

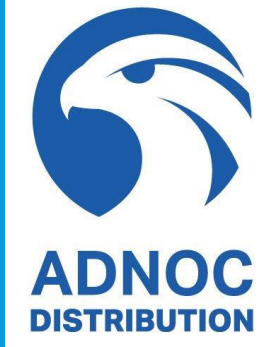
Q2 & H1 2020 RESULTS PRESENTATION

INVESTOR & ANALYST CONFERENCE CALL

13 AUGUST 2020



ADNOC DISTRIBUTION



| AGENDA



01 | EXECUTIVE SUMMARY



02 | STRATEGY UPDATE



03 | Q2 & H1 2020 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.



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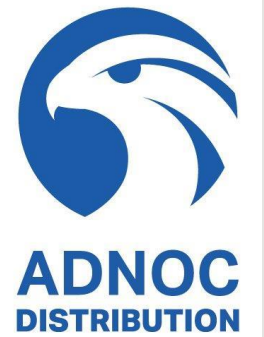
01

EXECUTIVE SUMMARY

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

ADNOC Distribution

COVID-19 RESPONSE



We are focused on ensuring **uninterrupted services** to customers and healthcare sector and the **safety of employees, customers and local communities**. We responded swiftly to the evolving environment by **accelerating our e-commerce strategy** and launching new services to **enhance customer experience**



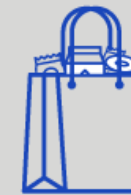
Remote Working

Enabled work from home for staff where applicable and introduced measures to safely and gradually return to the office, in line with the easing of lockdown measures



Protective Gear

Provided personal protective equipment such as face masks, gloves, hand sanitizers to staff



Essential Home Products

Launched a new 'essential products' range in our ADNOC Oasis stores, including fresh food, household and healthcare products, at a low cost to help customers across the UAE



Car Interior Sanitization

Introduced a new complimentary deep cleaning and sanitization of cars as part of car wash service



Daily Cleaning of Sites

Performing daily cleaning at our sites, including head office, service stations and depots



Contactless Payment

Enhancing our advanced Mobile Pay technology to facilitate social distancing through totally contactless payment



Online Grocery Delivery

Launched online home delivery services of over 1,700 Oasis products, from over 100 stores via our partnerships with Talabat for the convenience and safety of our customers



Mobile Fuel Delivery

Offering My Station, a new mobile fueling service that provides services at a location and time of customers' choosing

KEY HIGHLIGHTS



BUSINESS RESILIENCE

- Underlying EBITDA increased by 7.6% in H1 2020 compared to H1 2019
- H1 2020 reported EBITDA and Net Profit negatively impacted by one-off expenses / prudent provisioning in the current environment as well as due to presence of one-off / inventory gains in H1 2019
- Decline in fuel volumes offset by higher retail fuel margins and management initiatives
- Strong balance sheet and ample liquidity to pursue investment plans and potential new opportunities
- Like-for-like operating expenses declined by USD 7 million year-on-year in Q2 2020 following an increase of USD 4 million in Q1 2020



