

Media Release:

ADNOC DISTRIBUTION BOARD APPROVES \$350 MILLION (AED1.285 BILLION) INTERIM CASH DIVIDEND FOR H1 2024

- Interim dividend, equivalent to 10.285 fils per share, to be distributed in October 2024, with September 26, 2024, set as last day for purchasing shares to qualify for payment
- Company's new five-year dividend policy sets annual dividend of \$700 million or minimum of 75% of net profit, whichever is higher, offering improved payback visibility and potential upside from future earnings growth
- Since its IPO in 2017, ADNOC Distribution has consistently delivered attractive shareholder returns, distributing \$4.4 billion in dividends including the H1 2024 payout

Abu Dhabi, UAE – September 23, 2024: 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 that the Board of Directors has approved an interim dividend of \$350 million (AED1.285 billion) for the first half of 2024, equivalent to 10.285 fils per share, underscoring the Company's commitment to delivering consistent and attractive returns to its shareholders. The deadline for purchasing shares to qualify for the interim dividend payment is September 26, 2024, with eligibility based on shareholders recorded in the share register on September 30, 2024.

The H1 dividend marks the first installment of the expected full-year 2024 dividend of \$700 million (AED2.57 billion), equivalent to 20.57 fils per share. This aligns with ADNOC Distribution's 5-year dividend policy, which sets an annual dividend of \$700 million or a minimum of 75% of net profits, whichever is higher, from 2024 to 2028, subject to Board discretion and shareholder approval.

The second and final dividend for 2024 is expected to be paid in April 2025, subject to the Board's recommendation and shareholder approval. The full-year 2024 dividend would offer a 5.6% annual dividend yield, based on the share price of AED3.67 as of September 20, 2024.

The dividend policy provides long-term visibility on expected shareholder returns and potential upside from future earnings growth, reinforcing ADNOC Distribution's commitment to consistent shareholder value creation.

Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution, said: "ADNOC Distribution has demonstrated exceptional performance in H1 2024, driven by strong financial results and confidence in future growth. The successful execution of our smart growth strategy reinforces the Company's attractive value proposition, while our healthy balance sheet and robust cash generation underpin future growth and shareholder returns."

In the first half of 2024, ADNOC Distribution reported a 16% year-on-year (YoY) increase in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) to \$515 million (AED1.89 billion) and a 7.7% YoY rise in net profit to \$319 million (AED1.17 billion), driven by higher fuel volumes, increased contributions from international operations, and growth in the non-fuel retail business.

The Company generated free cash flow of \$488 million (AED1.79 billion) in H1 2024, comfortably covering the interim dividend of \$350 million (AED1.285 billion). As of June 30, 2024, it continued to maintain a strong financial position with a net debt-to-EBITDA ratio of 0.53x and liquidity of \$1.7 billion (AED6.2 billion), including a cash position of \$925 million (AED3.4 billion), positioning it favorably for future growth and shareholder value creation.

Since its IPO in 2017, ADNOC Distribution has delivered solid returns to shareholders through enhanced market value and consistent dividends. It will have paid a total of \$4.4 billion (AED16.2 billion) in dividends since IPO, including the H1 2024 dividend. With a record EBITDA of \$1 billion (AED 3.68 billion) in 2023, the Company is on track to deliver on its growth commitments and is well-positioned for its next phase of strategic and accelerated growth.

In addition to the dividend policy, ADNOC Distribution unveiled a new five-year growth strategy earlier this year, focused on domestic growth, international platforms, future-proofing the business, enhancing digital capabilities, and driving operational efficiencies. This strategy aims to position the Company for long-term growth while continuing to deliver shareholder value.

“Our new strategy enables us to capture new market positions both at home and abroad, reinforcing our leadership and creating long-term value to sustain shareholder returns,” added **Eng. Bader Saeed Al Lamki**.

ADNOC Distribution remains committed to exploring growth opportunities in fuel and non-fuel retail, as well as 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.

ADNOC Distribution’s strategic investment plan is underpinned by a solid financial foundation and strong cash generation.

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About ADNOC Distribution

ADNOC Distribution is a 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 43 countries across the world via distributors. Now in its 51st year, ADNOC Distribution has 847 service stations, 534 in the UAE, 69 in KSA, and 244 in Egypt. As a non-fuel retail leader in the UAE, it operates 365 ADNOC Oasis convenience stores, 34 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 2024. 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.