ADNOC DISTRIBUTION Q2 AND H1 2019 RESULTS PRESENTATION

August 2019

AGENDA

01 EXECUTIVE SUMMARY

02 STRATEGY UPDATE

03 Q2 & H1 2019 RESULTS

04 OUTLOOK

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.

01

EXECUTIVE SUMMARY

H1 2019 HIGHLIGHTS

Strong results with significant cost efficiencies

Operational and financial performance

- Prioritization of safety remains core to our business
- Double-digit year-on-year underlying EBITDA growth and strong cash generation
- Continued OPEX and CAPEX efficiencies

Strategic update

- On going network expansion in Fuel and Non-Fuel retail
- Continuing to deliver transformational initiatives and growth plan
- Focus on earnings growth and shareholder returns

2019 outlook

- Acceleration of service stations and convenience store domestic expansion in H2 2019, particularly in Dubai
- Focus on customer experience enhancements
- Continued focus on cost efficiency

02

STRATEGY UPDATE

KEY STRATEGIC UPDATE

Fuel Retail and Corporate segments

ANNOUNCED STRATEGY

- 20-30 new service stations across the UAE in 2019, with a focus on accelerating growth in Dubai (10-15 stations)

  - Most to open in H2 2019

- 3 new pilot stations in Saudi Arabia in 2019

KEY MILESTONES ACHIEVED

- **3 new service stations opened in H1 2019 in the UAE (1 in Dubai)**
  - **2 additional stations in Dubai opened this week**
  - **Domestic network expansion target on track - 18 new sites in advanced stage of execution**
- **New promotional campaigns promoting customer experience and loyalty**
- **Strong growth in Corporate segment driven by increase in volumes including LPG, lubricants and base oil**
  - **Entry into Dubai LPG Market**

KEY STRATEGIC UPDATE

Non-Fuel Retail

ANNOUNCED STRATEGY	KEY MILESTONES ACHIEVED
• Convenience store network to expand at a faster pace than fuel retail sites • Continued roll-out of ADNOC Géant Express convenience stores, in addition new food and coffee offerings • Further implementation of convenience store revitalization program	• **Opening of 12 Convenience stores in H1 2019 (including 1 Géant Express and 11 Oasis)** • **Convenience store revenue up 26.7% and Convenience store gross profit up by 28.9% YoY in H1 2019 on the back of store revitalization program and Flex Rewards program** • **15.9% increase in non-fuel transactions YoY in H1 2019, mainly driven by higher footfall** • **6.8% increase in basket size YoY in H1 2019**

KEY STRATEGIC UPDATE

OPEX and CAPEX efficiencies

ANNOUNCED STRATEGY	KEY MILESTONES ACHIEVED
• Expected additional USD 50m of OPEX savings in 2019 on a like-for-like basis • Up to USD 300m CAPEX planned in 2019 in order to accelerate network expansion in UAE and internationally and to invest in our digital initiatives • Continued CAPEX efficiency in building new stations	• **Significant OPEX achievement with USD36m savings on like-for-like basis in H1 2019** • **USD 38m CAPEX in H1 2019** • **Network rollout scheduled for operational deployment towards the end of 2019**

03

Q2 & H1 2019 RESULTS

OVERVIEW OF H1 2019 PERFORMANCE

ADNOC

Strong financial performance...		H1 2019	H1 2018	Change YoY (%)
Financial Performance	Revenue (USDm)	2,797	2,986	(6.3%)
	Gross profit (USDm)	675	710	(5.0%)
	EBITDA (USDm)	404	393	2.8%
	Underlying EBITDA (USDm)[1]	371	335	11.0%
	Net income (USDm)	319	306	4.3%

...Despite lower volumes...		H1 2019	H1 2018	Change YoY (%)
Fuel Volumes	Retail (mL)	3,208	3,323	(3.5%)
	Corporate (mL)	1,105	1,047	5.5%
	Aviation (mL)	371	369	0.5%
	Total (mL)	4,683	4,763	(1.7%)

...Leading to low Net Debt to EBITDA ratio...		H1 2019	H1 2018	Change YoY (%)
Cash Generation and Net Debt	Free cash flow (USDm)[2]	366	303	21.0%
	Net debt (USDm)	12	142	(91.6%)

...And positive returns		H1 2019	H1 2018	Change YoY (%)
Profitability	ROCE[3] (%)	23.3%	22.8%	--
	ROE[4] (%)	56.0%	59.6%	--

1. Underlying EBITDA excludes inventory movements
2. Free Cash Flow is calculated as EBITDA minus CAPEX
3. Return on Capital Employed
4. Return on Equity

