ADNOC DISTRIBUTION Q4 & FULL YEAR 2017 RESULTS

25 FEBRUARY, 2018

AGENDA

1. Welcome and introduction
2. Highlights for 2017
3. Strategy update
4. Conclusion

DISCLAIMER

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology.

These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct.

Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC to supply us with substantially all of the fuel products that we sell; an interruption in the supply of fuels to us by ADNOC; changes in the prices that we pay ADNOC for our fuels and to the prices that we are allowed to charge our retail customers in the UAE; failure to successfully implement our operating initiatives and growth plans, including our mixed-mode service offering, our convenience store optimisation 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.

WELCOME AND INTRODUCTION

2017 HIGHLIGHTS

Undisputed #1 fuel distributor and convenience retailer in the UAE, characterised by operational excellence across all core business areas and strong financial performance

REINFORCED MARKET LEADERSHIP AND REPUTATION

- #1 in UAE fuel retail[1] with 100% market share in Abu Dhabi and Sharjah
- 24 new fuel retail sites opened in the UAE, including 10 new ADNOC Xpress stations
- #1 convenience retail site network[2] and #1 corporate fuel distribution in the UAE

OPERATIONAL EXCELLENCE

- 9.98 bnL total fuel volumes sold in 2017 (+2.2% vs. 2016)
- 164.8 million fuel transactions in 2017 (vs. 153.2 million transactions in 2016)
- 47.8 million non-fuel transactions in 2017 (vs. 46.9 million transactions in 2016)

STRONG FINANCIAL PERFORMANCE

- Gross profit +7.7% YoY (FY 2017 USD 1,205m)
- EBITDA +9.8% YoY (FY 2017 USD 621m)
- Profit for the period +4.1% YoY (FY 2017 USD 491m)
- Net Debt / EBITDA ratio of 1.7x
- USD200m dividend distribution to be paid in late April / early May 2018

WORLD BRANDING AWARDS BRAND OF THE YEAR ®

2015 - 2018

Notes: The Company's financial statements are reported in AED; USD figures used for representation and converted from AED at FX rate of 1 USD = 3.673 AED. All operational information as of and for the year ended 31 December 2017. All information for the year ended 31 December 2016 excludes the impact of Emarat Dubai transaction

1. By number of sites
2. By number of stores

2017 HIGHLIGHTS

Significant steps taken towards delivering the growth initiatives, coupled with world class standards of safety

SIGNIFICANT STEPS TOWARDS DELIVERY OF GROWTH STRATEGY

- Ahead of track with ADNOC Flex (Mixed Mode) initiative
- On track with network expansion
- Multiple opex and capex efficiency initiatives under implementation

HEALTH, SAFETY AND ENVIRONMENT EXCELLENCE PROGRAM

- World class HSE performance, committed to maintain the highest standards of safety in delivering products and services
- Continuous and careful monitoring of key KPIs - number of fatalities, lost time injury frequency, total recordable injury rate, loss of primary containment

HSE EXCELLENCE

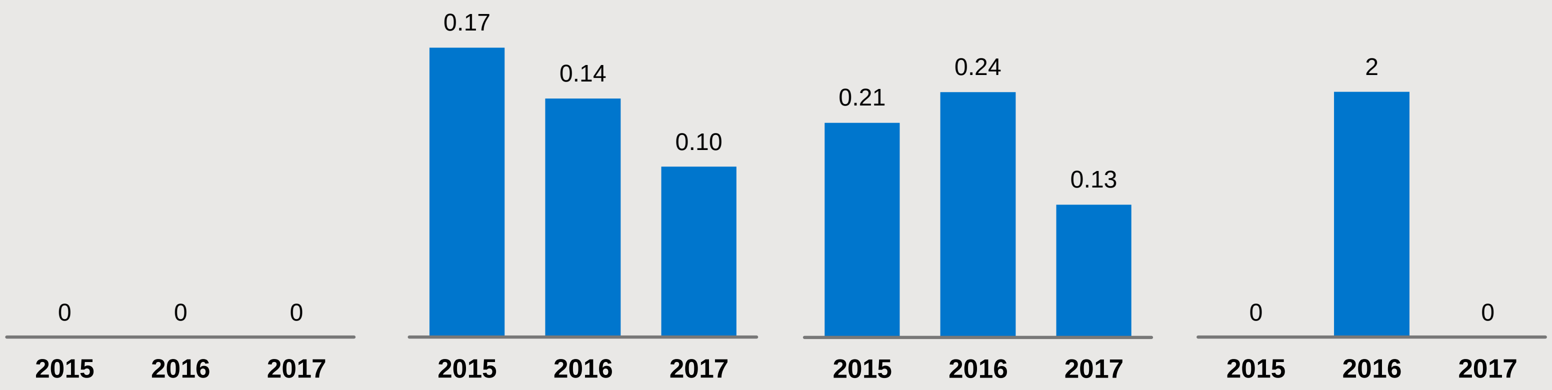
Safety is a primary consideration for ADNOC Distribution, determined to continuously improve existing procedures

