

**ABU DHABI NATIONAL OIL  
COMPANY FOR DISTRIBUTION PJSC**

Review report and unaudited  
interim condensed consolidated  
financial information for the  
three-month period ended 31 March 2022

# ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

## Review report and unaudited interim condensed consolidated financial information for the three-month period ended 31 March 2022

### Table of contents

---

	Pages
Directors' report	1
Report on review of unaudited interim condensed consolidated financial information	2
Unaudited condensed consolidated interim statement of financial position	3
Unaudited condensed consolidated interim statement of profit or loss and other comprehensive income	4
Unaudited condensed consolidated interim statement of changes in equity	5
Unaudited condensed consolidated interim statement of cash flows	6
Notes to the unaudited interim condensed consolidated financial information	7 – 21

# ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

## Directors' report for the three-month period ended 31 March 2022

The Directors present their report together with the unaudited interim condensed consolidated financial information of Abu Dhabi National Oil Company for Distribution PJSC (the "Company") and its subsidiary (collectively referred to as "the Group") for the three-month period ended 31 March 2022.

### Principal activities

The principal activities of the Group are the marketing of petroleum products, compressed natural gas and ancillary products.

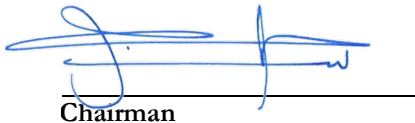
### Review of business

During the period, the Group reported revenue of AED 6,735,998 thousand (31 March 2021: AED 4,282,147 thousand). Profit for the period was AED 670,689 thousand (31 March 2021: AED 630,735 thousand).

The appropriation of the results for the period is follows:

	<b>AED '000</b>
Retained earnings as at 1 January 2022	1,767,632
Profit for the period	670,689
Dividends declared	(1,285,625)
<b>Retained earnings as at 31 March 2022</b>	<b>1,152,696</b>

For the Board of Directors



---

Chairman

9 May 2022  
Abu Dhabi, UAE

---

Grant Thornton UAE - Abu Dhabi

Office 1101, 11<sup>th</sup> Floor  
Al Kamala Tower  
Zayed the 1<sup>st</sup> Street  
Khalidiya  
Abu Dhabi, UAE

T +971 2 666 9750

**REPORT ON REVIEW OF UNAUDITED  
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF  
DIRECTORS OF  
ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC**

*Introduction*

We have reviewed the accompanying unaudited condensed consolidated interim statement of financial position of Abu Dhabi National Oil Company for Distribution PJSC (“ADNOC Distribution” or “the Company”) and its subsidiary (collectively referred to as “the Group”) as at 31 March 2022 and the related unaudited condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period then ended and the unaudited condensed consolidated interim statement of changes in equity and cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this unaudited interim condensed consolidated financial information in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this unaudited interim condensed consolidated financial information based on our review.

*Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ as issued by the IASB.



**GRANT THORNTON**

**Farouk Mohamed Registration No: 86**

**Abu Dhabi, United Arab Emirates**

**9 May 2022**

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Unaudited condensed consolidated statement of financial position**  
**as at 31 March 2022**

	Notes	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,616,111	5,574,167
Right-of-use assets	8	1,015,580	952,758
Advances to contractors		42,796	41,308
<b>Total non-current assets</b>		<b>6,674,487</b>	<b>6,568,233</b>
<b>Current assets</b>			
Inventories	5	1,437,972	1,046,158
Trade receivables and other current assets	6	2,635,930	2,683,275
Due from related parties	7	1,167,487	1,225,600
Term deposits	9	130,225	130,225
Cash and bank balances	9	3,924,802	2,125,540
<b>Total current assets</b>		<b>9,296,416</b>	<b>7,210,798</b>
<b>Total assets</b>		<b>15,970,903</b>	<b>13,779,031</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,000,000	1,000,000
Statutory reserve		500,000	500,000
Hedge reserve		(32,985)	(65,567)
Retained earnings		1,152,696	1,767,632
<b>Total equity</b>		<b>2,619,711</b>	<b>3,202,065</b>
<b>Non-current liabilities</b>			
Lease liabilities	8	862,150	787,383
Provision for decommissioning	13	130,733	129,226
Provision for employees' end of service benefit		191,600	192,583
<b>Total non-current liabilities</b>		<b>1,184,483</b>	<b>1,109,192</b>
<b>Current liabilities</b>			
Lease liabilities	8	74,827	88,975
Trade and other payables	11	2,828,952	1,509,013
Due to related parties	7	3,718,326	2,292,510
Borrowings	10	5,500,884	5,499,641
Derivative financial instruments	12	43,720	77,635
<b>Total current liabilities</b>		<b>12,166,709</b>	<b>9,467,774</b>
<b>Total liabilities</b>		<b>13,351,192</b>	<b>10,576,966</b>
<b>Total equity and liabilities</b>		<b>15,970,903</b>	<b>13,779,031</b>