FINANCIAL AND OPERATING HIGHLIGHTS

ADNOC

Key Financial Performance

USDm	Q2 2019	Q2 2018	YoY (%)	H1 2019	H1 2018	YoY (%)
Revenue	1,498	1,581	(5.2%)	2,797	2,986	(6.3%)
Gross profit	363	388	(6.5%)	675	710	(5.0%)
Margin	*24.2%*	*24.5%*		*24.1%*	*23.8%*	
EBITDA	204	202	1.3%	404	393	2.8%
Margin	*13.6%*	*12.7%*		*14.4%*	*13.2%*	
Underlying EBITDA[1]	172	163	5.2%	371	335	11.0%
Margin	*11.5%*	*10.3%*		*13.3%*	*11.2%*	
Net income	162	158	2.2%	319	306	4.3%
Margin	*10.8%*	*10.0%*		*11.4%*	*10.3%*	

Fuel Volume

Volume (mL)	Q2 2019	Q2 2018	YoY (%)	H1 2019	H1 2018	YoY (%)
Total	2,348	2,429	(3.4%)	4,683	4,763	(1.7%)
Retail	1,600	1,683	(4.9%)	3,208	3,323	(3.5%)
Corporate	564	551	2.4%	1,105	1,047	5.5%
Aviation	183	183	(0.1%)	371	369	0.5%

1. Underlying EBITDA excludes inventory movements

GROSS PROFIT BY SEGMENT

USDm	Q2 2019	Q2 2018	Change YoY (%)	H1 2019	H1 2018	Change YoY (%)
Fuel and Non-Fuel Retail	**237**	**246**	**(3.5%)**	**431**	**464**	**(7.1%)**
Of which Fuel	*215*	*227*	*(5.2%)*	*387*	*424*	*(8.7%)*
Of which non-Fuel	*22*	*19*	*16.5%*	*44*	*40*	*10.1%*
Margin	*23.2%*	*22.5%*		*22.8%*	*22.3%*	
Corporate	**63**	**65**	**(-3.4%)**	**119**	**106**	**12.3%**
Margin	*19.5%*	*20.6%*		*19.8%*	*18.5%*	
Aviation	**47**	**56**	**(17.3)%**	**93**	**102**	**(8.7%)**
Margin	*33.6%*	*37.0%*		*34.4%*	*35.5%*	
Other [1]	**16**	**21**	**(21.4%)**	**31**	**38**	**(17.9%)**
Total	**363**	**388**	**(6.5%)**	**675**	**710**	**(5.0%)**

- **Growth in Non-Fuel Retail driven by improved customer experience initiatives and store revitalization program**
- **Decrease in Retail segment gross profit mainly due to lower inventory gains and volume decline**
- **H1 2019 Corporate segment gross profit growth driven by increase in volumes, better inventory management and more dynamic product pricing**

1. Includes Allied Services

EBITDA BY SEGMENT

USDm	Q2 2019	Q2 2018	Change YoY (%)	H1 2019	H1 2018	Change YoY (%)
Fuel and Non-Fuel Retail	**134**	**118**	**13.3%**	**245**	**244**	**0.3%**
Margin	*13.1%*	*10.8%*		*12.9%*	*11.7%*	
Corporate	**48**	**50**	**(3.9%)**	**103**	**79**	**29.4%**
Margin	*14.8%*	*15.6%*		*17.0%*	*13.8%*	
Aviation	**23**	**26**	**(11.4%)**	**48**	**48**	**(0.6%)**
Margin	*16.5%*	*17.0%*		*17.7%*	*16.8%*	
Other[1]	0	**8**	**(97.6%)**	**8**	**21**	**(60.4%)**
Total EBITDA	**204**	**202**	**1.3%**	**404**	**393**	**2.8%**
Underlying EBITDA[2]	**172**	**163**	**5.2%**	**371**	**335**	**11.0%**

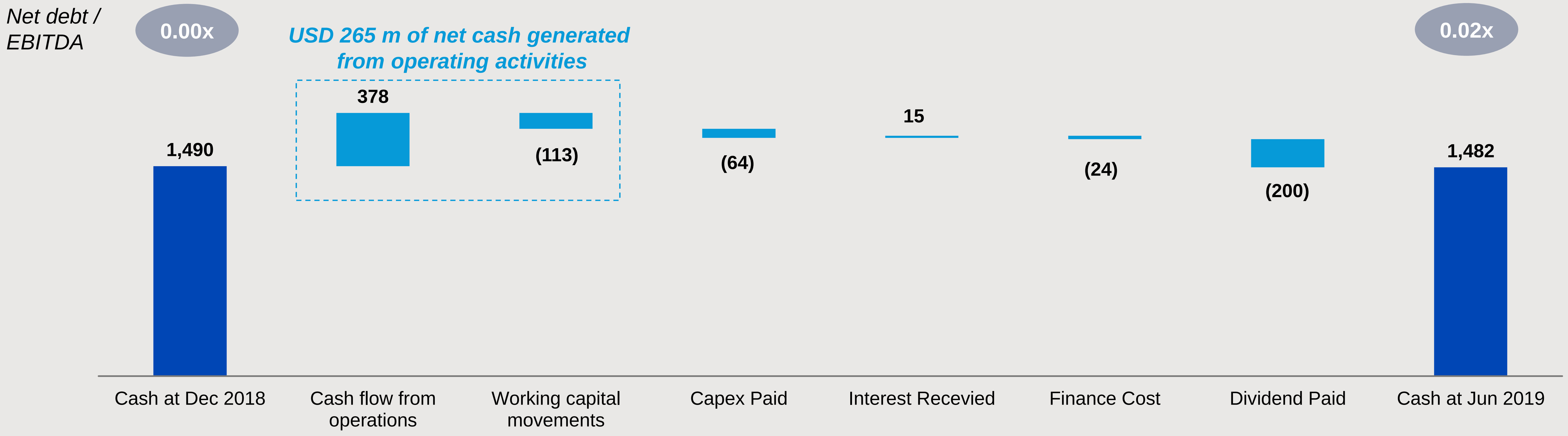
- **Underlying EBITDA increased by 11.0% YoY in H1 2019**
- **Q2 2019 EBITDA growth was driven by Retail segment performance with positive impact of cost efficiencies**
- **H1 2019 EBITDA growth was driven mainly by continued cost efficiencies and Corporate segment performance**