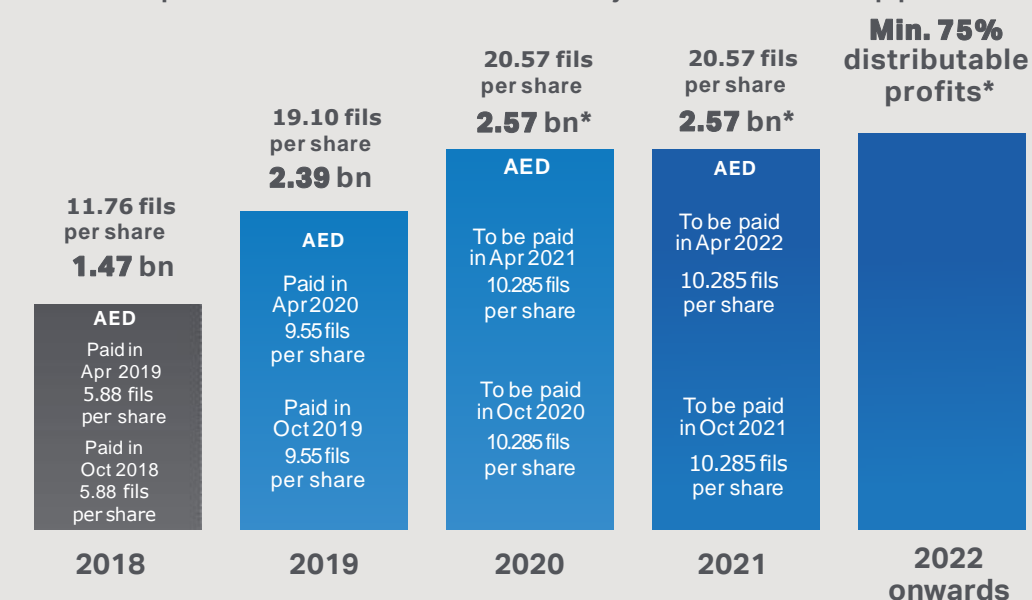
AGILITY & SMART GROWTH

- Executing on our expansion plan by opening 25 new stations in H1 2020, including 18 in Q2 2020
- Increase in LPG cylinder prices to uplift earnings
- Opened 24 new convenience stores and refurbished 11 convenience stores in H1 2020, including 10 in Q2 2020
- Accelerating E-commerce strategy and launching new services to provide best-in-class services to our customers
- Launched ADNOC Rewards point-based loyalty program at the end of July 2020
- CAPEX increased to USD 105 million in H1 2020 compared to USD 38 million in H1 2019
- Committed to deliver smart growth in 2020 and beyond



ATTRACTIVE DIVIDEND POLICY

- Offering high dividend visibility to shareholders. Dividend policy sets dividend of USD 700 million (6.5% yield**) in 2020, USD 700 million in 2021 and minimum 75% of distributable profits from 2022 onwards
- 2020 Interim dividend of USD 350 million is expected to be paid in October 2020, subject to board approval



* Subject to the discretion of the Board of Directors and Shareholders' approval

** at Share Price of AED 3.18 as on 12th August 2020
Conversion rate: 1 USD equal 3.673 AED



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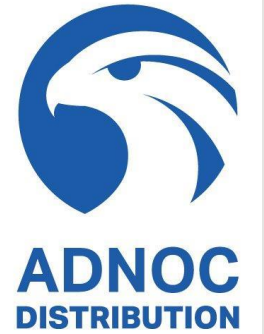
STRATEGY UPDATE

SPEAKER: MOHAMED AL HASHEMI
CHIEF OPERATING OFFICER

ADNOC Distribution

KEY STRATEGIC UPDATE

Fuel Business (B2C & B2B)



2020 ANNOUNCED GUIDANCE

- Deliver accelerated domestic network expansion with:
 - ✓ **50-60 new stations** in UAE in 2020, which includes mix of traditional and 'ADNOC On the go' stations
 - Of which **20-25 new stations in Dubai**, most of which would be traditional stations
- Execute international growth strategy

ACHIEVEMENTS AS OF H1 2020

- H1 2020 fuel volumes down 12.2% YoY, mainly owing to COVID-19 impact
 - Retail fuel volumes down 17.2% YoY, but recovered to 90% in June/July 2020
 - Commercial fuel volumes down 1.3% YoY
- **25 new stations** opened in H1 in the UAE (**7 in Dubai**). As of July, **32 new stations** opened (**10 in Dubai**)
- **10 new My Station** trucks added to expand mobile fuel delivery, taking total mobile assets to 57 (40 for Fuel and 17 for LPG Delivery)
- Announced increase in LPG cylinder prices, bringing uniform pricing for all our customers
- International expansion progressing with various discussions/proposals under review

ADNOC Distribution's 400th Station in Saadiyat Island – Abu Dhabi



Al-Barsha new Fuel Station in Dubai

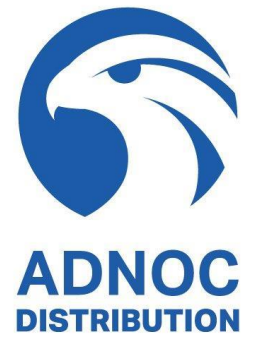


Fuel Delivery Truck «MY Station»



