ADNOC
DISTRIBUTION

ANNUAL REPORT 2021

DRIVING GROWTH, DELIVERING EXCELLENCE

THE LATE SHEIKH ZAYED BIN SULTAN AL NAHYAN

Founder of the United Arab Emirates

HIS HIGHNESS SHEIKH KHALIFA BIN ZAYED AL NAHYAN

President of the United Arab Emirates

HIS HIGHNESS SHEIKH MOHAMED BIN ZAYED AL NAHYAN

Crown Prince of Abu Dhabi
and Deputy Supreme Commander of the UAE Armed Forces

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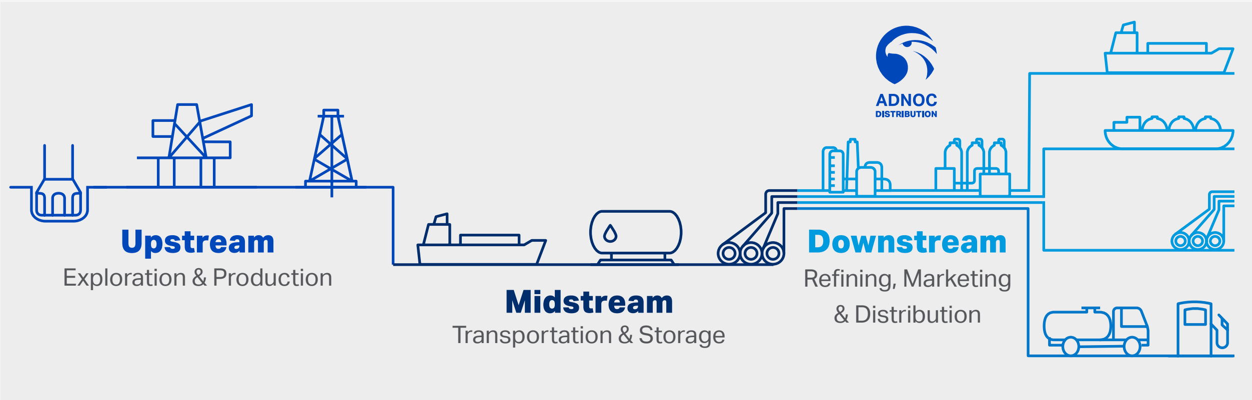
ADNOC DISTRIBUTION AT A GLANCE

OIL & GAS VALUE CHAIN



ADNOC DISTRIBUTION IS ENGAGED PRIMARILY IN THE MARKETING, SALE AND DISTRIBUTION OF TRANSPORTATION FUEL TO BOTH RETAIL AND COMMERCIAL CUSTOMERS.

It also operates non-fuel services at its network of service stations, including convenience stores, car wash, lube change, vehicle inspection and the leasing of rental properties.

ADNOC Distribution is the largest fuel and convenience retailer in the United Arab Emirates (UAE), with 462 service stations and 346 convenience stores (as of 31 December 2021).

The company continues to hold its position as the leading marketer and distributor of fuels to commercial, residential, industrial and government customers in the UAE. It also provides aviation fuel, refueling, and related aviation services.

OUR BUSINESS SEGMENTS

B2C: RETAIL BUSINESS

FUEL

ADNOC Distribution is the UAE's largest operator of retail fuel service stations, operating in 462 domestic locations as of 31 December 2021, and is the only fuel retailer with presence across all seven emirates of the UAE. The company is currently the sole fuel distributor in the emirate of Abu Dhabi and has a leading market position in the northern emirates of Sharjah, Ras Al Khaimah, Fujairah, Ajman and Umm Al Quwain. Its expansion in Dubai began in 2018, with the opening of three fuel service stations. This growth was accelerated with 20 new stations opened in 2020 and a further five stations opened in 2021, taking its network in Dubai to 31 stations as of 31 December 2021.

The company is also active in the retail sales of liquefied petroleum gas (LPG), compressed natural gas (CNG) and automotive lubricants. With a continued commitment to international expansion, the company now operates 40 retail fuel stations in Saudi Arabia (as of 31 December 2021), with a strong pipeline of new stations to be added in 2022 and beyond.

NON-FUEL

ADNOC Distribution's non-fuel retail activities comprise convenience stores located at its fuel service stations, as well as value added services such as car wash, lube change, rental properties and vehicle inspection centers.

Convenience Stores

ADNOC Distribution is the UAE's largest convenience store retailer by number of stores and now operates 346 convenience stores in the UAE, as of 31 December 2021.

Car Services

The company offers car care services at many of its service station locations, including car wash and lube change services. In addition, various services are provided by its partners and tenants, such as vehicle servicing, repairs and tire changes.

Rental properties

The company manages and leases retail space within its service stations to restaurants and other service providers. Its tenants occupy more than 900 properties, offering quick service restaurants and supplementary products and amenities including banking and automobile insurance.

Major tenants include well-known global brands such as McDonald's, Starbucks, KFC, Subway and Burger King.

Vehicle inspection

The company operates 30 vehicle inspection centers in the UAE. It is the only authorized provider of government-mandated annual vehicle inspections in the Emirate of Abu Dhabi, and expanded its vehicle inspection services to the other Emirates of the UAE in 2020.

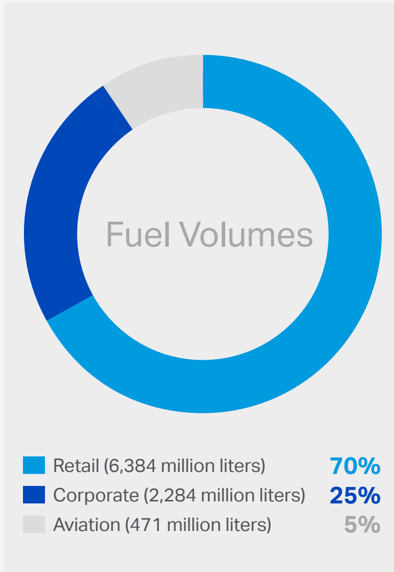
B2B: COMMERCIAL BUSINESS

CORPORATE

ADNOC Distribution is the largest supplier of gasoil and gasoline to commercial, residential, industrial and government customers in the UAE wholesale fuels market. The company also sells lubricants (engine oils and greases), used by commercial, industrial, marine and government customers for motor vehicles, as well as for other engines, machinery and equipment.

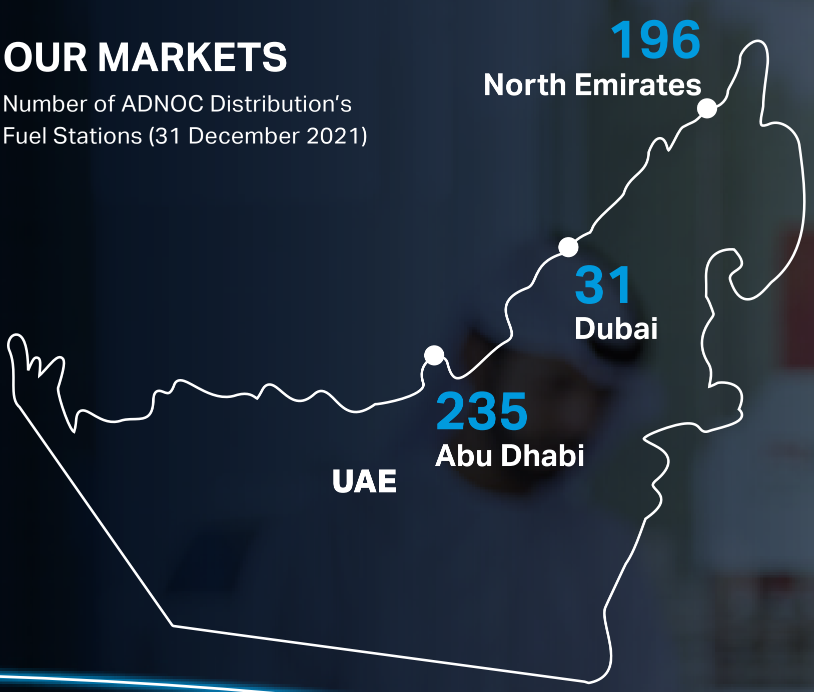
AVIATION

The company sells aviation fuel and provides refueling and related services to strategic aviation customers in the UAE. In addition, it also provides fuel distribution services and aircraft refueling services to ADNOC's civil aviation customers at multiple airports across the UAE.



OUR MARKETS

Number of ADNOC Distribution's Fuel Stations (31 December 2021)



40

FUEL STATIONS IN SAUDI ARABIA

IN 2021, THE COMPANY HAS ALSO ACCELERATED ITS EXPANSION IN SAUDI ARABIA, BY ADDING 38 NEW STATIONS.

The UAE is the company's core market. It is the second-largest economy, after Saudi Arabia, in the Gulf Cooperation Council (GCC), based on nominal gross domestic product (GDP). The country is regarded as one of the GCC's prime destinations for foreign investment, based on its prudent fiscal management, return-oriented growth policies, investor-friendly regulations, economic diversification, and stable leadership.

Economic activity in the UAE continued its recovery in 2021, benefiting from a recovery in global travel and a pick-up in domestic and external demand following a successful vaccination drive. Economic activity was also supported by the improvement in the country's real estate market, as well as the boost received from the opening of Expo 2020 in Dubai in October 2021. The UAE's economic growth is expected to accelerate in 2022, compared to 2021, as forecasted by real GDP growth ranging between 4.2% as per UAE Central Bank to 4.6% as per World Bank (compared to 2.1% to 2.6% estimates for 2021). The UAE will benefit from higher oil prices and a rebound in non-oil sectors, such as travel and tourism, real estate, hospitality, aviation, and manufacturing as a result of the continued increase in public spending, banks' credit outlook, higher employment and better business sentiment.

The company has also accelerated its expansion in Saudi Arabia, by adding 38 new stations in 2021, taking its total network in the Kingdom to 40 stations. This expansion included the adding of new stations through M and A, leasing sites - both greenfield and with existing assets - and included the first newly constructed full-service ADNOC service station, with an integrated ADNOC Oasis convenience store, car wash and lube change.

Saudi Arabia's economy is one of the top 20 in the world, and the largest economy in the Arab world, as well as in the Middle East. Demand for transport fuel is around four times higher than in the UAE. The Saudi economy recovered in 2021, following a difficult preceding year of pandemic restrictions. Successful vaccination campaigns were rolled out in the Kingdom and across the world driving increase in mobility and demand for goods and services, leading to higher oil exports.

In addition, 2021 saw higher oil output, the first quarterly budget surplus in more than two years, and lower unemployment, all contributing to improved growth. The outlook for the Saudi economy in 2022 is favorable, according to government and economic forecasts, and the International Monetary Fund (IMF) reiterated its forecasts for the growth of the Saudi economy at 4.8% during 2022. The Ministry of Finance expects a 2022 budget surplus, as revenues are set to grow at a much higher rate while spending is expected to reduce.

OUR HISTORY

1970's

1973
During the rule of Sheikh Zayed, Abu Dhabi National Oil Company for Distribution (ADNOC Distribution) is established by royal decree as the first UAE government-owned company specializing in the marketing and distribution of petroleum products.

1975
A report from the Commercial Department of the British Embassy provides an insight into the early days of ADNOC Distribution. "This company," the note says, "now operates its own fleet of road tankers, it has now a floating tank farm moored offshore, and two Rhine barges for carrying distillate from the tank to shore. It is shortly to commence building its own distribution center."

1976
The Company begins selling Liquid Petroleum Gas (LPG) canisters for domestic consumption.

1979
ADNOC Distribution opens a lubricants blending and packaging plant at Sas Al Nakhl in Abu Dhabi.

1980's

1982
The Company begins refueling aircraft at Abu Dhabi International Airport.

1983
The Company commissions a grease production unit at the Sas Al Nakhl lubricant plant. The unit, only the second of its kind in the world, manufactures high-quality greases.

1984
The number of filling stations in remote areas increases as part of a plan to expand the Company's network to cover the whole of Abu Dhabi Emirate. Special attention is given to introducing modern technology, and new services, such as the sale and repair of tires, are added at some filling stations.

1990's

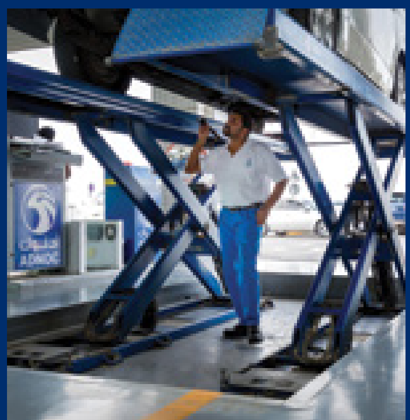
1993
ADNOC Distribution becomes an American Petroleum Institute (API) member and receives its first API lubricants certification.

1998
ADNOC Distribution rebrands and introduces a total retail offering (fuel and non-fuel).

The Company obtains International Organization for Standardization (ISO) 9001 certification from the British Standards Institute. This is followed by ISO 9001-2008 accreditation in 2003.

1999
The Company's aviation division receives the MTMC (US Military Transport Management Command) Quality Award for Excellent Services.

2000's



2000
The Company begins operating its vehicle inspection centers in coordination with Abu Dhabi Police.

2006
ADNOC Distribution's service stations begin offering a third grade of gasoline, E-plus (Octane 91) for low-compression engines, to complement Super (98) for high-compression and Special (95) for medium-compression engines.

2008
The Company begins construction of compressed natural gas (CNG) distribution facilities at its service stations to be used by natural gas vehicles (NGVs).

2009
ADNOC Distribution and other ADNOC group companies sign the ADNOC Sustainability Charter.

48 SUCCESSFUL YEARS AS THE NATION'S ENERGY PROVIDER

2010's

2011
ADNOC Distribution becomes a member and strategic partner of the International Air Transport Association and an associate member of the Joint Inspection Group (JIG), which governs standards for the operation of shared fuel storage and handling facilities at the world's major airports.

2013
The Company agrees to acquire 75 service stations from Emirates General Petroleum Company (Emarat) in the five Northern Emirates of Sharjah, Ras Al Khaimah, Ajman, Umm Al Quwain and Fujairah.

2014
ADNOC Distribution agrees to take over 25 service stations in Sharjah from Emirates National Oil Company (ENOC).

2015
Pilot phase of ADNOC Distribution's Smart project begins. Smart service stations are fitted with radio frequency identification (RFID) readers, allowing customers to manage their ADNOC wallet accounts online and to pay for fuel without the use of cash or bank cards.

ADNOC Distribution launches Facebook and Twitter pages in Arabic and English.

2016
The Company marks the opening of its 200th ADNOC Oasis convenience store.

2017
The Company completes its successful initial public offering, listing its shares on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST.

The ADNOC Xpress format is launched. Xpress stations are one-island outlets offering additional fueling capacity in urban areas.

2018
ADNOC Distribution opens its first service stations in Dubai and Saudi Arabia.

2019
ADNOC Distribution launches an innovative smart fuel distribution concept 'ADNOC On the go', a new 'ADNOC Rewards' loyalty program and a next generation 'ADNOC Oasis' convenience store.

ADNOC Distribution begins selling LPG gas in 25-pound and 50-pound canisters in Dubai.

2020's

2020
Free float doubled to 20%, following ADNOC's successful private placement of 1.25 billion of ADNOC Distribution's shares.

ADNOC Distribution enhances ADNOC Rewards with the introduction of a point-based program, and introduces online delivery services from its convenience stores.

ADNOC Distribution expands its Vehicle Inspection services to the Northern Emirates.

The Company executes a definitive agreement to acquire 15 service stations in Saudi Arabia.

2021
The Company executes two definitive agreements to acquire 20 service stations in Saudi Arabia.

Free float increased to 23%, following ADNOC's placement of 375 million of ADNOC Distribution's shares.

ADNOC Distribution shares included in major emerging market benchmark indices of MSCI and FTSE.

ADNOC Distribution received rating of 'A' in MSCI ESG Assessment.

The company launches the next generation retail experience, a fully autonomous, contactless and cashier-less ADNOC Oasis store.

The company expands international voyager footprint to 19 countries and first foothold in Africa.

The company opens first full ADNOC Service Station experience in KSA offering integrated fuel and non-fuel retail, with car wash and lube change located onsite, as well as the first signature ADNOC Oasis store in KSA.

The company expands its LPG delivery service with 30 new trucks added to its existing fleet of 17, enhancing digital ordering and door-to-door delivery of LPG cylinders to customers in Abu Dhabi.

YEAR IN REVIEW

REAFFIRMING OUR COMMITMENT TO DELIVER SMART GROWTH, OPERATIONAL EFFICIENCIES, ELEVATED CUSTOMER EXPERIENCE AND ATTRACTIVE SHAREHOLDER RETURN

2020 8,657
2021
mn liters
9,139
TOTAL FUEL VOLUMES

2020 5,783
2021
AED mn
5,040
GROSS PROFIT

2020 3,189
2021
AED mn
3,067
EBITDA

2020 2,432
2021
AED mn
2,252
NET PROFIT

2020 715
2021
AED mn
2,260
FREE CASH FLOWS[1]

2020 2,571
2021
AED mn
2,571[3]
DECLARED DIVIDEND[2]

(1) Free cash flow is defined as net cash generated from operating activities less payments for purchase of property, plant & equipment and advances to contractors
(2) Dividend for the fiscal year paid in two installments, October of the same fiscal year and April of next fiscal year
(3) Subject to shareholders approval at the General Assembly

Q1 2021

- Opened **four new stations** and **six new convenience** stores in the UAE
- Refurbished **14 convenience stores** in the UAE
- Signed definitive agreements to **acquire 20 new stations** in Saudi Arabia
- **$10 million** in like-for-like **operating expenses savings**
- First fuel retailer globally to **vaccinate 100%** of its frontline employees
- **New partners** added to the ADNOC Rewards program
- Reiterated 2021 dividend policy to pay **$700 million** dividend, amended 2022 dividend policy to set min. $700 million dividend, payout of min. 75% of distributable profits thereafter remained unchanged

Q2 2021

- Opened **eight new stations** and **eight new convenience** stores in the UAE
- Refurbished **10 convenience stores** in the UAE
- Received no objection certificates from the Saudi General Authority for Competition (GAC) to **acquire 35 stations** in Saudi Arabia
- **$17 million** in like-for-like **operating expenses savings** in H1 2021
- Launched **new promotional campaigns**, offering Rewards members more deals and discounts
- Free float increased to **23%** after successful placement of additional **3%** of ADNOC Distribution shares by ADNOC. ADNOC also issued approximately **$1.195 billion** of senior unsecured bonds due 2024 that are exchangeable into existing shares of ADNOC Distribution, constituting approximately **7%** of the registered share capital of ADNOC Distribution
- ADNOC Distribution shares were included in **MSCI Emerging Market Index**, further broadening the investor base and visibility amongst global investors

Q3 2021

- Opened **two new stations** and **two new convenience** stores in the UAE
- Refurbished **11 convenience stores** in the UAE
- Added **three new stations in the KSA**, taking total network in Saudi Arabia to five
- Added **new distributors** for ADNOC Voyager lubes, taking total number of countries it is exported to **19**
- **$26 million** in like-for-like **operating expenses savings** in 9M 2021
- Launched series of promotions including the **Let's Go Shop** and **Win Raffle**
- Crossed **1.2 million loyalty members** of ADNOC Rewards program, a 20% increase compared to end of 2020
- ADNOC Distribution shares were included in **FTSE Emerging Market Index**, further strengthening its value proposition
- ADNOC Distribution received a rating of **'A'** in the **MSCI ESG Ratings assessment**

Q4 2021

- Opened **five new stations** and **four new convenience** stores in the UAE
- Refurbished **15 convenience stores** in the UAE
- Added **35 new stations in the KSA**, taking total network to 40, including its first station to fully showcase the company's modern fuel and retail convenience offering with an integrated ADNOC Oasis store, car wash and lube change
- Expanded in Dubai commercial fuel & lubricants market by signing a number of **new agreements**
- **$41 million** in like-for-like **operating expenses savings** in 2021, significantly higher than the full year target of **$25 million**
- Expanded LPG delivery service with **30 new trucks** added to existing fleet of 17, with enhanced digital ordering of LPG cylinders
- Launched the **next generation retail experience** with fully autonomous, contactless and cashier-less ADNOC Oasis store using AI technology
- Grew ADNOC Rewards program partnership network to a total of **67 external partners**

STRATEGIC REVIEW

ADNOC DISTRIBUTION IS THE UAE MARKET LEADER IN RETAIL AND WHOLESALE TRANSPORTATION FUELS AND IS ENGAGED PRIMARILY IN THE SALE AND DISTRIBUTION OF FUEL AS WELL AS IN THE OPERATION OF FORECOURT CONVENIENCE STORES

OUR VISION

We harness energy resources in the service of our nation.

OUR MISSION

Through partnership, innovation and a relentless focus on high-performance and efficiency we maximize the value of energy resources.

OUR VALUES

PROGRESSIVE

We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

COLLABORATIVE

We work in close collaboration with our partners and peers, leveraging our collective strengths to deliver mutually beneficial results.

RESPECTFUL

We encourage a culture of inclusivity and mutual respect, and always operate to the highest professional and ethical standards.

RESPONSIBLE

We are committed to identifying ways that can make a difference to our community, while maintaining an unwavering commitment to health, safety and the environment.

EFFICIENT

We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our community, our partners and our nation.

OUR CULTURE

Our fundamental spirit and the character of our people.

BRING THE ENERGY

Unwavering passion, energy and enthusiasm defines our character and is reflected in how we work.

EMBRACE TEAMWORK

Collaborative work is critical to our success and founded on the understanding that together we achieve more than we can alone.

SEEK EXCELLENCE

We thrive on innovating new solutions, seizing opportunities and raising standards across everything we do.

DELIVER RESULTS

We are driven to deliver and willing to do what it takes to ensure meeting our targets and reaching our aspirations.

EXCEED EXPECTATIONS

We endeavor to achieve our best every day and to never settle for anything less than the very best from ourselves, our people and our company.

CHAIRMAN'S MESSAGE

AGAINST THE BACKDROP OF ONGOING ECONOMIC RECOVERY, 2021 PROVED TO BE A SUCCESSFUL YEAR FOR ADNOC DISTRIBUTION.

Dr. Sultan Ahmed Al Jaber

Chairman, ADNOC Distribution

CREATING A BETTER TOMORROW, WITH A FOCUS ON TODAY

Against the backdrop of ongoing economic recovery, 2021 proved to be another successful year for ADNOC Distribution. In a year that the UAE celebrated its own milestone, a momentous half century, we have seen significant progress ourselves, solidifying our position as the country's largest fuel retailer while continuing to deliver our international growth ambitions.

At ADNOC Distribution, our overarching priority is to provide the best experience to our customers. We are working relentlessly to provide the highest quality service across our fuel and retail businesses, with the customer at the heart of all we do. We understand they want greater convenience, and exceptional service, brought to them through digital innovation and a commitment to delivering balanced economic growth with environmental responsibility, and we are striving hard to deliver this.

In 2021, our UAE network increased to 462 stations, expanding our market leading position in the country. We also expanded our international network in the key market of Saudi Arabia, where we see considerable growth opportunities in the coming years. In addition, our lubricants business, spearheaded by our ADNOC Voyager brand, has entered new countries, and is now present in 19 markets around the world. We are committed to delivering on our ambitious plans and will continue to grow our business both locally and internationally.

Our digitization journey was furthered with ADNOC Distribution becoming the first fuel retailer in the region to launch a fully-autonomous, AI-powered convenience store, which allows customers to shop for what they need, and then simply go. No queues, no cashiers, just a fully contactless retail experience.

All this was completed despite the challenges of the global pandemic. Our financial performance remained resilient throughout 2021, with EBITDA of AED 3.1 billion and a net profit of AED 2.2 billion. ADNOC Distribution maintained a strong balance sheet and liquidity with liquidity of AED 5.0 billion in the form of AED 2.3 billion in cash and cash equivalent and AED 2.8 billion in unutilized credit facilities, and net debt to EBITDA of 1.06x. This allows us to continue to accelerate our growth over the coming years, and is powerful proof that our industry is strong, dynamic and resilient.

The company has also maintained a tight control on its OPEX, ensuring efficiencies across all areas of the business to ensure an agile and lean approach to delivery.

In 2021, there was a further increase in the free float of the company shares on the Abu Dhabi Securities Exchange, increasing share liquidity and expanding our shareholder base. This also saw us enter both the MSCI and FTSE Emerging Markets Indices, further increasing the attractiveness of ADNOC Distribution's shares to potential international investors.

As the world continues to move towards an ever more sustainable economic future, we will balance economic growth together with an environmental responsibility, to ensure we will be at the forefront of fuel retail convenience.

