAE market, digitally optimize our service stations, improve our customer experience, and expand our international footprint. We will continue to grow whilst unlocking the value of our existing network by utilizing our non-fuel retail assets and optimizing real estate. By leveraging our robust balance sheet and reliable cash flow generation, we aim to further enhance the contribution from our international businesses while exploring value-accretive inorganic

opportunities. Looking ahead, we plan to expand our total network to 1,000 stations by 2028, a 20% increase over 2023.

I want to thank our employees, management and Board of Directors for their hard work and commitment as we look back on the remarkable achievements of ADNOC Distribution in 2023. Their contributions and dedication were instrumental in the Company's success, and I am excited about what we will accomplish together this year.

H.E. DR. SULTAN AHMED AL JABER

Chairman



CEO'S MESSAGE

2023 was a record-breaking year for ADNOC Distribution. I feel a deep sense of pride in our collective achievements and would like to thank ADNOC Distribution's employees, for their determination and commitment, as well, our customers, partners, and shareholders for their trust. We had a defining year as we delivered on our smart growth, innovation, and sustainability targets to set the stage for continued success.

Notable achievements included expanding our network, substantially growing our non-fuel business, embracing efficiency, and entering new markets – all of which culminated in our record EBITDA in excess of \$1 billion. These milestones, coupled with robust financial performance, underscored the strength of our management team and our employees to deliver on ADNOC Distribution's long-term commitments.

This Annual Report highlights the success stories in more detail, encompassing financial performance, sustainability initiatives, future-proofing strategies, and our vision as we evolve into a multi-energy, convenience, and mobility leader.

DOMESTIC AND INTERNATIONAL EXPANSION

Our substantial expansion of the service station network provided an ideal platform for remarkable growth in fuel and non-fuel sales. We exceeded targets by opening 41 new service stations across the UAE, KSA, and Egypt, expanding our network to 840 stations and 500 convenience stores by year-end.

The acquisition of a 50% stake in TotalEnergies Marketing Egypt marked a significant milestone in our international expansion, further solidifying our position as a leading fuel and convenience provider in the region.

Additionally, our lubricants business expanded its presence to 37 countries, reinforcing ADNOC Distribution's global footprint in new markets.

SUPERIOR CUSTOMER EXPERIENCE

We proudly served over 600,000 customers daily at our UAE service stations, facilitating a record 224 million retail transactions. Our non-fuel retail business witnessed double-digit growth, led by initiatives such as the revamped ADNOC Rewards TIERs program, which has reached nearly 2 million members, a 22% increase from the previous year.

Our commitment to enhancing customer experiences led us to leverage cutting-edge technologies, including artificial intelligence. Digital-led and artificial intelligence-enabled services such as Fill & Go, leveraged ADNOC Rewards to create a hyper-personalized and seamless experience for our customers, driving increased transactions and profitability.



Expanding horizons, pursuing innovation, and powering a sustainable future

SUSTAINABILITY

In alignment with the UAE's vision for sustainable mobility, as well as to future-proof the business, we installed over 50 fast and super-fast electric vehicle (EV) charging points and launched the region's first high-speed green hydrogen pilot refuelling station.

In pursuit of our sustainability goals, we utilized green cement in the construction of new stations, and installed solar panels across our network, reducing our carbon footprint and promoting renewable energy adoption as part of our commitment to reduce carbon emissions by 25% by 2030. Additionally, we introduced reverse vending machines at select stations to promote recycling.

ENG. BADER SAEED AL LAMKI
CEO, ADNOC Distribution

LOOKING FORWARD

As we embark on 2024, we remain focused on delivering profitable, domestic growth in both retail and commercial, scaling up our international platforms, and future-proofing our business by exploring new revenue streams.

We continue to transform from a fuel distributor into a multi-energy, convenience, and mobility leader.



FINANCIAL REVIEW

ADNOC Distribution achieved strong financial and operating performance while delivering on a critical commitment to the capital markets with record-high EBITDA in 2023.

The following discussion and analysis of the Company's financial results is based on audited financial statements for the year ending December 31, 2023. The results should be read in conjunction with audited financial statements, including the related notes, which are available on the Company's website.

Marked by its highest-ever EBITDA, 2023 was a remarkable and transformative year for ADNOC Distribution. The Company delivered on its five-year targets that were communicated to the market during its Capital Markets Day in 2019 with the Company's EBITDA of AED3.68 billion (>\$1 billion), an increase of 5% year-on-year.

The Company continued to execute its operational efficiency initiatives and successfully achieved its 2023 OPEX savings target with an additional AED 103 million savings in operating expenses on a like-for-like basis, leading to a cumulative OPEX savings

in excess of AED477 million achieved over 2019-2023, in line with its five-year OPEX savings target.

In 2023, ADNOC Distribution reported a net profit of AED 2.60 billion. While down 5% year-on-year, it more than in full covers the dividend for 2023 of AED2.57 billion as per the dividend policy. Underlying EBITDA grew by 15% year-on-year to AED3.34 billion, and net profit, excluding inventory movements, increased by 6% year-on-year to AED2.26 billion despite the higher finance costs. This financial performance was supported by double-digit growth in fuel volumes and a number of non-fuel transactions, growing contribution from international operations, and efficiency improvement initiatives. Additionally, strong underlying profitability contributed to growth in free cash flow generation of 19% to AED4.0 billion 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 and attractive dividend distributions.

Whilst continuing to deliver on its sustainable profitable growth strategy in 2023, ADNOC Distribution remained focused on future proofing the business and capitalizing on energy transition opportunities by addressing customers' evolving energy needs. Simultaneously, it continued to decarbonize its operations by setting a goal of reducing carbon emissions intensity by 25% by 2030 and launching a series of sustainability initiatives. The Company also accelerated its digital transformation strategy to deliver best-in-class customer service, which will strengthen its competitive positioning to make ADNOC Distribution service stations a destination of choice for customers.