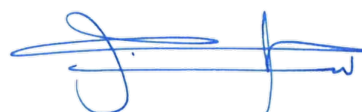
To the best of our knowledge, the financial information included in the report fairly present in all material respects the financial condition, result of operations and cash flows of the Group as of 31 March 2022, and for the periods presented in the report.



**Mohamed Al Hashimi**  
Chief Financial Officer



**Bader Saeed Al Lamki**  
Chief Executive Officer



**Dr. Sultan Ahmed Al Jaber**  
Chairman of the Board of Directors

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial information.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Unaudited condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022**

	Note	3 months ended 31 March	
		2022 AED'000	2021 AED'000
<b>Revenue</b>	14	<b>6,735,998</b>	4,282,147
Direct costs		<b>(5,287,229)</b>	(2,956,558)
<b>Gross profit</b>		<b>1,448,769</b>	1,325,589
Distribution and administrative expenses	15	<b>(732,663)</b>	(672,970)
Other income		<b>8,978</b>	26,246
Impairment losses and other operating expenses		<b>(6,695)</b>	(7,306)
<b>Operating profit</b>		<b>718,389</b>	671,559
Interest income		<b>1,211</b>	4,981
Finance costs		<b>(48,911)</b>	(45,805)
<b>Profit for the period</b>		<b>670,689</b>	630,735
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Fair value gain on hedging instruments		<b>32,582</b>	19,015
<b>Total comprehensive income for the period</b>		<b>703,271</b>	649,750
<b>Earnings per share:</b>			
Basic and diluted	16	<b>0.054</b>	0.050

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial information.

Abu Dhabi National Oil Company for Distribution PJSC  
Financial Statements

Unaudited condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2022

	Share capital AED'000	Statutory reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Total AED'000
Balance as at 1 January 2021 (audited)	1,000,000	500,000	(151,471)	2,086,471	3,435,000
Profit for the period	-	-	-	630,735	630,735
Other comprehensive income for the period	-	-	19,015	-	19,015
Dividends declared (note 22)	-	-	-	(1,285,625)	(1,285,625)
Balance as at 31 March 2021 (unaudited)	1,000,000	500,000	(132,456)	1,431,581	2,799,125
Balance as at 1 January 2022 (audited)	1,000,000	500,000	(65,567)	1,767,632	3,202,065
Profit for the period	-	-	-	670,689	670,689
Other comprehensive income for the period	-	-	32,582	-	32,582
Dividends declared (note 22)	-	-	-	(1,285,625)	(1,285,625)
<b>Balance as at 31 March 2022 (unaudited)</b>	<b>1,000,000</b>	<b>500,000</b>	<b>(32,985)</b>	<b>1,152,696</b>	<b>2,619,711</b>

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial information.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Unaudited condensed consolidated statement of cash flows**  
**for the three-month period ended 31 March 2022**