- ADNOC Distribution is committed to maintaining the highest standards of safety in delivering its product and services
- Establishment of central command & control centre monitoring all stations
- Collaborates with Abu Dhabi Civil Defence to establish joint emergency response with 4 minutes

100% HSE

Key Performance Indicators

Number of fatalities	*Lost Time Injury Frequency (LTIF)[1]*	*Total Recordable Injury Rate (TRIR)[2]*	*Loss of primary containment (Tier 1 & 2)[3]*



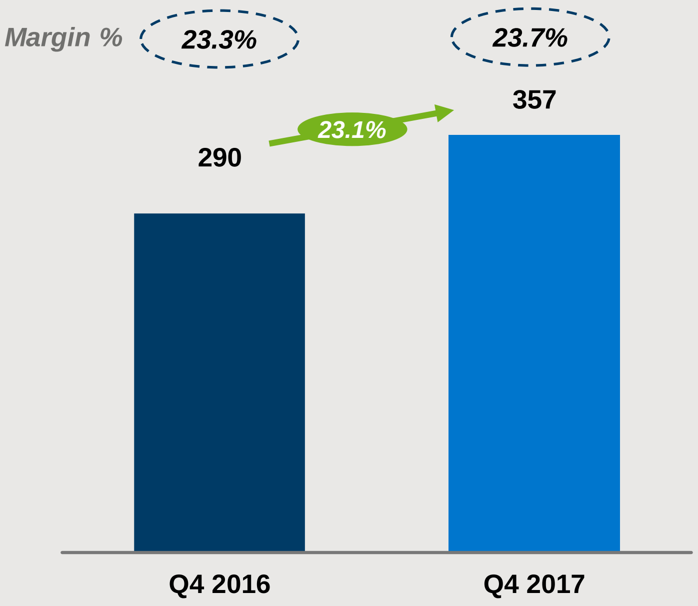
1. Calculated as: Lost Time Injury x 1,000,000 / man hours
2. Calculated as: Recordable injuries x 1,000,000 / man hours
3. Calculated as: Number of Tier 1/2 process safety events