ADNOC Distribution has a solid financial framework in place for all investments to ensure a disciplined, return-driven capital allocation and value creation for shareholders.



Fuel volumes

13,829 million liters

40.1% increase

Total fuel volumes sold increased by 40.1% in 2023 compared to 2022, mainly attributable to the consolidation of TotalEnergies Marketing Egypt. In GCC countries, fuel volumes were up 11.8% supported by higher mobility, sustained momentum in the region's economic growth, network expansion, and higher contributions from KSA operations.



Revenue

34,629 AED million

7.8% increase

Revenue for 2023 increases by 7.8% compared to 2022 despite the lower selling prices as a result of lower crude oil prices in 2023 compared to 2022. This increase in revenue was driven by growth in fuel volumes and higher non-fuel retail segment contribution, as well as the consolidation of TotalEnergies Marketing Egypt.



Gross Profit

5,836 AED million

3.0% increase

Gross profit for 2023 increased by 3.0% compared to 2022, mainly as a result of higher fuel volumes, and growth in non-fuel retail business despite lower inventory gains of AED339 million in 2023 versus a material inventory gain of AED622 million in 2022 in a rapidly rising oil environment.



EBITDA

3,679 AED million

4.6% increase

EBITDA for 2023 increased by 4.6% compared to 2022 despite lower inventory gains in 2023 versus 2022, supported by higher fuel volume, higher contribution from non-fuel retail business and international activities and company-wide efficiency improvement initiatives.



Underlying EBITDA

3,340 AED million

15.4% increase

Underlying EBITDA (EBITDA excluding inventory movements) for 2023 increased by 15.4% compared to 2022, mainly driven by higher fuel volume, higher contribution from non-fuel retail business and international activities and company-wide efficiency improvement initiatives.



Distribution and administrative expenses

2,917 AED million

5.6% increase

In 2023, distribution and administrative expenses (OPEX) increased by 5.6% compared to 2022. Excluding depreciation, cash OPEX of AED2,220 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.



Net Profit*

2,601 AED million

5.4% decrease

In 2023, net profit attributable to shareholders decreased by 5.4% compared to 2022, mainly as a result of lower inventory gains in 2023 versus 2022.

* Net profit attributable to equity holders of the company



Net Profit Excluding Inventory Movements

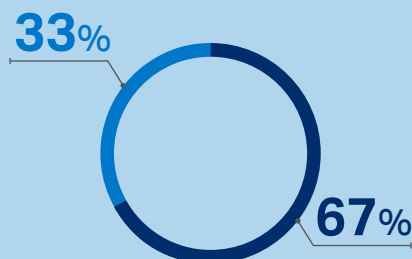
2,262 AED million

6.4% increase

Net profit, excluding inventory movements, increased by 6.4% compared to 2022, despite higher finance costs. This was supported by volume growth, higher contribution from non-fuel retail business, international activities and company-wide efficiency improvement initiatives.

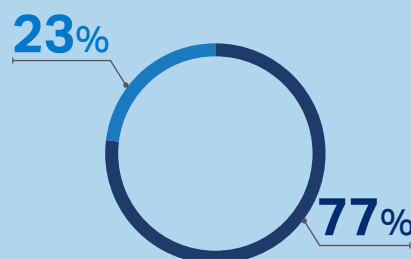
2023

Revenue



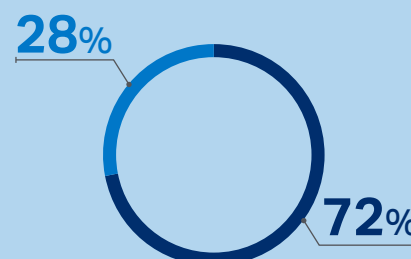
- Retail (Fuel & Non-fuel)
AED 23,217 million
- Commercial (Corporate & Aviation)
AED 11,412 million

Gross Profit



- Retail (Fuel & Non-fuel)
AED 4,499 million
- Commercial (Corporate & Aviation)
AED 1,337 million

EBITDA¹



- Retail (Fuel & Non-fuel)
AED 2,646 million
- Commercial (Corporate & Aviation)
AED 1,048 million

¹ EBITDA contribution excluding unallocated items of -AED15 million

Key year-on-year financials – Statement of profit and loss items

(AED million)	For the year ended 31 December		
	2023	2022	YoY %
Revenue	34,629	32,111	7.8%
Gross profit	5,836	5,668	3.0%
EBITDA	3,680	3,517	4.6%
Underlying EIBTDA*	3,340	3,166	15.4%
Profit for the period**	2,601	2,749	-5.4%
Earnings per share (AED/share)	0.208	0.220	-5.4%
Profit for the period excluding inventory movements	2,262	2,126	6.4%

* Underlying EIBTDA is defined as EBITDA excluding Inventory movements

** Net profit attributable to equity holders of the Company



Net cash generated from operating activities

5,051 AED million

12.1% increase

Net cash generated from operating activities increased by 12.1% in 2023 compared to 2022, supported by the EBITDA growth and positive effect of working capital change



Capital expenditures

1,176 AED million

4.5% decrease

The Company invested CAPEX (including accruals/provisions, while excluding M&A) of AED1,176 million in 2023, a decrease of 4.5% compared to 2022.



Free cash flow

4,025 AED million

18.7% increase

Free cash flow generation (net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors) totaled AED4,025 million in 2023, an increase of 18.7% compared to 2022, driven by a robust cash flow from operating activities



Total equity

3,796 AED million



Net debt

2,298 AED million



Net debt to EBITDA ratio

0.62x x multiples

The ratio of interest-bearing net debt to EBITDA at the end of December 31, 2023, was 0.62x. There are no financial covenants in the Company's credit facilities.