	<b>3 months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>670,689</b>	630,735
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	<b>143,666</b>	137,348
Depreciation of right-of-use assets	<b>18,969</b>	7,704
Recoveries on receivables	-	(10,898)
Impairment losses on receivables	<b>4,811</b>	1,341
Employees' end of service benefit charge	<b>8,636</b>	6,292
Gain on disposal of property, plant and equipment	-	(253)
Impairment of property, plant and equipment	<b>1,884</b>	1,403
Inventories written off	-	2,952
Finance costs	<b>48,911</b>	45,805
Interest income	<b>(1,211)</b>	(4,981)
<b>Operating cash flows before movements in working capital</b>	<b>896,355</b>	817,448
Increase in inventories	<b>(391,814)</b>	(338,995)
Decrease in trade receivables and other current assets	<b>42,534</b>	83,944
Decrease/(increase) in due from related parties	<b>58,113</b>	(53,716)
Increase in trade and other payables	<b>44,632</b>	135,406
Increase in due to related parties	<b>1,425,816</b>	445,146
<b>Cash generated from operating activities</b>	<b>2,075,636</b>	1,089,233
Payment of employees' end of service benefit	<b>(9,619)</b>	(14,766)
<b>Net cash generated from operating activities</b>	<b>2,066,017</b>	1,074,467
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment	<b>(190,450)</b>	(231,410)
Payments for advances to contractors	<b>(9,480)</b>	(8,314)
Proceeds from disposal of property, plant and equipment	-	253
Interest received	<b>1,211</b>	3,851
Decrease in term deposits	-	514,150
<b>Net cash (used in)/generated from investing activities</b>	<b>(198,719)</b>	278,530
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	<b>(31,429)</b>	(18,181)
Dividends paid	-	(1,285,625)
Finance cost paid	<b>(36,607)</b>	(47,048)
<b>Net cash used in financing activities</b>	<b>(68,036)</b>	(1,350,854)
<b>Net increase in cash and cash equivalents</b>	<b>1,799,262</b>	2,143
Cash and cash equivalents at beginning of the period	<b>2,125,540</b>	2,145,322
<b>Cash and cash equivalents at end of the period (note 9)</b>	<b>3,924,802</b>	2,147,465
<b>Non-cash transactions</b>		
Accruals for property, plant and equipment	<b>295,321</b>	315,871
Advances to contractors transferred to property, plant and equipment	<b>7,992</b>	1,084
Additions to right of use assets for land leases	<b>81,429</b>	124,615
Dividend payable	<b>1,285,625</b>	-

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial information



## **Abu Dhabi National Oil Company for Distribution PJSC Financial Statements**

### **Notes to the unaudited interim condensed consolidated financial information for the three-month period ended 31 March 2022 (continued)**

---

#### **1 General information**

Abu Dhabi National Oil Company for Distribution PJSC (“ADNOC Distribution” or the “Company”), formerly Abu Dhabi National Oil Company for Distribution, is a company incorporated by Law No. 13 of 1973 issued by His Highness the Acting Ruler of the Emirate of Abu Dhabi.

On 22 November 2017, Law No. 15 of 2017 (the “New Law of Establishment”) was issued replacing Law No. 13 of 1973 in respect of the incorporation of Abu Dhabi National Oil Company for Distribution PJSC, a public joint stock company registered with the commercial register in Abu Dhabi under commercial licence number CN-1002757 issued by Abu Dhabi Department of Economic Development. The Articles of Association of the Company became effective as of 22 November 2017, at the same time that the New Law of Establishment was issued and became effective. The duration of the Company is 100 Gregorian years commencing on the date of issuance of the New Law of Establishment.

The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and shall take effect starting from the 2 January 2021. The Company shall apply and adjust their status in accordance with the provisions thereof by no later than one year from the date on which this Decree-Law takes effect.

Federal Law By Decree No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on September 20, 2021 with an effective date of January 2, 2022, and will entirely replace Amended Federal Law No. 2 of 2015 on Commercial Companies (“Existing Companies Law”) including Federal Decree Law No. 26 of 2020 (“Decree Amending the Existing Companies Law”) issued on 20 September 2020. The Company has twelve months from the effective date to comply with the provisions of the New Companies Law.

The head office of the Company and its subsidiary, ADNOC Distribution Global Company L.L.C., (together referred to as the “Group”), is registered at P.O. Box 4188, Abu Dhabi, United Arab Emirates. The Group’s shares are listed on the Abu Dhabi Securities Exchange.