KEY STRATEGIC UPDATE

Non-Fuel business (B2C)



2020 ANNOUNCED GUIDANCE

- Further improvements in category management, introduction of high margin fresh food and great coffee offerings
- Revitalize 40-50 convenience stores in 2020
- Further enhancements to our customer-centric focus, including station optimization across our network

ACHIEVEMENTS AS OF H1 2020

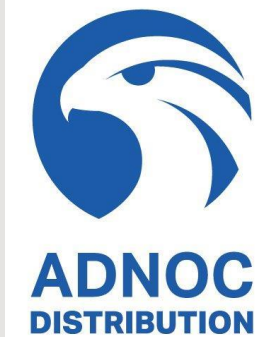
- **24 new C-stores** opened in H1 2020
- Continued focus on category management
- Average gross basket size up 19.7% YoY in H1 2020
- Refurbished **11 C-stores** in H1 2020. As of July, refurbished **21 C-stores**
- Focused on offering a superior customer experience and accelerated E-commerce strategy:
 - Enhanced contactless payment
 - Expanded online home delivery to 100 C-stores
 - Launched a new 'essential products' range

Abu Dhabi Corniche – 1st refurbished C-store



ADNOC Oasis Online Home Delivery





KEY STRATEGIC UPDATE

OPEX and CAPEX

2020 ANNOUNCED GUIDANCE

- Deliver additional like-for-like cost savings of up to USD25m in 2020 out of the total USD100m over 2020-23
- CAPEX acceleration (USD300-400m in 2020), reflecting significant growth in network
- Continued CAPEX efficiency in building new stations

ACHIEVEMENTS AS OF H1 2020

- Like-for-like cash OPEX savings of USD 7 million in Q2 2020, after an increase of USD 4 million in Q1 2020
 - Moving to a more efficient and effective retail site operating model and expanding our cost reduction initiatives across all business units
- In line with our plans to deliver higher number of new stations, CAPEX increased to USD 105m in H1 2020 versus USD 38m in H1 2019

New Stations Under Construction Planned for Q3 2020

DUBAI STUDIO CITY
(Traditional - Dubai)



97%

BANIYAS EAST
(On the Go - Abu Dhabi)



95%

New Stations Under Construction Planned for Q4 2020

JABAL ALI INDUSTRIAL
(Traditional - Dubai)



56%

AL YAHER NORTH
(On the go - Abu Dhabi)



49%



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Q2 & H1 2020 RESULTS

SPEAKER: PETRI PENTTI
CHIEF FINANCIAL OFFICER

ADNOC Distribution

Q2 & H1 2020 FINANCIAL PERFORMANCE

Resilient underlying operating performance

Key Financial Performance	USDm	Q2 2020	Q2 2019	YoY (%)	H1 2020	H2 2019	YoY (%)
	Revenue		821	1,498	-45.2%	2,166	2,797
Gross Profit		364	363	0.3%	666	675	-1.3%
Margin		44.3%	24.2%		30.7%	24.1%	
EBITDA		190	204	-6.9%	342	404	-15.4%
Margin		23.2%	13.6%		15.8%	14.4%	
Underlying EBITDA ¹		216	196	10.1%	387	360	7.6%
Margin		26.3%	13.1%		17.9%	12.9%	
Net Income		139	162	-14.1%	248	319	-22.4%
Margin		16.9%	10.8%		11.4%	11.4%	

Free cash flow generation impacted by decrease in payables

Cash Generation and Net Debt	USDm	Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
	Free cash flow ²		-424	463	NM	-279	201
Net debt		833	12	NM	833	12	NM

High returns sustained

Profitability		Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
	ROCE ⁴ (%)		21.6%	23.3%	-	21.6%	23.3%
ROE ⁵ (%)		56.8%	56.0%	-	56.8%	56.0%	-