Key year on year financials – Balance sheet items

(AED million)	As of December 31		
	2023	2022	YoY %
Net cash generated from operating activities	5,051	4,507	12.1%
Capital expenditures – excluding M&A	1,176	1,253	-4.5%
Free cash flow* – excluding M&A	4,025	3,391	18.7%
Total equity	3,796	3,445	10.2%
Net debt**	2,298	2,735	-16.0%
Capital employed	11,340	10,441	8.6%

* Free cash flow is defined as net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors.

** Cash and bank balances used for net debt calculation includes term deposits with banks.



**Return on capital
employed (ROCE)**

26.3%



**Return on
equity (ROE)**

74.9%



**Leverage
ratio**

37.7%

Key year on year financials – Financial ratios

	As of December 31	
	2023	2022
Return on capital employed (ROCE)	26.3%	28.5%
Return on equity (ROE)	74.9%	79.8%
Net debt to EBITDA ratio*	0.62x	0.78x
Leverage ratio*	37.7%	44.3%

* Cash and bank balances used for net debt calculation includes term deposits with banks.

MARKET OVERVIEW

UAE



The UAE remains the Company's core market. It is the second-largest economy, after Saudi Arabia, in the Gulf Cooperation Council (GCC), based on nominal gross domestic product (GDP) and is one of the wealthiest countries in the region on a per capita basis. The World Investment Report 2023 ranked the UAE as the top country in the Arab world and the 22nd country worldwide for its capacity to draw foreign direct investment (FDI). In 2022, the UAE saw a 10% rise in FDI inflows to \$23 billion – the most ever achieved. A significant rise of investment activity in the UAE made the country the fourth-largest recipient of greenfield projects in the world.

In 2023, the UAE economy is projected to show solid growth but at a lower rate compared to 2022. According to the country's Central Bank, the real GDP is expected to increase by 3.1% in 2023, compared to 7.9% in 2022. The lower growth rate in the economy is mainly due to the prolongation of oil production cuts by OPEC+.

SAUDI ARABIA



ADNOC Distribution continued to execute its plans in the Kingdom of Saudi Arabia (KSA) with 68 stations in the Kingdom at the end of 2023. Currently, more than 80% of the network has been rebranded, providing support to operating and financial performance in KSA. With a fully operational team on the ground, the Company is nearing completion of a revitalization and rebranding program for its network in the Kingdom.

Saudi Arabia's economy is one of the top 20 in the world and the largest in the Arab world and the Middle East. The

Kingdom's economic growth is expected to decelerate from 8.7% in 2022 to 0.8% in 2023, according to a forecast by the International Monetary Fund. The slower GDP growth in 2023 reflects the announced oil production cuts, including unilateral cuts and those in line with an agreement through OPEC+.

The outlook for Saudi Arabia's economy is favorable; the Kingdom's GDP is projected to grow at 4% in 2024.

EGYPT



Beyond the GCC region, the Company further advanced its international expansion in 2023 by completing the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC, which is among the top four fuel retail operators in Egypt. This acquisition includes a diversified portfolio comprising 243 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 also 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 the MENA region.

The Egyptian economy experienced a slowdown in growth during the Q1 of the current fiscal year 2023/2024, with a growth rate of 2.65% (vs 4.4% in 2022/2023). The World Bank forecasts Egypt's real GDP for the fiscal year 2023/2024 to grow at 3.5%.

Egypt's overall macroeconomic environment during FY2023/2024 is expected to be undermined by the weakening global economic outlook and domestic challenges such as rising inflation, foreign currency shortages, and commodity supply disruptions, which are anticipated to result in weak private-sector consumption and export fall.

ADNOC DISTRIBUTION VALUE PROPOSITION

Solid business performance and cashflow visibility



- Demonstrable solid business performance reinforced by strong 2023 operating and financial results with over 26% ROCE
- Predictable cash flow generation supported by robust regulatory framework, industry-leading margins in the UAE and limited exposure to oil price volatility
- 5-year supply contract with ADNOC, offering a retail margin guarantee which protects against inventory losses while providing earnings upside from inventory gains in fuel retail business
- Strong balance sheet with ample liquidity supports growth prospects and attractive shareholder distributions

Deliver incremental and sustainable growth



- Establish ADNOC Distribution as a multi-energy, convenience and mobility leader
- Deliver EBITDA growth in 2024-28 through identified key strategic initiatives and focus areas, including doubling down on non-fuel retail and sweating the assets
- Accelerate sustainable and profitable growth domestically and internationally through efficient capital allocation
- Futureproof the business by unlocking new revenue streams offered by energy transition (incl. EV charging) and pursuing sustainability goals
- Accelerate digital transformation to create incremental value and enhance customer loyalty
- Unlock hidden value through OPEX initiatives

Deliver higher shareholder payback



- Proven track-record of shareholder value creation since IPO
- Total shareholder return: \$8.2 billion (+100%)
- Attractive dividend policy supported by visible cash flow profile and strong balance sheet
- New 2024-28 dividend policy proposal ⁽¹⁾ \$700m or min. 75% of net profit whichever is higher, providing payback visibility and dividend upside from earnings growth

(1) Subject to shareholders' approval at the General Assembly Meeting scheduled for March 2024

DIVIDEND POLICY

Since its IPO, the Company has consistently increased payback to its shareholders through its progressive dividend policy supported by strong cash flow generation and balance sheet strength.