ADNOC Distribution fully supports the nation's objectives in this space. We have, and continue to develop, our expertise in sustainable mobility solutions, including our existing compressed natural gas network. In addition, we are constantly innovating to further reduce the carbon intensity of our operations and provide a diversified energy mix for our customers, including investing in a growing electric vehicle network. We must meet the demands of today, while energizing the way for tomorrow.

ADNOC Distribution remains committed to supporting the country's vision for a prosperous and sustainable future through continued progress and development. This is vital as we continue to deliver on our smart growth, both at home and in strategic international markets.

CEO'S MESSAGE

Eng. Bader Saeed Al Lamki

CEO, ADNOC Distribution

A STRONG YEAR OF ACHIEVEMENT FOR ADNOC DISTRIBUTION

In 2021, we delivered sound and strategic growth. Our focus on continued expansion in the UAE was complimented by the development of our business in international markets, namely Saudi Arabia. Having begun my own journey with ADNOC Distribution in 2021, I am proud of the progress we have, and continue, to make.

We continued to work as a nation towards recovery, from the continuing effects of COVID-19. We remained united in our vigilance and in our commitment to growth. Despite the challenges, it was strong year of achievements for ADNOC Distribution.

First and foremost, ensuring the health and safety of our employees and our customers always remained paramount as we worked to efficiently deliver the highest levels of excellence in customer service and keep people around the country moving. Therefore, being the first fuel retailer globally to ensure 100% of our frontline staff were vaccinated, as well as receiving the subsequent booster dose, was a significant milestone of our year.

Financially, we delivered resilient results in 2021, with double digit growth in retail fuel volumes, including a doubling of fuel volumes in Dubai. Additionally, non-fuel gross profit was up 18%, we signed a number of new sales agreements in our commercial fuel business and the international expansion of our lubricants business reached 19 countries.

We achieved like-for-like OPEX savings of AED 155m in 2021, significantly exceeding guidance of up to AED 92m. ADNOC Distribution earned a healthy AED 2.2 billion net profit, further driven by substantial progress in our non-fuel retail business, which saw continued growth across a number of areas.

Our growth in 2021 was reinforced by our commitment to international expansion, with Saudi Arabia continuing to be a strategic area of focus for the business. We operationalized 38 new stations during the year, bringing our total network in the Kingdom to 40, including our first full-service ADNOC service station.

Whilst expanding globally, our local footprint remained integral to our plans. We marked the opening of our 450th location during 2021 and now have a total of 462 stations open across the country, disrupting the traditional fuel retail environment to bring modern, fresh, and digitally-enabled retail convenience to customers.

We continue to invest in technology that creates impactful customer experience, truly embodied with the launch of our next-generation, fully autonomous ADNOC Oasis store. The store is equipped with cutting-edge artificial intelligence (AI) technology, weight sensor shelves and secure, automated payment options that allow customers to shop in a cashier-less, queue-less and contactless retail environment.

This customer centricity was a vital component of everything we achieved in 2021. With 150 stores upgraded by the end of 2021, and non-fuel retail growth of 6%, this program continues to play an important role in the furthering of our business.

This in-store success was bolstered by our significant increase in the e-commerce space. We saw 20% growth in online delivery sales, from December 2020 to December 2021, and we plan to continue to expand this service to customers. The importance of convenience was further emphasized by the immediate success of our enhanced direct-to-door LPG delivery service, facilitated through the ADNOC Distribution app. LPG sales per day in December 2021 increased by 100% when compared with November.

Together with these significant business achievements, we also marked a number of historic investor milestones. The company become part of the MSCI Emerging Markets Index, one of just 10 UAE-listed companies to be featured on the MSCI. We were then also included in the FTSE Emerging Markets Index, marking another important milestone in ADNOC Distribution's successful post-IPO smart growth strategy and its enhanced investment appeal among global investors. To then receive an 'A' rating in the MSCI ESG Ratings assessment, recognition of our approach to managing our business for long term sustainability.

We remain committed to delivering long-term, sustainable value for our shareholders - through a strong investor proposition. ADNOC Distribution offers a unique value proposition, with a combination of strong growth prospects, a resilient business model and attractive shareholder returns.

The company's strong cash generation and robust balance sheet allows for efficient capital allocation to deliver our disciplined and smart growth strategy across our domestic and international portfolio, as well as sustain our highly visible and compelling dividend policy.

I am confident that our continued focus on diverse national and international growth, together with an unwavering commitment to delivering quality, innovative and sustainable mobility products and solutions will see us meet and exceed our growth objectives for many years to come.

ADNOC DISTRIBUTION'S STRATEGY

SUSTAINED LEADERSHIP IN THE UAE FUEL MARKET, AN ACCELERATION OF NON-FUEL RETAIL AND AN AMBITIOUS INTERNATIONAL EXPANSION PLAN

ADNOC Distribution's smart growth strategy aims to deliver sustainable and profitable earnings growth and create long term value for shareholders. The company's diversified business operations creates ample room for future growth in both Fuel and Non-Fuel segments. Whilst remaining focused on its ambitious growth strategy the company is also committed to optimize our cost to become a leading cost efficient fuel retailer.

Recognizing that the success of its business can only be achieved by placing customers at the center of its offering, ADNOC Distribution's customer-centric focus is an integral part of its transformational journey from a fuel retailer to a retail destination offering more than just fuel.

ADNOC Distribution is delivering its strategy, with a target to grow EBITDA to minimum $1 billion by 2023. The company aims to achieve this by consolidating its market leader status in the UAE fuel sector, enhancing its product range, expanding geographically, maximizing returns from its current portfolio and increasing efficiencies in costs and capital allocation.

Strategic Growth Targets by 2023

1. DOMESTIC FUEL

FUEL RETAIL

- Single digit volume growth over 2018-23
- 530-550 stations in UAE by 2023
- Increase ULG-98 contribution as a % of retail gasoline sales by 2023 via increased marketing, use of additives and internationals certifications for premium fuels

COMMERCIAL FUEL

- Market share gain in Dubai and Norther Emirates

2. DOMESTIC NON FUEL

- Target of 400 C-stores in UAE by 2023
- Refurbish total C-store network with new look and feel
- Optimise product category management
- Enhance fresh food and premium coffee offering to increase basket size/margins
- Increase C-store conversion (fuel to non-fuel conversion)
- Diversify into franchisee model and e-commerce

3. CUSTOMER EXPERIENCE

- Increase customer loyalty and enhance customer experience through a variety of initiatives:
  - Expansion of ADNOC Rewards points-based programme (the first amongst UAE traditional fuel retailers)
  - Contactless payment
  - E-commerce channel expansion
  - Mobile fuel & LPG delivery
  - Smart technology at stations and C-stores

4. COST EFFICIENCY & CAPEX

- Approximately $100-150m in like-for-like OPEX savings over 2019-2023 compared to 2018
- Smart, targeted OPEX optimisation initiatives, including staff optimisation via efficient retail site operation model, streamlining marketing costs and back office processes, outsourcing and vendor negotiations, reviewing warehousing costs and improving our utilities usage
- Growth CAPEX acceleration and network growth efficiencies

5. INTERNATIONAL GROWTH

Expand in International markets (Saudi Arabia, India...) including lubricants export opportunities

To achieve long-term growth objectives, ADNOC Distribution is focusing on the following key areas:

1 DOMESTIC FUEL

Fuel Retail

Network expansion in Dubai

Dubai provides access to world-class retail fuel volumes and an attractive non-fuel opportunity. As a traditionally underserved market, it offers a clear opportunity for the company to expand its network. From three stations at the end of 2018, ADNOC Distribution has expended its network to 31 stations as of 31 December 2021.

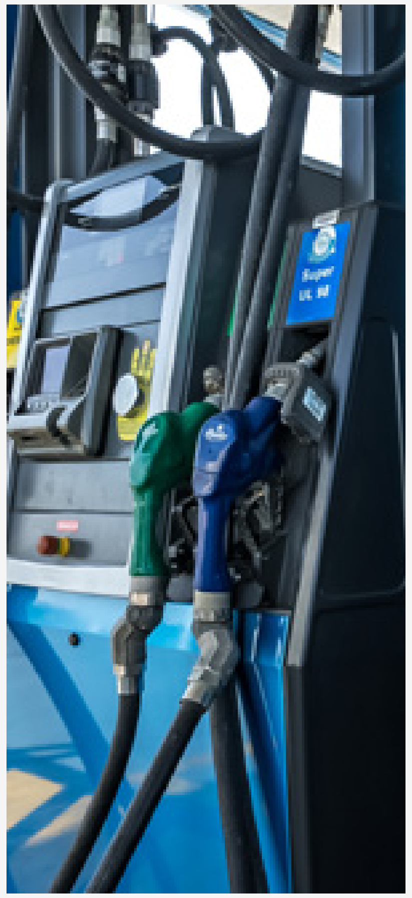
Maintain a leading position in Abu Dhabi and the Northern Emirates

As the only fuel operator in Abu Dhabi and with strong market share in the Northern Emirates, the company continues to expand its network in these regions to defend its market leading position and ensure convenient access to fuel and non-fuel services for customers. With a focus on protecting market share while maintaining min. 15% internal rate of return on investment, the company is targeting expansion through its innovative and less capital intensive station format 'ADNOC on the go'.

Network portfolio optimization

To unlock value from its growing retail assets and maximize return on capital employed, the company is undertaking a comprehensive retail network health analysis based on data analytics to enhance asset utilization in its service stations and grow earnings.

To further enhance customer experience across its network, the company is also ensuring convenient access to its range of premium products, including the pilot of Super 98 fuel-only stations. Combined with informative marketing and promotional campaigns, the company has provided greater access to information for customers around the benefits of higher octane fuels.



STRATEGY IN ACTION

On the go

ADNOC ON THE GO

Serving Communities of Every Size

CONTEXT

Continued socioeconomic and technological development brings with it increasing consumer expectation.

With customer experience at the heart of everything ADNOC Distribution does, part of this vision is to ensure convenient access to fuel retail for every community – no matter how big or small.

OFFERING

In 2019, ADNOC Distribution revealed its next-generation ADNOC On the go service station, the first of its kind in the region.

The innovative and modular service station is powered by smart technology and can be designed and constructed in a variety of configurations to fit a smaller plot of land than its traditional counterparts, at a faster speed and at a lower cost.

STRATEGY IN ACTION

HOW DOES IT WORK?

ADNOC On the go is an entirely self-contained fueling station that can be constructed in multiple designs, offering flexible solutions and configurations that are tailored to the needs of a specific location.

Its wide range of design configurations mean an ADNOC On the go station can be built on a smaller plot than a conventional service station, which might not be practical to construct in certain areas. The customization options include plot size, number of fuel pumps and configuration of the ADNOC Oasis store, which can be drive-through or standalone.

With drive-through ADNOC Oasis convenience stores, customers can make retail purchases from the comfort of their own vehicle, irrespective of whether they are buying fuel or not. Smart menu displays help convenience store customers to select their products with ease, offering a modern, technology-driven shopping experience.

The ADNOC On the go stations can be built in around half the time, compared to the time required to build a traditional station, and run on around 50% less energy that traditional ADNOC service stations.

Commercial Fuel

There is a strong opportunity for growth in ADNOC Distribution's Commercial Group, across our various product segments.

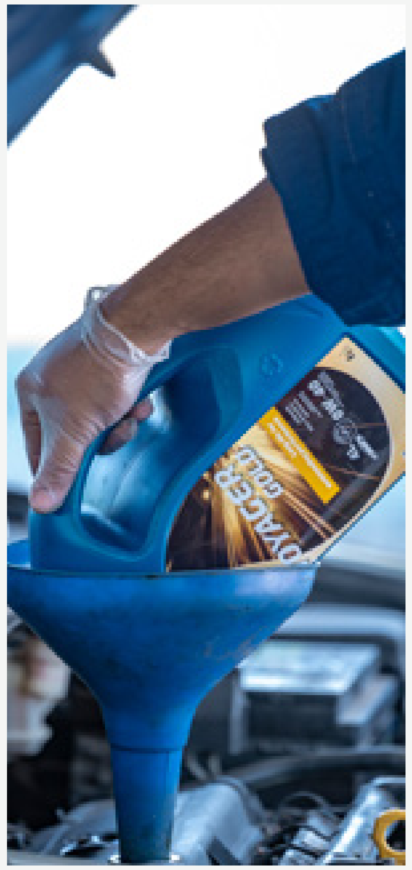
The UAE market presents compelling opportunities for the company to seek returns and growth. This includes its LPG business, which began the sale of cylinders to businesses in Dubai in 2019. The company intends to gain further market share in the LPG markets of Dubai and the Northern Emirates while scaling up profits in Abu Dhabi through an enhanced LPG distribution model.

ADNOC Distribution expects to sustain growth in its commercial business through ongoing initiatives such as dynamic pricing, as well as government action in the enforcement of regulations to curtail the grey market of substandard products and unlicensed distributors.

In its lubricants business, the company plans to grow sales by introducing new formulations and synthetic products using AD base, a world-class base oil supplied by ADNOC. Lubricants is a profitable segment and ADNOC Distribution believes strongly in the growth potential of this business, due to its leading position in the UAE and opportunities to expand the brand beyond national borders. Having undertaken a rigorous assessment of the international lubricant market, there is ample opportunity to expand the lubricants business internationally, and the company plans to expand its lubricant portfolio, benchmarked to key global leaders and modernizing packaging. Lubricants exports have been initiated in multiple markets, in addition to organic and inorganic growth, in key international markets such as KSA.

There are also revenue growth opportunities through the opening of new lube change centers across the UAE, including Dubai, as the company continues to expand its service station network.

In other part of the commercial business, the company is undertaking strategic initiatives to develop and improve the business, including product portfolio and price optimization.



2 DOMESTIC NON-FUEL RETAIL

ADNOC Distribution remains optimistic about the future dynamics of the UAE retail market. Convenience store shares of the grocery market is small compared to other countries, and the company believes that with the right offering, there is a significant potential for market growth.

The convenience store revitalization program is a strong contributor to this strategy. It offers customers an improved convenience shopping experience and a contemporary family-friendly environment where customers can refuel, unwind and enjoy freshly prepared food. The revitalization program focuses on creating a new, modern look and feel, with enhanced category management, and the introduction of fresh food and premium coffee products.

Revitalization of the company's convenience stores has gained momentum since it began in 2020 and a total of 150 stores have now been refurbished as part of the extensive plan.

In 2020, the company also launched its online delivery service, with more than 1,700 products available to order from more than 100 convenience stores across the UAE. ADNOC Distribution has plans to further expand this multi-channel approach, supplemented with greater presence through standalone and mobile convenience stores, thereby providing increased access and convenience for customers.

In addition, network-wide improvement initiatives are consistently underway, including supplier negotiations and car services optimization. The company is currently in the process of transforming its property management services and quick service restaurant business through enhanced portfolio management and the adoption of innovative operating models.

STRATEGY IN ACTION

CONVENIENCE STORE REFURBISHMENT

An Upgraded Look and Feel for ADNOC Oasis Convenience Stores

CONTEXT

The modern consumer is busier and more distracted than ever, and a powerful visual brand identity is able to communicate an organization's values and personality through its physical retail environment, while also building an emotional connection and creating a sense of trust between brand and consumer.

Another important aspect of a physical retail space is its ability to inform visitors of the newest, best offers available there, especially during a period of product portfolio expansion.

A commitment to customer-centricity is at the core of ADNOC Distribution's values, and this feeds into the look and feel of the company's convenience stores.

OFFERING

Since the launch of the program, ADNOC Distribution has refurbished or refreshed 150 of its ADNOC Oasis convenience stores across the UAE.

The project has upgraded the look and feel of the convenience store environment, offering a fresher visual brand identity while also helping the space to better promote ADNOC Distribution's fresh coffee and baked goods.

HOW DOES IT WORK?

One of the key elements of the refurbishment project is the installation of the ADNOC blue across each Oasis store, with ceilings repainted and redesigned into a mesh pattern.

The same shade is applied to shelving across the convenience stores, while bathrooms were also modernized with contemporary white tiles.

Larger conveniences stores have light strips installed on their canopy, while smaller stores see their countertop material and branding upgraded.

The refurbished stores also feature larger, more attractive surfaces for promotions, which serve to boost sales of seasonal promotions such as the pistachio croissant and coffee combo.

ADNOC Distribution is committed to expanding its product offering at its convenience stores, and the refurbished retail spaces offer a more attractive and effective vehicle for informing customers about fresh coffee and bread as well as bulk-buy offers.

3 CUSTOMER EXPERIENCE

Improving customer experience is central to ADNOC Distribution's success. This is achieved through a better understanding of what services customers value most and enhancing offerings to meet their needs. Convenience, service offering, digital experience, price and loyalty are all markers of the company's approach to differentiating itself in the market.

ADNOC Distribution is uniquely positioned to introduce products and services that boost customer satisfaction and loyalty, while driving incremental revenue and profitability. The use of advanced technology is key to offering superior customer experience. A number of customer experience initiatives were recently launched, including the innovative 'ADNOC On the go' fuel station, the 'ADNOC Rewards' loyalty program, and the next generation, fully autonomous ADNOC Oasis convenience store, which offers customers a contactless, cashier-less retail experience, powered by artificial technology and offering multiple digital payment options.

STRATEGY IN ACTION

ADNOC OASIS AUTONOMOUS STORE

A Next-Generation Cashless, Contactless & Convenient Retail Experience

CONTEXT

The consumer landscape has evolved with the advent of the COVID-19 pandemic. This has resulted in the accelerated growth of contactless shopping experiences, where consumers want simple, safe, and seamless contactless payments whenever they shop.

Digitization has been a core part of ADNOC Distribution's ongoing customer experience enhancements and offering a new, state-of-the-art technology and retail experience is the very essence of this strategy.

OFFERING

In 2021, ADNOC Distribution digitally transformed its ADNOC Oasis retail offering to become the first fuel retailer in the Middle East to offer a fully contactless shopping experience, powered by artificial intelligence (AI) and bringing together cutting-edge technology, such as weight sensor-ed shelves and cashless, contactless payment methods. Consumers are able to shop and pay without needing to wait to be served by a cashier, or even take out their wallet.

It's not only a completely seamless shopping experience but also one of the most advanced retail experiences in the world. The enhanced ADNOC Oasis store is set to revolutionize how consumers shop, as it makes the experience easier, faster and more convenient than ever before.

STRATEGY IN ACTION

HOW DOES IT WORK?

The store utilizes cutting-edge technology that helps track each customer's shopping experience and ensure optimal accuracy and speed for the generated customer basket.

Once inside the store, customers can simply pick up items from the shelves, which will be tracked by combining both the AI cameras and the shelves' weight sensor information. There is no checkout counter at the exit door, customers need just to grab what they need and walk out.

The new ADNOC Oasis store offers multiple payment options, through the ADNOC wallet via the mobile app as well a bank payments terminal at the store entry gate enabling busy customers to use their bank card or Emirates ID to shop and pay at store. Customers need to only tap their bank card or Emirates ID on the payment terminal when entering the store, and the final payment is seamlessly deducted from the card upon exit.

Customers will also be able to shop as a family using a single QR code for entry. Once family members have scanned the code and entered the store, they will be tracked as a group and all items taken from the shelves by anyone in the group will be added to a single virtual basket.

Other USPs include the LED pricing on shelves, which allows for dynamic adjustment of pricing and the ability to promote particular products, as well as fresh coffee dispensed through a fully automated machine – the selected beverage is automatically added to the customer basket once dispensed.

For ADNOC Distribution, the real-time collection of data allows us to analyze customer behavior points – such as time spent in various parts of the store – and further personalize the experience for our shoppers.

4 COST EFFICIENCY AND CAPEX

ADNOC Distribution is focused on operational excellent, efficiency and optimization across the entire organization. By optimizing expenditure, the company aims to become increasingly efficient and balance a reduction in our costs whilst maintaining a high level of customer service.

OPEX reduction and CAPEX optimization remain a priority. There has been significant progress in rationalizing OPEX and reducing CAPEX per station, with further room for improvements.

The company will continue to improve CAPEX efficiency, including the roll out of less capital intensive station formats, such as 'ADNOC On the go' and mobile fuel station concept 'My Station'.

5 INTERNATIONAL GROWTH

Delivering on our international expansion remains integral to our ambitious smart growth strategy. We expect to grow internationally, including in Saudi Arabia, where there are opportunities to deliver against investment criteria of +15% internal rate of return.

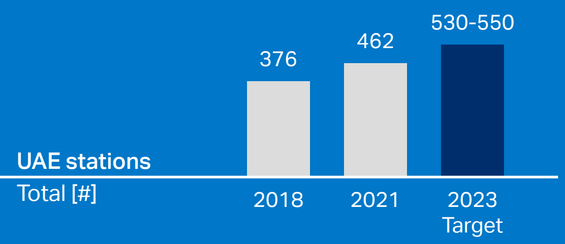
2021 was also a milestone year for international growth. In line with its long term growth strategy to become a leading fuel operator in Saudi Arabia, the company opened 38 new stations in Saudi Arabia, taking its network in the Kingdom to 40 stations, from two stations at the end of 2020.

Saudi Arabia is a large and fragmented market and ADNOC Distribution's experience and strength in fuel retail can be leveraged to capture growth. The company's integrated approach to fuel and non-fuel offerings is a key differentiator in Saudi Arabia and it plans to further accelerate expansion there both organically and inorganically.

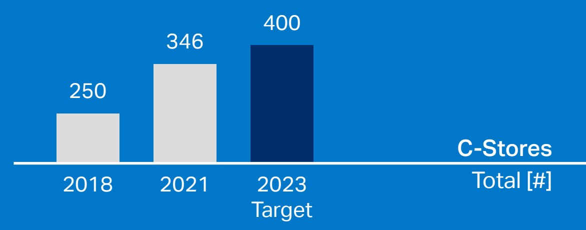
In addition to Saudi Arabia, ADNOC Distribution is also exploring other markets in the GCC, Middle East, North Africa and Asia regions.

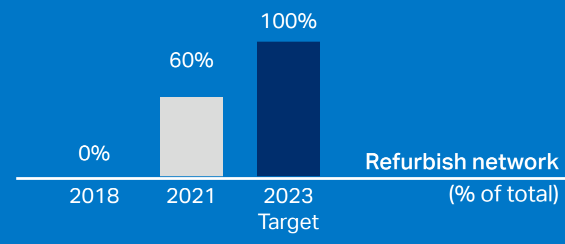
SOLID PROGRESS AGAINST KEY STRATEGIC GROWTH TARGETS

DOMESTIC FUEL

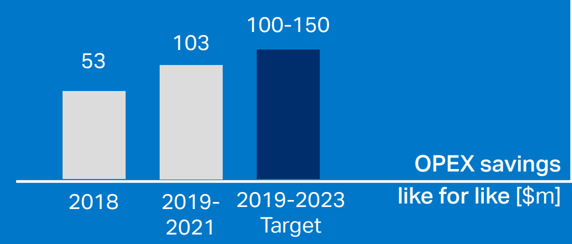


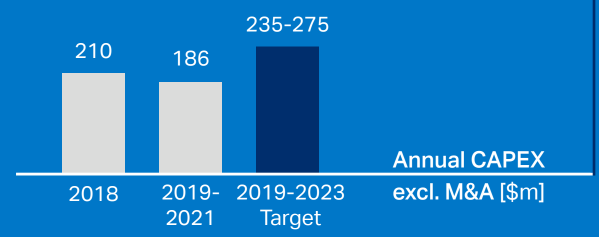
DOMESTIC - NON FUEL





COST EFFICIENCY & CAPEX





OTHER COMMITMENTS

International Growth

2023 Target: Expand in International markets (KSA, India...)

2021 Progress:

- 40 stations in KSA
- Lubricants exports to more than 19 countries

Customer Experience

2023 Target:

Enhance Customer experience

2021 Progress:

- ADNOC Rewards program
- Online channel presence
- Mobile fuel & LPG delivery
- Smart technology at stations

ADNOC DISTRIBUTION VALUE PROPOSITION

BUSINESS RESILIENCE

- Leading fuel retail player in **an attractive UAE market** and robust regulatory framework
- **Demonstrable business resilience** with stable and predictable fuel margins with limited exposure to oil price volatility
- **Strong balance sheet** with ample liquidity to pursue growth opportunities
- Disciplined approach in evaluating **growth opportunities**

SMART GROWTH

- Executing a focused, deliverable EBITDA profile to exceed **$1bn** by 2023
- **Ambitious domestic growth** expansion programme via fuel and non-fuel initiatives and crystalizing upside from international growth
- Accelerated digital strategy to create **additional retail value** and **customer loyalty**
- Unlock hidden value through OPEX initiatives (Targeted additional OPEX savings up to **~ $25m** over 2022-2023)

ATTRACTIVE SHAREHOLDER RETURNS

- **An attractive**, visible and differentiated dividend policy
- **Dividend track record** since IPO
- **Significant share liquidity** after Free float increased to **23%**. MSCI EM Index inclusion (May 2021) and FTSE EM Index inclusion (Sept.2021)
- ADNOC a **supportive** and **committed** majority shareholder

SHAREHOLDERS' INFORMATION

TRADING OF ADNOC DISTRIBUTION SHARES ON THE ABU DHABI STOCK EXCHANGE (ADX) BEGAN ON 13 DECEMBER 2017 UNDER THE SYMBOL ADNOCDIST

As of 31 December 2021, the share price was AED 4.27 and the Company's market capitalization was AED 53.4 billion. The Company's paid-up share capital is AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08.

