



ADNOC Distribution Announces H1 2021 results; delivers strong results and maintains growth momentum

- ***EBITDA of AED 1.53 billion and net profit of AED 1.15 billion in first half of 2021***
- ***Continued to deliver on its Smart Growth Strategy with 12 new stations opened in H1 2021 and multiple sites in the advanced stages of construction***
 - ***24 ADNOC Oasis stores refurbished in H1***
- ***Received no objection certificates from General Authority for Competition in Saudi Arabia to acquire 35 stations as announced in December 2020 and February 2021***
- ***Company remains committed to its progressive dividend policy***

Abu Dhabi, UAE – 10 August 2021: 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 reported that its first half 2021 EBITDA stood at AED 1.53 billion, with net profit of AED 1.15 billion. For the second quarter, EBITDA was AED 712 million with net profit of AED 521 million.

Business resilience

The strong results were driven by higher fuel volumes, improvement in non-fuel and commercial gross profit margin and increased operational efficiencies made in the first half of 2021. The company's fuel volumes saw progressive recovery towards pre-COVID levels, an indication of improving consumer sentiment following the successful vaccination drive across the UAE. In addition, the company continues to add incremental volumes from its Dubai stations alongside a proactive sales strategy in its corporate business.

Operationally, as part of its ongoing transformation, the company remains committed to reducing operating costs and ensuring competitiveness in the UAE fuel retail and convenience store sector. Throughout the first half of 2021, ADNOC Distribution's operational expenditure (excluding depreciation) decreased by 10% compared to H1 2020.

ADNOC Distribution continues to maintain a robust balance sheet and remains well-positioned to expand both its domestic and international portfolio in-line with its smart growth strategy.



Positioned for continued smart growth

During the first half of 2021, ADNOC Distribution continued to deliver on its promise to bring modern, digitally-enabled fuel retail convenience to customers and communities domestically and internationally, with the opening of 12 new stations in the UAE. In H1 2021, the company received no objection certificates from the Saudi General Authority for Competition (GAC) to acquire 35 stations in Saudi Arabia, which deals were previously announced in December 2020 and February 2021. ADNOC Distribution remains committed to bringing modern fuel and retail convenience to customers and communities across the Kingdom.

Building on the momentum achieved in 2020, ADNOC Distribution has also continued to provide a modern, digital experience to customers. This includes enhanced payment options, including through the ADNOC Distribution app, which offers a fully-contactless customer experience, and the growing popularity of its online delivery service, available through Talabat and Carriage from more than 100 ADNOC Oasis stores across the UAE. In addition, to further support of the company's ambitious non-fuel retail strategy, a total of 24 ADNOC Oasis convenience stores were refurbished throughout the first half of 2021.

Engineer Bader Al Lamki, Chief Executive Officer, ADNOC Distribution said: "ADNOC Distribution's second quarter and half-year results further reinforce the company's growth story and its strong standing within the fuel retail sector. We have a steadfast focus to provide modern fuel retail convenience to customers, deliver on the company's ambitious strategy, and build long-term shareholder value through the next phase of our growth. These results reflect our focused drive towards delivering on our strategy, and sustained progress in all of our strategic pillars: fuel, non-fuel and cost-efficiency. We continue to make disciplined capital investments, achieving cost savings while growing our service station network, and maintaining high levels of safety, quality and customer experience.

"I am extremely proud of our teams, who have adapted quickly to the new operating environment, while delivering on our long-term strategy. ADNOC Distribution is well-positioned to capitalize on a number of exciting opportunities and partnerships, both this year, and well into the future. This progress is made with safety and sustainability at its heart, highlighting our commitment to a sustainable future and focus on the safety and wellbeing of our community," he concluded.

Customer-focused

Together with its commitment to upholding the highest standards of health and safety for both employees and customers, the company has continued its drive to enhance its customer offering through ADNOC Rewards, the UAE's first customer loyalty program from a fuel provider. A total 18 new partners were added to the Rewards program in H1 2021, bringing the total number of partners to 40, and offering members even more deals and discounts from some of the UAE's best leisure and entertainment brands.



Through the end of H1 2021, ADNOC Rewards has almost 1.1 million registered users, with 16.9 million transactions made through the Rewards program to date. To encourage usage and drive increase in customer spending, a number of offers and promotional campaigns were held in store and at station, aiming to further enhance consumer experience and offer a range of added value incentives that meet a wide range of customer tastes and interests, offering more with every visit to an ADNOC service station.

Attractive shareholder proposition

ADNOC Distribution reiterated that its 2021 dividend policy is set to continue with a dividend of AED 2.57 billion. The company expects to pay the first six-month dividend of 2021 (10.285 fils per share) in October of this year, subject to board approval. During its General Assembly meeting in March 2021, the company announced an amendment to its dividend policy for 2022, setting a minimum of AED 2.57 billion 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. The approved dividend policy amendment recognizes the company's strong financial position at the end of 2020 and confidence in its growth prospects and cash-flow generation ability going forward. Despite current market conditions, ADNOC Distribution remains confident and steadfast in the delivery of its strategic commitments and sustainable returns for its shareholders.

In May 2021, ADNOC announced a successful placement of approximately 375 million shares in ADNOC Distribution, representing an additional 3% approximately of the registered share capital of the company. It also issued approximately USD 1.195 billion of senior unsecured bonds (the "Exchangeable Bonds") due 2024, exchangeable into existing shares of ADNOC Distribution, constituting approximately 7% of the registered share capital of ADNOC Distribution under certain conditions. Following the transactions, ADNOC will retain at least a 70% strategic stake in the company as it continues to see significant growth potential in ADNOC Distribution.

Additionally, in May 2021, the company announced that Morgan Stanley Capital International (MSCI) had included ADNOC Distribution as part of its prestigious MSCI Emerging Markets Index. ADNOC Distribution was included in the MSCI EM Index after meeting the necessary requirements and will now be among nine UAE listed companies to be part of the MSCI EM index which is most widely tracked by global institutional investors. The inclusion is expected to increase the attractiveness of ADNOC Distribution's shares to potential international investors and thus further diversifying the company's investor base.



Key Financial Metrics

<i>AED millions</i>	Q2 2021	Q2 2020	change	H1 2021	H1 2020	change
<i>Revenue</i>	5,018	3,016	66.4%	9,301	7,956	16.9%
<i>Gross profit</i>	1,222	1,336	-8.5%	2,547	2,446	4.2%
<i>EBITDA</i>	712	699	1.9%	1,528	1,255	21.8%
<i>Underlying EBITDA¹</i>	660	793	-16.7%	1,400	1,422	-1.5%
<i>Profit for the period</i>	521	511	2.1%	1,152	910	26.6%
<i>Earnings per share (AED/share)</i>	0.042	0.041	2.1%	0.092	0.073	26.6%

(1) Underlying EBITDA defined as EBITDA less inventory gains/losses and one-offs

The full second quarter earnings announcement can be found at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

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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 457 retail fuel stations, 340 convenience stores as of 30 June 2021 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 and approval of shareholders.