Under the Articles of Association, the Company may distribute quarterly, semi-annual and/or annual dividends to shareholders from operating profits and/or accumulated profits. Since its IPO, the Company has historically aimed to pay a dividend twice each fiscal year, with an initial interim payment in October and a second payment in April of the following year. In making recommendations to shareholders regarding the payment of dividends, the Board of Directors considers the cash management requirements of the business for operating expenses, interest expenses, and anticipated capital expenditures. The Board also considers market conditions, the operating environment, and the outlook for the business.

The Company's dividend policy sets a dividend of a minimum of

AED 2.57 billion (min. AED 20.57 fils per share) for 2023. Under our approved dividend policy, ADNOC Distribution's Board of Directors has recommended that shareholders approve a final dividend payment of AED 1.285 billion (AED 10.285 fils per share) for the second half of 2023, resulting in a total dividend of AED 2.57 billion (AED 20.57 fils per share) for fiscal year 2023. If approved by ADNOC Distribution shareholders at the Annual General Assembly Meeting, the Company expects to pay this dividend in April 2024. To recognize the Company's strong financial position and confidence in future cash flow generation, the Board of Directors has recommended introducing a new dividend policy for 2024-2028 to distribute an annual dividend of AED 2.57 billion

(20.57 fils per share) or min. 75% of net profit, whichever is higher. This policy represents a balance between growth investments and sustainable shareholder payouts, while also provides payback visibility and dividend upside from future earnings. ADNOC Distribution had AED 3.2 billion of cash on its balance sheet with a ratio of net debt to EBITDA at 0.62x as of December 31, 2023, offering additional leverage capacity. The new dividend policy proposal will be presented to shareholders during the upcoming General Assembly Meeting scheduled for March 2024.

ADNOC Distribution is unwavering in its commitment to fulfilling its strategic goals and providing long-term sustainable returns to its shareholders.



OUR STRATEGY

ADNOC Distribution's strategy focuses on driving sustainable earnings growth and delivering long-term returns for shareholders.

In charting the course for 2024, ADNOC Distribution remains steadfast in its commitment to sustainable earnings growth and the delivery of long-term returns for our shareholders. Our resilient and diversified business operations provide a solid foundation for future growth in both Fuel and Non-Fuel segments, enabling us to embrace emerging opportunities in the dynamic space of new mobility solutions. Embedded within our strategy is a dedication to optimizing costs, implementing sustainability into our daily operations, and future-proofing our business. We are determined to strengthen our brand and allocating capital in a disciplined manner for both growth and ensuring 100% HSE in our operations, with a view to maximizing value for our shareholders. Our strategy has a core philosophy where business success lies in placing our customers at the center of our offering — a principle that has been intrinsic to our evolution from a fuel

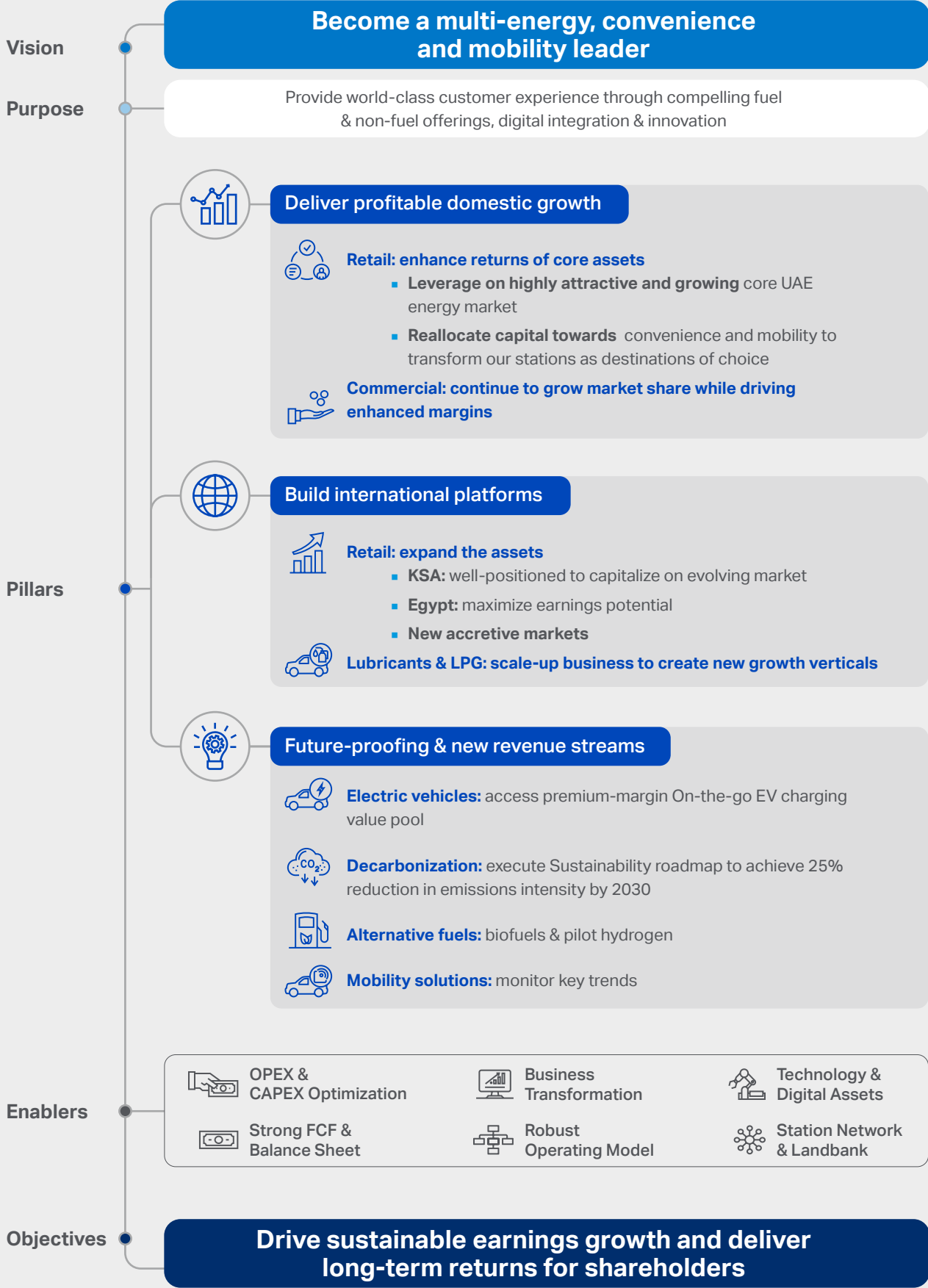
distributor to a preferred retail and mobility destination of choice.