HIGHLIGHTS FOR 2017

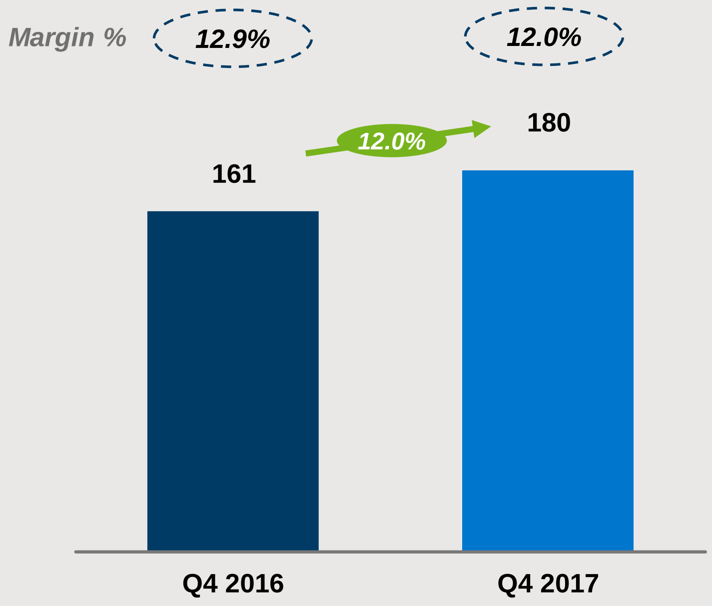
Q4 2017 PERFORMANCE

Strong quarterly performance compared to the same period last year

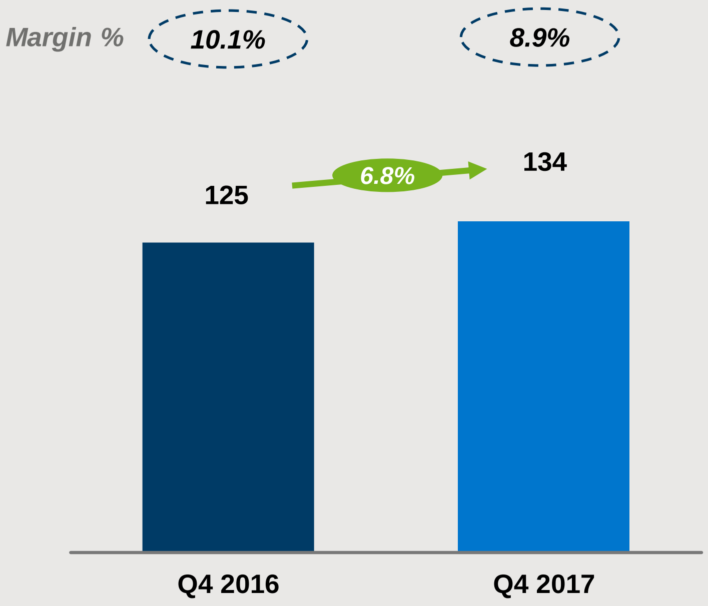
Gross profit
(USDm)



EBITDA
(USDm)



Net profit
(USDm)

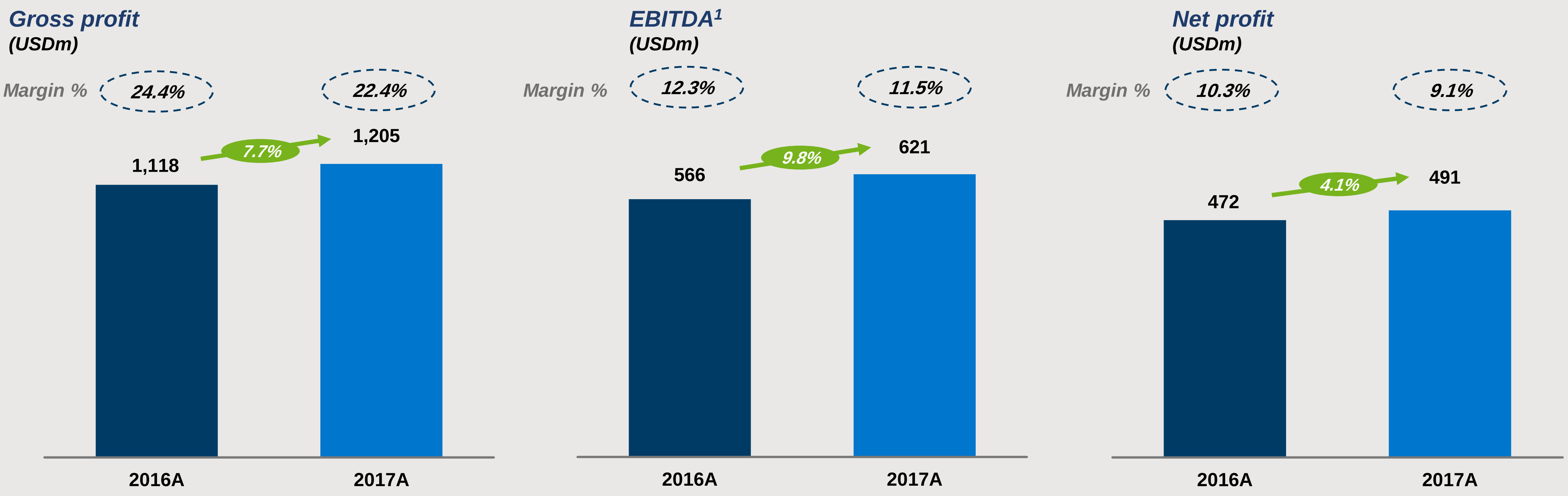


Key highlights

- Increasing margins of fuel products
- Higher cost controls
- Consistently high and stable profitability margins
- Strong growth in Corporate sales volumes