ADNOC Distribution Share Ownership Structure

As of 31 December 2021, Abu Dhabi National Oil Company (ADNOC), the parent company, owned 77% of the outstanding shares.

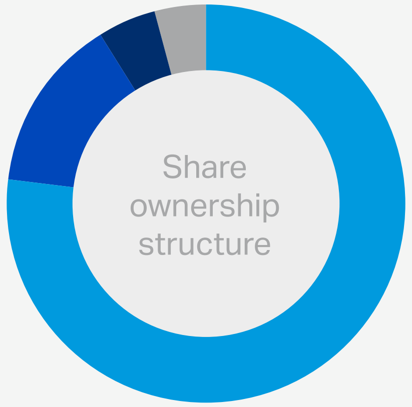
The UAE and other GCC institutions, international institutions, and individual retail shareholders owned 14.14%, 4.93% and 3.92% of the outstanding shares, respectively.

The number of total shareholders at 31 December 2021 was approximately 11,500.

How to buy shares

Any investor with an up-to-date investor number (NIN) registered through the ADX can place orders to buy and sell shares through brokerage companies licensed and registered in the market.

Trading on ADX is allowed only through authorized brokers. Those interested may contact a broker or visit www. adx.ae (FAQs) for a complete list of brokerage companies. Interested parties can also call ADX customer service at 800239 or +971 2 6277777 for further information.

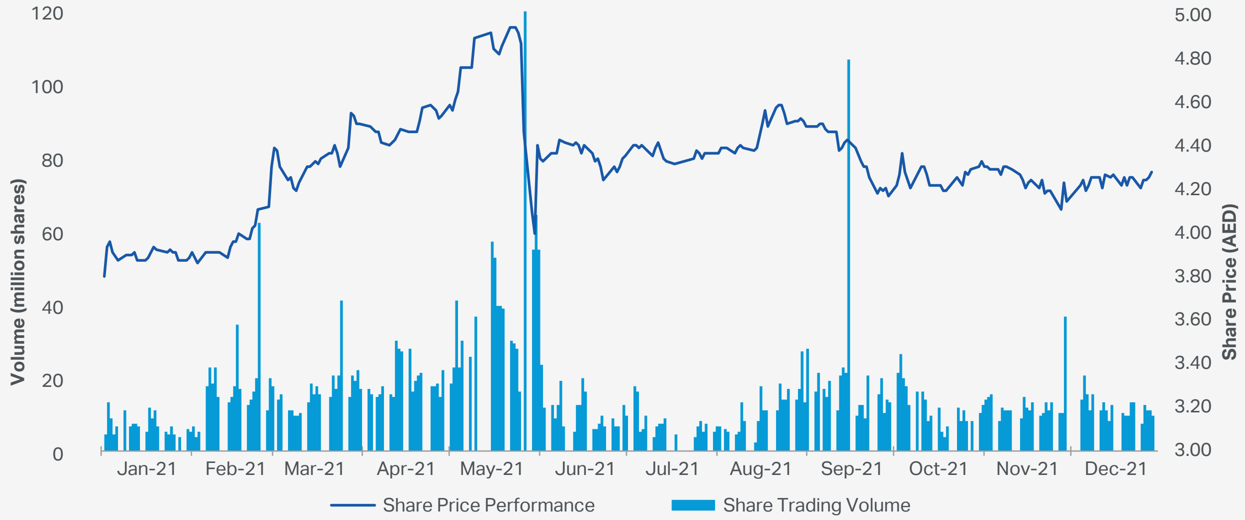


ADNOC	77.0%
UAE and other GCC institutions	14.1%
International Investors	4.9%
Individual retail shareholders	3.9%

* Data source: ADNOC Distribution share register as of 31 December 2021

ADNOC Distribution Daily Share Performance

(Prices at daily close)



ADNOC Distribution Share Trading Performance Summary

	At Initial Public Offering (December 2017)	Last trading day 2020	Last trading day 2021	% change in 2021	High	Low
Share Price (AED)	2.50	3.75	4.27	13.9%	4.94	3.85
ADX General Index	4,384	5,045	8,488	68.2%	8,999	5,045
Number of shares outstanding (billion)	12.5	12.5	12.5			
Market capitalization (AED billion)	31.3	46.9	53.4			
Market capitalization (USD billion)	8.5	12.7	14.5			
Average Daily Trading Volume during the year (million shares)*		8.8	18.0			
Average Daily Trading Value during the year (USD million)*		4.0	19.6			

* Excluding private placement of 375 million ADNOC Distribution shares (valued at $445 million) on 27th May 2021.

Stock Exchange Listing
Abu Dhabi Securities Exchange (ADX)

Date listed on the stock exchange
13 December 2017
Added to ADX General Index (ADI) and Energy sector sub-index (ADEG)
20 December 2017

Currency
AED (United Arab Emirates Dirham)

International Securities Identification Number (ISIN)
AEA006101017

ADX symbol
ADNOCDIST

Reuters Instrument Code (RIC)
ADNOCDIST.AD

Bloomberg symbol
ADNOCDIS UH

Registrar
Abu Dhabi Securities Exchange
CSD & Registry Services Department
Telephone: +971 2 6277 777
ADX Toll Free: 800 ADX (239)
E-mail: csd@adx.ae

ADNOC Distribution Investor Relations Contact:
ir@adnocdistribution.ae

Investor Relations
www.adnocdistribution.ae/en/investor-relations/investor-relations/

DIVIDEND POLICY

Under the Articles of Association, the company may distribute quarterly, semi-annual and/or annual dividends to shareholders from operating profits and/or accumulated profits of the company.

Since its IPO, the company has historically aimed to pay a dividend twice each fiscal year, with an initial interim payment in October and a second payment in April of the following year.

In making recommendations to shareholders regarding the payment of dividends, the Board of Directors considers the cash management requirements of the business for operating expenses, interest expenses and anticipated capital expenditures. The Board also considers market conditions, the operating environment and their outlook for the business.

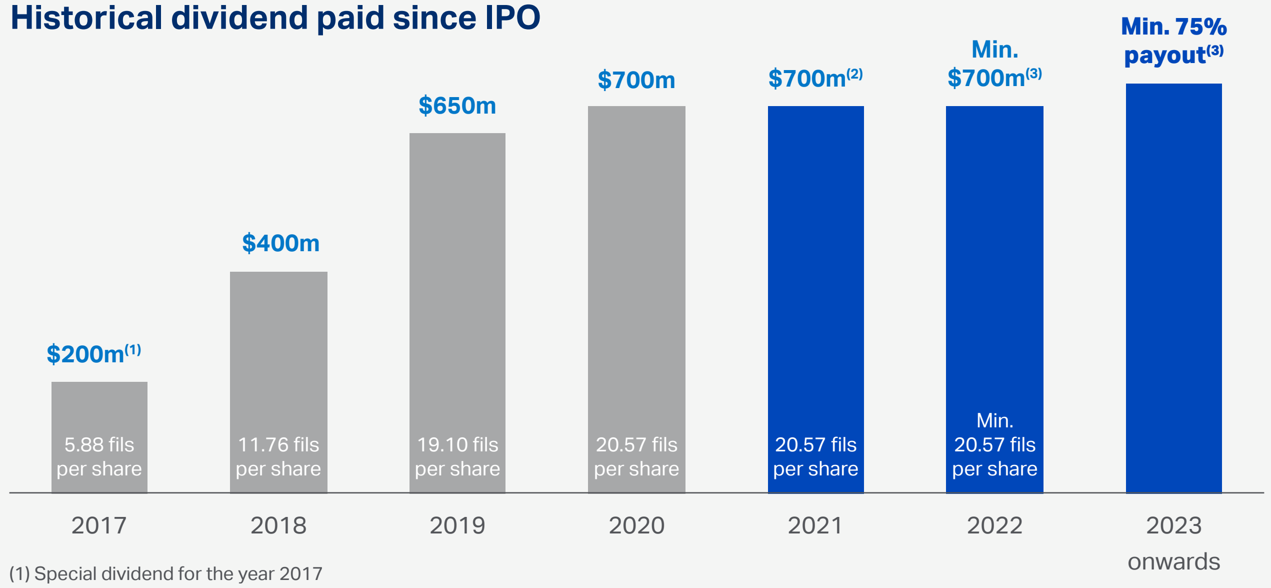
During the General Assembly on 16 March 2021, the company reconfirmed its 2021 dividend, and the company's shareholders approved amendments to the dividend policy to enhance the visibility of shareholder return, setting a minimum of AED 2.57 billion (min. AED 0.2057 per share) dividend for 2022 (compared to minimum 75% of distributable profits as per previous policy), providing visible payback to shareholders until April 2023.

The dividend policy for the years thereafter remains unchanged at a dividend equal to at least 75% of distributable profits.

Under our approved dividend policy, ADNOC Distribution's Board of Directors has recommended that shareholders approve a final dividend payment of AED 1.285 billion (AED 0.1028 per share) for the second half of 2021, resulting in a total dividend of AED 2.57 billion (AED 0.2057 per share) for fiscal year 2021. If approved by ADNOC Distribution shareholders at the Annual General Meeting, the company expects to pay this dividend in April 2022.

SINCE IPO, THE COMPANY HAS CONSISTENTLY INCREASED PAYBACK TO ITS SHAREHOLDERS THROUGH ITS PROGRESSIVE DIVIDEND POLICY SUPPORTED BY STRONG CASH FLOW GENERATION AND BALANCE SHEET STRENGTH

Historical dividend paid since IPO



(1) Special dividend for the year 2017
(2) Subject to Shareholders' approval
(3) Subject to the discretion of the Board of Directors and Shareholders' approval

FINANCIAL REVIEW

FINANCIAL REVIEW

THROUGHOUT 2021, ADNOC DISTRIBUTION HAS CONTINUED TO DELIVER MODERN, DIGITALLY-ENABLED FUEL RETAIL CONVENIENCE TO CUSTOMERS AND COMMUNITIES ACROSS THE UAE.

The company remains focused on delivering its ambitious growth strategy and generating long-term shareholder value through the next phase of its growth.

The following discussion and analysis of the company's financial results is based on audited financial statements for the year ended 31 December 2021. The results should be read in conjunction with audited financial statements, including the related notes, which are available on the company's website.

ADNOC Distribution is the only fuel retailer serving all seven emirates in the UAE. In 2021, the company continued to deliver a resilient financial performance and demonstrated its commitment to domestic and international smart growth, by increasing its service station network and modernizing its ADNOC Oasis convenience stores, offering customers greater convenience, together with a fresh, modern environment to make more out of every visit to an ADNOC Service Station.

All of this was achieved while maintaining rigorous compliance to government guidelines and upholding the highest standards of health and safety. Whilst continuing to deliver on its growth strategy, ADNOC Distribution remained focused on pursuing efficiencies in its operations, in line with its ambition to become a leading cost efficient fuel retailer.

The company also accelerated its digital transformation strategy to deliver best-in-class customer service, which will also strengthen its competitive positioning.

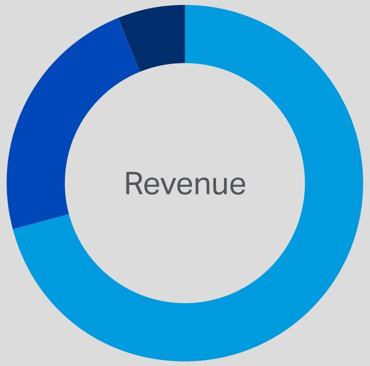
The company has a solid financial framework in place for all investments to ensure a disciplined, return-driven capital allocation and value creation for shareholders.

2020 8,657
2021

mn liters
9,139

5.6%
TOTAL FUEL VOLUMES

For the year 2021, total fuel volumes sold increased by 5.6% compared to 2020, driven by increase in retail fuel volumes.



71% Retail (fuel & non-fuel) (AED 14,916 mn)

23% Corporate (AED 4,708 mn)

6% Aviation (AED 1,297 mn)

2020 16,132
2021

AED mn
20,921

29.7%
REVENUE

Revenue for 2021 was AED 20,921 million, an increase of 29.7 percent compared to 2020. This increase was driven by higher selling prices (as a result of increase in crude oil prices), retail fuel volume growth and non-fuel business growth.

70% Retail (fuel & non-fuel) (AED 3,546 mn)

19% Corporate (AED 960 mn)

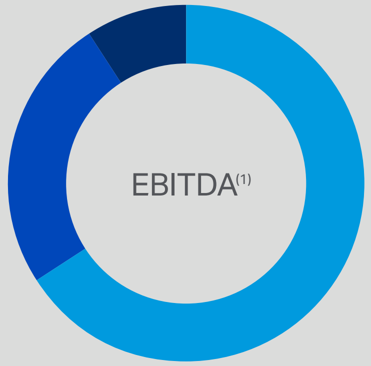
11% Aviation (AED 534 mn)

2020 5,783
2021

AED mn
5,040

12.8%
GROSS PROFIT

Gross profit for 2021 was AED 5,040 million, a decrease of 12.8% compared to 2020, mainly due to lower retail fuel margin, partially offset by growth in Non-Fuel Retail and Commercial businesses. The Fuel Retail business gross profit margin started to normalize from February 2021 after remaining exceptionally high throughout the last nine months of 2020, which benefitted from stable retail pump prices despite lower fuel supply cost. Lower margins in the Fuel Retail business were partially offset by increase in retail fuel volumes and inventory gains of AED 366 million in 2021 (versus inventory gains of AED 99 million in 2020).



66% Retail (fuel & non-fuel) (AED 2,023 mn)

25% Corporate (AED 769 mn)

9% Aviation (AED 274 mn)

(1) EBITDA contribution excluding unallocated items of –AED4million

2020 3,189
2021

AED mn
3,067

3.8%
EBITDA

EBITDA for 2021 was AED 3,067 million, a decrease of 3.8% compared to 2020, mainly due to lower margin in fuel retail business and lower commercial fuel volumes, partially offset by higher retail fuel volumes, non-fuel business growth, inventory gains and a reduction in operating costs.

2020 3,627
2021

AED mn
2,706

25.4% ↓
UNDERLYING EBITDA

Underlying EBITDA (EBITDA excluding inventory losses/ gains and one-offs) for 2021 was AED 2,706 million, a decrease of 25.4% compared to 2020, which benefitted from exceptionally high retail fuel margins. Excluding the impact of higher retail fuel margins in 2020, the company saw strong growth in operating performance driven by retail fuel volume recovery, network expansion in Dubai, increase in non-fuel transactions, margin improvement in non-fuel retail and corporate business, as well as significant reduction in operating costs.

2020 3,033
2021

AED mn
2,649

12.7% ↓
DISTRIBUTION AND ADMINISTRATIVE EXPENSES

In 2021, distribution and administrative expenses were AED 2,649 million, a decrease of 12.7% compared to 2020, mainly driven by lower staff costs, repairs and maintenance costs and utility expenses, partially offset by increase in depreciation charges and distribution and marketing expenses, whereas 2020 included higher one-off expenses. On a like-for-like basis, cash OPEX (excluding depreciation) reduced by AED 155 million in 2021, mainly as a result of optimization in staff cost and decrease in general and administrative expenses.

2020 2,432
2021

AED mn
2,252

7.4% ↓
NET PROFIT

In 2021, net profit was AED 2,252 million, a decrease of 7.4% compared to 2020, mainly due to a lower EBITDA.

Key year on year financials – Statement of profit and loss items

(AED million)	2021	2020	YoY%
	For the year ended 31 December		
Revenue	20,921	16,132	29.7%
Gross profit	5,040	5,783	-12.8%
EBITDA	3,067	3,189	-3.8%
Underlying EBITDA*	2,706	3,267	-25.4%
Profit for the period	2,252	2,432	-7.4%
Earnings per share (AED/share)	0.180	0.195	-7.4%

*Underlying EBITDA is defined as EBITDA excluding Inventory gains/losses and one-off gains/losses.

Note: Prior period numbers are as previously reported before the impact of restatement of prior period errors, the impact of which on EBITDA is immaterial (details in Note 34 of audited financial statements).

2020 715
2021

AED mn
2,260

216.1% ↑
FREE CASH FLOWS

Free cash flow generation (Net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors) totaled AED 2,260 million in 2021, significantly higher than 2020, mainly driven by robust cash flow from operations.

The ratio of interest bearing net debt to EBITDA at the end of 31 December 2021 was 1.06x. There are no financial covenants in the company's credit facilities.

2020 1,694
2021

AED mn
2,878

69.9% ↑
NET CASH GENERATED FROM OPERATING ACTIVITIES

Net cash generated from operating activities increased by 69.9% to AED 2,878 million in 2021 compared to 2020, driven by a robust cash flow from operations.

2020 962
2021

AED mn
614

36.2% ↓
CAPITAL EXPENDITURES

The company incurred CAPEX (including accruals/provisions) of AED 614 million in 2021, in line with guidance and plans to continue with its expansion strategy.

AED mn
3,202
TOTAL EQUITY

AED mn
3,244
NET DEBT

1.06x
NET DEBT TO EBITDA RATIO

Key year on year financials – Balance sheet items

(AED million)	2021	2020	YoY%
	As at 31 December		
Net cash generated from operating activities	2,878	1,694	69.9%
Capital expenditures	614	962	-36.1%
Free cash flow*	2,260	715	NM
Total equity	3,202	3,477	-7.9%
Net debt**	3,244	2,705	19.9%
Capital employed	9,811	9,818	-0.1%

* Free cash flow is defined as net cash generated from operating activities less payments for purchase of property, plant & equipment and advances to contractors.
** Cash and bank balances used for Net Debt calculation includes term deposits with banks.

Note: Prior period numbers are as previously reported before the impact of restatement of prior period errors, the impact of which on EBITDA is immaterial (details in Note 34 of audited financial statements).

24.8%
RETURN ON CAPITAL EMPLOYED (ROCE)

70.3%
RETURN ON EQUITY (ROE)

50.3%
LEVERAGE RATIO

Key year on year financials – Financial ratios

(AED million)	2021	2020
	As at 31 December	
Return on capital employed (ROCE)	24.8%	26.4%
Return on equity (ROE)	70.3%	74.7%
Net debt to EBITDA ratio*	1.06x	0.85x
Leverage ratio*	50.3%	43.8%

* Cash and bank balances used for Net Debt calculation includes term deposits with banks.

BUSINESS REVIEW

RETAIL BUSINESS

2020 445
2021
Stations in UAE
462

2020 2
2021
Stations in Saudi Arabia
40

FUEL STATIONS

ADNOC DISTRIBUTION'S RETAIL BUSINESS IS SEGREGATED INTO FUEL (GASOLINE, DIESEL, CNG AND LPG) AND NON-FUEL (CONVENIENCE STORES, CAR CARE SERVICES - INCLUDING CAR WASH AND LUBE CHANGE SERVICES, PROPERTY MANAGEMENT SERVICES AND VEHICLE INSPECTION CENTERS).

2020 136.4
2021
mn
160.1
17.4% ↑
RETAIL FUEL TRANSACTIONS

2020 31.1
2021
mn
34.4
10.6% ↑
RETAIL NON-FUEL TRANSACTIONS

Retail Segment

Fuel

ADNOC Distribution is the number one retail fuel brand in the UAE, with 462 owned and operated retail fuel stations as of 31 December 2021. It is the only operator of fuel service stations in all seven UAE emirates and the largest operator in Abu Dhabi, Sharjah and the Northern Emirates. ADNOC Distribution also operates 40 service stations in Saudi Arabia as of 31 December 2021.

The company's retail fuel business is a highly cash-generative business with stable, regulated unit fuel margins in the UAE and iconic branding at strategically located sites. It benefits from a fuel supply agreement with ADNOC, its parent company. This guarantees supply on terms which give it a competitive advantage.

The relationship with ADNOC and the company's extensive fuel distribution infrastructure, the largest in the UAE, gives ADNOC Distribution inherent advantages over competitors and presents high barriers to market entry for future challenger brands.

The main fuel products comprise three grades of gasoline (91, 95 and 98 octane) and diesel as well as lubricants, CNG and LPG.

Lubricant products are marketed under the proprietary Voyager brand, the quality of which is recognized by the American Petroleum Institute (API) and European Automobile Manufacturers' Association.

CNG is a growing market in the UAE with an increasing number of natural gas vehicles (NGVs), resulting in ongoing increased demand for CNG.

LPG is the primary domestic and commercial cooking fuel in the UAE and it is also used for commercial and industrial applications. ADNOC Distribution sells LPG in 25 and 50 pound cylinders, primarily to residential customers for home cooking, and in bulk to corporate customers.

2020 326
2021
Stores in UAE
346
6.1% ↑
CONVENIENCE STORES

Non-fuel

ADNOC Distribution's non-fuel business has 346 convenience stores as of 31 December 2021. The stores offer coffee, fresh food to go, refreshments, groceries, snacks, confectionery goods, tobacco and other services.

In 2020, the company embarked on a major upgrade of its non-fuel business. That journey has continued and 150 store were refurbished by 31 December 2021, with trained baristas, made-to-order sandwiches, baked goods, premium coffee and convenient "tap and go" payment options.

Other non-fuel services are also offered across its network of service stations, including car wash at 139 locations and lube change at 191 locations. In addition, various services are provided by our partners and tenants, such as vehicle servicing, repairs and tire change.

The company has maintained tenancy occupancy across its network, including as the market was still recovering from the pandemic. ADNOC Distribution continues to transition its tenancy business to a revenue sharing model to maximize revenue and profitability.

In addition, the company operates 30 light vehicle inspection and testing centers in Abu Dhabi and the Northern Emirates, which provide a wide range of inspection and certification services.

OPERATIONAL REVIEW

ADNOC Distribution is an agile, customer centric and return-oriented company that seeks to constantly improve how it does business. The company is underpinned by the belief in the process of self-scrutiny and operational efficiency, to consistently deliver a high quality of products and service delivery.

Retail Segment

Network Expansion

Bringing convenience closer to customers was a key driver in 2021 with 19 new stations opened across the UAE. ADNOC Distribution remained focused on value accretive and the opportunities offered by the under-served Dubai market, which saw the addition of five stations in 2021, taking the company's total network in Dubai to 31 stations.

ADNOC Distribution also continued to grow its agile neighborhood fuel station concept 'ADNOC On the go', with six new stations added to its UAE portfolio. In line with market demand, the company has also increased the availability of its higher octane gasoline grades across UAE, providing greater choice and convenience to customers.

It has reaffirmed its commitment to grow in international markets and added 38 new stations to its network in Saudi Arabia in 2021, taking its total network to 40 stations.

ADNOC Distribution plans to continue to expand its retail service station network both domestically and internationally in 2022 and beyond.

Safety: employee and customers

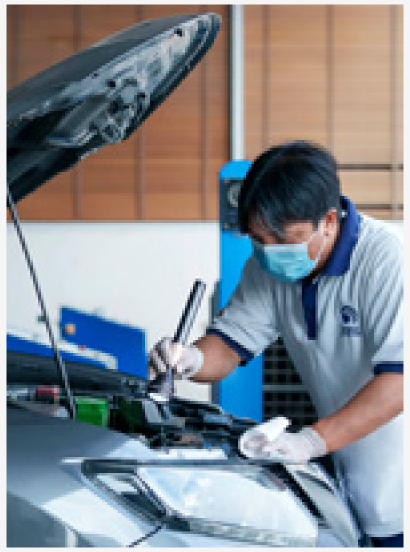
ADNOC Distribution was committed to upholding the highest standards of health and safety throughout the pandemic, ensuring that customer and employee safety and wellbeing was always its number one priority.

In February 2021, ADNOC Distribution became the first fuel retailer globally to achieve 100% vaccination of all its frontline staff working in the service station, and this was followed in October 2021 with all frontline service station staff receiving their COVID-19 booster vaccine shot.

In addition to the vaccination drive, the company has also put in place additional measures including extensive COVID-19 testing for all employees, daily cleaning and periodic sanitization across its network, as well as readily available PPE and clear health and safety guidelines at station and in ADNOC Oasis convenience stores.