Our journey is underpinned by a track record of delivering robust operating and financial results. Our strategic roadmap leads us to our next phase of growth and consolidation of leadership in mobility retailing in our home market. Simultaneously, we are dedicated to enhancing our product and service offerings, expanding geographically, optimizing returns from our portfolio, and streamlining costs and capital allocation. As we embark on this transformative journey, after a record financial and operating performance in 2023 and attractive shareholder payback, ADNOC Distribution continues to represent a compelling investment case and is well-positioned to pursue its next phase of growth. Building on the successful delivery of our five-year targets (2019-2023) which were set in 2019, we have recently unveiled during the Investor Day in February

2024, key strategic initiatives and focus areas that are expected to deliver EBITDA growth in 2024-28. We believe we are now ready for the next phase of growth which will see ADNOC Distribution transform from a fuel distributor into an multi-energy distribution, convenience and mobility leader. This is expected to be achieved through leveraging on the full potential of ADNOC Distribution's organic business, unlocking incremental value from non-fuel business and sweating the assets, as well as potential value-accretive inorganic opportunities. ADNOC Distribution envisions a future where sustainability, innovation, and customer centricity converge seamlessly. We can leverage on our strong balance sheet to continue with our investment plans and secure domestic and international growth – all of which will contribute to incremental EBITDA in 2024 and beyond. This is our compass for the next five years, where every journey is a testament to our dedication to progress.



STRATEGY OVERVIEW



To achieve long-term growth objectives, ADNOC Distribution is focusing on the following key areas:

Deliver profitable and sustainable growth

1. Domestic Fuel: continued investment in the growing and highly attractive core UAE energy market by growing fuel volumes through smart network growth and expanding customer channels with digitally-enabled mobile assets

a. Fuel Retail business

The Company expects solid growth in its fuel retail business, driven by population and mobility growth and growing car parc. ADNOC Distribution is well-positioned to capitalize on this opportunity and retain its leadership position in the UAE's fuel retail market. With an extensive network of 529 retail fuel service stations as at the end of 2023, the Company intends to grow its domestic network efficiency by high-grading its stations and converting them into destinations of choice for customers by expanding its non-fuel retail proposition.

The profitability of the Company's fuel retail business is expected to remain strong, supported by the robust UAE regulatory framework, visible industry-leading UAE retail fuel margins and high throughputs per station. In addition, the Company successfully renewed a five-year supply contract with ADNOC in January 2023, providing ADNOC Distribution a retail margin guarantee that protects against inventory losses and provides exposure to inventory gains.

■ Network expansion in Dubai

Dubai provides access to one of the region's highest retail fuel throughputs per station and a strong non-fuel opportunity. It offers a way for the Company to expand its domestic network without cannibalizing its volumes. ADNOC Distribution has increased its presence in Dubai from three sites in 2018 to a network of 44 stations as of December 31, 2023.

■ Maintain a leading position in Abu Dhabi and the Northern Emirates

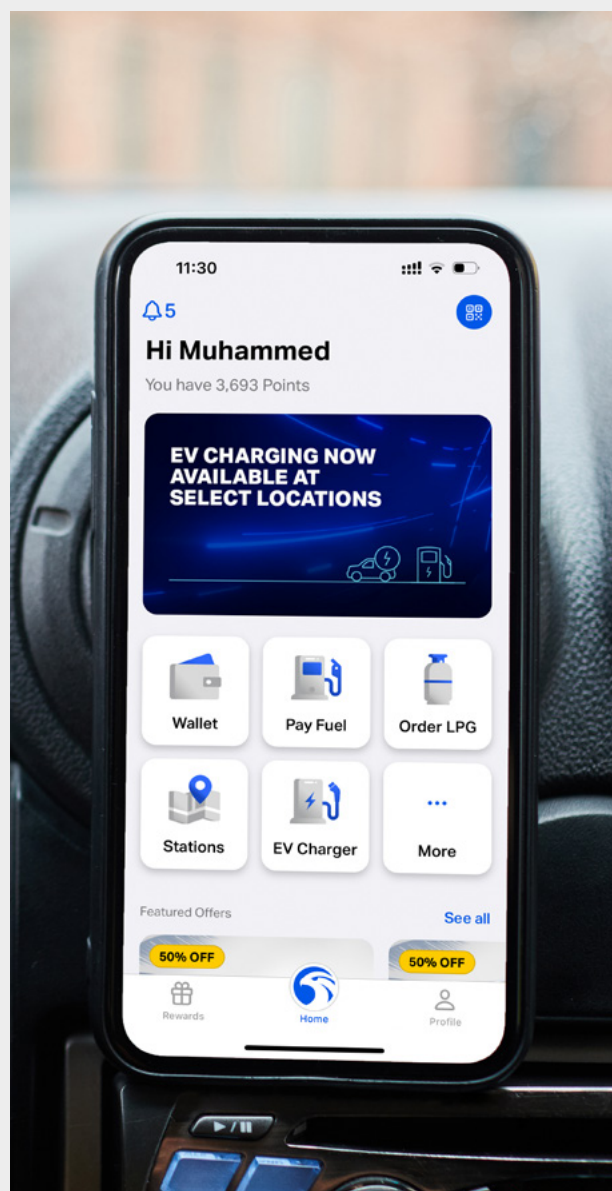
As the largest fuel retail operator in Abu Dhabi and the Northern Emirates, the Company continues to expand its network in these regions to maintain its market-leading status and ensure convenient access to fuel and non-fuel services for customers. The Company's expansion in these two regions through innovative and capital-efficient models, such as 'ADNOC On the Go', is prioritized to both protect its market share and generate attractive returns.

