



ADNOC DISTRIBUTION REVEALS NEW 5 YEAR GROWTH STRATEGY

Abu Dhabi, UAE – February 27, 2024: The management of ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST) revealed its new 5-year growth strategy at an Investor Day in Abu Dhabi on Monday, 26 February. The Company, which aims to establish itself as a multi-energy, convenience, and mobility leader, is the UAE's largest fuel and convenience retailer.

Speaking at the Investor Day event, **Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution** said: "Supported by our robust balance sheet and strong cash flow generation, ADNOC Distribution's new growth strategy is underpinned by three key drivers: domestic growth, international platforms, and future-proofing the business. In its pursuit to become a multi-energy leader, the Company is also scaling up its portfolio of low-carbon energy solutions including biofuels, EV and hydrogen in support of the decarbonization of the transport industry. We are confident in our ability to continue returning positive incremental shareholder value."

Highlights from the new five-year strategy's operational objectives for 2028 included:

- Grow the ADNOC Distribution network to 1,000 service stations, a +20% increase compared to 840 stations in 2023.
- Deliver a 50% increase in the number of non-fuel transactions.
- Achieve 25% increase in the number of convenience stores.
- Scale up franchise and sub-franchise model with 50+ company operated new franchise operations, providing a 2-3X yield versus traditional rental model.
- Become a one-stop shop for car care; triple the number of car washes, double the number of automotive oil changes and expand total car service offerings.
- Launch new innovations and expand on current digital enhancements, including seamless fueling through license plate recognition, in-car ordering through the ADNOC Distribution application, and explore future subscriptions services for carwash and other services.
- Target a minimum of 500 EV fast & superfast charging points to build a national network, a 10X increase from 2023.
- Aim for up to \$50 million in like-for-like OPEX savings by 2028.
- Allocate \$250 to \$300 million annually for CAPEX, with 70% focused on growth.
- The new dividend policy proposal will provide \$700 million annually or a minimum 75% of net profit, whichever is higher, offering dividend upside potential from future earnings growth. The proposal is subject to shareholder approval at the AGM in March.



ADNOC Distribution is committed to continue delivering EBITDA growth from 2024 to 2028 through its identified key strategic initiatives and focus areas. The Company will reallocate capital towards convenience and mobility to transform its stations into destinations-of-choice, continue to build on its international platforms with a focus on increased contributions, and future proof the business by unlocking new revenue streams offered by the energy transition.

The Investor Day, held in Abu Dhabi, was attended by more than 50 investors and analysts from UAE and abroad and was followed by a field visit to the flagship ADNOC service station 933, where the Company demonstrated the latest offerings and innovations, including high-speed electric vehicle (EV) charging points, seamless payment methods and digitally enhanced services.

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 37 countries across the world via distributors. Now in its 51st year, ADNOC Distribution has 840 service stations, 529 in the UAE and 68 in KSA. As a non-fuel retail leader in the UAE, it operates 359 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 31 December 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.