38
NEW STATIONS IN SAUDI ARABIA

100%
VACCINATION OF ALL FRONTLINE STAFF



'ADNOC Rewards' Customer Loyalty Program

ADNOC Rewards, the UAE's first customer loyalty program from a fuel retail provider continued to grow its member base through offers and exclusive partner benefits. Throughout 2021, ADNOC Rewards members benefited from a variety of promotions such as AED 5 off 15 discount, the Shop and Win Summer Raffle, special UAE Golden Jubilee celebrations and more.

In addition to these mass promotions, ADNOC Rewards offered numerous targeted promotions to its members in line with their purchase behavior including trials of the newly launched range of fresh bakery products.

ADNOC Oasis convenience store refurbishment and focus on Coffee & Food to go categories

In line with the company's ambitious non-fuel retail strategy, the focus throughout the year has remained on providing superior customer service through a more modern, fresh and digital experience for customers. This has included its convenience store revitalization plans, which has seen an additional 50 convenience stores being refurbished in 2021.

The new-look stores create a welcoming environment with fresh pastries and sandwiches, freshly brewed coffee made by trained baristas, and a broader menu offering. This refurbishment roll out will continue, with more of the existing convenience stores being upgraded, further positioning our reputation as a leading retailer for people on the move.

E-commerce Growth

ADNOC Distribution began its e-commerce journey in April 2020. As of Q4 2021, the company has completed the onboarding of 200 convenience stores in the talabat delivery app and continues to activate new stores. In addition, inventory is constantly being improved, with up to 3,000 active SKUs now available in talabat and Instashop. In addition, the introduction of new promotions and the launch of the Barista and Bakery menu across up to 100 of the company's active talabat-partnered ADNOC Oasis stores. As e-commerce continues to evolve in the UAE and the e-grocery segment thrives, ADNOC Distribution is committed to focusing on superior quality, fast delivery and offering customers a holistic and seamless retail experience.

ADNOC Oasis Next Generation Launch

In 2021, the company launched its first fully autonomous ADNOC Oasis, a next-generation convenience store, with the pilot store opening at ADNOC's Sheikh Khalifa Energy Complex. It offers new, state-of-the-art cashless, cashierless and contactless payment system and an AI technology powered shopping environment.

Vehicle inspection

In 2021, ADNOC Distribution opened two new vehicle inspection centers – one located in Sharjah and further extending the company's entry into vehicle testing services in the Northern Emirates. There was further expansion of vehicle inspection service, also in Abu Dhabi, together with the opening of premium vehicle inspection centers to provide customers with a fast-track testing option. The new centers and features have witnessed strong growth in the overall number of vehicles inspected (fresh tests) and the business is recovering quickly from the effects of the pandemic.

FINANCIAL REVIEW

2020 608
2021
AED mn
669
10.1% ↑
CONVENIENCE STORE REVENUE

2020 28.4
2021
AED
26.5
6.7% ↓
CONVENIENCE STORES AVERAGE GROSS BASKET SIZE

Retail Segment

Volumes

In 2021, retail fuel volumes increased by 10.9% compared to 2020. The increase in retail fuel volumes was mainly driven by continued recovery in retail business and new stations in Dubai.

Other operating metrics

Number of fuel transactions increased by 17.4% in 2021 compared to 2020, driven by improving consumer sentiment, further ease in mobility restrictions and contribution from new stations in Dubai.

Number of non-fuel transactions increased by 10.6% in 2021 compared to 2020, driven by improving consumer sentiment, increase in number of convenience stores, improved customer offerings following revitalization of our stores and marketing and promotion campaigns to attract higher footfall and increase customer spending.

Average gross basket size in convenience stores declined by 6.7% year-on-year in 2021, mainly following a significant 19% increase in 2020, as customers visited less during pandemic restrictions but bought more during each visit. However, average gross basket size is still circa 10% above 2019 levels, driven by customer centric initiatives.

In Property Management, the company continues to transition its tenancy business towards a revenue sharing model to maximize revenue and profitability. The number of occupied properties increased by 9.8% year-on-year in 2021, driven by a proactive non-fuel growth strategy to bring in new tenants.

The number of vehicles inspected (fresh tests) in vehicle inspection centers in 2021 rebounded by 35.8% year-on-year, mainly due to a full re-opening of all locations after temporary closure in 2020 due to lockdown restrictions.

2020 4,368
2021
AED mn
3,546
18.8% ↓
RETAIL SEGMENT GROSS PROFIT

2020 3,929
2021
AED mn
3,028
22.9% ↓
RETAIL FUEL GROSS PROFIT

2020 439
2021
AED mn
518
18.0% ↑
RETAIL NON-FUEL GROSS PROFIT

Results

Retail revenue, which covers fuel and non-fuel sales, reached AED 14,916 million in 2021, an increase of 31.5% over 2020. This revenue increase was primarily driven by increase in selling prices, retail fuel volumes and as a result of non-fuel retail growth.

Retail segment gross profit reached AED 3,546 million in 2021, a decrease of 18.8% compared to 2020, mainly due to a lower margin in the fuel retail business. Fuel retail gross profit decreased by 22.9% year-on-year, mainly due to lower margins. The fuel retail business gross profit margin started to normalize since February 2021 after remaining exceptionally high throughout last nine months of 2020, which benefitted from stable retail pump prices despite lower fuel supply cost. Lower margins in the fuel retail business were partially offset by an increase in retail fuel volumes and inventory gains of AED 366 million in 2021 (versus inventory gains of AED 99 million in 2020). Non-fuel retail gross profit increased by 18.0% year-on-year, driven by strong growth in non-fuel transactions following improved consumer sentiment, an increase in the number of convenience stores, improved customer offerings following the revitalization of our stores and marketing and promotional campaigns.

The convenience store business margins also improved as a result of the company's revitalization strategy to offer a modern, digitally enabled customer journey and superior in-store experience through better product mix and introduction of fresh food and coffee products.

Retail EBITDA was AED 2,023 million in 2021, a decrease of 21.0% over 2020. The decrease in EBITDA was due to lower margin in fuel retail business, partially offset by increase in retail fuel volumes, non-fuel business growth, higher inventory gains and lower operating costs.

Retail Segment

Key financials (AED million)	2021	2020	YoY%
Revenue	14,916	11,346	31.5%
Revenue - fuel	13,921	10,466	33.0%
Revenue - non-fuel	995	880	13.1%
Gross profit	3,546	4,368	-18.8%
Gross profit - fuel	3,028	3,929	-22.9%
Gross profit - non-fuel	518	439	18.0%
EBITDA	2,023	2,562	-21.0%
Operating profit	1446	2,035	-28.9%
Capital expenditure	486	893	-45.6%

OUTLOOK

The company is well positioned to grow its earnings amid overall economic recovery and driven by expansion in domestic and international markets, while it continues to explore new opportunities to accelerate growth.

ADNOC Distribution expects new stations delivery momentum to continue and fuel volume growth to sustain in 2022, with an ambitious target to open 60 to 80 new stations, which includes 20 to 30 new stations in the UAE (including 10 to 15 stations in Dubai) and 40 to 50 new stations in international markets (including Saudi Arabia).

Domestically, Dubai offers high growth potential for the company to expand its network and is at the heart of the company's smart growth strategy. There are currently 12 stations in various stages of execution in Dubai, with an additional pipeline of 10 more stations already approved for further development. Focus remains on high quality strategic locations in Dubai.

In Saudi Arabia, with a fully operational team now on the ground, ADNOC Distribution is progressing with the completion of certain closing conditions for the remaining sites out of the previously announced acquisition of 35 stations. There is a strong pipeline in Saudi Arabia to expand the network further through different routes i.e. acquisitions, lease agreements and greenfield.

Furthermore, the company is currently evaluating various potential inorganic growth opportunities in international markets (including Saudi Arabia). ADNOC Distribution's focus is to ensure CAPEX is allocated efficiently towards growth in value-accretive expansion that meets a targeted rate of returns.

After witnessing strong momentum in its convenience store revitalization program throughout 2020 and 2021, with 150 stores revitalized, the company continues to invest in offering customers a modern and engaging retail experience, in line with its ambitious non-fuel strategy. It is expected that 40 to 50 C-stores will be refurbished in 2022, focusing on offering a modern environment, improvement in category management, a better assortment of products, including high margin fresh food and premium coffee, and digital channels to order and transact.

The convenience store revitalization program has ensured that the company better positioned to capitalize on the benefits of its customer centric initiatives and achieve continued growth in its convenience stores business.

COMMERCIAL BUSINESS

ADNOC DISTRIBUTION'S COMMERCIAL BUSINESS IS THE UAE'S LEADING MARKETER, SUPPLIER AND DISTRIBUTOR OF BULK REFINED PETROLEUM PRODUCTS, INCLUDING GASOIL, GASOLINE, LPG, FINISHED LUBRICANTS, AND SPECIALIZED PRODUCTS TO COMMERCIAL, RESIDENTIAL, INDUSTRIAL AND GOVERNMENT CUSTOMERS.

OVERVIEW

ADNOC Distribution is the leading marketer, supplier, and distributor of bulk refined petroleum products, including gasoil, gasoline, LPG, finished lubricants and specialized products, to commercial, industrial, residential, and government customers in the UAE, in a highly competitive market space.

In addition, the company's proprietary ADNOC Voyager lubricants is exported to distributors in 19 countries, across the GCC, Africa, Europe and Asia with more countries in the pipeline.

The company's aviation division has two main activities: selling aviation fuel and providing services to strategic customers and providing aviation services to the civil aviation sector, where it maintains fuel systems and provides fueling services.

Corporate Segment

Fuel – gasoline, gasoil and LPG

Demand for wholesale fuels in the UAE is closely aligned with the country's economic activity. ADNOC Distribution fuels meet demand from key sectors in the UAE, which include residential small to medium enterprises, large commercial logistics providers, medium to large fleet owners, construction, manufacturing, marine, and power generation.

Lubricants and base oil

ADNOC Distribution's proprietary ADNOC Voyager lubricants has more than 150 products and SKUs and meets the majority of requirements for commercial fleet operators and the construction, manufacturing, marine and power generation sectors. The offering comprises automotive and marine engine lubricants, automotive gear and transmission fluids, and industrial lubricants and greases.

The company operates a dedicated lubricant blending plant in Abu Dhabi with an annual capacity of 55 million liters, which produces more than 150 plus types and grades of lubricants and greases. Group III base oil is a highly advanced base oil that is used as the raw material by blenders to produce high quality synthetic lubricants.

Aviation Segment

Aviation fuel is sold to strategic customers in the UAE and the business utilizes highly advanced facilities to provide refueling, defueling and other related services to ADNOC's civil aviation customers. This includes regional and international commercial and private aviation customers, at several commercial airports in the UAE.

OPERATIONAL REVIEW

Corporate Segment

Within the corporate business, ADNOC Distribution maintained its strong position in Abu Dhabi and increased its focus on gaining market share in Dubai and the Northern Emirates.

Gasoil and gasoline

The gasoil fuel market remained competitive in 2021, amid an aggressive pricing environment. The grey market – off-spec products from unauthorized sources – continued to impact corporate sales.

Despite the challenging economic environment, the company was able to maintain its stable level of gasoil sales, as a result of its loyal customer base of commercial, industrial and government clients in Abu Dhabi together with growth in the Northern Emirates due to an increase in spot deals with large distributors.

The company significantly grew its commercial gasoline sales with continued expansion of its market share in Dubai and the Northern Emirates. This was driven by the signing new contracts with large taxi fleet companies and last mile fuel delivery providers.

In addition, there was the successful introduction and growth of the company's My Station services using small to mid-sized fuel trucks for fuel delivery to customers. This was especially relevant for the growth of the company's gasoil business, to ensure provision of product for customers with medium to large commercial vehicle fleets.

LPG

The LPG market is divided into bulk sales for large commercial and industrial customers and cylinder sales mainly for residential and small commercial customers (e.g. restaurants and launderettes).

Despite the challenging economic environment, LPG bulk sales grew due to expanding market share in Dubai and the Northern Emirates through distributors and direct customers. Additionally, there was expansion in the Dubai commercial LPG cylinder market with 100 lbs. cylinders and the company expects to continue to grow aggressively in this segment. It experienced double digit growth in the residential LPG cylinder markets (25 & 50 lbs.) in Dubai as market share continued to grow through strategic distributor partnerships.

A significant change in 2021 was the expansion of the company's LPG cylinder delivery fleet from 17 to 47 trucks in Abu Dhabi as part of its LPG digital operating model implementation. Customers can now order LPG cylinders through the ADNOC Distribution application and pay using their ADNOC pre-paid wallet, cash or credit card and earn ADNOC Reward points with every purchase. The company continues to sell cylinders to the end customer via third-party distributors, as well as servicing the end customer directly through the digital operating model.

Lubricants

The lubricant business grew both locally and internationally despite the impact of lockdown restrictions and COVID-19 on the overall supply chain during the first part of the year.

The domestic market share increased as a result of strategic distributor restructuring, increased marketing, and an optimal product portfolio offering.

There has also been an increasing focus on export markets which will continue in 2022, with the objective of entering new markets in Africa and Central and South East Asia using the distributor model. The team introduced more than 75+ new products, specifically created to serve the international market. It also introduced specialty products such as white spirits and carbon black for the domestic market as part of our product portfolio diversification strategy.

The lubricants business also experienced growth in profitability in base oils due to price premiumization with large blenders and distributors.

Aviation Segment

Within the aviation business, the company provides fuel distribution services and management of aircraft refueling operations to ADNOC's civil aviation customers. In addition to the civil aviation refueling business, the company sells aviation fuel and provides refueling services to strategic aviation customers across many airports in the UAE.

During 2021, ADNOC Distribution experienced a significant slowdown in aviation fuel sales, distribution and refueling services due to the prolonged impact of the COVID-19 restrictions on economic activity.

FINANCIAL REVIEW

Corporate Segment

Volumes

Corporate segment volumes decreased by 3.1% in 2021 compared to 2020. Focus remains on profitable growth of the business, as seen in an increase in margin per liter of corporate fuel volumes sold in 2021.

Results

Corporate segment revenue increased by 30.1% in 2021 compared to 2020 as a result of higher selling prices due to an increase in oil prices. Gross profit increased by 13.5% year-on-year. Corporate segment EBITDA increased by 32.6% in 2021 compared to 2020, driven by a higher margin per liter and lower operating expenses, whereas 2020 included higher negative one-off items.

2020 2,357
2021

million liters
2,284

3.1% ↓
CORPORATE VOLUMES

Aviation Segment

Volumes

Aviation volumes decreased by 13.1% in 2021 compared to 2020 due to lower uptake from our strategic aviation customers.

Results

Aviation revenue increased by 11.2% in 2021 compared to 2020 driven by higher selling prices due to an increase in crude oil prices. Aviation gross profit decreased by 6.1% year-on-year in 2021. Despite a decline in gross profit, Aviation EBITDA increased by 17.7% in 2021 compared to 2020 driven by lower operating expenses.

2020 542
2021

million liters
471

13.1% ↓
AVIATION VOLUMES

Commercial Segment

Key financials (AED million)	2021	2020	YoY%
Revenue	6,005	4,786	25.5%
Revenue - Corporate	4,708	3,620	30.1%
Revenue - Aviation	1,297	1,166	11.2%
Gross profit	1,494	1,415	5.6%
Gross profit - Corporate	960	846	13.5%
Gross profit - Aviation	534	568	-6.1%
EBITDA	1,048	813	28.8%
Operating profit	987	748	32.0%
Capital expenditure	28	13	127.2%

OUTLOOK

In 2022, ADNOC Distribution expects to continue as they work with government authorities as they enforce regulations to prevent unlicensed suppliers and off-spec gasoil product entering the market, while continuing to grow in Dubai and the Northern Emirates. The company intends to continue its aggressive growth strategy in commercial gasoline by expanding market share in Dubai and the Northern Emirates.

New sales agreements signed in Q4 2021 for fuel delivery in the UAE and lubricants export will contribute to higher growth in 2022. In addition, the company intends to implement an enhanced lubricants growth strategy domestically to increase profitability, complimented by the ongoing expansion of its international footprint. ADNOC Distribution is looking to market and distribute lubricants through it distributor network in the Middle East, Africa and in Asia, with the intension to grow aggressively in base oil and specialty products as part of its product diversification strategy.

Bulk sale of LPG is expected to grow by increasing market share in Dubai and the Northern Emirates, driven by strong brand equity and the high quality of the product. In Dubai, there will be a focus on growing sales of 100 Lbs cylinders to commercial customers and 25 Lbs and 50 Lbs cylinders to residential customers using strategic distributor relationships and optimal pricing strategy, backed by new promotional and advertising campaigns.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW

SUSTAINABILITY APPROACH & STRATEGIC FRAMEWORK

ADNOC DISTRIBUTION STRONGLY SUPPORTS THE UAE'S NATIONAL SUSTAINABILITY AGENDA AND MAINTAINS ITS AFFILIATION WITH ADNOC'S BROAD STRATEGIC VISION.

The company recognizes ADNOC's 2030 Sustainability Strategy as a strong foundation to reinforce its commitment and as a way forward to improve the company's overall ESG performance.

ADNOC Distribution has outlined a Sustainability Strategic Framework that summarizes its short-, medium-, and long-term goals and objectives for sustainability. The Framework drives progress and strengthens the strategies that have previously been established, and is incorporated into the company's strategy.

The Framework is instrumental in integrating sustainability within the company and enabling it to deliver positive ESG impacts through its well-defined implementation cycle.

To effectively monitor and review key metrics within the Framework, ADNOC Distribution established the Organizational Performance Scorecard.

The Scorecard is a tool for the company's internal governance

ADNOC DISTRIBUTION'S SUSTAINABILITY STRATEGIC FRAMEWORK IS BASED ON SIX PILLARS

CLIMATE, EMISSIONS & ENERGY

Optimize energy consumption and carbon emissions, adoption of green liquid fuels portfolio, develop low carbon alternative fuels/energy portfolio.

LOCAL ENVIRONMENT

Adopt restorative approach to protect and preserve local environment: reduce waste, reuse water, recycle plastic and waste and recover non-recyclable waste wherever feasible.

ECONOMIC & SOCIAL CONTRIBUTION

Develop and deliver corporate social responsibility projects in priority areas of Community, Environment and Economy.

WORKFORCE DIVERSITY & DEVELOPMENT

Promote diversity, equity & inclusion, employee wellbeing, development and satisfaction.

HEALTH, SAFETY & SECURITY

Demonstrate 100% commitment to HSE through effective risk assessment, monitoring and reporting, implementing safety culture and asset integrity plans.

BUSINESS SUSTAINABILITY

Future proof business by adopting and implementing best practices for corporate and sustainability governance, ethics and compliance, transparency, IT & digital transformation.

process. The company has integrated key sustainability targets in its performance scorecard such as to reduce GHG emissions and energy intensity, health & safety, employee engagement score, nationalization, In-country value contribution. Oversight and progress on our ESG goals is monitored through the following governance structures:

The Board of Directors approved the Code of Conduct, which sets out ADNOC Distribution's values. It also approved the company's Vision, Mission, Strategies, Policies, and Goals. The Board ensures that sustainability targets remain mutually beneficial and serve key local, national, regional, and international directives. The Board is responsible overall to approve the company's sustainability strategy and oversee its progress.

ADNOC Distribution's CEO is responsible for developing and implementing a company-wide Sustainability Strategy and reporting on the progress of key initiatives under economic, environmental, and social areas. The CEO has sub-delegated some of these responsibilities to key executive management team members to assist in driving sustainability strategy of the company as well as in implementation, tracking and reporting of key initiatives.

To further strengthen the governance of the sustainability management processes, ADNOC Distribution has established the Corporate-level Sustainability Committee, comprising of members from the Executive Management. The Sustainability Committee has been established to assist, provide insights and recommendations to the CEO on activities and policies relevant to sustainability practices.

It also seeks to develop proactive systems in integrating sustainability across the value chain and assists in identifying, evaluating, and monitoring all aspects from strategies to material risks that would affect the sustainable performance of the company, all while still ensuring alignment to ADNOC's 2030 Sustainability Strategy, Abu Dhabi Economic Vision 2030, and other ESG guidelines and requirements moving forward.

Aligning with national policies, frameworks and initiatives

At a local and national level, the company aims to support key leadership mandates and directives, as well as those that are relevant to its business operations. By working towards achieving these common goals, ADNOC Distribution joins the effort to create a more sustainable future for generations to come.

ADNOC Distribution has therefore considered its business activities across these mandates and has aligned its activities accordingly.

Some of the actions taken are:

Abu Dhabi Economic Vision 2030

ADNOC Distribution is fully supportive of Abu Dhabi's Economic Vision 2030 Guidelines to support the UAE's leadership in transforming Abu Dhabi's economy into a knowledge based one and achieving smart government and smart cities initiatives.

During 2021, ADNOC Distribution successfully increased its In-Country Value (ICV) contribution to the economy to 61% compared to 40% in 2020. The company also opened 19 new stations across the UAE during 2021 to support infrastructure development in the country, increased employment opportunities and the overall contribution to the local economy. ADNOC Distribution is presently working towards setting up electric vehicle (EV) charging facilities in its stations and providing alternative fuel options such CNG to support a low-carbon economy.

ENVIRONMENT VISION 2030

The Environment Vision 2030 seeks to consolidate and coordinate local sustainability responses, and to promote Abu Dhabi's natural heritage through enhancing resource efficiency.

ADNOC Distribution developed its Sustainability Strategic Framework to enhance sustainability performance across ESG focus areas, and it is currently developing its de-carbonization strategy underpinned by active work to mitigate the impact on climate.

The company also continued to roll out its energy optimized compact ADNOC On the go service stations. These modular stations occupy less space and result in a reduction of GHG emissions due to optimized consumption of electricity. A total on 44 ADNOC On the go service stations are operational in the UAE as of 31 December 2021.

These sites also reduced the potential environmental risks, a result of their above-ground storage tanks, meaning any minor leaks could be quickly readily detected and adequately dealt with.

During 2021, it has completed a study, which began in 2020, to develop an Environmental Risk Profile of 200 critical service stations. The project assesses the individual environmental effect of each station and necessary actions to control it. Based on the identified risks, an advanced level environmental assessment scope has been prepared. This scope covers a comprehensive soil and groundwater assessment at 75 service stations and is expected to commence in 2022.

Continuous monitoring of benzene, toluene, ethyl benzene and xylene emissions in ambient air, resulting from fuel dispensing operations, were continued at Khalifa South Service Station in 2021. The results showed that control measures put in place are effectively complying with legal limits. A further air quality monitoring station has been installed at Rabadan Service Station in Abu Dhabi.

ADNOC Distribution uses treated recycled water to operate car washing docks, accounting for 80% of the total water used in this operation.

UAE Energy Strategy 2050

The UAE's Energy Strategy 2050 seeks to increase the contribution of clean energy in the nation's total energy mix from 25% to 50% by 2050, and to reduce the carbon footprint of power generation by nearly 70%. ADNOC Distribution is focused on improving its own energy efficiency through a systematic approach to energy management.

This includes the continued roll out of ADNOC On the go neighborhood stations, with a total of 44 now operational across the UAE. The efficient service stations require 50% less energy to run compared to traditional ones and are highly effective in reducing GHG emissions.

ADNOC Distribution also utilized its position as the leading fuel retailer in the UAE to influence behavioral change, and to support the reduction of GHG emissions through the conversion of public vehicles to compressed natural gas (CNG) fuel. The company currently operates 31 service stations with CNG fueling capacity and continues to grow its CNG offering across the network. In 2021, the Company fueled 26 Million Metric Standard Cubic Meters (MMSCM) of CNG to vehicles that removed approximately 105 tons of CO_2 emissions.

ADNOC Distribution also installed solar photovoltaic panels on four of its service stations (as of end of 2021), which saved the equivalent of approximately 252 tons in CO_2 emissions. We are planning to add solar photovoltaic panels across more service stations in 2022, which will further contribute to decreaseing our energy consumption and reducing carbon emissions.

Waste

ADNOC Distribution abides by regulatory requirements for the safe handling and disposal of waste generated from its operations. The company generated 10,955 tons of non-hazardous waste during 2021, which was moved to landfill sites as per regulatory requirements.

The company uses a specialized recycling services provider to handle its paper waste. ADNOC Distribution also contracted with a specialized service provider to collect and recycle lube waste from its sites, resulting in recycling 1,537 tons of lube waste.