■ Mobile assets

ADNOC Distribution has pioneered a fleet of mobile fueling assets to diversify supply channels and offer a customer-centric proposition aimed at convenience. Starting with corporate customers, the mobile assets have expanded in scope to compete across markets, leveraging its fleet of 212 ADNOC MyStation trucks and trailers (59 Fuel trucks, 4 super fuel trucks and 149 LPG cylinder delivery fleet).

■ Network portfolio optimization

The Company continuously performs a retail network health analysis based on data analytics to improve asset utilization at its service stations and grow profitability, thereby unlocking value from its expanding retail assets and maximizing the return on capital employed.



b. Commercial Fuel

Leveraging the attractive commercial fuel market outlook with demand supported by UAE's economic growth, ADNOC Distribution intends to expand bulk fuels, LPG and aviation both abroad and through value-added fleet and B2B services and to grow aggressively in lubricants domestically and in export. There is a strong opportunity for growth in ADNOC Distribution's commercial business across various product segments.

■ Growing domestic corporate main fuel business

Abu Dhabi and Northern Emirates are the largest markets for main fuels, with gasoil demand expected to grow driven by higher activity in the construction industry. ADNOC Distribution expects to sustain growth in its corporate business and maintain a leadership position in the UAE by capturing market demand growth and signing new strategic long-term supply contracts with customers and distributors. In addition, the Company intends to further strengthen its direct customer access using a wide portfolio of fully digitized mobile assets while helping customers to decarbonize their operations through more sustainable fuels such as biofuel.

■ Growing LPG business across UAE

The UAE market presents compelling opportunities for the Company to seek returns and growth, including its LPG business, which began the sale of cylinders to businesses in Dubai in 2019. The Company intends to gain further market share in the LPG markets of Dubai and the Northern Emirates while scaling up profits in Abu Dhabi through an enhanced digital LPG distribution model leveraging the ADNOC mobile application platform, including launching an LPG delivery service direct to customers. The Company also plans to expand its offering of innovative LPG vending machines and lightweight composite cylinders.

■ Growing domestic lubricants business

ADNOC Distribution focuses on the domestic UAE market as a key lubricants segment earnings contributor. Demand in the UAE lubricants market is expected to grow, driven by a higher population and increased number of cars as well as growing investments in the industrial sector resulting in increased manufacturing and construction activities, and growing logistics of raw materials and industrial output driving demand for commercial automotive and marine lubricants. The Company intends to expand its portfolio offering, including specialties and new fluids (e.g., EV fluids, immersion cooling fluids).

2. Domestic Non-Fuel Retail

Capitalizing on its fuel-based footfall, ADNOC Distribution is transforming into a multi-energy, convenience, and mobility leader. The Company has full access to the highly profitable non-fuel retail market and intends to unlock the incremental value of the existing network. By leveraging non-fuel retail assets and real estate optimization, ADNOC Distribution is well-positioned to make its service stations as destinations of choice with multiple attractive non-fuel offerings.

In its convenience store business, ADNOC Distribution is the largest convenience store operator in the UAE, with 359 stores nationwide. The Company intends to expand its total convenience stores network by 25% by 2028 in a disciplined manner. The Company also plans to transform its stores from "Convenience" destination into a Food and Beverage (F&B) 'Foodvenience' destination by increasing the share of its high-margin F&B products and more than doubling barista-prepared drinks. The Company is also enhancing its stores with segmented offerings and customization of assortment leveraging advanced analytics, to drive higher conversion. Other strategic initiatives include delivering ADNOC Oasis to customers through e-commerce, bringing convenience to customers (Click & Collect) and drive-thru services.

As part of its Car Care service business, ADNOC Distribution is leveraging a strong car wash and lube change footprint to enhance customer experience and become a one-stop car care services destination. The Company has plans to improve the overall customer experience facilitated by new offerings and adapting innovative digital solutions, such as introducing a new car wash layout and rolling out high-capacity tunnel car washing with best-in-class technology. This will enable the customers to be served with improved machinery and enhanced experience via digital journeys. ADNOC Distribution has introduced its new car wash layout in nearly 40 sites across the UAE in 2023, offering a modern and premium customer experience. In addition, network-wide improvement initiatives are consistently underway, including the expansion of value-added services at Vehicle Inspection Centers, leading to higher basket size and digital marketing (e.g. a subscription model in car wash) and extensive marketing and promotions.

In Property Management, the Company is sweating the assets through real estate optimization at its service stations. The Company aims to diversify revenues, drive footfall to its stations and grow profitability through monetizing its real estate landbank (i.e. building Community Hubs, and a Quick Service Restaurants (QSR) platform to capture larger value pool), growing its property management business by improving tenant mix, and selectively operating franchises to extract more value across the value chain and generate franchising growth.

Build international platforms

International Retail: Expand the Assets

Delivering on our international expansion plan remains integral to our ambitious growth strategy. We expect to grow internationally through efficient capital allocation where there are opportunities to deliver attractive investment returns. The Company aims to grow the contribution of its international operations and maximize value and earnings potential from its existing assets in Saudi Arabia and Egypt.