Pursuant to the resolution of Abu Dhabi National Oil Company (“ADNOC”, “Shareholder” or the “Parent Company”), as the sole shareholder of the Company, dated 28 June 2017, ADNOC approved the listing of all the Company’s shares on the Abu Dhabi Securities Exchange and the sale by way of offer to the public of 10% of the share capital of the Company held by ADNOC.

In September 2020, ADNOC completed a USD 1 billion institutional placement of 10% of ADNOC Distribution shares. Subsequently in May 2021, ADNOC completed another placement of approximately 375 million shares in ADNOC Distribution shares, representing 3%, approximately, of the registered share capital of the company. The two transactions have increased the free float of the Group on the Abu Dhabi Securities Exchange to 23%. The Parent Company currently retains 77% ownership of the Group.

In May 2021, ADNOC also issued approximately USD 1.195 billion of senior unsecured bonds due 2024, exchangeable into existing shares of ADNOC Distribution under certain conditions, constituting approximately 7% of the company’s registered share capital.

The principal activities of the Group are the marketing of petroleum products, natural gas and ancillary products.

The Group owns retail fuel stations located in the emirate of Abu Dhabi in which the Group is the sole fuel retailer, and in the emirates of Dubai, Sharjah, Ajman, Fujairah, Ras Al Khaimah, Umm Al Quwain and the Kingdom of Saudi Arabia.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

---

**1 General information (continued)**

The Group operates “ADNOC Oasis” convenience stores at a majority of its service stations, and lease retail and other space to tenants, such as quick service restaurants.

The Group is also a marketer and distributor of fuels and lubricants to corporate and government customers throughout the UAE. In addition, the Group provides refuelling and related services at eight airports in the UAE and provides a compressed natural gas distribution network in Abu Dhabi.

The Group also export its proprietary Voyager lubricants to distributors in various countries, across the GCC, Africa and Asia.

Details of the Company’s subsidiary are as follows:

Name of Subsidiary	Ownership interest		Country of incorporation	Principal activities
	2022	2021		
ADNOC Distribution Global Company LLC	100%	100%	U.A.E.	Commercial agencies, commercial enterprises, retail and distribution, investment, institution and management

On 30 December 2020, ADNOC Distribution Global Company LLC signed a definitive Business and Asset Purchase Agreement to acquire fifteen (15) service stations in the Kingdom of Saudi Arabia. On 14 February 2021 two further definitive agreements were signed to acquire a total of twenty (20) more stations. These transactions have received Certificates of No Objection from the KSA General Authority for Competition, and completion of the asset acquisition process is progressing. Out of these thirty five (35) stations, the subsidiary has added seventeen (17) stations into its network as of 31 December 2021. The remaining sites are subject to completion of certain closing conditions by each of the selling and buying parties.

**2 Application of new and revised International Financial Reporting Standards (IFRS)**

**Standards, interpretations and amendments to existing standards that are effective in 2022**

In the current period, the Company has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Company’s future transactions or arrangements.

- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Amendments to IFRS 3 - References to the Conceptual Framework

These amendments do not have a significant impact on the financial information and therefore the disclosures have not been made.

**Abu Dhabi National Oil Company for Distribution PJSC  
Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information  
for the three-month period ended 31 March 2022 (continued)**

---

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**Amendment to standards and interpretations issued but not yet effective**

The new standards and revised IFRSs not yet effective and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Amendments to IFRS 3 - References to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective.

The above amendments are not expected to have any material impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**3 Summary of significant accounting policies**

**Basis of preparation**

The financial statements of the Group for the year ending 31 December 2022 will be prepared in accordance with IFRSs, as issued by the International Accounting Standards Board (IASB). This unaudited interim condensed consolidated financial information for the three-month period ended 31 March 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB).

The unaudited interim condensed consolidated financial information is prepared in UAE Dirhams (AED), which is the Company's functional currency and the Group's presentation currency and all values are rounded to the nearest thousands (AED'000) except when otherwise indicated.

The unaudited interim condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021. In addition, results for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. Where data is labelled as "audited" that indicates that the financial information has been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2021.