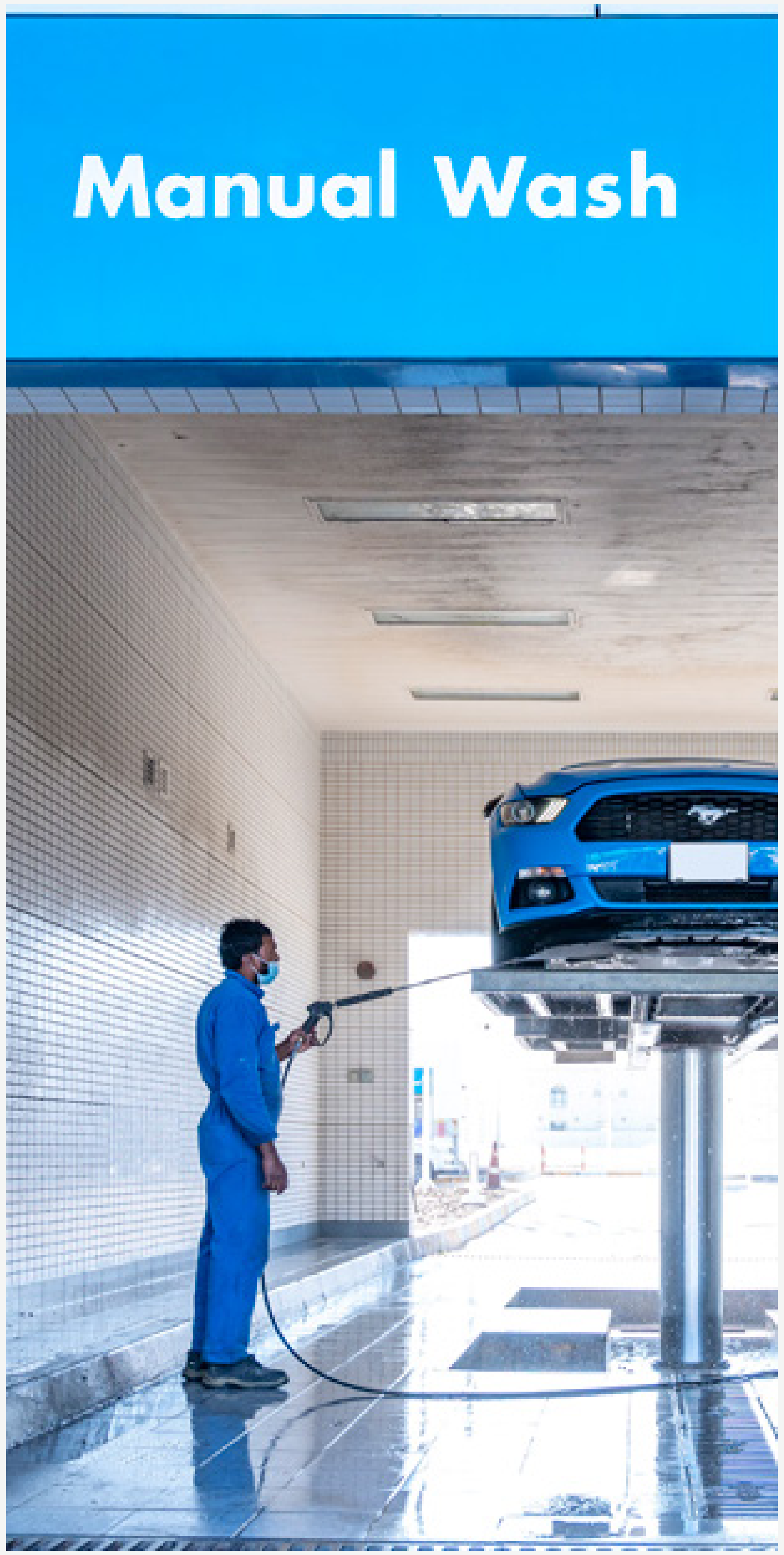
Water

ADNOC Distribution is committed to adopting water saving initiatives. This includes installing aerator water savers across all washrooms and mosque ablution areas in ADNOC service stations, offices and sites. The grid spray pattern generated from this device reduces water consumption by more than 80%. The company also uses treated recycled water to operate its car washing docks, which accounts for 80% of the total water used in this operation.

In-Country Value

ADNOC Distribution follows ADNOC Group's Corporate Procurement initiative, which emphasizes the selection of local suppliers and contribution to In-Country Value (ICV) with the aim of creating additional employments opportunities for Emiratis in the private sector and supporting the UAE GDP diversification through sourcing more goods and services within the UAE.

In 2021, the company successfully increased its In-Country Value to 61% of total spend during the year, compared to 40% in 2020. The ICV amount retained and circulated within the UAE economy was AED 825 Million. The company will continue to identify opportunities



to further increase spending on local suppliers and to enhance the ICV contribution.

IT security and data privacy

ADNOC Distribution's strategy is to provide enterprise infrastructure and services with necessary controls to protect our physical and virtual workplace in terms of confidentiality, integrity, availability and privacy of data. This is achieved with a dual approach of strengthening our security posture and preparedness to manage potential incidents.

During 2021, the company further strengthened its cybersecurity defensive posture by deploying leading edge vulnerability management solutions in its environment. This combined with penetration testing and security assessments drove the ongoing prioritization and action steps to proactively address vulnerabilities and security weaknesses before they can be exploited. ADNOC Distribution has also improved the effectiveness of its security operations center, which plays a critical role in 24/7 early alerting and incident management. To ensure preparedness for potential incidents the company conducted multiple disaster recovery drills and further invested in its continuity robustness.

Governance of IT security and risks remains a cornerstone to ensuring oversight of its cyber security strategy implementation, proactively protecting information assets and creating safe and resilient infrastructure which empowers the business to thrive.

CORPORATE GOVERNANCE

ADNOC DISTRIBUTION HOLDS A SUCCESSFUL FOUR-YEAR TRACK RECORD AS A PUBLICLY LISTED COMPANY, DURING WHICH IT HAS BEEN GUIDED BY ITS CORPORATE GOVERNANCE PRINCIPLES TO DRIVE BEST PRACTICE AND TO UPHOLD THE COMMITMENTS IT SET OUT AT ITS IPO.

In 2021, the company reaffirmed those pledges to shareholders, of driving sustainable growth and shareholder return while delivering best-in-class services to customers.

The company believes that an organization-wide commitment to corporate governance can help drive enhanced management accountability, create value for shareholders, and safeguard the interests of all stakeholders and the communities it serves.

The company operates corporate governance framework fulfils all applicable laws and regulations while complying with international best practice. This framework was designed, and is being operated, in line with the company's cultural values to ensure the sustainability of its business and to help achieve future goals - as dictated by the company's vision and mission statements.

Ensuring that governance processes and procedures are undertaken properly helps to contribute to long-term sustainable success.

Accordingly, the company is taking this opportunity to remind stakeholders of the comprehensive corporate governance framework that has been adopted and under which the company operates.

Company commitment

ADNOC Distribution is committed to having a corporate governance framework that is compliant with all corporate governance requirements that are applicable to public joint stock companies in the UAE and that are consistent with international best practices.

Corporate governance framework

The company's Board is responsible for the implementation and oversight of its corporate governance framework. The Board complies with the corporate governance requirements applicable to public joint stock companies listed on the Abu Dhabi Securities Exchange, as set out in the Governance Rules and Corporate Discipline Standards issued on 2 February 2020 pursuant to UAE Securities and Commodities Authority Resolution No. 3/Chairman of 2020 (the Corporate Governance Rules).

The company reports to its shareholders and to the Securities and Commodities Authority (SCA) on its compliance with the Corporate Governance Rules.

The Corporate Governance Rules require that the majority of the Board must comprise non-executive independent directors, in accordance with the criteria set out in the Corporate Governance Rules.

ADNOC Distribution's Board of Directors comprises seven directors, elected at the Annual General Meeting on 16th March 2021. All directors are independent non-executive directors, within the meaning of the Corporate Governance Rules.

Pursuant to the Articles of Association, each director serves a three-year term, after which a director may be elected to a successive term or terms.

To assist the Board in the discharge of its duties, the Board has established the following permanent committees: the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee, in addition to the Insider Dealing Committee.

Audit Committee

The Audit Committee assists the Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including: reviewing and monitoring the integrity of the company's annual and interim financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors; advising on the appointment of external auditors; overseeing the relationship with external auditors; reviewing the effectiveness of the external audit process; and reviewing the effectiveness of the internal control review function.

The Audit Committee makes recommendations to the Board, which retains ultimate responsibility for reviewing and approving the annual report and financial accounts.

The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, SCA and the ADX, including the provisions of the Corporate Governance Rules.

The Corporate Governance Rules, reflected in the Audit Committee Charter require that the Audit Committee comprise of at least three members who are non-executive directors, and that at least two of the members must be independent. One of the independent members must be appointed as chairman of the Committee. In addition, all members must have knowledge in financial and accounting matters and at least one member shall have practical experience in accounting or finance and shall have a university degree or professional certificate in accounting or finance or another relevant field. The current members of the Audit Committee are H.E. Ahmed Jasim Al Zaabi (Chairman), Mr. AbdulAziz Alhajri and Mr. Ahmed Al Kuttab.

The Audit Committee has taken appropriate steps to ensure that ADNOC Distribution's external auditors are independent of ADNOC Distribution as required by the Corporate Governance Rules. The Audit Committee has also obtained written confirmation from its auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee's responsibilities in relation to the Audit & Assurance function include the review and approval of the overall audit strategies and annual audit work plan, budget, and overseeing the Internal Audit programs and performance. In addition, the Audit Committee ensures that Audit & Assurance has full and unrestricted access to all required sources of information relevant to performance of its work.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating to the composition and make-up of the Board of Directors and any committees of the Board of Directors. It is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and committees of the Board of Directors and, in particular, for monitoring the independent status of the independent non-executive directors. It is also responsible for periodically reviewing the Board of Directors' structure and identifying potential candidates to be appointed as directors or committee members as the need may arise.

In addition, the Nomination and Remuneration Committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including making recommendations to the Board of Directors on ADNOC Distribution's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of our remuneration policy and determining the individual remuneration and benefits package of our senior management.

The Corporate Governance Rules, reflected in the Nomination and Remuneration Committee Charter, require the Nomination and Remuneration Committee to be comprised of at least three non-executive directors, at least two of whom must be independent. The chairman of the Nomination and Remuneration Committee must be chosen from amongst the independent Committee members. The current members of the Nomination and Remuneration Committee are Ms. Mariam Ghobash (Chairwoman), Mr. Khaled Salmeen, Mr. Ahmed Al Kuttab and Mrs. Ayesha Al Hammadi.

Executive Committee

The Executive Committee was established by the Board in 2019 in order to assist the Board in the discharge of its duties.

The role of the Executive Committee is to act on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner. Additionally, the Executive Committee provides recommendations to the Board on matters that require Board approval. ADNOC Distribution's Executive Committee consists of six members, four of whom are independent non-executive directors. The members of the Executive Committee as of today are Mr. Khaled Salmeen (Chairman), H.E. Ahmed Al Zaabi, Ms. Mariam Ghobash, Mr. Abdulaziz Alhajri, Mr. Guy Moeyens and Miss. Hanan Balalaa.

Insider Dealing Committee

The Insider Dealing Committee oversees compliance with the Insider Dealing Policy and Share Dealing Code (which has been established by the Insider Dealing Policy).

Pursuant to the Share Dealing Code, all directors, officers and other employees who are in possession of inside information are prohibited from dealing in ADNOC Distribution's shares during certain periods, and must seek approval from the Insider Dealing Committee to purchase, sell or otherwise deal in shares during other periods.

In order to grant approval, the Insider Dealing Committee must be satisfied that the individual seeking to deal in ADNOC Distribution's shares is not, at that time, in possession of inside information.

The Insider Dealing Committee is comprised of three members who are appointed by the Board of Directors. Currently, the members of the committee are Mr. Ben Hennessy, General Counsel, who chairs the committee, Mr. Mohamed Al Hashimi, Chief Financial Officer, and Mr. Athmane Benzerroug, Chief Investor Relations Officer.

For more information about the company's corporate governance framework, please refer to the 2021 Corporate Governance Report.

ENSURING THAT ADNOC DISTRIBUTION'S GOVERNANCE PROCESSES AND PROCEDURES ARE UNDERTAKEN PROPERLY HELPS CONTRIBUTE TO LONG-TERM SUSTAINABLE SUCCESS.

Code of conduct

ADNOC Distribution has implemented a Code of Conduct that provides an overview of the standards of integrity and ethical behavior expected of all ADNOC Distribution employees and everyone who does business with our company. At ADNOC Distribution, integrity and ethics remain the foundation of our success. Its values form the foundation of its business operations and relationships. They inspire and inform how the company conducts itself – with partners, suppliers, one another and the communities in which it operates.

Progressive

We harness the UAE's spirit of innovation to ensure that our business remains at the forefront of the global energy industry.

Collaborative

We work in close collaboration with our partners and peers, leveraging our collective strengths to deliver mutually beneficial results.

Respectful

We encourage a culture of inclusivity and mutual respect, and always operate to the very highest professional and ethical standards.

Responsible

We are committed to identifying ways to make a difference in our community, while maintaining an unwavering commitment to health, safety and the environment.

Efficient

We are a performance-driven company, dedicated to maximizing the value of energy resources for the benefit of our people, our community, our partners and our nation.

BOARD OF DIRECTORS

H.E. Dr. Sultan Ahmed Al Jaber
Chairman

H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020, as a member of the Supreme Council for Financial and Economic Affairs since December 2020, as UAE Cabinet Member since March 2013, Minister of State from March 2013 up to July 2020, as the Chairman of the National Media Council from 2016 up to July 2020, as the UAE's special envoy for Climate Change since November 2020, as Group Chief Executive Officer of ADNOC since February 2016 and additionally Managing Director of ADNOC since February 2021. From January 2014 to February 2016, he served as Chief Executive Officer, Energy, of Mubadala Development Company.

H.E. Dr. Al Jaber is also Chairman of several other ADNOC Group companies, Chairman of Masdar and Chairman of Abu Dhabi Media Company PJSC, Emirates Development Bank, Chairman of the Board of trustees of Mohammed bin Zayed University of Artificial Intelligence, as well as a member of the Board of Directors of Emirates Global Aluminum, Emirates Investment Authority, First Abu Dhabi Bank and Khalifa University.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor in Chemical Engineering from the University of Southern California, USA.

H.E. Mohamed Hassan Al Suwaidi
Director

H.E. Mohamed Hassan Alsuwaidi has served as Chief Executive Officer of ADQ since May 2019, having previously served as the Director of Metals and Mining of Mubadala Investment Company from 2007 to 2019. H.E Alsuwaidi is also a Chairman of the Board of Directors of TAQA and Emirates Water & Electricity Company (EWEC). He is a board member of the Emirates Global Aluminium, Abu Dhabi Pension Fund and Emirates Nuclear Energy Co.

H.E. Alsuwaidi holds a BSc Degree in Accounting from the United Arab Emirates University, UAE.

H.E. Ahmed Jasim Al Zaabi
Director
Chairman of the Audit Committee
Member of the Executive Committee

H.E. Ahmed Jasim Al Zaabi has served as the Chairman of Abu Dhabi Global Market (ADGM) since October 2021. He previously served as Group Chief Financial Officer of ADNOC from December 2019 to December 2021. He also served as Executive Director of the Office of Government Investments at Abu Dhabi Department of Finance from 2018 until February 2019, and as a Director of Office of State Owned Enterprises, GSEC from 2011 until 2018. He is a board member of Khalifa Fund for Enterprise Development, TAZIZ, IFAD and several other ADNOC Group companies. H.E. Al Zaabi holds a Master's degree in Economics Science with Honors from University of Aberdeen, UK.

Khaled Salmeen
Director
Chairman of the Executive Committee
Member of the Nomination and Remuneration Committee

Mr. Khaled Salmeen has served as the Executive Director of Downstream Industry, Marketing and Trading (DM&T) of ADNOC since January 2021, having previously served as Executive Director of Marketing, Sales & Trading (MS&T) of ADNOC from February 2019. He previously also served as Chief Executive Officer of the Khalifa Industrial Zone (KIZAD), Chairman of Abu Dhabi Terminals, and Chief Operating Officer of National Central Cooling Company (Tabreed). He also served as Director of ADNOC's Transformation Project Management Office from 2016 to 2017. Mr. Salmeen currently serves as a member of the Board of Directors of a number of ADNOC Group companies. He is also Chairman of TA'ZIZ and Chairman of ADNOC Trading. Mr. Salmeen holds a BSc in Engineering from Colorado School of Mines, Colorado, USA, an Executive MBA from INSEAD and a Project Management Professional (PMP) from the Project Management Institute (PMI) and Harvard Business School, USA.

Abdulaziz Abdulla Alhajri
Director
Member of the Executive Committee
Member of the Audit Committee

Mr. Abdulaziz Abdulla Alhajri has served as Executive Advisor of ADNOC since January 2021. He previously served as Executive Director, Downstream Directorate of ADNOC from May 2016 until December 2020. From October 2007 to May 2016, he was Chief Executive Officer of Abu Dhabi Polymers Company (Borouge), a joint venture of ADNOC and Borealis. He also serves on several other ADNOC Group company boards of directors.

Mr. Alhajri holds a BSc in Chemical Engineering from the University of Texas, USA.

Mariam Saeed Ghobash
Director
Chairwoman of the Nomination and Remuneration Committee
Member of the Executive Committee

Ms. Mariam Saeed Ghobash served as Director of Global Special Situations Department of Abu Dhabi Investment Council from 2009 to June 2021. She previously served as an Associate at HSBC from 2006 to 2009. Ms. Ghobash is a member of the Board of Directors of Eitsalat, Aldar Properties, Emirates Development Bank, Invest AD and Zayed University. Ms. Ghobash holds a BSc in Economics from the University of Pennsylvania, Philadelphia, USA.

Ahmed Tamim Al Kuttab
Director
Member of the Nomination and Remuneration Committee
Member of the Audit Committee

Mr. Ahmed Tamim Al Kuttab has served as Director of the Executive Office of ADNOC since May 2017. Mr. Al Kuttab also serves as a member of the Board of Directors of several other ADNOC Group companies and has served as a director of Emirates Development Bank since Sept 2020. Mr. Al Kuttab holds a Master's degree of Business Administration (MBA) from the University of Oxford (UK) and a BSc (Finance) from George Mason University, USA.

SENIOR MANAGEMENT TEAM

Bader Saeed Al Lamki

Chief Executive Officer

Eng. Bader Al Lamki was appointed as Chief Executive Officer in May 2021. He brings more than 20 years of diversified experience in the oil and gas, clean energy and utilities sectors. Previously, Eng. Al Lamki held the role of the Chief Executive Officer at National Central Cooling Company PJSC (Tabreed) from April 2019 to May 2021, leading the company's operations and growth ambitions in the UAE, across the GCC and internationally. Eng. Al Lamki has extensive experience with some of the UAE's biggest energy companies, including with ADNOC operating company ADMA-OPCO, where he successfully led a strategic development initiative to increase the company's daily oil production. He also worked with Masdar Clean Energy, where he was responsible for business growth activities, including bidding, acquisition and green field project development, including having an instrumental role in building the company's international renewable energy portfolio, with 3GW of renewable energy projects spanning across 25 countries.

Earlier in his career, Eng. Al Lamki gained experience with a number of renowned organizations, including French oil major Total, where he advised on oil and gas projects in Africa. Eng. Al Lamki holds a BSc degree in Chemical Engineering from the United Arab Emirates University.

Mohamed Al Hashimi

Chief Financial Officer

Mr. Mohamed Al Hashimi was appointed as Chief Financial Officer in October 2020. He served as Chief Operating Officer of ADNOC Distribution from July 2019 to September 2020. Before joining ADNOC Distribution, Mr. Al Hashimi served as SVP Asset Management & Business Development for ADNOC Group and was also advisor to the ADNOC Distribution Executive-Committee. Previously, Mr. Al Hashimi served as Senior Vice President (SVP) Group Strategic Investments for ADNOC Group delivering world-class projects. Mr. Al Hashimi holds a Master's Degree in Business Administration and Management from Harvard University.

Athmane Benzerroug

Chief Investor Relations Officer

Mr. Athmane Benzerroug joined ADNOC Distribution in September 2018 as Chief Investor Relations Officer. Prior to joining ADNOC Distribution, Mr. Benzerroug served 10 years at Deutsche Bank as a Director focusing on industrials, Real Estate and Retail. He has 20 years of experience in investment banking and equity capital markets leading major IPOs in Europe, the Middle East and Turkey. Previously, Mr. Benzerroug was responsible for European Infrastructure at Natixis Securities in Paris.Mr. Benzerroug holds an MSc in Banking and Finance from University of Paris X, France.

Brian Anthony Kuz

Chief Marketing Officer

Mr. Brian Anthony Kuz joined ADNOC Distribution in August of 2019. Mr. Kuz has worked in the Retail and Fast Moving Consumer Goods industry for more than 30 years. Mr. Kuz started his career in Canada and the US, but has worked for the last 10 years in Global roles, covering 176 countries, working directly in more than 80 countries. Mr. Kuz has worked for industry leaders including Safeway, Coca-Cola, Groupe Danone, Red Bull, Talking Rain, and Shell North America. Mr. Kuz holds a BA in English, Economics and Sociology from the University of Winnipeg in Winnipeg, Manitoba, Canada.

Aakash Nijhawan

Chief Strategy and Business Development Officer

Mr. Aakash Nijhawan joined ADNOC Distribution in January 2019 as Chief Strategy and Business Development Officer. From 2014 to 2019, Mr. Nijhawan was the Group Head of Investments and Corporate Solutions at Emirates National Oil Company (ENOC). Mr. Nijhawan has 22 years of experience in the energy industry and the energy investment banking industry covering strategy formulation and strategy execution. Previously, Mr. Nijhawan held senior roles with HSBC, Citi and UBS in New York and Dubai.

Mr. Nijhawan holds an MBA from Columbia Business School, New York, and a Bachelor's degree in Electrical Engineering from Stevens Institute of Technology in New Jersey, USA.

Saeed Nasser Al Ahbabi

Chief Business & Commercial Support Officer

Eng. Saeed Nasser Al Ahbabi was appointed as Chief Business & Commercial Support Officer in June 2019. Prior to joining ADNOC Distribution, Mr. Al Ahbabi served in various roles at ADNOC since 2007, including as Vice President, Civil Projects, since 2011.

Mr. Al Ahbabi holds a BSc in Civil & Environmental Engineering from the United Arab Emirates University and an MBA from the American University, UAE.

Mohamed Omar

Senior Vice President, Human Capital

Mr. Mohammed Omar an Experienced Human Capital Professional with 17 years of robust experience in multinational companies in the Oil & Gas, Banking, Maritime, Utilities, Logistics and Supply Chain sectors. Since July 2019, Mr. Omar is serving as our Senior Vice President, Human Capital responsible for designing, developing, implementing and managing Human Resources strategies and programs that facilitate the attainment of Business goals. Before joining ADD, Mr. Omar served as Director of Recruitment and Human Capital Services at DP World.

Mr. Omar holds a Bachelor of Business Administration from the University of Sharjah, UAE.

Ben Hennessy

General Counsel

Mr. Ben Hennessy joined ADNOC Distribution in October 2019 as General Counsel. He has served as an international lawyer for more than 17 years, initially at global law firm DLA Piper, followed by eight years at BP PLC, where he led legal teams supporting BP's retail fuels and lubricants businesses.

Mr. Hennessy is a qualified solicitor in England & Wales and holds an LPC from the University of Law, London and a BA from the University of Newcastle, UK.

PEOPLE OF ADNOC DISTRIBUTION

FOR THE SUCCESS AND STRENGTH OF ITS BUSINESS, THE COMPANY'S GREATEST ASSET IS ITS PEOPLE. THEIR PROGRESS AND PRESERVATION ARE CENTRAL TO ALL OPERATIONS AND IN ENSURING THE SUCCESSFUL ACHIEVEMENT OF ORGANIZATIONAL BUSINESS GOALS.

It is as a result of the continued hard work and unique skills of the company's diverse workforce that it can continue in its position as the leading, and largest, fuel and convenience retailer in the UAE.