1. Includes Allied Services. Q2-19 impacted due to one-off impairment of service station assets booked as non-operating expenses.

2. Underlying EBITDA excludes inventory movements

ROBUST CASH POSITION & LOW NET DEBT TO EBITDA RATIO

Cash flow bridge 31 Dec 2018 vs. 30 Jun 2019 (USDm)



- **H1 2019, net cash generated from operating activities has increased mainly due to robust cash flow from operations partially offset by decrease in working capital movements as a result of increase in receivables**

* Cash includes term deposits with banks

04 OUTLOOK

2019 Guidance

Fuel	• Expansion of our network with priority in our domestic market especially in unpenetrated Dubai market bringing additional volume growth with high secured margins
Non-Fuel	• Accelerate expansion of our convenience store network • Continue to roll-out ADNOC Géant Express convenience stores and our new bakery and coffee offering • Continue to implement our convenience store revitalization program to enhance our customer experience
Cost Efficiency	• OPEX savings of USD50m on a like-for-like basis • Continued CAPEX efficiency in building new stations

APPENDIX

#1 FUEL RETAIL BRAND IN THE UAE

Market, Brand & Retail Leadership

- **#1** in fuel retail brand[1] with dominant market share in UAE
- **9.6bnL** total volumes sold in 2018
- **#1** convenience retail site network[2] and #1 corporate fuel distribution in the UAE
- **Top-of-mind** brand
- **Company Owned Company Operated (CoCo) business model**

+

Financial Strength

USD6.2bn FY18 Revenue

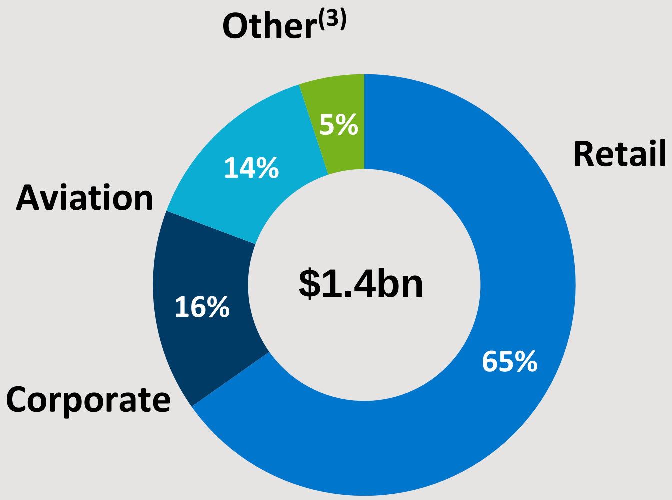
USD755m FY18 EBITDA (**12.1%** margin)

USD579m FY18 net profit (**9.3%** margin)

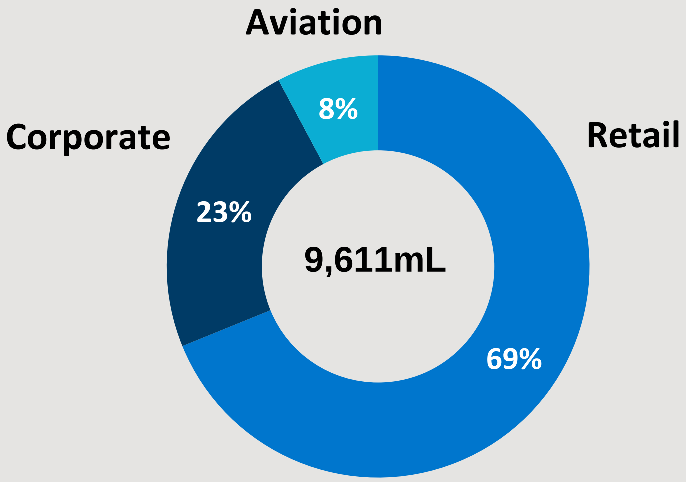
21.6% EBITDA growth from FY17 to FY18

Retail		Allied Services	Commercial	
Fuel Retail	Non-Fuel Retail		Corporate	Aviation

FY18 Gross Profit Split



FY18 Volumes Split



Notes: (1) By number of sites. (2) By number of stores. (3) Includes Allied Services.