Q2 & H1 2020 OPERATING PERFORMANCE

		Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
Fuel Volumes	mL						
	Retail (B2C)	1,079	1,600	-32.6%	2,657	3,208	-17.2%
	Commercial (B2B)	727	747	-2.7%	1,456	1,476	-1.3%
	of which Corporate	588	564	4.1%	1,138	1,105	3.0%
	of which Aviation	139	183	-23.9%	318	371	-14.3%
	TOTAL	1,806	2,348	-23.1%	4,113	4,683	-12.2%
Retail Fuel Operating Metrics		Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
	Number of service stations – UAE	406	379	7.1%	406	379	7.1%
	Number of service stations - Saudi Arabia ¹	2	2	-	2	2	-
	Number of fuel transactions (millions)	25.3	40.0	-36.8%	63.5	76.8	-17.3%
Retail Non-Fuel Operating Metrics		Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
	Number of convenience stores - UAE	288	262	9.9%	288	262	9.9%
	Number of non-fuel transactions (millions) ²	5.8	11.6	-50.0%	15.5	23.3	-33.5%
	Average gross basket size (USD) ³	8.5	6.4	32.6%	7.8	6.5	19.7%

1. Includes one franchised site

2. Includes convenience stores, car wash and oil change transactions

3. Average gross basket size is calculated as convenience store revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions.

GROSS PROFIT BY SEGMENT

USDm	Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
Retail (B2C)	269	253	6.3%	498	462	7.7%
<i>Of which Fuel</i>	250	215	16.2%	445	387	14.8%
<i>Of which Non-Fuel ⁽¹⁾</i>	19	38	-49.7%	53	75	-29.0%
<i>Retail Margin</i>	48.6%	24.4%		33.4%	24.0%	
Commercial (B2B)	95	109	-13.6%	168	213	-20.9%
<i>Of which Corporate</i>	57	63	-9.8%	92	119	-22.7%
<i>Of which Aviation</i>	38	47	-18.7%	76	93	-18.6%
<i>Commercial Margin</i>	35.3%	23.7%		24.9%	24.3%	
Total	364	363	0.3%	666	675	-1.3%

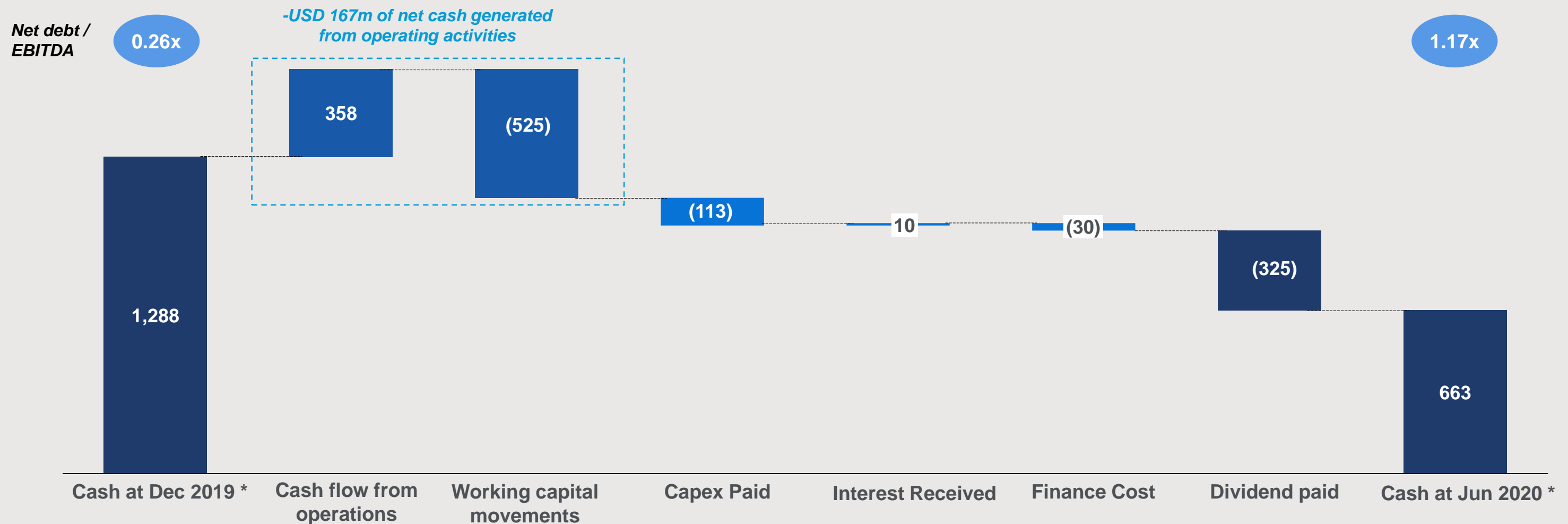
- Marginally lower gross profit in H1 2020 driven by lower fuel volumes, Commercial and Non-Fuel Retail gross profit, partially offset by higher Retail Fuel margins
- Non-Fuel Retail business impacted by COVID-19 and absence of voucher redemption after free assisted fueling
- Commercial business was negatively impacted by lower margin and aviation volumes, whereas H1 2019 included one-off recoveries