**Basis of measurement**

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention except derivative financial instruments that are measured at fair value.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

---

**3 Summary of significant accounting policies (continued)**

**Significant accounting policies**

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

**Changes in judgements and estimation uncertainty**

The preparation of these unaudited interim condensed consolidated financial information, in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent, except as detailed below.

In March 2020, the World Health Organization (WHO) declared a new strain of coronavirus (COVID-19) as a pandemic outbreak after finding the increase in exposure and infections across the world. To contain the outbreak in the United Arab Emirates, the government enforced restriction of movement for both people and goods including the closure of both inbound and outbound flights to and from the country.

The outbreak comes with unpredictable human and economic consequences and its evolution remains unknown at the date of the issuance of the financial statements. As the situation is rapidly evolving, the impact on the Group's activities and operations remains uncertain.

The Group regularly assesses the impact of COVID-19 on its operations, business continuity, liquidity and legal obligations. In the current period assessment, the Group expects, notwithstanding another outbreak of the pandemic, a continued recovery in consumption in the retail and non-retail fuel sector due to the easing of some of the restrictions that had been in place at the beginning of the pandemic.

The Group will continue to closely monitor the impact of COVID 19 and a prolonged continuation of the situation and/or another outbreak may lead to further provisions and/or impairment in future periods.

The Group has a documented business continuity plan (BCP) that has been activated to ensure the safe and stable continuation of its business operations as well as the safety of its employees and customers. The Group has also introduced proactive comprehensive measures to address and mitigate key operational and financial issues arising from the current situation and has reasonably managed several areas of operational risks identified and implemented various measures that ensured continuity of the operations.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**4 Property, plant and equipment**

	<b>AED'000</b>
<b>Cost</b>	
1 January 2022 (audited)	10,874,707
Additions	187,494
Impairments	(1,884)
<b>31 March 2022 (unaudited)</b>	<b><u>11,060,317</u></b>
<b>Accumulated depreciation</b>	
1 January 2022 (audited)	5,300,540
Charge for the period	143,666
<b>31 March 2022 (unaudited)</b>	<b><u>5,444,206</u></b>
<b>Carrying amount</b>	
<b>31 March 2022 (unaudited)</b>	<b><u>5,616,111</u></b>
31 December 2021 (audited)	<u>5,574,167</u>

During the period, management carried out an assessment of their capital work in progress and identified certain projects, which are unlikely to be further developed. Accordingly, an impairment of AED 1,884 thousand was recognised (31 December 2021: AED 1,674 thousand).

**5 Inventories**

	<b>31 March 2022 AED'000 (unaudited)</b>	<b>31 December 2021 AED'000 (audited)</b>
Finished goods	1,301,740	900,345
Spare parts and consumables	100,984	97,096
Lubricants raw materials, consumables and work in progress	20,853	25,477
LPG cylinders	31,443	40,288
	<u>1,455,020</u>	<u>1,063,206</u>
Less: Allowance for write down of finished goods to net realisable value	-	-
Allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders	(17,048)	(17,048)
	<u>(17,048)</u>	<u>(17,048)</u>
	<b><u>1,437,972</u></b>	<b><u>1,046,158</u></b>

The Group is carrying finished goods of AED 9 thousand (31 December 2021: AED 153 thousand) on behalf of a customer as at 31 March 2022.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**6 Trade receivables and other current assets**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Trade receivables	2,515,628	2,537,422
Less: Allowance for expected credit losses	<b>(62,104)</b>	<b>(57,293)</b>
	<b>2,453,524</b>	2,480,129
Prepaid expenses	43,076	40,792
Receivable from employees	104,954	100,697
VAT receivables	9,467	6,347
Other receivables	24,909	55,310
	<b>2,635,930</b>	<b>2,683,275</b>

Movement in the allowance for expected credit losses is as follows:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Opening balance	57,293	50,762
Charge for the period/year	4,811	30,209
Recovery made during the period/year	-	<b>(23,678)</b>
Closing balance	<b>62,104</b>	57,293