OUR PRIORITIES… GROWTH AND SHAREHOLDER RETURNS

- Transformational initiatives and growth plan on track to achieve an EBITDA above USD1bn
- Company performance: on target, delivering against our IPO commitments
- Growth:
  - Acceleration of domestic fuel and non fuel expansion, particularly in Dubai
  - International: Continuing to explore opportunities in KSA and other potential territories
  - Ancillary business: franchising, payment, data etc.
- Cost optimisation programme in place with additional savings planned for the strategic period: USD100m – USD150m from 2019-2023
- Enhanced dividend policy: USD650m in 2019, USD700m in 2020, and minimum 75% payout thereafter
- Focused and disciplined approach to growth supported with additional balance sheet capacity

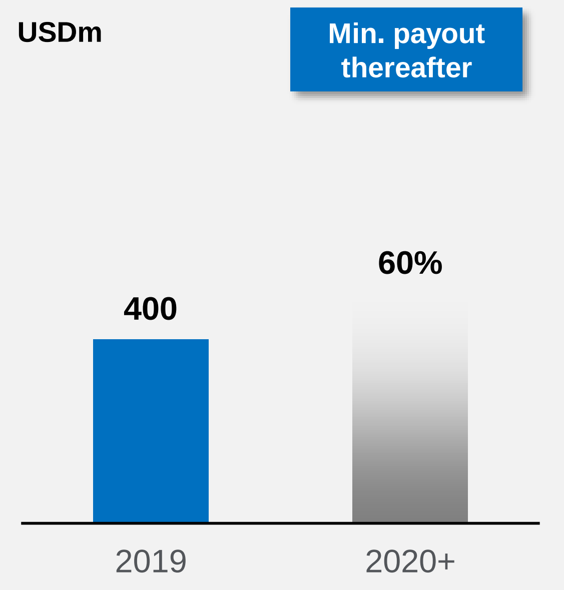
FOCUS ON SHAREHOLDER RETURNS

ADNOC Distribution Recently Announced Dividend Policy

- Confidence in future cash flow generation
- Commitment to grow shareholder returns
- Sufficient cash level to fully support growth
- Continued evaluation of additional forms of future shareholder distribution

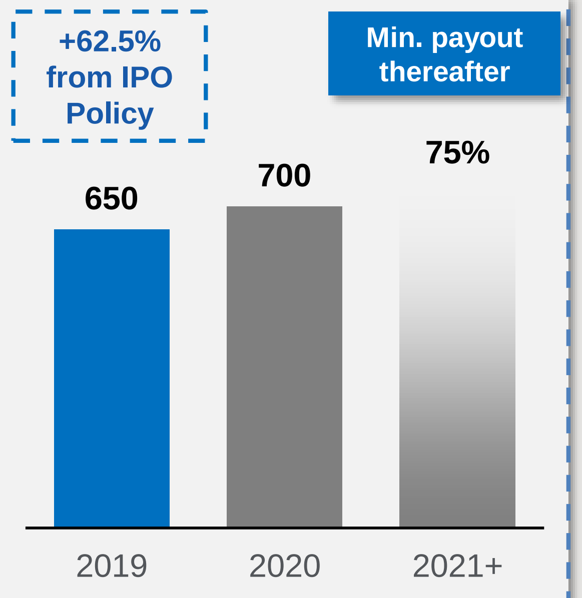
POLICY AT IPO

- Consistent and progressive dividend policy, with semi-annual distribution (one-off of USD200m in April 2018):
  - Min. USD400m in 2018
  - Min. USD400m in 2019
  - Min. 60% pay-out ratio thereafterafter



NEW POLICY

- Progressive policy of increasing dividend distributions while retaining cash to support growth
  - USD650m in 2019
  - USD700m in 2020
  - Min. 75% pay-out ratio thereafter



A REFRESHED INVESTMENT PROPOSITION

ADNOC

#1 UAE fuel distribution and forecourt operator – highly cash generative with stable unit fuel margins

Supportive macroeconomic prospects in the UAE combined with a series of government announced investments expected to support growth