EBITDA BY SEGMENT

USDm	Q2 2020	Q2 2019	YoY (%)	H1 2020	H1 2019	YoY (%)
Retail (B2C)	146	141	3.3%	260	260	0.0%
<i>Retail Margin</i>	26.4%	13.6%		17.4%	13.5%	
Commercial (B2B)	50	70	-28.6%	88	151	-41.4%
<i>Of which Corporate</i>	37	48	-23.3%	57	103	-44.9%
<i>Of which Aviation</i>	14	23	-39.8%	32	48	-33.9%
<i>Commercial Margin</i>	18.8%	15.3%		13.1%	17.2%	
Unallocated¹	-6	-8	NM	-7	-7	NM
Total reported EBITDA	190	204	-6.9%	342	404	-15.4%
Underlying EBITDA²	216	196	10.1%	387	360	7.6%

- EBITDA negatively impacted by USD46m one offs in H1 2020, whereas H1 2019 included one-off recoveries and inventory gains totaling USD44m. Underlying EBITDA (excluding inventory movements and one-offs) up 7.6%
- H1 2020 Retail EBITDA increased on the back of higher retail margins, partially offset by lower fuel volumes, decline in non-fuel gross profit and increase in OPEX
- Commercial EBITDA declined due to lower margins, lower Aviation volumes and other one-offs in H1 2020, whereas H1 2019 included one-off recoveries

ROBUST CASH POSITION INSPITE OF NEGATIVE WORKING CAPITAL MOVEMENTS



- Our cash position has declined mainly due to negative working capital movements and dividend payment in the second quarter, partially offset by strong cash flow from operations. Negative working capital movements were mainly as a result of decrease in payables to our supplier ADNOC, driven by lower purchases and lower oil prices



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OUTLOOK

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

2020 OUTLOOK & STRATEGIC PRIORITIES



Fuel

- Deliver on growth strategy in a disciplined manner supported by ample liquidity and balance sheet:
 - Expect to open 25-35 additional stations by H2 2020 (of which 13-18 new stations in Dubai), leading to 50-60 new stations in the UAE in 2020 (mix of traditional and 'ADNOC On the go' stations)
 - Focus on incremental fuel volumes: 20-25 new stations in Dubai in 2020 (mainly traditional stations) and expand mobile fuel delivery services in both B2B and B2C (5 additional My Station Fuel Trucks expected in H2)
- Deliver on international growth strategy
- Explore potential opportunities presented by current environment



Non-Fuel

- Expect to refurbish 40-50 C-stores in 2020 under our convenience store revitalization program
- Ongoing improvements in category management, with a greater focus on high margin fresh food and premium coffee products across our network and online food / grocery delivery service



