

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