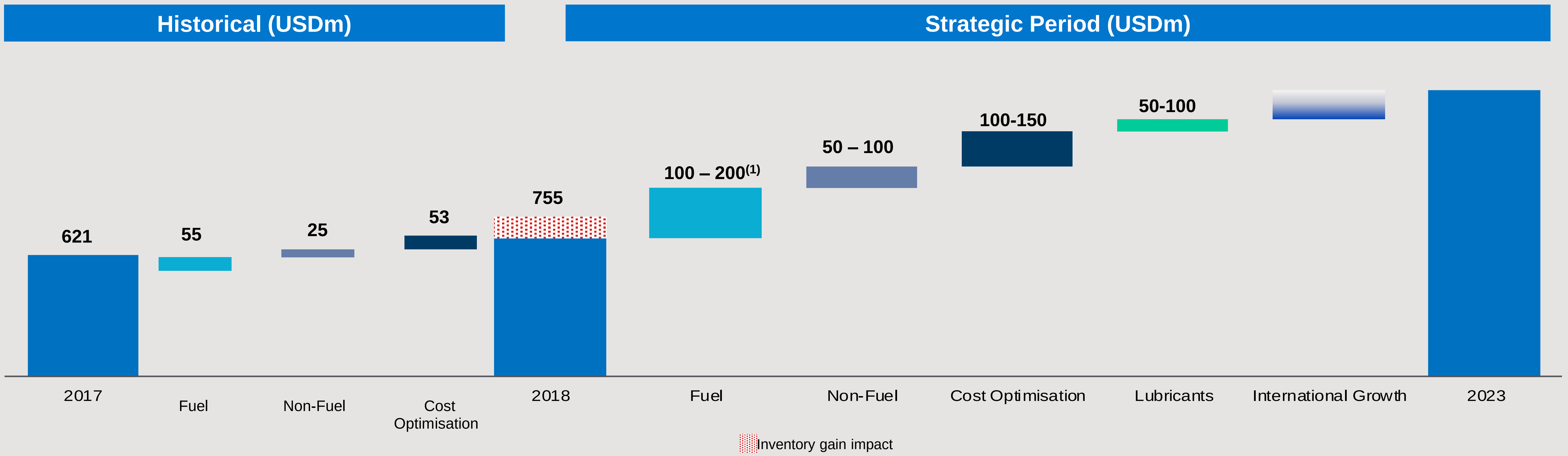
Roadside retail transformation – significant results achieved from convenience store revitalisation program with further improvements expected to be delivered

Significant additional growth optionality in the UAE and internationally, both organic and inorganic

Disciplined investment approach to achieve efficient capital deployment whilst maintaining financial flexibility

Strong operational position allowing superior return to investors through enhanced dividend policy and efficient capital structure

AMBITION TO EXCEED USD 1 BILLION IN EBITDA BY 2023



Initiatives To Drive Growth in Strategic Period

Domestic

Fuel

- **Volume Growth:** low single-digit % growth
- **Premiumisation**: 15%-20% adoption by 2023
- **Dubai Expansion**: 60-75 sites by 2023
- **Commercial Fuel**: LPG price optimization, new large gasoline contracts in Dubai, grey market elimination

Non-Fuel

- Continued developing convenience stores estate targeting **c. 400** outlets by 2023
- Targeted conversion of USD75-95/1000L
- Expansion in the e-commerce channel

Cost Optimisation

- Staff opex optimisation and focused performance management supported by data analytics
- Operational efficiency and maintenance
- Back office optimisation

International Growth

- Expansion in KSA and exploring other areas

Lubricants

- Indian lubricants JV targeting 2-3% market share

Note: (1) The USD100-200m EBITDA impact is based on fuel retail contribution of USD80-130mn and commercial fuel contribution of USD20-70m. It includes Dubai expansion impact of c. $70m – US$120m.

STRATEGIC PRIORITIES ENHANCE RETAIL FUEL BUSINESS

Areas	Initiatives	Medium Term Strategic Target	Targeted 2018-2023 EBITDA Impact
Transportation Fuels	Network Expansion	• Increase total network size to c. 530-550 stations across the UAE by 2023 (including 60-75 stations in Dubai)	USD80m-130m
	Boost Volumes	• Low single-digit % growth in volumes driven by network expansion and range of government initiatives	
	Premiumisation	• Increase ULG-98 contribution to 15-20% via enhanced product awareness	
Services	Customer Experience	• Boost ADNOC Flex premium customer conversion to 25%-35% through enhanced reward program • Introduction of new loyalty program to personalise the customer experience	