FY2017 PERFORMANCE

Strong financial performance driven by volume growth and increasing fuel margins



Key highlights

- Cost efficiency improvements across the business
- Increasing margins of fuel products
- Consistently high and stable profitability margins
- Growth in fuel sales volumes

1. Depreciation added back for 2016A and 2017A includes respectively USD4m and USD5m depreciation relating to Civil Aviation Supply Carve-Out

RETAIL

Strong profitability growth coupled with network expansion and cost efficiencies

Financial metrics

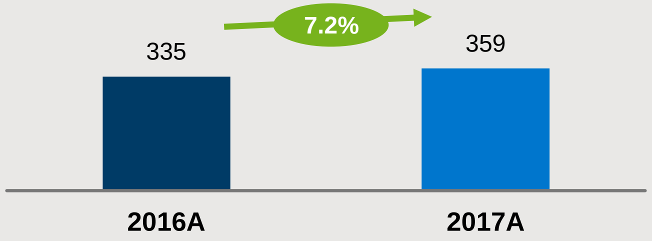
USDm	Q4 2016A	Q4 2017A	*Growth %*	2016A	2017A	*Growth %*
Gross profit	**188**	**221**	*17.8%*	**722**	**781**	*8.2%*
Margin	*21.3%*	*21.9%*		*22.3%*	*20.9%*	
EBITDA	**66**	**106**	*60.0%*	**283**	**341**	*20.4%*
Margin	*7.5%*	*10.5%*		*8.8%*	*9.1%*	

Key highlights

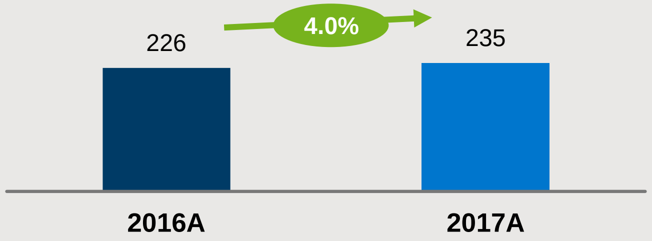
- Higher fuel margins
- Cost efficiencies – Fuel and Non Fuel operations
- Network expansion – fuel stations and C-stores
- Increasing basket size and number of transactions
- Stable fuel sales volumes

Operational metrics

Number of fuel stations



Number of c-stores



Sales fuel volume

Volumes (mL)	2016A	2017A	%
ULG 91	1,191	1,131	(5.0%)
ULG 95	4,441	4,563	2.7%
ULG 98	248	256	3.3%
Diesel	817	788	(3.6%)
LPG	86	82	(3.6%)
Lubricants	10	9	(11.0%)
Kerosene	0.4	0.4	0.0%
Total	**6,794**	**6,830**	0.5%

CORPORATE

Performance impacted by lower fuel margins; increasing fuel volumes

Financial metrics

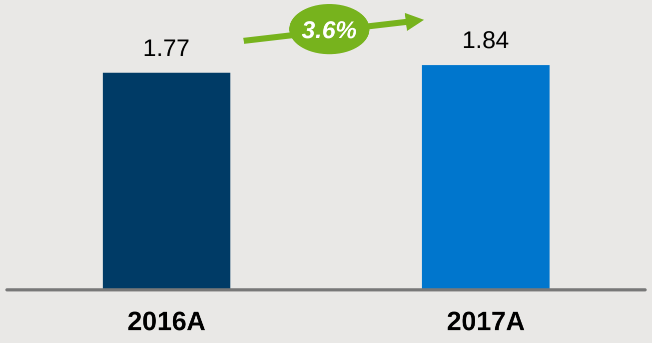
USDm	Q4 2016A	Q4 2017A	*Growth %*	2016A	2017A	*Growth %*
Gross profit	**58**	**59**	*2.8%*	**226**	**210**	*(7.0%)*
Margin	*23.1%*	*18.0%*		*24.3%*	*19.1%*	
EBITDA	**43**[1]	**39**	*(10.1%)*	**177**	**163**	*(8.0%)*
Margin	*17.2%*	*11.8%*		*19.1%*	*14.8%*	

Key highlights

- Growth in fuel sales volumes
- Lower fuel margins
- Reversal of impairment losses on corporate customer receivables in Q4 2016

Operational metrics

Diesel sales volume
(bnLpa)



Other products sales volume

Volumes (mL)	2016A	2017A	%
ULG 91	14	16	17.6%
ULG 95	39	35	(11.3%)
ULG 98	2	3	47.4%
LPG	326	366	12.2%
Lubricants	33	46	40.0%
Total	**413**	**465**	12.5%

1. Excludes reversal of impairment losses on corporate customer receivables during Q4 2016 which positively increased EBITDA by c.USD14m.