In 2023, ADNOC Distribution continued executing its plans in Saudi Arabia, reaching 68 stations at the end of 2023 and more than 80% of the network being rebranded, supporting operating and financial performance in KSA. Saudi Arabia is a large and fragmented market and ADNOC Distribution's experience and strength in fuel retail can be leveraged to capture growth. The Company's integrated approach to fuel and non-fuel offerings is a key differentiator in Saudi Arabia, and it plans to further accelerate expansion in the Kingdom both organically and inorganically through efficient capital allocation.

In Egypt, the Company further advanced its international expansion in 2023 by completing the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC, which has a diversified portfolio of over 240 retail fuel stations, aviation fuel, lubricants, and wholesale fuel operations as well as 100+ convenience stores, 250+ lube change bays and +15 car wash locations. 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 region.

In addition to Saudi Arabia and Egypt, ADNOC Distribution is well-positioned for potential inorganic opportunities in new markets while ensuring allocation of capital towards growth in a disciplined manner through value-accretive opportunities.

International Expansion for Lubricants

The wholesale lubricants segment is one of the most promising operating segments for ADNOC Distribution as it enables domestic and international expansion with exports to different markets across the Middle East, Africa, and Asia. The Company's lubricants export network continues to expand, reaching 37 markets by the end of 2023 compared to 25 in 2022.

The Company plans to grow sales in its lubricants segment by introducing new formulations and specialties products using ADbase, a world-class base oil supplied by ADNOC Group. Also, having undertaken a rigorous assessment of the international lubricant market, the Company aims to expand its lubricant portfolio, benchmarked to key global leaders and modernizing packaging, in addition to organic and inorganic growth, in key international markets such as KSA and Egypt.



Future-proof our business

CAPITALIZE ON OPPORTUNITIES CREATED BY THE ENERGY TRANSITION

ADNOC Distribution's priority is to create incremental shareholder value – supported by tangible initiatives in sustainable mobility to future-proof the business and achieve leadership in decarbonization efforts. This value can be attained through promoting alternative mobility solutions and unlocking new revenue streams created by the energy transition, such as investing in EV charging services, hydrogen, and biofuels.

a. Lead in EV charging services and alternative fuels

Leveraging on its extensive network, the Company is pursuing leadership in EV charging services on-the-go, aiming to attract EV customers through fast and super-fast charging and convenience. The Company intends to drive customer choice for EV charging on-the-go by rolling out capacity ahead of demand by leveraging its network and beyond. Targeting similar profitability compared with the existing fuel business, the fast on-the-go segment can deliver attractive margins based on capturing ~20% of EV customers' charging needs. This will be achieved through a disciplined rollout of fast and super-fast EV charging points across the Company's UAE network, with an ambition to deliver a network of more than 500 fast and super-fast charging points by 2028. At the end of 2023, the Company had 53 assets installed across strategic locations to address current EV customer demand and offer an enhanced customer value proposition.

The Company also aims to offer the best EV charging customer journey through its on-the-go network. This will be accessible, available, and convenient to customers, supported by strong non-fuel offering and customer proposition, leveraging on loyalty and digital marketing.

The Company is exploring clean fuels, such as hydrogen. Operations of the region's first high-speed green hydrogen pilot refueling station, which was opened by ADNOC, to test a fleet of zero-emission hydrogen-powered vehicles, has now started.

Through the development of modern mobility solutions, ADNOC Distribution intends to become a destination of choice for charging and convenience for UAE customers.

b. New adjacencies and business models

ADNOC Distribution aims to extend its core strengths and capabilities into new business models, such as vehicle servicing, fleet solution, Quick Service Restaurants master franchise, food and grocery convenience and sustainability solutions. These are new sectors outside of the Company's core domain that can be accelerated via acquisitions or partnerships. Such strategy is expected to enable ADNOC Distribution to extract value from more channels and create new platforms to future-proof the business beyond fuel.

c. Decarbonizing our operations

ADNOC Distribution plans to expand its sustainability-driven efforts to future-proof its business. Through its Decarbonization roadmap, the Company has committed to reduce the 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 2023 and beyond. These include installing solar panels at service stations, using biofuels to power its fleet of vehicles and other energy optimization initiatives. ADNOC Distribution also aims to utilize 'green concrete', which is eco-friendly and has a smaller carbon footprint than traditional concrete, in the construction of new service stations.

In 2023, ADNOC Distribution started the installation of solar panels across its service station network in Dubai, as part of the Company's phased approach to UAE-wide solar rollout to provide the power needed for daily operations. Additionally, 100% of the Company's UAE heavy fleet is now using biofuel.




THANK YOU
AND HAVE
A GREAT DAY!





STRATEGY IN ACTION

Pioneering the future – our role in the Middle East’s first high-speed hydrogen refueling station



CONTEXT

ADNOC Distribution takes a significant step into the future as part of ADNOC’s broader commitment to sustainability and decarbonization. In collaboration with local and international partners, ADNOC opened H2GO, the Middle East’s first high-speed hydrogen refueling station in Masdar City, Abu Dhabi. This groundbreaking initiative aligns with ADNOC’s \$15-billion investment in new energies and decarbonization technologies.



OFFERING

The high-speed hydrogen refueling station represents a vital move toward clean energy in the UAE. By operating the station, ADNOC Distribution contributes to the realization of the UAE National Hydrogen Strategy, positioning the country among the leading hydrogen producers globally while being a key player in the transition to sustainable energy solutions.



HOW DOES IT WORK?