**7 Related party balances and transactions**

Related parties represent the Parent Company and its subsidiaries, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Due from related parties</b>		
Abu Dhabi National Oil Company (ADNOC)	389,646	328,705
ADNOC Drilling	374,942	296,822
ADNOC Logistics and Services	157,040	374,793
ADNOC Onshore	135,532	117,502
ADNOC Offshore	72,715	72,550
ADNOC Gas Processing	12,583	11,888
ADNOC Sour Gas	5,033	4,046
Others	19,996	19,294
	<b>1,167,487</b>	<b>1,225,600</b>

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**7 Related party balances and transactions (continued)**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Due to related parties</b>		
Abu Dhabi National Oil Company (ADNOC)	<b>3,704,409</b>	2,258,381
ADNOC Logistics and Services	<b>10,447</b>	31,199
ADNOC Refining	<b>3,470</b>	2,930
	<b>3,718,326</b>	2,292,510

The amounts due from related parties are against the provision of petroleum products and services. These balances are not secured, bear no interest and have an average credit period of 30-60 days.

The amounts due to related parties are outstanding against purchases of petroleum products, vessel hires and port charges and administrative charges. The above balances are unsecured, bear no interest and are payable on demand.

The Group has an amount of AED 3,997,276 thousand (31 December 2021: AED 2,168,259 thousand) held with banks in which the Government of Abu Dhabi has a significant or majority stake through different investment vehicles.

The Group has a term loan amounting to AED 5,276,563 thousand (31 December 2021: AED 5,276,563 thousand) from banks in which the Government of Abu Dhabi has a significant or majority stake through different investment vehicles.

The following transactions were carried out with related parties during the period:

	<b>3 months ended 31 March (unaudited)</b>	
	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
Revenue - ADNOC group	<b>332,852</b>	204,843
Purchases – ADNOC	<b>5,395,764</b>	3,120,388

The Group has elected to use the exemption under IAS 24 *Related Party Disclosures* for Government related entities on disclosing transactions and related outstanding balances with government related parties owned by the Government of Abu Dhabi other than the Parent Company and entities it owns and controls.

The Group provides in the normal course of business petroleum distribution services to entities owned and controlled by the Government of Abu Dhabi.

Abu Dhabi National Oil Company for Distribution PJSC  
Financial Statements

Notes to the unaudited interim condensed consolidated financial information  
for the three-month period ended 31 March 2022 (continued)

8 Right-of-use assets and lease liabilities

Right-of-use assets

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Opening balance	952,758	541,669
Additions related to land lease	81,429	467,441
Additions to decommissioning	362	4,542
Change in estimate of land lease	-	(5,448)
Depreciation charge during the period / year	(18,969)	(55,446)
<b>Closing balance</b>	<b>1,015,580</b>	<b>952,758</b>

Lease liabilities

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Opening balance	876,358	475,202
Additions	81,429	467,441
Accretion of interest	10,619	28,631
Changes in estimates	-	(4,948)
Payments	(31,429)	(89,968)
<b>Closing balance</b>	<b>936,977</b>	<b>876,358</b>

	Current		Non-current	
	31 March 2022 AED'000 (unaudited)	31 December 2021 AED 000 (audited)	31 March 2022 AED'000 (unaudited)	31 December 2021 AED 000 (audited)
Lease liabilities	<u>74,827</u>	<u>88,975</u>	<u>862,150</u>	<u>787,383</u>



**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**9 Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows consist of the following amounts:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Cash on hand and in bank	<u>3,924,802</u>	2,125,540
Cash and bank balances	<u>3,924,802</u>	2,125,540
Term deposit with maturities above 3 months	<u>130,225</u>	130,225

Term and call deposits carry interest rate ranging from 0.07% to 0.4% (31 December 2021: 0.03% to 0.7%) per annum.

**10 Borrowings**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Term loan	<u>5,500,884</u>	5,499,641

On 16 October 2017, ADNOC Distribution signed a mandate letter (the “Mandate Letter”) with a consortium of banks where the consortium agreed to underwrite a 5 year, USD 2,250,000 thousand (AED 8,263,130 thousand) unsecured credit facility (the “Facility”). The Facility is bifurcated further into a term facility commitment of USD 1,500,000 thousand (AED 5,508,750 thousand) and a revolving facility commitment of USD 750,000 thousand (AED 2,754,380 thousand). The purpose of the facility is to general corporate and working capital purposes including payment of dividend, repayment of debt and payment of transaction costs associated with the facility. There are no financial covenants included in the facility documents.