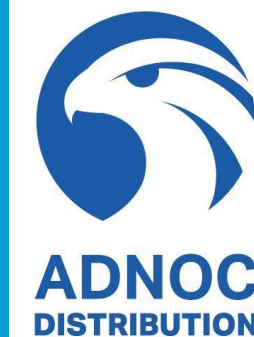
Cost Efficiency & CAPEX

- Confirm like-for-like OPEX savings of USD 25 million in 2020. Accelerating OPEX optimization initiatives and expect to deliver USD 100 million OPEX savings over 2020-23
- Committed to pursue our expansion plans, in a disciplined manner
- Expect CAPEX of up to USD 300 million in 2020 (vs. USD 300-400 million), due to COVID-19 impact on contractors mobilization and supply chain bottlenecks

Dividend Policy

- Dividend policy sets dividend of USD 700 million (6.5% yield) in 2020
- 2020 Interim dividend of USD 350 million is expected to be paid in October 2020, in line with dividend policy

| Q&A



Ahmed Al Shamsi
Acting Chief Executive Officer



Mohamed Al Hashemi
Chief Operating Officer

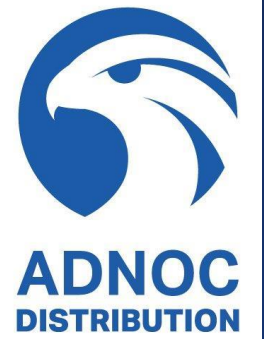


Petri Pentti
Chief Financial Officer



Athmane Benzerroug
Chief Investor Relations Officer

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Q2 & H1 2020 RESULTS PRESENTATION
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THANK YOU



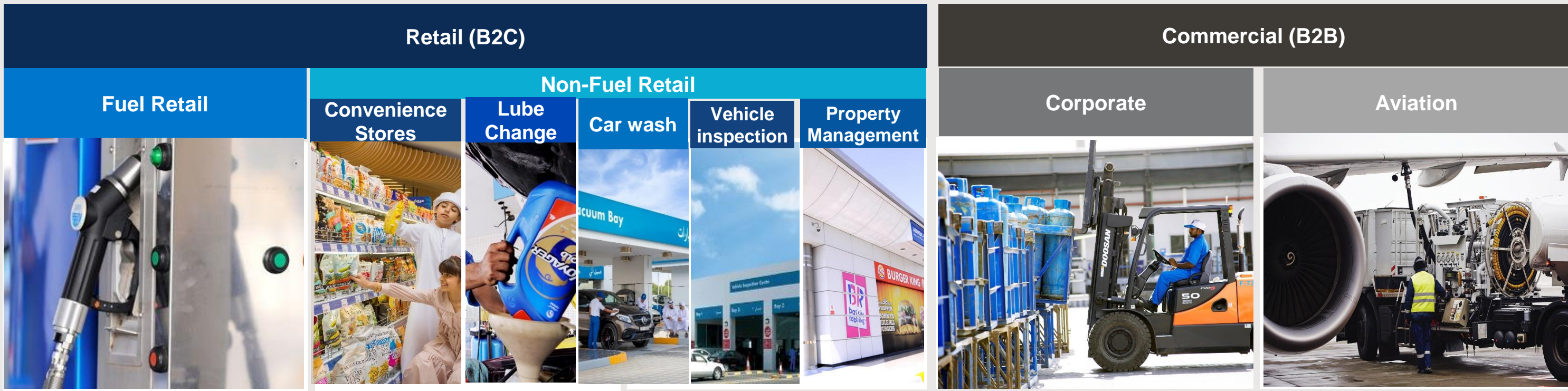
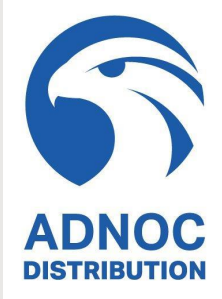
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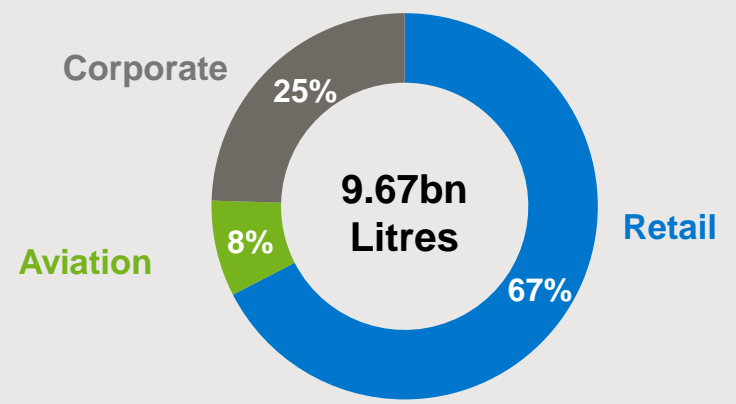
APPENDIX