AVIATION

Strong performance driven by increase in volumes to strategic clients

Financial metrics

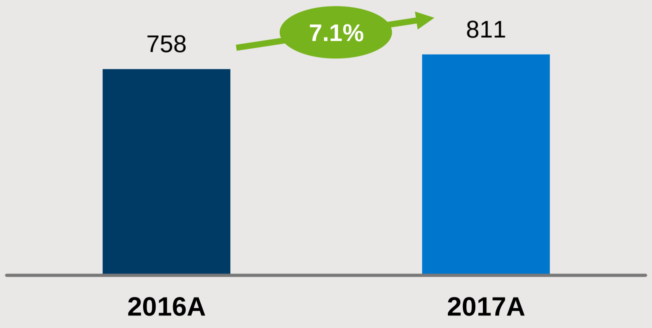
USDm	Q4 2016A	Q4 2017A	*Growth %*	2016A	2017A	*Growth %*
Gross profit	**29**	**57**	*99.6%*	**115**	**147**	*27.9%*
Margin	*29.7%*	*38.1%*		*31.7%*	*31.8%*	
EBITDA	**26**	**30**	*18.7%*	**83**	**95**	*15.2%*
Margin	*26.6%*	*20.3%*		*22.8%*	*20.6%*	

Key performance drivers

- Increase of sales volumes to strategic clients
- Positive impact on inventory
- Change of contractual profile of the business with a cost-plus-8% compensation from Parent Co.
- Growth of total number of refuelings

Operational metrics

Total division volume
(m Litres)



ALLIED SERVICES & OTHER

Growing number of vehicle inspections coupled with higher occupancy rates across rental properties

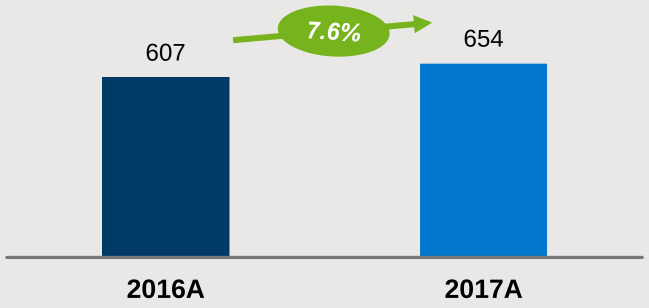
USDm	Q4 2016A	Q4 2017A	*Growth %*	2016A	2017A	*Growth %*
Gross profit	**16**	**19**	*23.0%*	**56**	**67**	*19.6%*
Margin	*91.5%*	*93.6%*		*93.7%*	*93.4%*	
EBITDA	**(0)**	**9**	*n/m*	**8**	**20**	*166.5%*
Margin	*n/m*	*41.8%*		*12.6%*	*28.1%*	

Key highlights

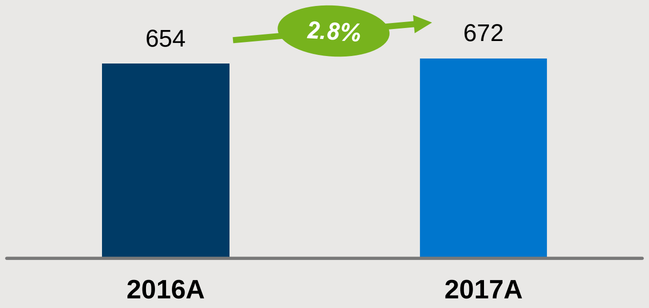
- Growth in number of vehicle inspections and impact of higher inspection fees
- Growth in number of tenants
- Increasing occupancy rate
- Renegotiation of tenancy contracts

Operational metrics

Volume of inspections
('000 of tests)