Health and safety

- Health and safety continues to be a top priority
- Safeguarding the wellbeing of employees and customers, whilst delivering a consistently high quality of service
- Adopted robust solutions aligned with government regulations and guidelines
- Comprehensive vaccination program for all employees, with 100% of frontline staff receiving their COVID-19 vaccinations and booster dose, ensuring the protection of employees and providing an additional layer of protection for customers
- Conducted more than 400,000 PCR tests throughout the year

Organization Development

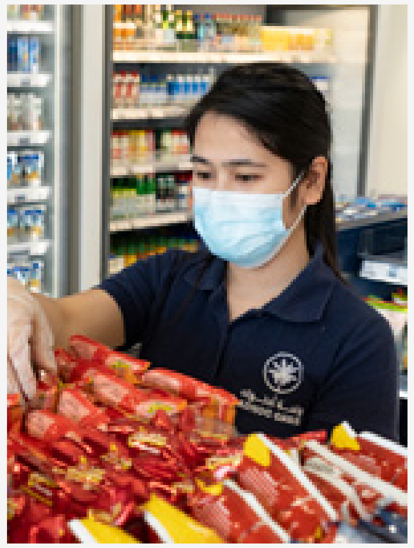
- Conducted several reorganizations and structural alignments to enable efficiencies and continued growth, domestic and internationally
- Highlights include the new business setup in Saudi Arabia and optimization of the company's retail and service station operations as well as at the executive level
- All studies and changes have been geared towards enhancing agility and enabling and accelerating domestic and international growth

People Development

- Despite challenging circumstances, the company delivered a total of 686 courses and trainings in 2021, covering various subject matters, with the vast majority of these sessions presented virtually
- Continued the successful 'Tomooh' program, a customized training program designed to support the development of UAE nationals as service leaders, enabling them to take up frontline leadership roles at ADNOC service stations
- More than 300 high-potential UAE nationals have been part of the 'Tomooh' program, playing an instrumental part in the company's expansion plans and supporting the goal of achieving 100% Emiratization amongst leaders of service stations
- The third program cohort was made up of 54 frontline leaders, undertaking job specific training, interactive blended learning, on-the-job training, mentoring, coaching, and group projects

Emiratization and diversification

- Based on ADNOC Distribution's belief that people are its main asset, the company strives to attract the best talent, in the UAE and internationally, to ensure that is has the smartest and most innovative minds running operations and planning the company's future
- ANOC Distribution strongly supports the UAE Government's direction to empower, retain and invest in local talent, to ensure they are well equipped with the necessary leadership skills to harness our operations



67%

EMIRATIZATION RATE OF EMIRATIZABLE POSITIONS

- This has led to the company achieving a 67% Emiratization rate in 2021 across all corporate functions, and all service station managers are UAE nationals
- The company benefits from a truly multicultural talent pool, with employees from 68 nations working across its operations, bringing global expatriate expertise and worldwide exposure to the business and hence boosting local and international appeal to the market
- Female representation is an area which is undergoing ongoing improvement, and in 2021 a total of 26 females were in Team Leader and above positions within the company
- A Fresh Graduate Program for UAE nationals was also launched in 2021 – with more than 20 highly promising fresh graduates enrolled to the program and joining ADNOC Distribution before the end of year

Recruitment

- A total of 1,875 new employees were recruited in 2021, 1,765 of them into the core service station business, and 110 to corporate functions – demonstrating the ongoing growth of the company and its increasing operational network and associated manpower requirement
- Several domestic recruitment campaigns were undertaken, for the service station business as well as international campaigns in India, Nepal and Egypt

1,875

NEW EMPLOYEES WERE RECRUITED IN 2021

Succession Planning

- Succession planning continued to be a focus area during 2021
- Robust succession planning allows the company to hold onto talent that is important in achieving future business ambitions through innovation and professionalism
- Selected employees within the succession-planning model are offered special programs to help them further develop their interpersonal and professional skills, to retain and prepare them for future leadership positions
- ADNOC Distribution identified 86 talented employees through the succession-planning scheme in 2021, out of which 56 are UAE nationals and 10 female, and they were all offered a development plan accordingly

ENTERPRISE RISK MANAGEMENT

PROACTIVE ENGAGEMENT OF RISK MANAGEMENT IS AN INTEGRAL ASPECT OF THE COMPANY'S CORE BUSINESS ACTIVITIES.

The risk management process identifies and mitigates exposure to uncertainty wherever possible, and enhances exposure to opportunities by identifying, understanding and managing risks in accordance with a defined risk management policy and set of procedures. Risk management objectives, governance structure and the roles and responsibilities of the Board of Directors, the audit committee, management team ERM function and internal audit function have been defined in the ERM Policy in accordance with the ISO 31000 standard.

In pursuing the company's risk management objectives, the Board of Directors undertakes to:

- Ensure that ADNOC Distribution is a transparent organization where awareness and understanding of the risk-management policy and procedures are established at the appropriate levels of the organization
- Assume responsibility for establishing and overseeing the implementation and review of the risk-management system
- Identify, manage, monitor and report on risk, holding the management team accountable for managing identified risks effectively.

To ensure the risk-management process is effective, the Board:

- Identifies risks using an objective-driven process to assess the impact that risks would have on achieving the company's objectives by embedding risk management into all decision-making process
- Ensures that significant business risks to which ADNOC Distribution is exposed are systematically identified, assessed and managed to acceptable levels based on risk tolerance and appetite levels as approved by the Board
- Has a clearly defined responsibility structure

By having an iterative risk management process as prescribed by ISO 31000:2018, the company is able to increase the probability of success while reducing the failure rate and uncertainties by taking into consideration potential benefits and risk factors for the organization.

Enterprise Risk Management Governance

The principle objective of the company's enterprise risk management and governance processes is to enable sustainable growth and business performance by improved decision making, planning and focus on mitigation of high priority risk areas to enhance shareholder value. In this context, the company operates the Enterprise Risk Management Governance Structure with clear roles and responsibilities.

By establishing the scope, context and criteria, the company is able to customize the risk management process by understanding the relevance and impact of the internal and external context.

Communication and consultation are essential attributes of good risk management practices. Communicating risk information with stakeholders maintains confidence and trust and develops a common understanding of the company's risks.

CORPORATE SOCIAL RESPONSIBILITY

ADNOC DISTRIBUTION IS PROUD TO BE A BRAND ASSOCIATED WITH THE NATIONAL PRIDE OF THE UAE, OFFERING THE HIGHEST QUALITY FUEL AND NON-FUEL PRODUCTS AND SERVICES TO CUSTOMERS, AS WELL AS SETTING THE BENCHMARK FOR SERVICE EXCELLENCE NATIONWIDE.

It remains committed to its longstanding responsibility to always place the interests of its people, customers, and the communities in which it operates in at the top of its priorities, while taking into consideration the highest HSE considerations. This is done by leveraging the company's nationwide footprint, expertise, and resources to benefit stakeholders.

This is particularly visible in the company's long-term commitments to the community, such as to the country's Emiratization agenda, where it continues to create new job and career progression opportunities for UAE nationals through various dedicated programs. This is also the case with its efforts in promoting local procurement and encouraging local supply practices through policy updates and supplier incentive schemes. In addition, ADNOC Distribution strives to continuously upgrade the overall customer experience across all platforms, with a firm belief that there is always room for improvement.

Such elements have always come into effect when deciding on the company's annual corporate social responsibility (CSR) agenda. When selecting CSR projects to undertake, or planning for new initiatives to support, ADNOC Distribution makes a conscious effort to ensure that they resonate with the company's large and diverse pool of stakeholders, as well as ensuring they will have a meaningful and beneficial impact on the targeted communities. In 2021, ADNOC Distribution further utilized its digital capabilities to support its CSR initiatives, whether through social channel promotion, or direct customer engagement with ADNOC Rewards.

COVID-19

ADNOC Distribution continued to support the nation's ongoing recovery from the COVID-19 pandemic in 2021, with CSR efforts channeled towards COVID-related causes and prevention measures. This included an ongoing company-wide PCR testing campaign that ensured all employees were frequently tested for COVID-19 in accordance with guidance from the health authorities. ADNOC Distribution also succeeded in becoming the first fuel retailer globally to ensure 100% vaccination of its frontline employees in Q1 2021. This was supplemented with the provision of the COVID-19 booster shot, delivered in collaboration with health service provider SEHA, and in alignment with the health authorities' and government regulations.

ADNOC Distribution also ran a special CSR initiative to acknowledge the efforts of SEHA. The initiative called "Thank You SEHA Heroes" came as a token of appreciation to thank SEHA's healthcare team for their efforts in keeping our family safe. This included sending personalized thank you and appreciation email from ADNOC Distribution's CEO to each of SEHA's healthcare team. The team also received special ADNOC Rewards giveaways, including 2,000 complimentary ADNOC Rewards points and a range of specialized offers. The campaign was an instant success with almost 18,000 SEHA healthcare workers claiming their gift.

Reach Campaign

ADNOC Distribution continued to support the Reach campaign in 2021, a charity partnership with the UAE's Emirates Red Crescent that aligns closely with the country's humanitarian efforts. ADNOC Distribution aimed to raise awareness of one dedicated cause within the Reach campaign, which aims to end river blindness disease around the world.

This devastating medical condition affects millions of people, but can be easily treated at a cost of just AED 2, enough to provide treatment for one person against the disease for an entire year.

In addition to directly contributing to the cause, ADNOC Distribution promotes and encourages customers to donate through special collection boxes placed at ADNOC service stations.

The campaign also saw an increase in customer donations in 2021 when ADNOC Distribution introduced an option to donate through the ADNOC Rewards loyalty program.

Customers can now use their ADNOC Rewards points to donate to the campaign, resulting in additional donations of more than AED 65,000.

Other CSR initiatives

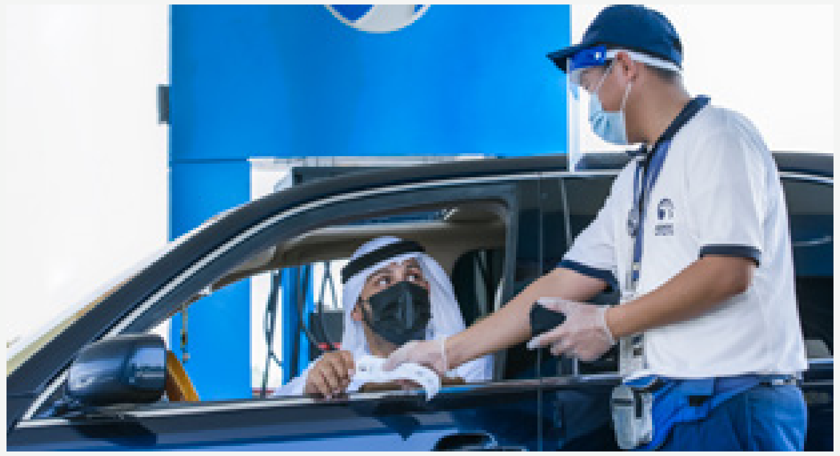
Other CSR initiatives in 2021 included participation in the Pink Caravan women's breast cancer awareness campaign for the 10th consecutive year, including providing space for the Pink Caravan mobile clinic at select ADNOC stations, offering women physical examinations for free. The caravan conducted more than 1,500 clinical examinations in 2021.

ADNOC Distribution also offered retail space to Al Ghadeer UAE, part of Emirates Red Crescent, a cultural preservation initiative for women, to showcase and sell their products at selected ADNOC Oasis stores. The project provides women in need with vocational training and the necessary supplies to produce modern gift and household items inspired by the UAE's rich heritage.

HEALTH, SAFETY AND ENVIRONMENT

THE FIGHT AGAINST THE THREAT OF COVID-19 CONTINUED IN 2021, HOWEVER, WITH CLEAR PROCESSES, PROCEDURES, AND AN INHERENT UNDERSTANDING OF THE CHALLENGES POSED TO DAY-TO-DAY BUSINESS, THE COMPANY WAS WELL PREPARED.

In February 2021, ADNOC Distribution became the first fuel retailer globally to vaccinate 100% of its frontline staff across its service station network, with all also receiving their booster dose by October. In addition, all necessary precautionary measures were stringently upheld, with access to regular PCR testing for all employees.



ADNOC Distribution's Health, Safety and Environment (HSE) strategy is designed to ensure 100% HSE for employees, contractors, and customers. This includes remotely conducted HSE audits and inspections, as well as virtual HSE awareness and training sessions. These highly effective measures led to a strong HSE performance from the company, with zero recordable incidents in 2021. This significant achievement was underpinned by a commitment to teamwork and the consistent dedication of all employees to upholding the 100% HSE ethos.

Minor incidents were thoroughly investigated, to establish underlying causes, and outcomes shared with all relevant stakeholders.

This HSE performance also set a new challenge for the team, with no room for complacency.

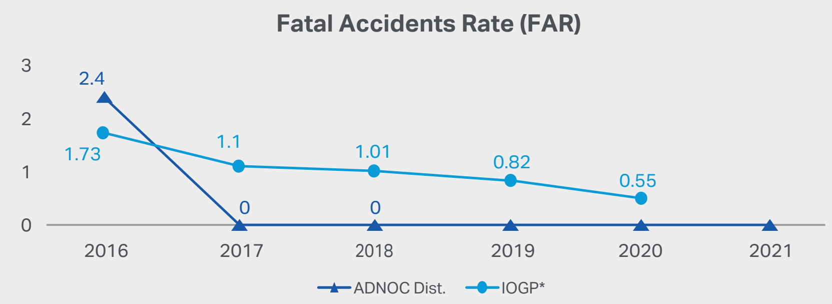
The company's commitment to Abu Dhabi's Environment Vision 2030 was one of its focus areas in 2021. Several projects to support the decrease of Greenhouse Gas (GHG) emissions are in the planning stage, with many expected to be implemented in 2022.

HSE performance in 2021

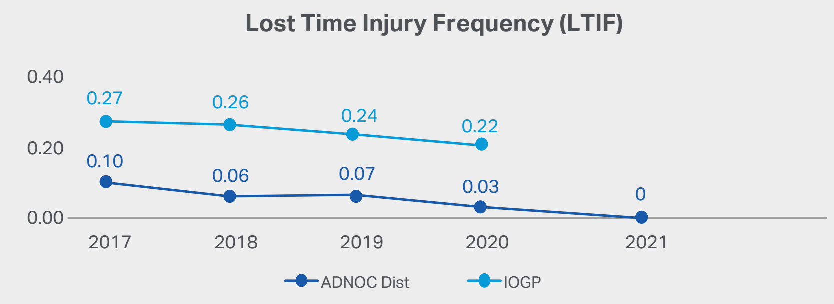
The ADNOC Distribution HSE team carefully planned and accomplished objectives, while proactively managing COVID-19 risk exposure across the company. This was facilitated through the effective deployment of virtual technology to conduct meetings, audits, inspections and trainings. COVID-19 has also influenced innovation in HSE, and the team introduced new ideas that allowed HSE campaigns to be rolled out virtually, maintaining strong levels of engagement with employees and contractors. This also contributed to a reduction in the company's overall carbon footprint, in addition to other initiatives being undertaken to proactively manage the impact of business activities on the environment.

The company's HSE performance in 2021 was the best to be recorded in the past five years. There were zero recordable incident cases reported in 2021 i.e. No Lost Time Injury (LTI), No Restricted Work Case (RWC) and No Medical Treatment Case (MTC). All lagging safety KPIs LTI Frequency and Total Recordable Incident Rates (TRIR) also remained at zero. In addition, the company did not report any Process Safety Events in 2021.

This success was driven by a strong commitment from senior leadership, a thriving HSE culture within ADNOC Distribution, and the continuous efforts to raise awareness of HSE across the organization.

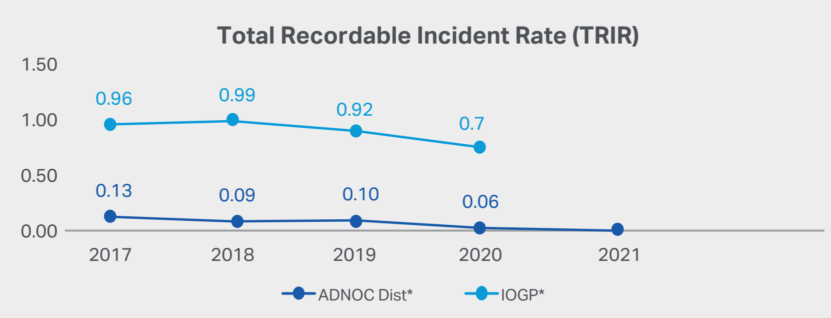


Fatal Accidents Rate (FAR): # of Fatalities /100 Million Man Hours



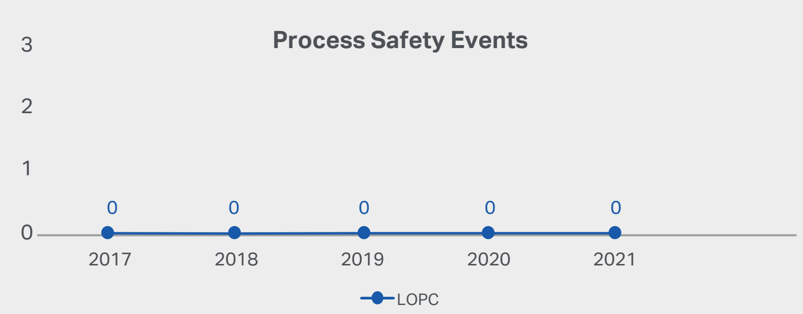
Loss Time Injury Frequency (LTIF): # of LTIs* / Million Man Hours

*Lost Time Injury is the sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.

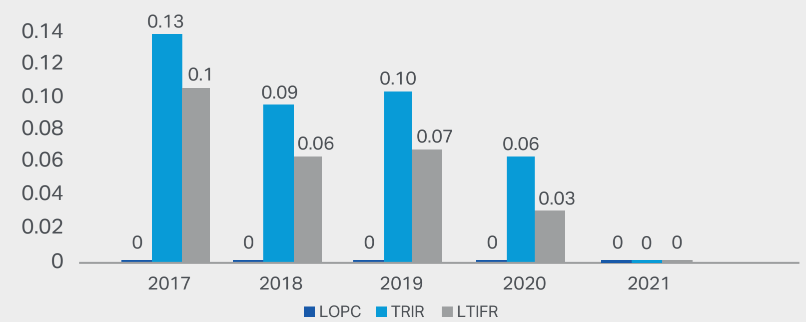


Total Recordable Incidents Rate (TRIR): # of Recordable Incidents* /Million Man Hours

*Recordable incidents are a sum of Loss Time Incidents, Restricted Work Cases and Medical Treatment Cases



All lagging indicators (Fatal Accident Frequency Rate, Lost Time Injury Frequency, and Total Recordable Incident Rate) show that ADNOC Distribution is performing better than most of its competitors.



LOPC: Number of Tier 1/2 process safety events

TRIR: Recordable injuries x 1,000,000/man hours

LTIFR: Lost time injury x 1,000,000/man hours

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2021

The Directors present their report together with the audited financial statements of Abu Dhabi National Oil Company for Distribution PJSC (the "Company") and its subsidiary (collectively referred to as the "Group") for the year ended 31 December 2021.

Board of Directors

The Directors of the Company are:

Chairman	H.E. Dr. Sultan Ahmed Al Jaber
Members	H.E. Mohamed Hassan Alsuwaidi (elected on 16 March 2021)
	H.E. Ahmed Jasim Al Zaabi
	Khaled Salmeen
	Abdulaziz Abdulla Alhajri
	Mariam Saeed Ghobash (elected on 16 March 2021)
	Ahmed Tamim Al Kuttab (elected on 16 March 2021)

Principal activities

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

Review of business

During the year, the Group reported revenue of AED 20,921,115 thousand (2020: AED 16,132,060 thousand). Profit for the year was AED 2,252,411 thousand (2020: AED 2,395,970 thousand (restated)).

The appropriation of the results for the year is follows:

	AED '000
Retained earnings at 1 January 2020 (restated)	2,086,471
Total profit for the year	2,252,411
Dividend paid	(2,571,250)
Retained earnings at 31 December 2021	**1,767,632**

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 an interim dividend of 10.285 fils per share to the shareholders in respect of the first half of 2021. The dividend comprised of AED 1,285,625 thousand, which was approved during the Board of Directors Meeting held on 30 September 2021 and paid on 4 October 2021.

for the Board of Directors

Dr. Sultan Ahmed Al Jaber
H.E. Dr. Sultan Ahmed Al Jaber
Chairman

Abu Dhabi, UAE

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Abu Dhabi National Oil Company for Distribution PJSC.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abu Dhabi National Oil Company for Distribution PJSC ("ADNOC Distribution" or "the Company") and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. We have communicated the key audit matters to the Audit Committee but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Audit Committee. On the following pages, we have described the key audit matters we identified and have included a summary of the audit procedures we performed to address those matters.

The key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognised from retail sales and related IT systems	
Revenue from retail sales amounted to AED 14.9 billion for the year ended 31 December 2021. There are complex IT systems in use which comprise of multiple IT applications which are used to process large volumes of data pertaining to retail transactions that occur through out the year. Moreover, during the year, the Group also migrated to a new ERP system. Given the complexity of the IT systems involved there is an inherent risk around accuracy and completeness of revenue recognized and consequently we considered this to be a key audit matter. The Group's accounting policies relating to revenue recognition are presented in note 3 to the consolidated financial statements and details about the Group's revenue are disclosed in note 19 to the consolidated financial statements.	Our audit approach included the following: ▪ Understanding of the significant revenue processes and identification of the key relevant controls and IT systems; ▪ Understanding of the control environment and testing of the general IT controls over the main IT systems and applications involved in the revenue recording process along with review of controls implemented on the system migration; ▪ Evaluation of the design and implementation and testing of the operating effectiveness of automated controls residing in the main IT systems and applications involved in the revenue recording process; ▪ Assessment of the Group's accounting policy for revenue recognition against the requirements of IFRSs; ▪ Performance of the test of details on a sample basis to reconcile daily retail sales to cash collections and subsequent bank deposits; ▪ Performance of substantive analytical procedures over retail sales revenue by building an expectation on basis of quantities sold and regulated prices; and ▪ Assessment of the adequacy of disclosures in the consolidated financial statements relating to revenue.
Decommissioning obligation related to assets constructed on leased land	
The Group has recorded a provision for decommissioning of AED 129.2 million. These provisions relate to an obligation to dismantle service stations constructed on leased land, at a future date. The Group operates a comprehensive network of fuel pumps in Dubai and other emirates in the United Arab Emirates and the Kingdom of Saudi Arabia on land leased from third parties. The Group has contractual obligations to restore the land to its original condition at the end of the lease period. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and available technology.	Our audit approach included the following: ▪ Obtaining an understanding of the Group's process for identifying the agreements for which a provision needs to be raised and testing the design, implementation and operating effectiveness of the controls over this process; ▪ Evaluating the skills, objectivity, qualifications and competence of the specialist employed by management; ▪ Assessing the validity and completeness of the list of service stations used for the underlying calculation; ▪ Evaluating the approach adopted by management in determining the expected costs of decommissioning and determining if the significant judgements applied and estimates of cost per service station are appropriate by inspecting supporting documentation from independent third parties;

Key audit matter	How our audit addressed the key audit matter
Decommissioning obligation related to assets constructed on leased land	
At each reporting date the decommissioning liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred at reporting date. Management has employed a specialist to assist them in determining the provision on their lease obligations. The Group's accounting policies relating to the dismantling obligations are presented in note 3 and the critical accounting estimates made, and judgements applied by management are disclosed in note 4 to the consolidated financial statements and details about the decommissioning obligations are disclosed in note 18 to the consolidated financial statements.	▪ Obtain an understanding of the cost assumptions used that have the most significant impact on the provisions and determining if these assumptions are appropriate and discussing the estimates used by the specialist with management and the specialist; ▪ Determining if the provision has taken into account the effect of any restoration undertaken during the year; ▪ Reviewing, with the assistance of our internal specialists, the discount and inflation rates used in the estimation to determine if they are appropriate; ▪ Agreeing the results of the specialist's calculation to the amounts reported in the consolidated financial statements; and ▪ Assessing the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.
Right-of-use assets	
As part of Group's plans to expand its distribution network in the United Arab Emirates and the Kingdom of Saudi Arabia, during the current year the Group has entered multiple leasing arrangements. During the year, the Group has recorded additional right-of-use assets and related lease liabilities amounting to AED 467.4 million. Due to the significant number of service stations and other assets added every year, management encounters certain delays in the finalization of the agreements on account of certain approvals and communication from the relevant departments which hinders the process of collating a complete set of lease contracts before the finalization of the financial statements. Additionally, determining the present value of the lease payments requires management to apply significant judgments and estimates to determine the discount rate and lease term, which has been disclosed in note 4 of the consolidated financial statements. The Group's accounting policies are presented in note 3 and details about the Group's right-of-use assets are disclosed in note 9 to the consolidated financial statements.	Our audit approach included the following: ▪ Obtaining an understanding of the Group's process for identifying the agreements for related to the right-of-use assets and lease liabilities; ▪ Evaluating the skills, objectivity, qualifications and competence of the specialist employed by management; ▪ Obtained an understanding of the system generated lease assessment and recomputed the amount based on the inputs from the contract to ensure accuracy of the results; ▪ Assessing the validity and completeness of the list of service stations and other assets used for the underlying calculation; ▪ Performing test of details by inspecting the lease agreements, on a sample basis to determine the existence of the lease; ▪ Reperforming the calculation of interest on the lease liabilities and depreciation of the right-of-use assets and agreed these to the financial statements; ▪ Detailed analysis and enquires with management related to the incremental borrowing rates used on the lease assessment; ▪ Assessing the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other Matter

The consolidated financial statements of ADNOC Distribution for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those statements on February 14, 2021.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Operational and Financial Highlights, Chairman's Message, CEO's Message and the other information in the annual report, which are ex pected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we will read the Operational and Financial Highlights, Chairman's Message and CEO's Message, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the articles of association of the Company and UAE Amended Federal Law No. (2) of 2015, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Amended Federal Law No. (2) of 2015, as amended, we report for the year ended 31 December 2021 that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Amended Federal Law No. (2) of 2015, as amended;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Group has not purchased or invested in shares during the financial year ended 31 December 2021;
- Note 8 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
- As disclosed in note 1 to the consolidated financial statements, the Group made social contributions amounting to AED 139 thousand during the year ended 31 December 2021; and
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Amended Federal Law No. (2) of 2015, as amended, or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2021.