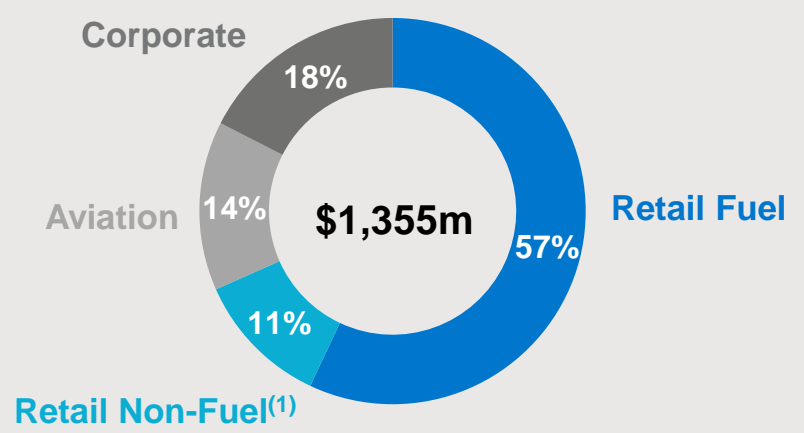
ADNOC DISTRIBUTION BUSINESS OVERVIEW



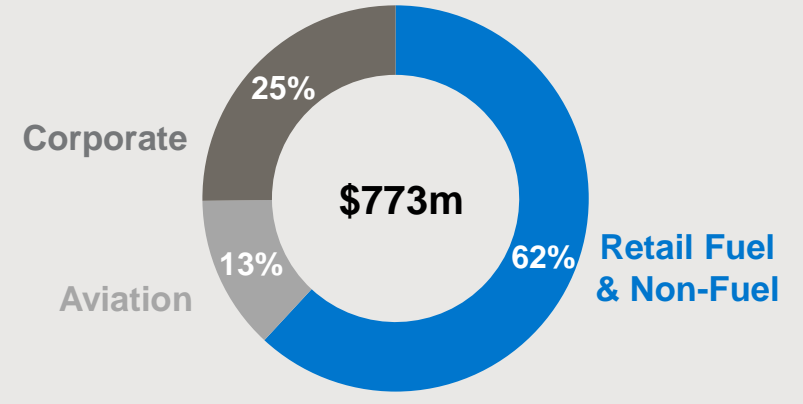
FY2019 Fuel Volume Split



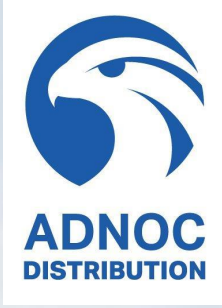
FY2019 Gross Profit Split



FY2019 EBITDA Split



(1) Includes convenience stores, lube change, car wash, vehicle inspection and property management




ADNOC DISTRIBUTION IN NUMBERS – H1 2020

#1
Forbes Middle East Retail Brand


 **4.1 billion liters**
Total Fuel Volume

 **406**
Retail Fuel sites in the UAE


 **100**
Online Network Participating C-Stores

 **64 million**
Fuel Transactions

 **2**
Retail Fuel sites in Saudi Arabia

 **\$7.8**
Average Gross Basket Size

 **288**
Convenience Stores in the UAE

 **16 million**
Non-Fuel Transactions

 **0.06**
Total Reportable Injury Rate*

 **87%**
Property Occupancy Rate

 **27**
Number of Vehicle Inspection Centers**



*Total Reportable Injury / 1,000,000 man hours **Includes one permitting center