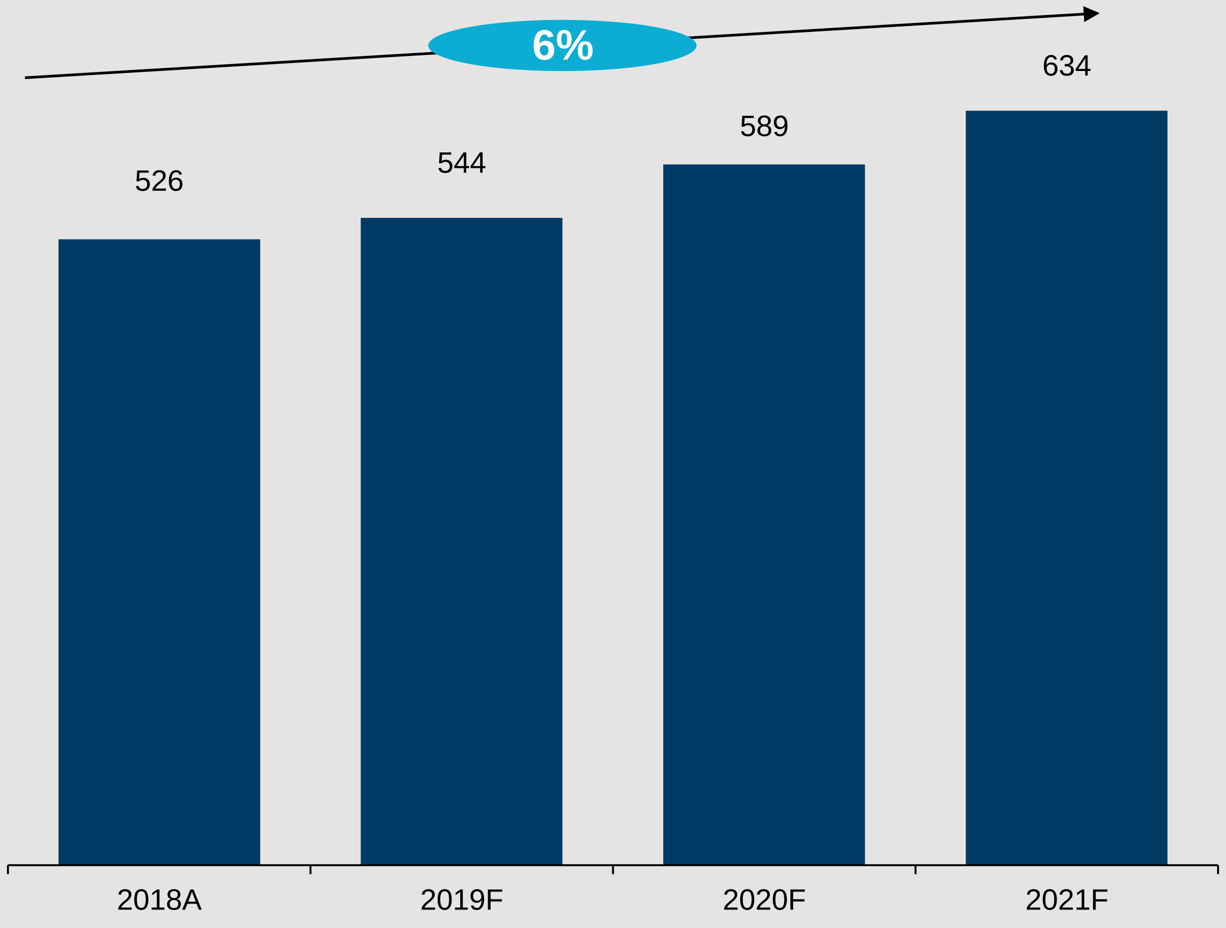
STRATEGIC PRIORITIES TO CONTINUE TO IMPROVE COMMERCIAL FUEL BUSINESS

Areas	Initiatives	Medium Term Strategic Target	Targeted 2018-2023 EBITDA Impact
Commercial Gasoline and Diesel	Dynamic Pricing	• Actively manage margin by proactively setting prices for commercial fuels • Continue to build market share in Northern Emirates • Maintain leadership in Abu Dhabi	USD20-70m
	Introduction of Commercial Gasoline in Dubai	• Serve commercial customers in Dubai (c.100mL/year of ULG-91 already signed) • Continue to pursue gasoline supply contracts with large corporate customers in Dubai	
	Grey Market Elimination	• Continue to push enforcement of UAE Law No. 14 of 2017	
LPG	Price Correction for Cylinder Sales to Commercial Customers	• Supply LPG cylinders to commercial sector in Abu Dhabi at market prices • Expand sales of LPG cylinders in Dubai	
Aviation	• Supply jet fuel to strategic customers • Provide refueling services to ADNOC Group's civil aviation customers on a cost+ basis		

FORECOURT CONVENIENCE SECTOR SHOWING STRONG UPSIDE

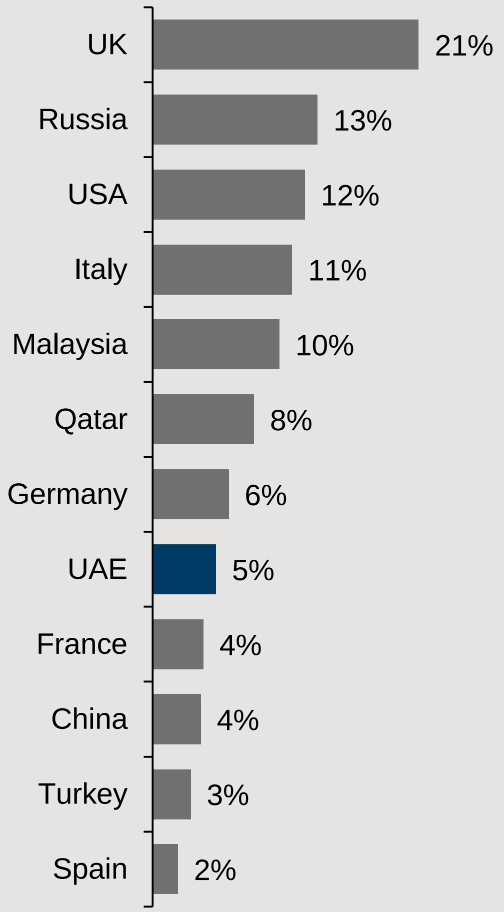
Forecourt Convenience Stores Positioned to Benefit From Stable Growth