Further, as required by the Decree of the Chairman of the Abu Dhabi Accountability Authority No. (1) of 2017 pertaining to Auditing the Financial Statements of Subject Entities, we report that based on the procedures performed and information provided to us, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2021:

- Law No. 15 of 2017 concerning the Establishment of the Company which would materially affect its activities or its financial position; and
- Relevant provisions of the applicable laws, resolutions and circulars organising the Company's operations.

GRANT THORNTON
Farouk Mohamed Registration No: 86
Abu Dhabi, United Arab Emirates
11 February 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	31 December 2021 AED'000	31 December 2020 AED'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	5	**5,574,167**	5,567,588
Right-of-use assets	9	**952,758**	541,669
Advances to contractors		**41,308**	75,451
Other non-current assets	14	**-**	5,213
Total non-current assets		**6,568,233**	**6,189,921**
Current assets			
Inventories	6	**1,046,158**	670,749
Trade receivables and other current assets	7	**2,683,275**	2,180,563
Due from related parties	8	**1,225,600**	567,893
Term deposits	10	**130,225**	644,150
Cash and bank balances	10	**2,125,540**	2,145,322
Total current assets		**7,210,798**	6,208,677
Total assets		**13,779,031**	**12,398,598**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**1,000,000**	1,000,000
Statutory reserve	12	**500,000**	500,000
Hedge reserve		**(65,567)**	(151,471)
Retained earnings		**1,767,632**	2,086,471
Total equity		**3,202,065**	**3,435,000**
Non-current liabilities			
Lease liabilities	13	**787,383**	447,055
Long term borrowings	14	**-**	5,494,597
Derivative financial instruments	17	**-**	80,149
Provision for decommissioning	18	**129,226**	120,193
Provision for employees' end of service benefit	15	**192,583**	199,185
Total non-current liabilities		**1,109,192**	**6,341,179**
Current liabilities			
Lease liabilities	13	**88,975**	28,147
Trade and other payables	16	**1,509,013**	1,626,583
Due to related parties	8	**2,292,510**	884,771
Borrowings	14	**5,499,641**	-
Derivative financial instruments	17	**77,635**	82,918
Total current liabilities		**9,467,774**	**2,622,419**
Total liabilities		**10,576,966**	**8,963,598**
Total equity and liabilities		**13,779,031**	**12,398,598**

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 December 2021, and for the periods presented in the report.

Dr. Sultan Ahmed Al Jaber

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 consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000 (restated)
Revenue	19	**20,921,115**	16,132,060
Direct costs	20	**(15,880,704)**	(10,349,052)
Gross profit		**5,040,411**	**5,783,008**
Distribution and administrative expenses	21	**(2,648,595)**	(3,069,302)
Impairment losses on trade and other receivables	7	**(30,209)**	(70,352)
Other impairment losses and expenses	23	**(4,626)**	(196,889)
Other income	22	**72,302**	**113,704**
Operating profit		**2,429,283**	**2,560,169**
Interest income		**7,686**	47,849
Finance costs	25	**(184,558)**	(212,048)
Profit for the year		**2,252,411**	**2,395,970**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Fair value gain/ (loss) on hedging instruments		**85,904**	(36,946)
Total comprehensive income for the year		**2,338,315**	**2,359,024**
Earnings per share:			
Basic and diluted (AED)	26	**0.180**	0.192

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share capital AED'000	Statutory reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Total AED'000
Balance as at 1 January 2020	1,000,000	500,000	(114,525)	2,175,581	3,561,056
Profit for the year (restated)	-	-	-	2,395,970	2,395,970
Other comprehensive income for the year	-	-	(36,946)	-	(36,946)
Total comprehensive income for the year (restated)	-	-	(36,946)	2,395,970	2,359,024
Impact of restatement	-	-	-	(5,705)	(5,705)
Dividends paid (note 27)	-	-	-	(2,479,375)	(2,479,375)
Balance as at 31 December 2020 (restated)	1,000,000	500,000	(151,471)	2,086,471	3,435,000
Profit for the year	-	-	-	2,252,411	2,252,411
Other comprehensive income for the year	-	-	85,904	-	85,904
Total comprehensive income for the year	-	-	85,904	2,252,411	2,338,315
Dividends paid (note 27)	-	-	-	(2,571,250)	(2,571,250)
Balance at 31 December 2021	**1,000,000**	**500,000**	**(65,567)**	**1,767,632**	**3,202,065**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

	2021 AED'000	2020 AED'000 (restated)
Cash flows from operating activities		
Profit for the year	2,252,411	2,395,970
Adjustments for:		
Depreciation of property, plant and equipment	582,121	572,968
Depreciation of right-of-use assets	55,446	19,193
Recoveries on receivables	(23,678)	(28,744)
Impairment losses on receivables	30,209	70,352
Employees' end of service benefit charge	23,820	25,291
(Gain)/loss on disposal of property, plant and equipment	(31)	180
(Reversal)/write down of finished goods to net realisable value	(1,373)	-
Impairment of capital work in progress	1,674	190,882
Provision for slow moving items	-	2,975
Inventories written off	2,952	3,032
Finance costs	184,558	212,048
Interest income	(7,686)	(47,849)
Operating cash flows before movements in working capital	**3,100,423**	**3,416,298**
(Increase)/decrease in inventories	(376,988)	238,367
(Increase)/decrease in trade receivables and other current assets	(508,468)	818,666
(Increase)/decrease in due from related parties	(657,707)	1,820
Decrease in trade and other payables	(56,969)	(47,106)
Increase/(decrease) in due to related parties	1,407,739	(2,701,768)
Cash generated from operating activities	**2,908,030**	**1,726,277**
Payment of employees' end of service benefit	(30,422)	(32,163)
Net cash generated from operating activities	**2,877,608**	**1,694,114**
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(603,744)	(927,811)
Payments for advances to contractors	(13,728)	(51,232)
Proceeds from disposal of property, plant and equipment	401	1,389
Decrease in term deposit with maturity more than three months	513,925	1,485,850
Interest received	6,909	46,719
Net cash (used in)/generated from investing activities	**(96,237)**	**554,915**
Cash flows from financing activities		
Finance cost paid	(139,935)	(194,154)
Payment of lease liabilities	(89,968)	(30,069)
Dividends paid	(2,571,250)	(2,479,375)
Net cash used in financing activities	**(2,801,153)**	**(2,703,598)**
Net decrease in cash and cash equivalents	**(19,782)**	**(454,569)**
Cash and cash equivalents at beginning of the year	2,145,322	2,599,891
Cash and cash equivalents at end of the year (note 10)	**2,125,540**	**2,145,322**
Non-cash transaction		
Accruals for property, plant and equipment	306,269	367,140
Advances to contractors transferred to property, plant and equipment	47,871	89,624
Transfer of property, plant and equipment from a related party	-	2,905
Finance cost related to provision for decommissioning	4,491	4,214
Additions to right of use assets	467,441	330,837

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

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 Article 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 Amended 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 pursuant to which fifty one (51) articles of the Existing Companies Law, as amended. 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 Company'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 share in Abu Dhabi Securities Exchange and the sale by way of offer to the public of 10% 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.

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 owns and operates 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.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2021.

The Group made social contributions amounting to AED 139 thousand during the year ended 31 December 2021 (2020: AED 251 thousand).

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

2.1. New and amended IFRS applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after1 January 2021, have been adopted in these financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform Phase 2 – amendments to IFRS 9, IAS 39 and IFRS 7 and IFRS 16 The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients: - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 – amendments to IFRS 16 In March 2021, the IASB amended IFRS 16 Leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 31 March 2021.	1 April 2021

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.2. New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4) IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2022.	1 January 2022

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 3 - References to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	1 January 2022
Proceeds before Intended Use (Amendments to IAS 16) The amendment updates the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) Amendments to IAS 37 specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted. Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41) The Annual Improvements include amendments to four Standards. IFRS 1 First-time Adoption of International Financial Reporting Standards The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.	1 January 2022

New and revised IFRSs	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current (Amendments to IAS 1) The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.	1 January 2023
Deferred Tax related to Assets and Liabilities from a Single Transaction The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.	1 January 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. Summary of significant accounting policies

The principal accounting policies adopted are set out below

Statement of compliance

The consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Basis of preparation

The consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the functional currency of the Company and the Group's presentation currency. All amounts have been rounded to the nearest AED thousand ("000"), unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control is achieved where the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Details of the Company's subsidiary are as follows:

Name of subsidiary	Ownership interest 2021	Ownership interest 2020	Country of incorporation	Principal activities
ADNOC Distribution Global Company L.L.C.	100%	100%	U.A.E.	Commercial agencies Commercial enterprises 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 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 35 stations, the subsidiary has added seventeen 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.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

The accounting for business combination is incomplete since the fair value determination and the purchase price allocation exercise is currently underway. The company has reported provisional amounts for all the assets and liabilities acquired for which the accounting is incomplete. The details of these amounts are as follows:

	2021 AED'000
Property, plant and equipment	29,000
Trade and other current assets	2,705
Inventory	232
Trade and other payable	(30,437)
Cash and bank balances	(1,500)

These provisional amounts will be adjusted during the measurement period and additional assets or liabilities will be recognized, reflecting new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period shall not exceed one year from the acquisition date.

The total revenue and gross profit included in the consolidated financial statements during the period in relation to the service stations transferred is AED 12,735 thousand and AED 1,211 thousand, respectively.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	2021
Buildings	5 – 25 years
Plant and machinery	5 – 30 years
Motor vehicles	4 – 10 years
Furniture, fixtures and computer equipments	5– 10 years
Pipelines	15 – 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Land was historically provided by the Government of Abu Dhabi for no consideration and is accounted for at a nominal value of AED 1 per plot of land. In order to continue to comply with property ownership laws in the UAE, the Group's real estate properties portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu Dhabi and the Rulers of the Northern Emirates. To allocate liabilities associated with the property transfers, and to ensure the Group has continued access to the properties, the Group entered into Real Estate Transfer Liability and Leaseback Agreements with ADNOC. Under the terms of the Real Estate Transfer Liability and Leaseback Agreements, ADNOC has agreed to lease all real estate transferred to it back to the Group on a cost-pass-through basis. Each lease has a term of four years and will renew automatically unless notice of termination is given by the Group at least one year prior to then-effective expiration date. Under the terms of the agreements, the Group will indemnify ADNOC for any environmental liabilities relating to its operations on the properties.

Capital work-in-progress

Capital work-in-progress is included in property, plant and equipment at cost. Capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and the asset is commissioned and available for use.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, consumables, spare parts, direct labour and materials and related overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instrument

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a. the financial instrument has a low risk of default;

b. the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

c. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. significant financial difficulty of the issuer or the borrower;

b. a breach of contract, such as a default or past due event (see (ii) above);

c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group has elected the IFRS 9 simplified approach to measure loss allowance for cash and bank balances, trade and other receivables, and due from related parties at an amount equal to lifetime ECLs. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorised under stage 2 and lifetime ECL is recognised.

Expected credit losses related to cash and bank balances, trade and other receivables and due from related parties are presented in the statement of profit or loss and other comprehensive income.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Revenue

Application of IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the

entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is in the business of marketing of petroleum products, natural gas and ancillary products as described in note 1 of the consolidated financial statements. The goods are generally sold on their own in separately identified contracts with customers.

Sales of goods
Sale of goods and petroleum products are recognised when the control of the products or services are transferred to the customers, which generally coincides with the actual delivery of goods. Delivery does not occur unless the products have been received by the customer. Revenue from sale of goods is recognised at a point in time upon delivery of the goods.

Rendering of services and delivery income
Revenues from rendering of services are recognised when the services have been rendered and the outcome of the transactions can be estimated reliably.

Revenue from petroleum transport are recognised when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Customers are invoiced on a monthly basis and consideration is payable when invoiced. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customers and payment by the customers exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Rental income
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other income
Other income is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

Loyalty programme
A deferred liability is recognised based on the portion of the consideration received arising from the Group's loyalty program. Revenue is recognised when the points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. Allocation of the consideration is based on the relative stand-alone selling prices.

The deferred liability is included within trade and other payables.

Leases

The Group as a lessee
The Group leases various leasehold properties. Leasehold contracts are typically made for fixed periods of 15-20 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the earlier of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- restoration costs.

The Group as a lessor

- The Group enters into lease agreements as a lessor with respect to some of its retail space in the service stations.
- Leases for which the group is the lessor are all accounted as operating leases.
- Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Foreign currencies

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the profit or loss in the period in which they arise.

Employees' benefit

Provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting date.

With respect to its UAE national employees, the Group makes contributions to the Abu Dhabi Pension Fund (the "Fund") calculated in accordance with the Fund's regulations. With respect to its GCC national employees, the Group makes contributions to the pension funds or agencies of their respective countries. The Group's obligations are accrued over the period of employment.

The provision relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefit is disclosed as a non-current liability.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Asset retirement obligations

This provision relates to the estimate of the cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition. The Group provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including removal of items included in plant and equipment.

Derivative financial instruments

The Group enters into derivative financial instrument contracts to manage its exposure to interest rate.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the

timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirement

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is re cognised immediately in profit or loss, and is included in the 'finance cost' line item.

4. Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates made by management are summarised as follows:

Critical accounting judgments

Provision for decommissioning

The Group recognises provisions for the future cost associated with the dismantling of leased plots in Dubai and the Northern Emirates. The dismantling events are many years in the future and the exact requirements that will have to be met when a removal event occurs are uncertain. Assumptions are made by management in relation to settlement dates, technology, inflation and discount rates. The timing and amounts of future cash flows are subject to significant uncertainty and estimation is required in determining the amounts of provision to be required. A provision of AED 129,226 has been recognised as at 31 December 2021 (2020: AED 120,193 thousand) using a discount rate of 4.24 % (2020: 3.91%) and assuming all dismantling activities will take place at the current estimate of the end of life of each lease.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2021, the Group's allowance for expected credit losses of trade receivables amounted to AED 57,293 thousand (2020: AED 50,762 thousand).

Impairment of property, plant and equipment
Property, plant and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Management did not identify any impairment indicators in the current or prior year for property, plant and equipment. However, management identified certain capital work-in-progress for which future development is not expected and, accordingly, recorded an impairment of AED 1,674 thousand (2020: AED 190,882 thousand).

Discounting of lease payments
The lease payments are discounted using the interest rate implicit in the lease (IRTL). For leases where the Group is unable to determine the IRTL, the Group's incremental borrowing rate is used. Management has applied judgments and estimates to determine the discount rate at the commencement of lease. An incremental borrowing rate of 4.6% was used in the current year to determine the lease obligations for new leases entered into (2020: 4.6%).

Derivative financial instruments
The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participant.

COVID-19
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 extraordinarily uncertain.

The Group regularly assesses the impact of COVID-19 on its operations, business continuity, liquidity and legal obligations. The Group expects 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 lockdown 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.

5. Property, plant and equipment

	Buildings AED'000	Plant and machinery AED'000	Motor vehicles AED'000	Furniture, fixtures and equipment AED'000	Pipelines AED'000	Capital work-in-progress AED'000	Total AED'000
Cost							
1 January 2020	5,329,948	2,210,415	197,780	1,050,042	78,900	657,917	9,525,002
Additions		-	-	-	-	969,868	969,868
Transfers	868,462	41,968	28,905	66,944	-	(1,006,279)	-
Disposals	(303)	(679)	(11,137)	(7,486)	-	-	(19,605)
Transfers from a related party	3,048	177	-	3,556	840	-	7,621
Impairment	-	-	-	-	-	(190,882)	(190,882)
1 January 2021	**6,201,155**	**2,251,881**	**215,548**	**1,113,056**	**79,740**	**430,624**	**10,292,004**
Additions	**-**	**-**	**-**	**-**	**-**	**590,744**	**590,744**
Transfers	**235,949**	**210,819**	**97**	**234,797**	**5,326**	**(686,988)**	**-**
Disposals	**(14)**	**-**	**(2,942)**	**(3,411)**	**-**	**-**	**(6,367)**
Impairment	**-**	**-**	**-**	**-**	**-**	**(1,674)**	**(1,674)**
31 December 2021	**6,437,090**	**2,462,700**	**212,703**	**1,344,442**	**85,066**	**332,706**	**10,874,707**
Accumulated depreciation							
1 January 2020	2,092,372	1,272,441	162,341	601,939	35,957	-	4,165,050
Charge for the year	256,952	160,177	13,080	139,433	3,326	-	572,968
Disposals	(268)	(669)	(10,855)	(6,244)	-	-	(18,036)
Reclassifications	192	19	(2)	(209)	-	-	-
Transfers from a related party	2,834	138	-	1,092	370	-	4,434
1 January 2021	2,352,082	1,432,106	164,564	736,011	39,653	-	4,724,416
Charge for the year	284,619	154,805	12,032	127,216	3,449	-	582,121
Reclassifications	(25,607)	4,369	-	21,238	-	-	-
Disposals	(14)	-	(2,942)	(3,041)	-	-	(5,997)
31 December 2021	**2,611,080**	**1,591,280**	**173,654**	**881,424**	**43,102**	**-**	**5,300,540**
Carrying amount 31 December 2021	**3,826,010**	**871,420**	**39,049**	**463,018**	**41,964**	**332,706**	**5,574,167**
31 December 2020	3,849,073	819,775	50,984	377,045	40,087	430,624	5,567,588

The Group's buildings and facilities located in the Emirate of Abu Dhabi are constructed on land given by the Government of Abu Dhabi for no consideration. These lands are accounted for a nominal value of AED 1 per plot of land. Facilities located in other Emirates are constructed on land leased from third parties (note 9).

In order to continue to comply with property ownership laws in the UAE, The Group's real estate property portfolio was transferred to ADNOC pursuant to decisions of the Crown Prince of Abu Dhabi and the Rulers of the Northern Emirates. To allocate liabilities associated with the property transfers, and to ensure the Group have continued access to the properties, The Group entered into a Real Estate Transfer Liability and Leaseback Agreements with ADNOC. Under the terms of the Real Estate Transfer Liability and Leaseback Agreements, ADNOC has agreed to lease all real estate transferred to it back to the Group on a cost-pass-through basis. Each lease has a term of four years and will renew automatically unless notice of termination is given by the Group at least one year prior to then-effective expiration date. Under the terms of the agreements, the Group will indemnify ADNOC for any environmental liabilities relating to our operations on the properties.

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 1,674 thousand was recognised (31 December 2020: AED 190,882 thousand).

The depreciation charge has been allocated as follows:

	2021 AED'000	2020 AED'000 (restated)
Distribution and administrative expenses (note 21)	**575,833**	569,358
Direct cost (note 20)	**6,288**	3,400
Work-in-progress inventories (note 6)	**-**	210
	582,121	572,968

6. Inventories

	2021 AED'000	2020 AED'000
Finished goods	**900,345**	514,058
Spare parts and consumables	**97,096**	62,062
Lubricants raw materials, consumables and work in progress	**25,477**	62,623
LPG cylinders	**40,288**	50,427
	1,063,206	689,170
Less: Allowance for write down of finished goods to net realisable value	**-**	(234)
Allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders	**(17,048)**	(18,187)
	1,046,158	670,749

The cost of inventories recognised as expense and included in direct cost amounted to AED 15,864,334 thousand (2020: AED 10,334,643 thousand) (note 20). During the year, a direct write off of inventory was recognised as expense amounting to AED 2,952 thousand (2020: AED 3,032 thousand) (note 23).

The cost of inventories includes depreciation expense capitalised as work in progress inventories amounted to AED nil (2020: AED 210 thousand) (note 5).

The Ministry of Energy regulates prevailing Gasoline and Gasoil selling prices for all retail distribution companies.

The Group is carrying finished goods of AED 153 thousand (2020: 103,819 thousand) on behalf of a customer as at 31 December 2021.

Movement of the Group's inventory write down of finished goods to net realisable value and allowance for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders is as follows:

	2021 AED'000	2020 AED'000
At 1 January	**18,421**	15,446
Reversal to net realisable value	**(1,373)**	-
Impairment loss for slow moving and obsolete raw materials, spare parts, consumables and LPG cylinders (note 23)	**-**	2,975
At 31 December	**17,048**	18,421

7. Trade receivables and other current assets

	2021 AED'000	2020 AED'000
Trade receivables	**2,537,422**	2,014,391
Less: expected credit loss allowance	**(57,293)**	(50,762)
	2,480,129	1,963,629
Prepaid expenses	**40,792**	17,625
Receivable from employees	**100,697**	101,537
VAT receivables	**6,347**	1,182
Other receivables	**55,310**	96,590
	2,683,275	2,180,563

Receivables from employees consist of staff car loans, furniture loans, personal loans and staff advances.

As at 31 December 2021, the Group had significant concentration of credit risk with 3 customers (2020: three) accounting for 52% (2020: 55%) of its trade receivables outstanding as at that date. Management is confident that this concentration will not result in any loss to the Group considering the credit history of these customers.

The average credit period on sales and services is between 30-60 days. No interest is charged on trade receivables. The receivables form certain customers are secured by the bank guarantees.

Trade receivables from related parties are disclosed under (note 8).

Trade receivables as on 31 December 2021

	Up to 60 days AED '000	61-90 days AED '000	90-365 days AED '000	Over one year AED '000	Total AED '000
Expected credit loss rate	**0-1%**	**0-1%**	**4%**	**4%**	
Estimated total gross carrying amount	**1,264,092**	**127,302**	**601,432**	**544,596**	**2,537,422**
Lifetime Expected credit loss	**(9,400)**	**(987)**	**(23,281)**	**(23,625)**	**(57,293)**

Trade receivables as on 31 December 2020

	Up to 60 days AED '000	61-90 days AED '000	90-365 days AED '000	Over one year AED '000	Total AED '000
Expected credit loss rate	0-1%	0-1%	2%	11%	
Estimated total gross carrying amount	933,675	107,651	691,699	281,366	2,014,391
Lifetime Expected credit loss	(5,161)	(724)	(14,784)	(30,093)	(50,762)

Movement in the allowance for impairment of trade receivables is as follows:

	Collectively Assessed AED'000	Individually Assessed AED'000	Total AED'000
Balances at 1 January 2020	9,154	-	9,154
Recovery made during the year	(28,744)	-	(28,744)
Charge for the year	39,145	31,207	70,352
Balances at 1 January 2021	19,555	31,207	50,762
Recovery made during the year	(23,678)	-	(23,678)
Charge for the year	27,478	2,731	30,209
Balances at 31 December 2021	23,355	33,938	57,293

Amounts charged to allowance for expected credit loss of trade receivables are generally written off when there is no realistic expectation of recovery. The carrying amounts of the Group's trade receivables are denominated in UAE Dirham and US Dollars and approximate to their fair value as at 31 December 2021. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

8. 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.

	2021 AED'000	2020 AED'000 (restated)
Due from related parties		
ADNOC Logistics and Services	374,793	134,093
Abu Dhabi National Oil Company (ADNOC)	328,705	110,384
ADNOC Drilling	296,822	169,799
ADNOC Onshore	117,502	49,027
ADNOC Offshore	72,550	84,803
ADNOC Gas Processing	11,888	3,501
ADNOC Sour Gas	4,046	3,156
Others	19,294	13,130
	1,225,600	567,893
Due to related parties		
Abu Dhabi National Oil Company (ADNOC)	2,258,381	872,766
ADNOC Logistics and Services	31,199	10,178
ADNOC Refining	2,930	1,420
Others	-	407
	2,292,510	884,771

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 amount due to related parties are outstanding against purchases of petroleum products, vessel hires and port charges, administrative charge. The above balance is unsecured, bears no interest and is payable on demand.

The Group has an amount of AED 2,168,259 thousand (2020: AED 2,768,689 thousand) held with banks in which the Government of Abu Dhabi has a significant or majority stake through different investment vehicles.

As at 31 December 2021, the Group has a term loan from banks in which the Government of Abu Dhabi has a significant or majority stake through different investment vehicles amounting to AED 5,276,563 thousand (2020: AED 5,276,563 thousand).

