



ADNOC Distribution General Assembly Approves New Dividend Policy, increasing 2019 dividend to AED 2.39 billion and 2020 dividend to AED 2.57 billion

2019 dividend rises by 63% over prior year

Abu Dhabi, UAE – April 4, 2019: Shareholders of ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, today approved a significant increase in the Company's dividend policy in recognition of the Company's strong financial performance and cash position in 2018, as well as its confidence in the Company's strong growth prospects and cash flow generation ability going forward.

Under the new policy, the Company will increase its annual dividend payment, starting in 2019, as follows:

- An annual dividend for fiscal year 2019 of AED 2.39 billion (USD 650 million), equivalent to AED 0.1910 per share and a 63% increase compared to 2018
- An annual dividend for fiscal year 2020 of AED 2.57 billion (USD 700 million), equivalent to AED 0.2057 per share, a 75% increase compared to 2018
- A minimum payout of 75% of distributable profits from 2021 onwards

ADNOC Distribution will continue to pay half of the annual dividend in October of the relevant year and half in April of the following year.

Backed by a long-term, sustainable growth plan and supported by a solid balance sheet and strong cash flow generation, the new policy reflects the shareholders' trust in the Company, following its robust financial performance in 2018, during which the Company reported AED 2.128 billion in net profit, an increase of 18% from 2017.

ADNOC Distribution shareholders also approved a second and final dividend payment of AED 735 million (AED 0.0588 per share) for the year ended 31 December 2018. This dividend payment comes on top of an initial AED 735 million (AED 0.0588 per share) dividend payment for the year, which was paid in October 2018, resulting in a full-year dividend of AED 1.47 billion (AED 0.1176 per share), consistent with ADNOC Distribution's commitments to its shareholders at the time of its initial public offering (IPO).

H.E. Dr. Sultan Ahmed Al Jaber, ADNOC Distribution's Chairman, said: "ADNOC Distribution's impressive 2018 performance illustrates the Company's strong financial

position, with an enhanced level of profitability, healthy margins, and strong cash flow generation. The new dividend policy approved today demonstrates our commitment to our shareholders and our confidence in the Company's future prospects and growth strategy. As we expand the ADNOC Distribution business, we will continue to look at both organic and inorganic growth options to deliver ambitious, but disciplined growth that delivers attractive returns."

ADNOC Distribution delivered on its 2018 commitments, opening 19 new stations which contributed to increases in revenue and EBITDA of 16% and 22% respectively. Highlights of ADNOC Distribution's performance in 2018 include:

- Opening of 17 new service stations in the UAE, including the Company's first 3 locations in Dubai
- Opening of the Company's first 2 service stations in the Kingdom of Saudi Arabia
- Launch of ADNOC Flex, a new approach to fuel services where customers have the choice of how they re-fuel
- Revitalization of the Company's ADNOC Oasis convenience stores and implementation of a landmark agreement with the world class retail brand Géant to rebrand and reformat 13 convenience stores as Géant Express stores
- Successful implementation of cost efficiency measures across operating expenses and capital expenditures

Saeed Mubarak Al Rashdi, ADNOC Distribution's Acting Chief Executive Officer, commented: "ADNOC Distribution is operating from a position of strength. Our balance sheet is strong, and we continue to generate significant cash flow. We have an extremely compelling investment proposition that we expect to continue into 2019 and beyond with up to \$300 million of CAPEX earmarked for further growth 2019. We successfully implemented our 2018 strategy by providing more choice to our customers, improving our convenience store offering, and being more cost efficient. In addition, we focused on transforming our internal structures, processes and culture to ensure that we harness all of our employees to drive high performance and sustainable growth."

At the General Assembly, shareholders also approved a plan to allow ADNOC Distribution to implement a share buyback scheme. The option, which remains subject to approval of the UAE Securities and Commodities Authority (SCA), would allow ADNOC Distribution to buy back up to 62.5 million shares, equivalent to 5% of its free float, during a twelve-month period, should it choose to do so.

Approval of the share buyback reflects the Board's opinion that the stock is trading below levels consistent with its view of the Company's growth prospects. If implemented, advance notice of the plan would be announced in accordance with SCA regulations.

ADNOC Distribution will be holding capital markets days in London and New York on May 7th and 8th, at which further details of its growth strategy will be presented. Coverage of the event will be available on the ADNOC Distribution website.

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About ADNOC Distribution

ADNOC Distribution, listed on the Abu Dhabi Securities Exchange (ADX) under the symbol “ADNOCDIST”, is the leading fuel distributor and convenience store operator in the UAE. ADNOC Distribution operates 376 retail fuel stations, 250 ADNOC Oasis convenience stores and 13 Géant Express convenience stores as of 31 December 2018 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the UAE, and in 2018 expanded its operations internationally, opening two service stations in the Kingdom of Saudi Arabia. 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.