

Media Release:

ADNOC DISTRIBUTION REINFORCES COMMITMENT TO GROWTH IN 2023 AND APPROVES AMENDMENT TO DIVIDEND POLICY AT ANNUAL GENERAL ASSEMBLY

Dividend of AED 1.285 billion (10.285 fils per share) approved for H2 2022 to bring total 2022 dividend to AED 2.57 billion (20.57 fils per share)

General Assembly also approves changes to the dividend policy setting 2023 at a minimum of AED 2.57 billion (20.57 fils per share)

Following the successful completion of its acquisition in Egypt, ADNOC Distribution to rebrand flagship service stations with its first opening in Q3 2023

Company continues electric vehicle (EV) chargers roll-out in Q1 increasing to 36 charging points across UAE while building partnership with TAQA for E₂GO

Abu Dhabi, UAE – March 16, 2023: ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, announced today that its shareholders have approved all agenda items, including an amendment to its 2023 dividend policy at its Annual General Assembly Meeting.

The Company's strong 2022 results, with robust and continued growth, have enabled the setting of an attractive dividend policy with a minimum AED 2.57 billion dividend (20.57 fils per share) for 2023 (compared to a minimum 75% of distributable profits as per previous policy). 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 2022 and confidence in its growth prospects and cash-flow generation ability going forward. ADNOC Distribution remains confident and steadfast in the delivery of its strategic commitments and sustainable returns for its shareholders.

Shareholders also approved a second and final dividend payment of AED 1.285 billion (10.285 fils per share) for the year ended 31 December 2022, which will be paid in April 2023. This dividend payment comes on top of an interim AED 1.285 billion (10.285 fils per share) dividend



payment for the first half of 2022, which was paid in October 2022, resulting in a full-year dividend of AED 2.57 billion (20.57 fils per share), consistent with the Company's dividend policy.

2022 Focused on Growth

In 2022, ADNOC Distribution increased its network in the UAE to 502 stations while adding an additional 28 ADNOC Oasis convenience stores to bring the total to 362 and refurbishing an additional 42. International expansion was the prominent focus throughout the year as the Company grew its network in Saudi Arabia to 66 and further advanced its international expansion with the acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC, one of the top four fuel retailers in Egypt with a portfolio of 240 stations.

Within the framework of this expansion, the Company will rebrand 10 flagship service stations – the first of which will open in Q3 2023 with a signature ADNOC Oasis convenience store. ADNOC Distribution will follow-up with a further nine service station rebrands in 2024.

Moreover, ADNOC Distribution will launch its lubricants in Egypt as it continues to expand all segments of the Company's business internationally.

H.E. Dr. Sultan Ahmed Al Jaber, Chairman of ADNOC Distribution, said: "The journey of ADNOC Distribution in 2022 was one powered by growth and the realization of the Company's vision to venture beyond our borders into new markets. It is one that has also resulted in a heightened awareness of how closely intertwined our interests are with those of the future as we continue to build a more resilient business model which focuses increasingly on sustainability."

"As much as 2022 was about growth, our journey in 2023 will focus on growth and sustainability. As we enter the UAE year of sustainability, never has it been so essential for us to further commit to proving that our business can both support the strategic goals of our nation, while at the same time create long-term sustainable value for our shareholders."

Future-proofing Our Business

Important steps have been taken to future-proof ADNOC Distribution's business, with a recent partnership agreed with TAQA to establish E₂GO, a joint venture to build and operate electric



vehicle infrastructure in the UAE. The Company also continues electric vehicle (EV) chargers roll-out in Q1 increasing to 36 charging points across the UAE, which will eventually sit under the E₂GO umbrella.

ADNOC Distribution has also announced plans to decarbonize operations and reduce carbon intensity by 25% by 2030, in addition to having converted its existing USD 1.5 billion term loan into a sustainability-linked loan.

The Company recorded record financial results in 2022, with earnings before interest, tax, depreciation and amortization (EBITDA) of AED 3.52 billion – a year-on-year rise of 15%, and a Net Profit of 2.75 billion, up 22% year-on-year. The Company also maintained a strong balance sheet, with liquidity of AED 5.5 billion in the form of AED 2.7 billion in cash and cash equivalent, and AED 2.8 billion in unutilized credit facilities, and net debt to EBITDA of 0.78x.

Furthermore, non-fuel retail transactions increased by 15% during 2022. This was driven by ongoing focus on customer-centric initiatives such as ADNOC Rewards and offering an upgraded customer experience while modernizing the ADNOC Oasis retail space.

Eng. Bader Saeed Al Lamki, CEO, ADNOC Distribution, said: “Our strong cash flow and solid financial position added new strength to ADNOC Distribution’s 50-year foundation, ensuring that we are well positioned to deliver on our growth ambitions over the coming years, both domestically and internationally.”

“In 2022, we achieved several important milestones, especially with regard to our service station expansion, international growth, and cutting-edge technologies. The Egypt acquisition marks our largest-ever international investment, and one that takes us into the MENA region’s most populous market. Meanwhile, our network crossed the 500 station mark – including station 222, our flagship site on Dubai’s Sheikh Zayed Road featuring advanced customer experience and sustainability technology.

“I am confident that our ongoing emphasis on diverse national and international expansion, coupled with an unyielding dedication to providing top-notch, inventive, and environmentally sound mobility products and solutions, will enable us to achieve and surpass our growth targets for numerous years to come.”

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For investor relations, please contact: IR@adnocdistribution.ae

For media inquiries, please contact: media@adnocdistribution.ae

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 25 countries across the world via distributors. Now in its 50th year, ADNOC Distribution has over 560 service stations, 502 in the UAE and 66 in KSA. As a non-fuel retail leader in the UAE, it operates 362 ADNOC Oasis convenience stores, 32 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 31 December 2022. Additionally, 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.