The transaction costs allocated to the revolving facility have been capitalised and will be amortised on effective interest rate basis over the term of the agreement. All the unamortised transaction costs related to securing the term loan are shown as part of the trade receivables and other current assets in the unaudited interim condensed consolidated financial information.

On 16 November 2017, the Group made a drawdown amounting to USD 375,000 thousand and AED 4,128,750 thousand. The Facility carries variable interest at USD LIBOR plus a margin of 0.875% for USD denominated facility portion and EIBOR plus a margin of 0.60% for AED denominated facility portion. The term facility is to be repaid at final maturity which is 5 years from the date of the facility agreement.

The term loan has been classified as current liability as it will become due in November 2022.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**11 Trade and other payables**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Trade payables	292,172	383,540
Dividends payable	1,285,625	-
Capital accruals	295,321	306,269
VAT payable	261,476	266,937
Operating accruals	199,511	165,315
Coupon and prepaid card sales outstanding	104,618	100,009
Advances from customers	45,993	36,879
Contract retentions payable	54,612	44,788
Other payables	289,624	205,276
	<b>2,828,952</b>	<b>1,509,013</b>

**12 Derivative financial instruments**

In 2019, the Group entered into floating to fixed interest rate swaps with corresponding banks to hedge the interest rate risk relating to a portion of the floating interest rates payable on the term loans, with all critical terms matching. These derivative contracts have been designated as cash flow hedges under IFRS 9.

As at 31 March 2022, the fair value of the derivative financial instruments was as follows:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Current liabilities	<b>43,720</b>	77,635

The Group has categorised the derivative financial instruments into the Level 2 hierarchy for the purpose of determining and disclosing the fair value of financial instruments. There were no transfers between the hierarchy noted during the period ended 31 March 2022 and the year ended 31 December 2021 .

- Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

---

**13 Provision for decommissioning**

The provision for decommissioning obligation is with respect to the dismantling obligation regarding the service stations built on leased lands in Dubai and Northern Emirates.

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Opening balance	129,226	120,193
Additions during the period	362	4,542
Unwinding of discount	1,145	4,491
<b>Closing balance</b>	<b>130,733</b>	<b>129,226</b>

**14 Revenue**

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major lines of business. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (note 17):

	<b>3 months ended 31 March (unaudited)</b>	
	<b>2022 AED'000</b>	2021 AED'000
Retail (B2C)		
• Fuel	4,316,025	2,720,506
• Non-fuel	284,411	226,054
Commercial (B2B)		
• Corporate	1,819,702	1,048,677
• Aviation	315,860	286,910
	<b>6,735,998</b>	<b>4,282,147</b>

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

**15 Distribution and administrative expenses**

	<b>3 months ended 31 March</b>	
	<b>(unaudited)</b>	
	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
Staff costs	<b>392,861</b>	363,951
Depreciation	<b>162,635</b>	145,052
Repairs, maintenance and consumables	<b>45,695</b>	43,003
Utilities	<b>40,113</b>	53,823
Distribution and marketing expenses	<b>29,459</b>	18,539
Insurance	<b>3,935</b>	2,302
Others	<b>57,965</b>	46,300
	<b>732,663</b>	672,970

**16 Basic and diluted earnings per share**

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of share outstanding during the period.

	<b>3 months ended 31 March</b>	
	<b>(unaudited)</b>	
	<b>2022</b>	2021
Profit attributable to owners of the Company (AED '000)	<b>670,689</b>	630,735
Weighted average number of shares in issue ('000)	<b>12,500,000</b>	12,500,000
Earnings per share	<b>0.054</b>	0.050

There are no dilutive securities therefore diluted EPS is the same as basic EPS.

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

---

**17 Segment reporting**

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker (CODM), in order to allocate resources to the segment and to assess its performance. Information reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segments only. No information that includes the segments' assets and liabilities is reported to the Board of Directors.