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

	2021 AED'000	2020 AED'000
Revenue – ADNOC group entities	1,154,589	748,543
Purchases – ADNOC	15,486,637	9,619,696
Vessel hire and port charges – ADNOC group	35,415	62,057
Transfer of property, plant and equipment (to)/from related party	-	7,621
Dividends paid (note 27)	2,571,250	2,479,375
Rendering of service (note 19)	160,585	220,226
Recovery of expenses incurred related to City Gas	55,567	60,868

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	2021 AED'000	2020 AED'000
Short term benefits	30,183	36,279
Pension contribution	1,272	1,277
	31,455	37,556

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 control.

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

In September 2017, the Group entered into an agreement with ADNOC Distribution Assets LLC (the "SPV") for the operation and maintenance of certain of the assets transferred to the SPV by Takreer with an effective date of 1 October 2017, for which the SPV will compensate the Group on the basis of an 8% return over and above the operating expenditure incurred by the Group for such operations (the "Owner Consideration") and the Group will compensate the SPV for the use of such assets (the "Operator Consideration"). The Group and the SPV also signed an asset use fee letter confirming that the Owner Consideration will be the same as, and will therefore offset, the Operator Consideration.

In September 2017, the Group entered into an agreement with the Parent Company and the SPV to provide support services relating to the Parent Company's civil aviation fuel supply business and to operate and maintain certain assets belonging to the SPV with an effective date of 30 September. The SPV will compensate the Group on the basis of an 8% return over and above the operating expenditure incurred by the Group for such support services and operations.

In November 2017, the Group entered into a 5 year agreement with the Parent Company relating to its supply of Butane, Propane and Mixed Liquefied Petroleum Gas ("LPG") which specifies the pricing mechanism for those products effective 1 October 2017. As per the arrangement for LPG cylinders, the Parent Company will charge the Group the regulated price with a deduction for Cylinder OPEX as defined in the agreement and an agreed margin whereas historically the Group paid the Parent

Company's official selling prices. This reimbursement will be recorded as reduction from the purchase price of the LPG cylinders. The arrangement has been discontinued effective July 2020.

The Group is in negotiation with the Parent Company for historical costs relating to a land in Musaffah which has been utilised free of charge. The outcome of the negotiations may lead to retrospective charges for the use of the land. Management do not expect the final charge, if any, to be material.

In November 2017, the Group entered into an agreement with the Parent Company for supply of refined petroleum products. As per this arrangement, the contract price effective 1 October 2017 applicable to gasoline and diesel shall be equal to the sum of (a) the mean of Platt's Average as defined in the agreement, plus (b) a fixed premium. For illuminating kerosene and aviation fuel, the contract price shall be the Parent Company's official selling prices. In 2020, the group renegotiated the agreement with the parent company for a further reduction of the retail fuel supply cost. The renegotiated agreement is effective until 31 December 2022.

Also, during the initial five-year term only, to the extent that during any invoicing period the difference between the contract price payable by the Group to the Parent Company for any litre of a gasoline or diesel and the relevant retail price for the same litre of gasoline or diesel, is less than a specified level, such contract price shall be reduced for that period so that the difference equals such specified level.

In addition, if at the end of any quarter, during the initial five-year term, it is determined that, for any grade of gasoline (ULG 91, 95 or 98) or diesel, the difference between the actual revenue per litre achieved by the Group for sales at the pump and the price paid by the Group to the Parent Company for the quantities sold, is less than a specified level, then the Parent Company will pay the Group an amount equal to the per-litre difference, multiplied by the total volumes sold of the affected grade. The agreement is effective until 31 December 2022 unless terminated or extended as per the terms of the agreement.

9. Right-of-use assets

Group as a Lessee

The Group leases leasehold properties. The average lease term is 15 - 40 years (2020: 15 – 40 years).

The dismantling cost related to the leasehold properties to return the land to its original condition is also included in the cost.

The Group's obligations are secured by the lessor's title to the leased assets for such leases.

	2021 AED'000	2020 AED'000 (restated)
At 1 January	**541,669**	207,700
Additions related to land lease	**467,441**	330,837
Additions to decommissioning	**4,542**	4,567
Change in estimate of decommissioning	**-**	17,758
Change in estimate of land lease	**(5,448)**	-
Depreciation charge during the year	**(55,446)**	(19,193)
At 31 December	**952,758**	541,669

Amounts recognised in profit and loss

	2021 AED'000	2020 AED'000
Depreciation expense on right-of-use assets	**55,446**	19,193
Interest expense on lease liabilities	**28,631**	20,219

The total cash outflow for leases amounted to AED 89,968 thousand (2020: AED 30,069 thousand) (note 13).

Additions in the period relate to the lease of plots of land across the United Arab Emirates and Kingdom of Saudi Arabia for construction of retail service stations.

10. Cash and cash equivalents

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

	2021 AED'000	2020 AED'000
Cash on hand and in bank	**2,125,540**	2,145,322
Cash and bank balances	**2,125,540**	2,145,322
Term deposit with maturities above 3 months	**130,225**	644,150

Cash and bank balances include short-term and call deposits amounting to AED 2,168,259 thousand (2020: AED 2,780,697 thousand) carrying interest rate ranging from 0.03% to 0.70% (2020: 0.05% to 2.80%) per annum.

11. Share capital

The original share capital of the Company as per the Law No. 13 of 1973 was AED 30 million divided into 300,000 shares, each valued at AED 100.

By virtue of the decision of the Board of Directors of the Parent Company dated 17 October 1984, the share capital of the Company was increased to AED 200 million divided into 2 million shares, each valued at AED 100.

By virtue of the decision of the Supreme Petroleum Council dated 6 October 1998, the share capital of the Company was increased to AED 600 million divided into 6 million shares, each valued at AED 100.

By virtue of the decision of the Supreme Petroleum Council dated 9 July 2006, the share capital of the Company was increased to AED 1,000 million divided into 10 million shares, each valued at AED 100.

In accordance with the Article of Association of the Company which became effective on 22 November 2017, the authorised capital and number of ordinary shares was amended as follows:

	2021 AED'000	2020 AED'000
Authorised:		
25,000,000,000 ordinary shares of AED 0.08 each	**2,000,000**	2,000,000
Issued and fully paid up:		
12,500,000,000 ordinary shares of AED 0.08 each	**1,000,000**	1,000,000

12. Legal reserve

In accordance with the UAE Amended Federal Law No. 2 of 2015, as amended, and the Articles of Association of the Company, 10% of the profit is transferred to a non-distributable statutory reserve. Such transfers are required to be made until the reserve is equal to 50% (2020: 50%) of the paid up share capital.

13. Lease liabilities

	2021 AED'000	2020 AED'000
Balance as at 1 January	**475,202**	154,215
Additions	**467,441**	330,837
Accretion of interest	**28,631**	20,219
Changes in estimates	**(4,948)**	-
Payments	**(89,968)**	(30,069)
Balance as at 31 December	876,358	475,202
Current	**88,975**	28,147
Non-current	**787,383**	447,055
	876,358	475,202

	31 December 2021 AED'000	31 December 2020 AED'000
Maturity analysis		
Not later than 1 year	**88,975**	28,147
Later than 1 year and not later than 5 years	**350,106**	110,940
Later than 5 years	**437,277**	336,115
	876,358	475,202

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's finance function.

14. Borrowings

	2021 AED'000	2020 AED'000
Term loan –non-current	-	5,494,597
Term loan –current	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 for 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 a straight-line basis over the term of the agreement. Transaction costs amounting to AED 2,503 thousand as at 31 December 2021 (2020: AED 5,213 thousand) is presented as trade and other current assets and other non-current asset, respectively, in the financial statements.

On 16 November 2017, the Group made a drawdown from the Facility amounting to USD 375,000 thousand and AED 4,128,750 thousand. The Facility carries variable interest at USD LIBOR plus a 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 on November 2022.

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those which cash flows were, or future cash flows will be, classified in the Group's financial statements of cash flows as cash flows from financing activities.

	2021 AED'000	2020 AED'000
At 1 January	**5,494,597**	5,489,540
Other charges [(1)]	**5,044**	5,057
	5,499,641	5,494,597

(1) Other charges include amortisation of transaction costs of the term loan.

15. Provision for employees' end of service benefit

Movement in the provision recognised in the statement of financial position is as follows:

	2021 AED'000	2020 AED'000
At 1 January	**199,185**	206,057
Charge for the year (note 24)	**23,820**	25,291
Payments	**(30,422)**	(32,163)
At 31 December	**192,583**	**199,185**

16. Trade and other payables

	2021 AED'000	2020 AED'000 (restated)
Trade payables	**383,540**	544,097
Capital accruals	**306,269**	367,140
Operating accruals	**165,315**	182,587
VAT payable	**266,937**	158,827
Coupon and prepaid card sales outstanding	**100,009**	99,470
Contract retentions payable	**44,788**	60,208
Advances from customers	**36,879**	35,345
Other payables	**205,276**	178,909
	1,509,013	1,626,583

17. Derivative financial instruments

In 2019 the Group entered into a 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 derivatives contracts have been designated as cash flow hedges under IFRS 9.

As at 31 December 2021, the fair value of the derivative financial instrument was as follows:

	2021 AED'000	2020 AED'000
Current liabilities	**77,635**	82,918
Non – current liabilities	**-**	80,149
	77,635	163,067

18. Provision for decommissioning

The provision for decommissioning obligation is with respect to dismantling obligation of the service stations built on leased lands in Dubai and Northern Emirates. The discount rate used to determine the obligation at 31 December 2021 is 4.24% (2020: 3.91%). The change in estimate is due to the reduction of the risk-free rate which was used to determine the discount rate.

	2021 AED'000	2020 AED'000
At 1 January	**120,193**	87,949
Additions during the year	**4,542**	4,567
Change in estimate	**-**	23,463
Accretion of interest	**4,491**	4,214
At 31 December	**129,226**	120,193

19. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services 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 29):

	2021 AED'000	2020 AED'000
Retail (B2C)		
Fuel	**13,921,173**	10,466,470
Non-fuel	**994,325**	879,524
Commercial (B2B)		
Corporate	**4,708,410**	3,619,825
Aviation	**1,297,207**	1,166,241
	20,921,115	16,132,060

Management expects that AED 74,164 thousand (2020: AED 5,436 thousand) is the remaining performance obligations as of the year ended 2021, which will be recognised as revenue during the next reporting period.

In connection with the transfer of the sales and purchasing activities of the Division, the Company entered into a service agreement (the "Aviation Service Agreement"), pursuant to which the Parent Company reimburses the Company for and pays an additional margin of 8% of the total distribution and administrative costs of the Division incurred by the Company for handling the operations of the Division and providing certain aviation refuelling and other related services to its civil aviation customers.

The cost of the Division's related handling operations plus the additional margin amounting to AED 160,585 thousand (2020: AED 220,226 thousand) was recognised as revenue in the consolidated financial statements (note 8).

20. Direct costs

	2021 AED'000	2020 AED'000
Materials (note 6)	**15,864,334**	10,334,643
Staff costs (note 24)	**10,082**	8,089
Depreciation (note 5)	**6,288**	3,400
Overheads	**-**	2,920
	15,880,704	10,349,052

21. Distribution and administrative expenses

	2021 AED'000	2020 AED'000 (restated)
Staff costs (note 24)	**1,423,331**	1,778,774
Depreciation (note 5)	**637,567**	588,551
Repairs, maintenance and consumables	**156,941**	199,951
Distribution and marketing expenses	**103,310**	87,806
Utilities	**150,018**	97,405
Insurance	**12,379**	14,252
Others	**165,049**	302,563
	2,648,595	3,069,302

22. Other income

	2021 AED'000	2020 AED'000
Gain on disposal of property, plant and equipment	**31**	1,113
Miscellaneous income	**72,271**	112,591
	72,302	113,704

Miscellaneous income consists mainly of convenient store income for the consigned goods and sales of scrap items, used oil, batteries and tyres.

23. Impairment losses and other operating expenses

	2021 AED'000	2020 AED'000
Inventories written off (note 6)	**2,952**	3,032
Impairment on capital work in progress (note 5)	**1,674**	190,882
Impairment for slow moving items	**-**	2,975
	4,626	196,889

24. Staff costs

	2021 AED'000	2020 AED'000 (restated)
Salaries and allowances	**1,319,585**	1,447,753
Other benefits	**116,322**	334,020
Employees' end of service benefit (note 15)	**23,820**	25,291
	1,459,727	1,807,064
Staff costs are allocated as follows:		
Distribution and administrative expenses (note 21)	**1,423,331**	1,778,774
Capital work-in-progress	**26,314**	20,201
Direct costs (note 20)	**10,082**	8,089
	1,459,727	1,807,064

Other benefits consist mainly of medical expenses, trainings, leave and travel expenses and uniforms.

25. Finance costs

	2021 AED'000	2020 AED'000
Finance charges on bank facilities	151,436	187,615
Interest expense on lease liabilities (note 13)	28,631	20,219
Interest expense on provision for decommissioning (note 18)	4,491	4,214
	184,558	212,048

26. 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 year.

	2021 AED'000	2020 AED'000 (restated)
Profit attributable to owners of the Company (AED '000)	**2,252,411**	2,395,970
Weighted average number of shares for the purpose of basic earnings per share ('000) (note 11)	**12,500,000**	12,500,000
Earnings per share (AED)	**0.180**	0.192

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

27. Dividends

The Board of Directors approved a final dividend of 9.55 fils per share to the shareholders in respect of the year ended 31 December 2019. The dividend comprised of AED 1,193,750 thousand, which was approved at the General Assembly Meeting held on 31 March 2020 and paid on 2 April 2020.

The Board of Directors approved an interim dividend of 10.29 fils per share to the shareholders in respect of the first half of 2020. The dividend comprised of AED 1,285,625 thousand, which was approved during the Board of Directors Meeting held on 29 September 2020 and paid on 1 October 2020.

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 an interim dividend of 10.285 fils per share to the shareholders in respect of the first half of 2021. The dividend comprised of AED 1,285,625 thousand, which was approved during the Board of Directors Meeting held on 30 September 2021 and paid on 4 October 2021.

28. Commitments

The capital expenditure contracted for at the reporting date but not yet incurred amounted to AED 117,838 thousand (2020: AED 638,588 thousand).

29. 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, 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 are 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 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.

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.

Information regarding the new segment structure are as follows:

	Commercial (B2B) AED'000	Retail (B2C) AED'000	Unallocated AED'000	Total AED'000
31 December 2021				
Revenue	**6,005,617**	**14,915,498**	**-**	**20,921,115**
Direct costs	**(4,511,202)**	**(11,369,504)**	**2**	**(15,880,704)**
Gross profit	**1,494,415**	**3,545,994**	**2**	**5,040,411**
Distribution and administrative expenses	**(522,192)**	**(2,126,403)**	**-**	**(2,648,595)**
Other income	**25,793**	**45,769**	**740**	**72,302**
Impairment losses and other operating expenses	**(10,589)**	**(19,618)**	**(4,628)**	**(34,835)**
Operating Profit	**987,427**	**1,445,742**	**(3,886)**	**2,429,283**
Interest income				**7,686**
Finance costs				**(184,558)**
Profit for the period				**2,252,411**
31 December 2020 (restated)				
Revenue	4,786,066	11,345,994	-	16,132,060
Direct costs	(3,371,539)	(6,977,522)	9	(10,349,052)
Gross profit	1,414,527	4,368,472	9	5,783,008
Distribution and administrative expenses (restated)	(649,461)	(2,392,290)	(27,551)	(3,069,302)
Other income	24,508	74,069	15,127	113,704
Impairment losses and other operating expenses	(41,508)	(28,844)	(196,889)	(267,241)
Operating Profit	748,066	2,021,407	(209,304)	2,560,169
Interest income				47,849
Finance costs				(212,048)
Profit for the period				**2,395,970**

Unallocated income consists mainly of gain on sale of fixed assets, insurance recovery and other miscellaneous income.

30. ADNOC Group central fund for risk financing

The Group is a participant in a centralised fund, administered by ADNOC, to finance certain self-insured risks. The fund is made up of premium discounts, investment income and contributions from participants, as agreed upon from time to time. Under the scheme, the Group is obliged to provide additional funding, if required. As at 31 December 2021, the central fund has been discontinued and moved to another entity wherein Group's has no more share (2020: AED 503 thousand).

31. Contingencies and litigations

As at 31 December 2021, the Group had contingent liabilities amounting to AED 3,402,095 (2020: AED 3,402,095) 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 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.

32. Financial instruments

Capital risk management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes long term debts, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The leverage ratio, determined as net debt to net debt plus equity, at the year-end was as follows:

	2021 AED'000	2020 AED'000
Debt	**5,499,641**	5,494,597
Cash and cash equivalent (note 10)	**(2,125,540)**	(2,145,322)
Net debt	**3,374,101**	3,349,275
Net debt	**3,374,101**	3,349,275
Equity	**3,202,065**	3,477,099
Net debt plus equity	**6,576,166**	6,826,374
Leverage ratio	**51.3%**	**49.1%**

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has no significant currency risk exposure from its operations as a majority of the Group's transactions are in UAE Dirham or US Dollars. The UAE Dirham is pegged to the US Dollar, hence, balances in US Dollars are not considered to present a significant foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and Group's debt obligations with floating interest rates. Consequently, the Group's income and operating cash flows are dependent on changes in market interest rates. Deposits/placements issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage these risks based on management's assessment of available options and placing any surplus funds with ADNOC for treasury management or with creditworthy banks (note 10).

The deposits and placements are on rollover basis for three months or less, as such the carrying amounts have not been discounted as the impact of discounting is not deemed to be significant

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the financial position date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the financial position date was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2021 would have decreased/increased by AED 27,496 thousand (2020: AED 27,473 thousand). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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 rate interest payable on unsecured bank borrowings.

(iii) Price risk

The Group is exposed to commodity price risk arising from retail prices of the liquid fuels. Liquid fuel prices are set by the UAE Ministry of Energy, which limits and may result in reductions in the profit margins on these products. There can be no assurance that the UAE Ministry of Energy will continue to set retail prices at a level that provides the same or a similar profit margin, and any reduction in the profit margin on these products would have a material adverse impact on our results of operations and financial position. Under the new supply agreements, ADNOC will provide the Group protection against reduction in per-litre gross profits below certain specified levels (note 8).

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and others factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 7.

(c) Liquidity risk

The Group limits its liquidity risk by ensuring adequate cash from operations is available to meet its funding requirements. The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., bank deposits, trade receivables and other financial assets), and projected cash flows from operations. The Group's objective is to maintain liquidity through credit lines available from banks. As at 31 December 2021, the Group had access to a USD 750 million credit facility which was fully unutilised (note 14).

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2021 and 2020 based on the contractual undiscounted payments.

	Less than 1 year AED '000	More than 1 year AED '000	Total AED'000
At 31 December 2021			
Long term debt	5,499,641	-	5,499,641
Due to related parties	2,292,510	-	2,292,510
Lease liabilities	88,975	787,383	876,358
Trade and other payables (excluding advances from customers, VAT payable and coupon and prepaid card sales outstanding)	1,105,188	-	1,105,188
Total	**8,986,314**	**787,383**	**9,773,697**

	Less than 1 year AED '000	More than 1 year AED '000	Total AED'000
At 31 December 2020			
Long term debt	-	5,494,597	5,494,597
Due to related parties	884,771	-	884,771
Lease liabilities	28,147	447,055	475,202
Trade and other payables (excluding advances from customers and coupon and prepaid card sales outstanding)	1,491,768	-	1,491,768
Total	**2,404,686**	**5,941,652**	**8,346,338**

Whilst the Parent Company account is payable on demand or within agreed payment terms, the Parent Company considers the ability of the Group to pay, and its cash position prior to any payment request or transfer. The Parent Company account includes the cost of supplying the Group with its inventories as the Parent Company is the principal supplier of petroleum products to the Group (note 8).

Fair value estimation

The carrying value less any impairment provision of trade receivables and payables, approximate to their fair values as they are mainly short-term in nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for financial instruments.

33. Financial instruments by category

	2021 AED'000	2020 AED'000 (restated)
Financial assets:		
Cash and bank balances (including term deposits)	**2,255,765**	2,789,472
Due from related parties	**1,225,600**	567,893
Trade and receivables and other current assets (excluding prepaid expenses and VAT receivable)	**2,636,136**	2,162,938
	6,117,501	5,520,303
Financial liabilities:		
Trade and other payables (excluding advances from customers, VAT payable and coupon and prepaid card sales outstanding)	**1,105,188**	1,491,768
Due to related parties	**2,292,510**	884,771
Lease liabilities	**876,358**	475,202
Long term debt	**5,499,641**	5,494,597
	9,773,697	8,346,338

For the purpose of the financial statement disclosure, non-financial assets amounting to AED 47,139 thousand (2020: AED 17,625 thousand) have been excluded from trade receivables and other current assets and financial liabilities amounting to AED 403,825 thousand (2020: AED 134,815 thousand) have been excluded from trade and other payables.

34. Prior period errors

During the year, certain restatements were made by management to amend prior errors as required by IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Change in Accounting Estimates and Errors". The amendment of prior period errors resulted in restatement of the comparative amounts for the consolidated statement of financial position as at 31 December 2020. The impact is tabulated below:

Impact consolidated statement of financial position as at 31 December 2020	As previously reported AED'000	Restatement AED'000	As restated AED'000
Right-of-use assets(2)	547,374	(5,705)	541,669
Trade and other payables(1)	1,590,189	36,394	1,626,583
Retained earnings	2,128,570	(42,099)	2,086,471

Impact on consolidated statement of profit or loss for the year ended 31 December 2020	As previously reported AED'000	Restatement AED'000	As restated AED'000
Distribution and administrative expenses(1)	3,032,908	36,394	3,069,302
Profit for the year	2,432,364	(36,394)	2,395,970
Total comprehensive income for the year	2,395,418	(36,394)	2,359,024

Impact on earnings per share for the year ended 31 December 2020	As previously reported AED	Restatement AED	As restated AED
Basic and diluted	0.195	(0.003)	0.192

(1) Prior period expenses pertaining to road charges which were previously disputed and was accepted by the management in the current year.

(2) Prior year estimation impact of provision for decommissioning.

35. Subsequent events

The Board of Directors proposed a final cash dividend of 10.285 fils per share to the shareholders in respect of second half of 2021.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a 9% federal corporate tax rate effective for fiscal years commencing on or after 1 June 2023. There are no implications to the financial and reporting period ended 31 December 2021. Management is in the process of evaluating the consequences to the financial information or statements and will communicate the conclusion of their evaluation at an appropriate future time.

There have been no other events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial information/statements as at and for the year ended 31 December 2021.

36. Approval of financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 11 February 2022.

GLOSSARY

ADEG	Abu Dhabi Energy Index
ADI	Abu Dhabi General Index
ADNOC	Abu Dhabi National Oil Company
ADNOCDIS UH	Bloomberg symbol for ADNOC Distribution
ADNOCDIST	ADX symbol for ADNOC Distribution
ADNOCDIST.AD	Reuters Instrument Code for ADNOC Distribution
ADX	Abu Dhabi Securities Exchange
AD Base	A world-class base oil supplied by ADNOC
AED	United Arab Emirates Dirham, the currency of the United Arab Emirates
AI	Artificial Intelligence
API	American Petroleum Institute
CAPEX	Capital expenditure
CNG	Compressed Natural Gas
the Company	ADNOC Distribution
EBITDA	Earnings before interest, tax, depreciation and amortization
EnMS	Energy Management System
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EV	Electrical Vehicles
FAR	Fatal Accidents Rate, number of Fatalities /100 million man hours
FCF	Net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors
FTSE	The Financial Times Stock Exchange (FTSE), now known as FTSE Russell Group
Grey market	An unofficial market in goods that have not been obtained from an official supplier
HC	Human Capital
HSE	Health, Safety and Environment
ICV	In-Country Value
IPO	Initial Public Offering
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
JIG	Joint Inspection Group
KSA	Kingdom of Saudi Arabic
LPG	Liquefied Petroleum Gas
LTIF	Loss Time Injury Frequency, the number of loss Time Injuries / million man hours
MENA	Middle East and North Africa
MSCI	Morgan Stanley Capital International
NIN	National Investor Number
NGV	Natural Gas Vehicles
OPEX	Operating expenses
Premiumization	Consumer preference or trend towards higher quality, higher price offerings
RFID	Radio Frequency Identification
RIC	Reuters Instrument Code
ROCE	Return on Capital Employed
ROE	Return on Equity
SCA	Securities and Commodities Authority
TRIR	Total Recordable Incidents Rate, the number of Recordable Incidents /million man hours
UAE	United Arab Emirates
USD	United States Dollar, the currency of the United States