Occupied properties for rent



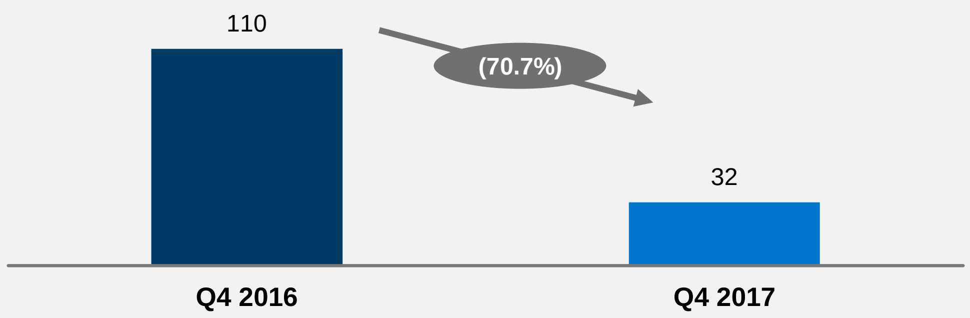
1. Division also includes Unallocated EBITDA: Q4 2016 USD12m , Q4 2017 (USD4m), 2016A c.USD10m, 2017A (USD4m).

CAPEX AND FREE CASH FLOW

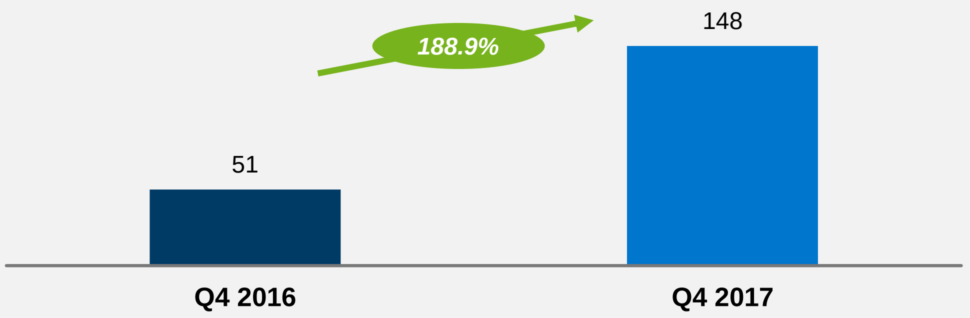
Strong Free Cash Flow generation supported by Capex efficiency measures

Quarterly

Capex
(USDm)

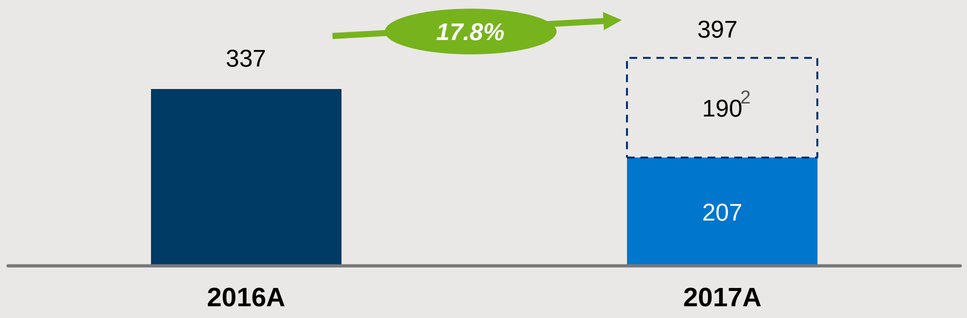


Free Cash Flow[1]
(USDm)

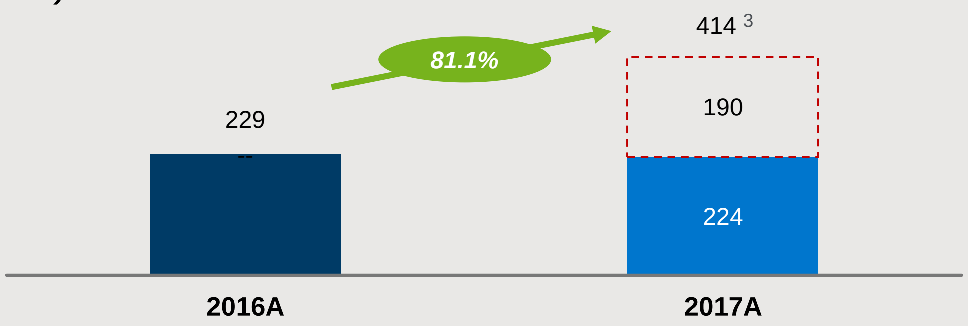


Full Year

Capex
(USDm)