Forecourt Convenience Store Market Size[(1)] (USDm)

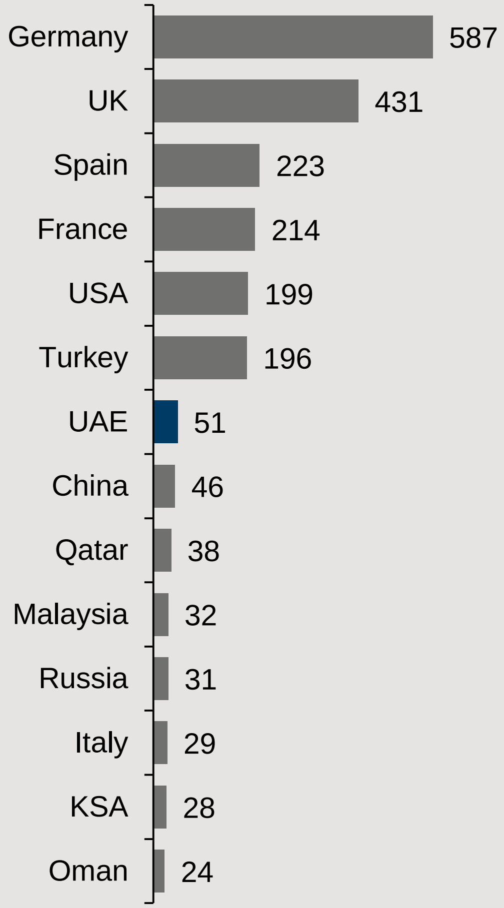


Headroom to Capture Increased Share of Consumer Spending

Portion of Grocery Market that is Convenience (%, 2018)



Forecourt Convenience Store Retail Revenue per 1,000L of Fuel Sold (USD, 2018)[(2)]



Source: OC&C. (1) Projections for ADNOC, ENOC and Emarat. (2) Not adjusted for PPP or Fuel Sold from stations with C-stores.

STRATEGIC PRIORITIES TO CONTINUE IMPROVING NON-FUEL BUSINESS

ADNOC أدنوك

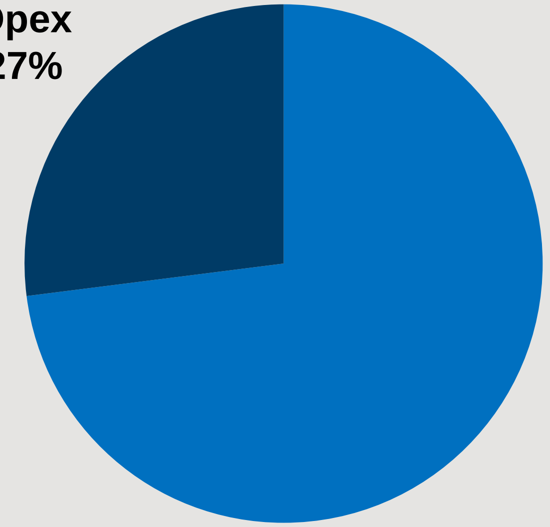
Area	Initiative	Medium Term Strategic Target	Targeted 2018-2023 EBITDA Impact
C-Stores	Continued Revitalisation	• **Total Network revitalised** with new look and feel • Growth through **category** and **supplier performance management** • Targeted conversion of **USD 75-95 / 1000L**	+ USD50m-100m 2018-2023 Non-Fuel EBITDA impact (including property and car services)
	Oasis Network Expansion	• Expansion to **400 convenience stores** • Introduction of **new store formats –** highway, city and kiosks	
	Oasis Café	• **Own brand** in barista and "coffee-to-go" express formats • Expansion to **200 sites** • Expansion into fresh food creating a destination in **"Food for Now"**	
	Géant Partnership Stores	• Extend partnership to **50-75 high potential sites** • Targeted conversion of **USD100-120 / 1000L** • Expansion of **exclusive products** and **private label ranges**	
	E-Commerce	• **Omni-channel expansion,** including last mile collection and returns service • Drive convenience store conversion rates through **digital in-car on-site ordering**	

STRATEGIC PRIORITIES TO CONTINUE IMPROVING NON-FUEL BUSINESS

Area	Initiative	Medium Term Strategic Target	Targeted 2018-2023 EBITDA Impact
Property Services	Tenants	• Increase number of **revenue share agreements to 80% of F&B tenants** • Consolidation towards **high value tenants**	Impact included on page 51
	Advertising	• Programmatic **targeted marketing** through data analytics • Grow advertising across **multiple digital platforms**	
	Digital Signage	• Expand number of LED **signage screens to 300** and customize digital advertising to customer demographics	
	Franchising	• Expand F&B **franchising model to 50 stores** across network and outside fuel stations	
Car Services	Vehicle Inspection & AutoServ	• **Expand network** across the UAE	
	Car wash & Lube change	• Optimisation of **automated-supply manual car wash** • **Automated lube change** facilities and on-board third party provider to manage the system	

