

Media Release:

ADNOC DISTRIBUTION BOARD APPROVES \$350 MILLION (AED1.285 BILLION) INTERIM CASH DIVIDEND FOR FIRST SIX MONTHS OF 2023, EQUIVALENT TO 10.285 FILS PER SHARE

Company's dividend policy sets a minimum dividend of \$700 million (AED2.57 billion) for full-year 2023, subject to shareholder approval

Since its IPO in 2017, ADNOC Distribution has consistently delivered attractive shareholder returns and has paid a total of \$3.7 billion (AED13.6 billion) in dividends

The deadline for purchasing shares to qualify for interim dividend payment is 3 October 2023

Abu Dhabi, UAE – 26 September 2023: ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, which is listed on the Abu Dhabi Securities Exchange (ADX), today announced the Board of Directors' approval of an interim dividend of \$350 million (AED1.285 billion) for the first six months of 2023, equivalent to 10.285 fils per share. The deadline for purchasing shares to qualify for the interim dividend payment is 3 October 2023.

This represents the first part of the expected full-year 2023 dividend payment of a minimum of \$700 million (AED2.57 billion), which is equivalent to 20.57 fils per share, in line with the Company's dividend policy. The second and final dividend for 2023 is expected to be paid in April 2024, subject to the Board of Directors' recommendation and shareholder approval. The 2023 full-year dividend would offer a 5.4% annual dividend yield (based on the share price of AED3.80 as of 25 September 2023).

The Company's dividend policy for 2024 and beyond sets a dividend payout of a minimum of 75% of distributable profits. The policy recognizes the Company's strong financial position and cash-flow generation ability going forward. The strategy will support growth opportunities and sustain attractive shareholder returns.

Since its IPO in 2017, the Company has demonstrated a strong track record of delivering attractive returns and enhanced payback to its shareholders through its progressive dividend policy, having paid a total of \$3.7 billion (AED13.6 billion) in dividends since the IPO, including the H1 2023 dividend.

Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution, said: "ADNOC Distribution continues to offer an attractive value proposition to its shareholders, underpinned by our commitment to delivering on our smart growth strategy, future-proofing the business, and unlocking additional value from efficiency enhancements—focused on transforming into a destination of choice for customers. Our strong balance sheet and consistent robust cash generation provide the foundation for efficient capital allocation toward future growth and shareholder returns."

He added: "We will continue our proactive efforts to address evolving consumer needs and unlock new opportunities for growth that will further expand and cement ADNOC Distribution's leadership position. Further, we will continue to build on our growth momentum and deliver superior shareholder value by prioritizing consumer trust and our commitment to sustainable earnings growth."

In its financial results for the first half of 2023, ADNOC Distribution reported a 9% year-on-year increase in underlying EBITDA to \$427 million (AED1.57 billion). The H1 2023 results also saw a 2% year-on-year increase in net profit excluding inventory movements to \$280 million (AED1.03 billion), driven by higher fuel volumes and Company-wide efficiency improvement initiatives.

The Company continued to maintain a strong balance sheet, with a net debt to EBITDA ratio of 1.13x at the end of the first half of the year. Its financial position remained strong with liquidity of \$1.27 billion (AED4.7 billion) at the end of the period. The Company recorded retained earnings of \$475 million (AED1.7 billion), with a robust cash position of \$522 million (AED1.9 billion).

In recent years, ADNOC Distribution has accelerated the execution of its growth strategy. Over the past five years, the Company has opened almost 200 new service stations across UAE and KSA, expanding its GCC network to 575 service stations, including 64 in KSA. It has further advanced its international expansion through the acquisition of a 50% stake in TotalEnergies Marketing Egypt, adding 240 additional service stations to its network portfolio.

ADNOC Distribution remains committed to exploring growth opportunities, and new revenue streams emerging from the energy transition. The Company is keen to expand its new mobility solutions, including Electric Vehicle (EV) charging, while maintaining a strong focus on sustainability-driven initiatives. As part of its initiatives to future-proof its business, the Company focuses on growth and sustainability, stemming from its primary goal of delivering long-term sustainable value to shareholders. It is on track to deliver on its growth commitments and is well-positioned to achieve its 2023 full-year target of adding 25 to 35 new service stations to its network. Consistent with its expansion strategy, the Company has increased exports of its lubricants business, ADNOC VOYAGER, growing its network to 32 global markets.

Key Dates:

Board of Directors' approval	25 September 2023
Last Entitlement date (last day to purchase)	3 October 2023
Record date	5 October 2023
Dividend Payment	30 days from Board approval

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About ADNOC Distribution

ADNOC Distribution is the leading mobility retailer in UAE. The Company has been providing energy for customers' journeys since 1973. Since this time, the Company has continuously been at the forefront of providing the best in customer service. Today, ADNOC Distribution enables, enhances, and energizes every customer journey thanks to digitally enabled, innovative customer experiences and high-quality non-fuel retail products. The Company operates service stations in all seven emirates in its home country, plus Saudi Arabia, and sells lubricants in 32 countries across the world via distributors. Now in its 50th year, ADNOC Distribution has over 570 service stations, 511 in the UAE and 64 in KSA. As a non-fuel retail leader in the UAE, it operates 351 ADNOC Oasis convenience stores, 33 vehicle inspection centers, and other leading services spanning car wash, lube change, and EV charging. The Company is also the leading marketer and distributor of fuels to commercial, industrial, and government customers throughout the UAE. All figures as of 30 June 2023. Additionally, in February 2023 ADNOC Distribution completed its acquisition from TotalEnergies Marketing Afrique SAS of a 50% stake in TotalEnergies Marketing Egypt LLC, marking the Company's official entry into the Egyptian market. ADNOC Distribution aims to be the global mobility retailer of choice, enabler of sustainable mobility, and provider of exceptional customer experiences. To find out more, visit www.adnocdistribution.ae.

Cautionary statements relevant to forward-looking information

This news release contains forward-looking statements relating to ADNOC Distribution's operations that are based on management's current expectations, estimates, and projections about the petroleum, chemicals, and other related industries. Words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "pursues," "may," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities," and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the Company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, ADNOC Distribution undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

The payment of dividends by the Company is subject to consideration by the Board of Directors of the cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures, and market conditions, the then current operating environment in its markets, and the Board of Directors' outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and approval of shareholders.