The station utilizes an electrolyzer powered by clean grid electricity to produce clean hydrogen from water. This method ensures that the hydrogen generated creates no carbon dioxide emissions during usage. The project includes a pilot program with Toyota, AI Futtaim Motors, and BMW, who provided a fleet of hydrogen-powered vehicles to test the efficiency and viability of high-speed hydrogen refueling, with taxi companies including Tawasul, also participating.

SUCCESSFUL DELIVERY AGAINST KEY STRATEGIC GROWTH TARGETS FOR 2023

	May '19 CMD: 2023 targets	2023 achievements
 Fuel retail	Low single-digit growth in fuel volumes Increase UAE network size to c.530-550 stations	UAE retail fuel volumes CAGR: 2% UAE network: c.530 stations KSA and Egypt network: 311 stations
 Non-fuel retail	Network: 400 C-stores Refurbish 100% of 2018 C-stores network E-commerce channel	Total Network: ~500 C-stores 90% of C-stores are new or refurbished Launched e-commerce channel
 Commercial fuel	LPG price optimization New contracts in Dubai	LPG price optimization achieved in 2020 New contracts signed in Dubai and Northern Emirates
 OPEX	2019-23 like-for-like savings of \$100-150 million	~\$130 million like-for-like savings achieved in 2019-23
 International growth	Expansion in KSA and exploring other areas	68 stations in KSA and acquisition of 50% in Total Energies Marketing Egypt Lubes exports to more than 30 markets
 Financial targets	EBITDA: exceed \$1 billion Up to 2x Net debt to EBITDA, ROCE min. 20% CAPEX \$1.2-1.4 billion, with 75-80% for growth	EBITDA of >\$1 billion 0.6x Net debt to EBITDA, ROCE 26% 2019-23 CAPEX \$1.2 billion, with 70% for growth

ADNOC DISTRIBUTION TOMORROW: 2028 AMBITION

Establish ADNOC Distribution as a multi-energy, convenience and mobility leader

+50%

Increase in number of fuel transactions

Hyper-personalized digital-first experience to drive customer engagement, footfall and monetization

~1,000

stations network
2023: 840

Deliver EBITDA growth over 2024-28

10-15x

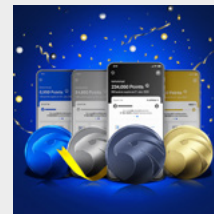
Fast and super-fast EV charging points in the UAE vs. 2023, in a disciplined roll-out approach
2023: 50+

up to **\$50m**

Like-for-like OPEX savings



CUSTOMER PROPOSITION



ENHANCING CUSTOMER EXPERIENCE AND LOYALTY THROUGH INNOVATION AND PERSONALIZED REWARDING EXPERIENCES

ADNOC Distribution is committed to placing the customer at the heart of everything 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.

At the forefront of the UAE's fuel and convenience retail landscape, elevating customer experiences has been a cornerstone of ADNOC Distribution's growth. This commitment to excellence is not just a business strategy; it's a dedication to understanding and exceeding customer expectations. Utilizing cutting-edge AI and data analysis, ADNOC Distribution fine-tunes its offerings with unparalleled precision, ensuring that every interaction is not just a transaction but a seamless and delightful journey.

FUELING CONVENIENCE

The iconic flagship stations in Dubai and Abu Dhabi stand as a testament to ADNOC Distribution's customer-centric approach. Smart cameras recognizing registered customer vehicles, digital screens with personalized greetings, and the convenience of automatic ADNOC Wallet account charging help to redefine the refueling experience along the UAE's busiest highway. Here, every pit stop becomes a moment of personalized convenience and unparalleled service. 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 fueling experience, reaffirming ADNOC Distribution's leadership position in the UAE's fuel and convenience retail sector.

ENHANCING THE LOYALTY PROPOSITION AND OUR DIGITAL EXPERIENCE

ADNOC Distribution's loyalty program, with over 1.9 million members (+22% vs. 2022) and over 100 partners providing discounts and deals through the ADNOC Distribution app, continues to set the benchmark for excellence. In 2023, the Company transformed its Rewards program to offer a significantly enhanced value proposition to its esteemed members. ADNOC Distribution improved the generosity of the program and introduced SILVER, GOLD, and PLATINUM loyalty Tiers to segment and recognize its high-value members with a touch of exclusivity, offering bonus Rewards points, discounted and complimentary treats such as coffee, car washes, and lubricant products. As part of the loyalty program, the Company offers customer 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.

Under the Company's accelerated digital strategy, ADNOC Distribution has upgraded its entire network of service stations and ADNOC Oasis convenience stores across the UAE with more than 10,000 single-device payment terminals equipped with state-of-the-art technology, delivering a seamless experience. The new payment terminals offer seamless and consistent payment experience across all our business lines and all payment methods. Additionally, the payment terminals provide benefits beyond payments by offering the ability to cross-sell nonfuel products at the forecourt and digitizing the entire loyalty experience. The initiative has helped create a new era of next-generation solutions that unlock the full potential of payments.

SUSTAINABLE MOBILITY FOR THE FUTURE

In stride with the global shift towards sustainable solutions, ADNOC Distribution has not only embraced electric vehicles (EVs) but has become a trailblazer, with more than 50 superfast EV charging points installed across its network and providing enhanced customer experience with a wide range of NFR offerings for the EV customers. ADNOC Distribution plans to become the market leading provider in EV charging infrastructure in the UAE and agreed with TAQA to work together to establish a mobility joint venture, to build and operate EV infrastructure in Abu Dhabi and the wider UAE. Moreover, launching H2GO, the region's first high-speed hydrogen refueling station, signals a commitment to pioneering technologies shaping sustainable mobility solutions' future. At ADNOC Distribution, the journey goes beyond fueling; it's about providing energy for life's journey – and crafting moments that resonate with our customers is key to this vision.