SIGNIFICANT OPEX REDUCTION SINCE IPO…

2018 Cash Opex Breakdown



Staffing costs represent the majority of opex

We are targeting opex reduction of USD80-100m in 2020-2023 driven primarily by staff cost optimisation

Staffing Costs Benchmarking

Consolidated Measure	Unit	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Staff Cost / Revenue	%	1.0%	4.2%	6.0% *2018: 8.0%*	9.5% *2017: 9.5%*
Staff Cost / Gross Margin	%	17%	24%	35% *2018: 36%*	43% *2017: 43%*
Staff Cost / OPEX[(1)]	%	20%	35%	55%	69% *2017: 69%* *2018: 73%*

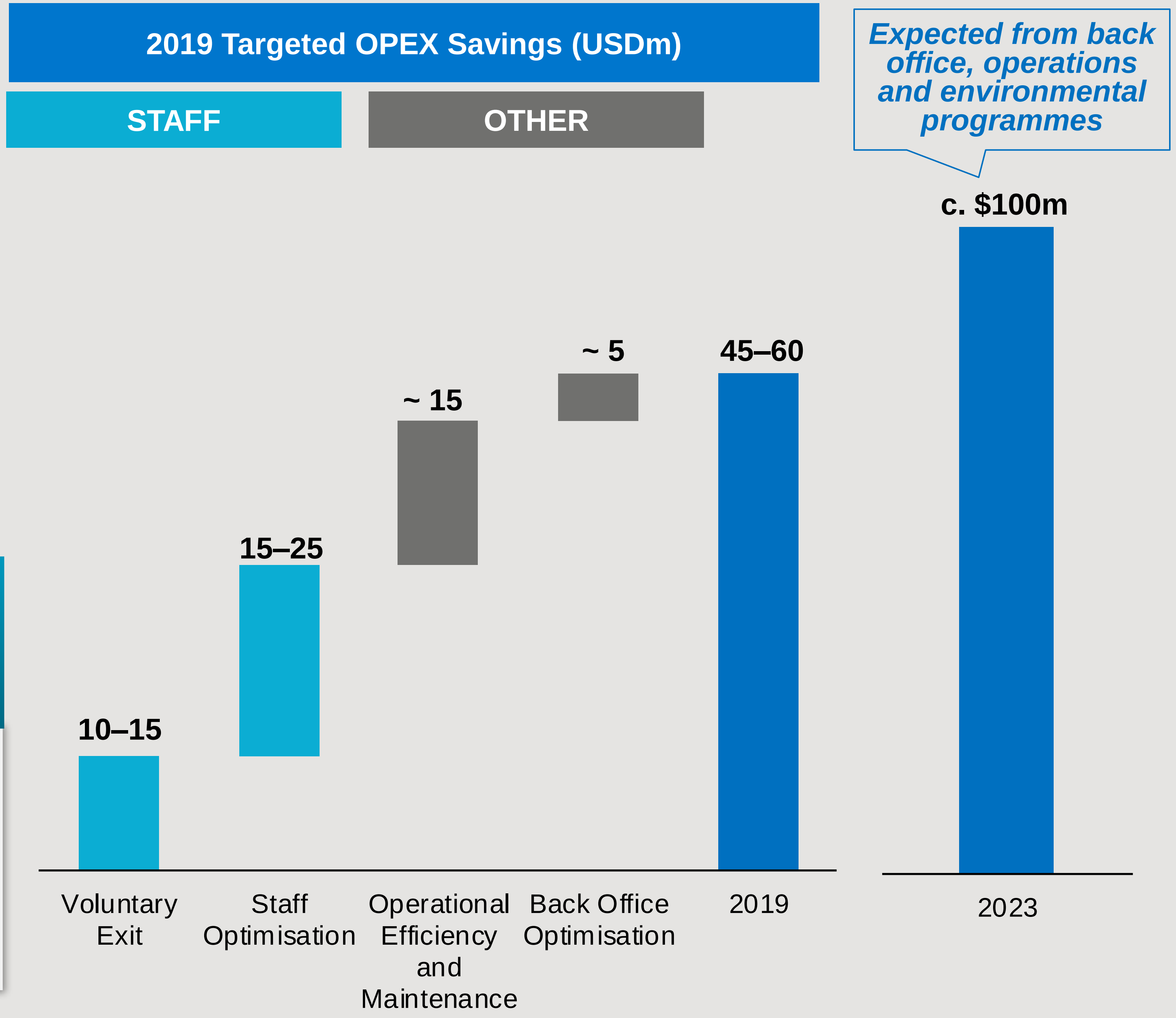
Notes: Staffing costs benchmark comparison drawn against a collection of regional and international oil companies as of 2017. (1) Cash OpEx used.

… WITH FURTHER PLANS FOR IMPROVEMENT DURING THE STRATEGIC PERIOD

$53m

Total like-for-like cost savings in 2018

Mainly from staff reductions and outsourcing



Targeted 2018-2023 EBITDA Impact

+USD100-150m

ADNOC DISTRIBUTION
Q2 AND H1 2019 RESULTS PRESENTATION

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THANK YOU