Effective from 2020, the CODM has approved the use of the new segment reporting structure. The new structure aligns the segmentation of the management's categorisation of the Group's customers into Commercial (B2B) and Retail (B2C) categories.

- Commercial (B2B) segment, which involves sale of petroleum products and ancillary products to commercial and government customers, the provision of aviation fuel and fuelling services to strategic customers, and the provision of fuelling services to the Parent Company's civil aviation customers.
- Retail (B2C) segment, which involves sale of gasoline and petroleum products, convenience store sales, car wash and other car care services, oil change services, vehicle inspection services and property leasing and management through the retail sites.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at the rates determined by management taking into consideration the cost of funds.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenues, profit, assets and liabilities is given to the chief operating decision maker.

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales in current and previous period. Operating profit is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

Abu Dhabi National Oil Company for Distribution PJSC  
Financial Statements

Notes to the unaudited interim condensed consolidated financial information  
for the three-month period ended 31 March 2022 (continued)

17 Segment reporting (continued)

Information regarding the new segment structure are as follows:

	Commercial (B2B) AED'000	Retail (B2C) AED'000	Unallocated AED'000	Total AED'000
<b>31 March 2022 (unaudited)</b>				
Revenue	2,135,562	4,600,436	-	6,735,998
Direct costs	(1,726,043)	(3,561,186)	-	(5,287,229)
Gross profit	409,519	1,039,250	-	1,448,769
Distribution and administrative expenses	(138,938)	(593,725)	-	(732,663)
Other income	162	8,166	650	8,978
Impairment losses and other operating expenses	(3,459)	(3,236)	-	(6,695)
Operating profit	267,284	450,455	650	718,389
Interest income				1,211
Finance costs				(48,911)
Profit for the period				670,689
<b>31 March 2021 (unaudited)</b>				
Revenue	1,335,587	2,946,560	-	4,282,147
Direct costs	(934,358)	(2,022,191)	(9)	(2,956,558)
Gross profit	401,229	924,369	(9)	1,325,589
Distribution and administrative expenses	(139,419)	(533,551)	-	(672,970)
Other income	8,641	16,865	740	26,246
Impairment losses and other operating expenses	(529)	(812)	(5,965)	(7,306)
Operating profit	269,922	406,871	(5,234)	671,559
Interest income				4,981
Finance costs				(45,805)
Profit for the period				630,735

**Abu Dhabi National Oil Company for Distribution PJSC**  
**Financial Statements**

**Notes to the unaudited interim condensed consolidated financial information**  
**for the three-month period ended 31 March 2022 (continued)**

---

**17 Segment reporting (continued)**

Unallocated income consists mainly of gain on sale of property, plant and equipment, insurance recovery and other miscellaneous income.

**18 Contingencies and litigation**

As at 31 March 2022, the Group had contingent liabilities amounting to AED 131,279 thousand (31 December 2021: AED 3,402 thousand) in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The Group is involved in various legal proceedings and other claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's financial statements if concluded unfavourably.

**19 Financial risk management**

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the audited annual financial statements of the Group as at and for the year ended 31 December 2021.

**20 Commitments**

The capital expenditure contracted for at the reporting date but not yet incurred amounted to AED 144,803 thousand (31 December 2021: AED 117,838 thousand).

**21 Seasonality of results**

There is no material impact of seasonality on the Group's operating results.

**22 Dividends**

The Board of Directors approved a final dividend of 10.285 fils per share to the shareholders in respect of the year ended 31 December 2020. The dividend comprised of AED 1,285,625 thousand, which was approved at the General Assembly Meeting held on 16 March 2021 and paid on 20 March 2021.

The Board of Directors approved a final dividend of 10.285 fils per share to the shareholders in respect of the year ended 31 December 2021. The dividend comprised of AED 1,285,625 thousand, which was approved at the General Assembly Meeting held on 24 March 2022 and paid on 1 April 2022.

**23 Approval of the unaudited interim condensed consolidated financial information**

The unaudited interim condensed consolidated financial information was approved by the Board of Directors and authorised for issue on 9 May 2022.