Free Cash Flow[1]
(USDm)



1. Calculated as EBITDA-Capex.
2. USD 190m capex related to assets transfer agreement with ADNOC Refining
3. USD414m FCF excluding ADNOC Refining Assets Transfer

LEVERAGE

Optimised capital structure and healthy level of leverage below 2.0x Net Debt / EBITDA ratio

EBITDA 2017A	*USD621m*
Debt	*USD1,492m*
Cash	*USD434m (Unrestricted)* *USD324m (Civil Aviation Carve-Out Cash)*
Net debt	*USD1,057m*
Net debt / EBITDA	*1.70x*

STRATEGY UPDATE

THE WAY FORWARD

ADNOC Distribution has embarked on a journey for growth…

- *Comprehensive strategy developed to transform the business*
- *Clear and well-defined strategic initiatives to deliver exceptional growth*

- ADNOC Flex (Mixed Mode)
- Network expansion

- C-Store revitalisation
- Allied Services performance improvement
- Network expansion

- Cost efficiency
- Capex efficiency
- Working capital improvement

STRATEGIC INITIATIVES – PROGRESS

ADNOC Flex ahead of track; Network Expansion on track – Contracts awarded for Dubai sites, ongoing negotiations for commencing operations in KSA

1

ADNOC Flex

- **Ahead of track** to launch **in Q2-2018** and to roll-out the concept across the entire network **in 2018**
  - All cross-functional enablers and station-level changes finalised
  - Branding and marketing campaign strategies finalised and stakeholder engagement underway
  - SMART systems enablement to be completed in H1-2018

Network expansion

- **On track** - **13 new stations in 2018** with lower CAPEX, in line with initial targets
  - **3 sites** opened in the past two months in Abu Dhabi and Northern Emirates
  - **6 sites** under tender/ construction in Abu Dhabi and Northern Emirates – 1 station to be completed in Q1-2018, 5 stations to be completed in H2-2018
  - 3 major extensions to existing stations in Q1 2018
  - Contracts awarded for **3 sites** to be opened in Dubai in 2018
  - Site assessments and partner negotiations for KSA stations kicked-off (franchise model)
  - Roadmap and operating model for KSA stations (**1 site** to open in 2018) currently under development

STRATEGIC INITIATIVES – PROGRESS

Key initiatives on track to successfully capture future market growth and Non Fuel transformational opportunity

2

Non-Fuel

Strategic convenience revitalisation

- Phased C-store revitalization in 2018, through a two-step program – version 1.0 mock-up store ready for roll-out by end of H1-2018; version 2.0 development in progress for roll-out in H2-2018
- Approximately 3,500 low performing SKUs delisted
- Initiated staff training program and pilot incentive scheme at 5 locations

Allied Services Performance Improvement

- Ahead of track with initiatives driving over half of potential value implemented
- Property services contracts with tenants under negotiation
- Outdoor advertising under negotiation

Network expansion

- **On track** to meet further network expansion – **13 new C-stores in 2018** across the UAE
  - 3 stores opened in the past 2 months
  - 10 additional stores to be opened during 2018

STRATEGIC INITIATIVES – PROGRESS

Cost efficiency initiatives rolled out as well as in advanced planning stage; capex reduction ensured for new sites

3

Efficiency

Cost Efficiency

- Already achieved recurring savings of USD13m (Q4-17 vs. Q4-16) in the last quarter
- On track to hit USD50m cost reductions target in 2018
- Multiple cost reduction initiatives under implementation – e.g. strategic sourcing, 3rd party contract renegotiations

CAPEX Efficiency

- 10% CAPEX reduction for stations under tender for 2018
- 40% CAPEX reduction for stations in 2019 and beyond
- Expect Capex in 2018 to be less than USD 200m

Working Capital Improvement

- Normalised position with regards to receivables from business partners
- Normalised position with regards to payables to ADNOC
- Normalised inventory cycle

CONCLUSION

CONCLUSION

- Excellent performance in 2017
- High level of confidence on strategic initiatives