



ADNOC DISTRIBUTION TO HOLD INVESTOR DAY TO PRESENT NEW GROWTH STRATEGY

- ADNOC Distribution successfully delivered on a set of critical commitments to the capital markets in 2023, including annual EBITDA over \$1 billion
- Company to share strategic growth initiatives to establish itself as a multi-energy, convenience and mobility leader
- ADNOC Distribution's Board proposes a new dividend policy for 2024-28 setting annual dividend of \$700 million or a minimum 75% of net profit, whichever is higher
- Company to host Investor Day in Abu Dhabi on Monday 26th February

Abu Dhabi, UAE – February 26, 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), will today hold an Investor Day, providing the market with an update on the Company's achievements and strategic growth initiatives. The Company, which successfully delivered on its previous commitment of reaching \$1 billion in earnings before interest, tax, depreciation and amortization (EBITDA) in 2023, will deliver further EBITDA growth in the 2024-2028 period, while it positions itself as a multi-energy, convenience and mobility leader. ADNOC Distribution is scaling up its portfolio of low-carbon energy solutions including biofuels, EV and hydrogen to support de-carbonization of the transport industry and expanding its non-fuel retail offerings.

Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution, said: "ADNOC Distribution has demonstrated a robust track record of value creation through its smart growth strategy, pursuing new opportunities in domestic as well as international markets. Since its market debut in late 2017, the Company has delivered robust financial performance and doubled shareholder value. 2023 was a transformative year for ADNOC Distribution, with the Company generating EBITDA of over \$1 billion, an increase of 33% compared to 2018. The company is well positioned to take advantage of evolving energy markets and enter a new phase of growth. We remain committed to a disciplined capital allocation and delivering attractive and visible shareholder returns."

During 2023, the Company witnessed double-digit growth in total fuel volumes across the GCC markets, as well as in its non-fuel retail business, achieving a four-year-high fuel to convenience store conversion rate of 25%. As part of its new business strategy, ADNOC Distribution will continue to invest in the growing and highly attractive core UAE market. The Company also aims to unlock incremental value from its existing network by growing its non-fuel retail business and optimizing real estate assets. This will position ADNOC Distribution as the brand of choice for retail and commercial customers.

As part of its new growth strategy, the Company plans to increase the contribution from international operations in Saudi Arabia and Egypt while exploring accretive inorganic opportunities supported by a robust balance sheet and strong cash flow generation. Moreover, the Company aims to further improve its operational efficiency, targeting up to \$50 million of additional savings by 2028 on top of the \$130 million in like-for-like cost savings already delivered in 2019-23.



ADNOC Distribution is prioritizing innovation and enhancing customer experience in line with its strategic objectives. A renewed focus on driving seamless customer journeys through digital and hyper-personalization will drive improved brand engagement and increased footfall. ADNOC Distribution is placing sustainability at the core of its day-to-day operations, reducing its carbon footprint while exploring emerging opportunities and enabling customers to decarbonize. The Company also aims to lead the energy transition through a targeted roll-out of EV chargers, building a network of over 500 fast and super-fast charging points across the UAE by 2028 to unlock new revenue streams and further futureproof its business.

NEW DIVIDEND POLICY PROPOSAL WILL PROVIDE PAYBACK VISIBILITY AND DIVIDEND UPSIDE FROM FUTURE EARNINGS GROWTH

To recognize the Company's strong financial position and confidence in future cash flow generation, the Board of Directors has recommended the introduction of a new dividend policy for 2024-28 based on paying annual dividend of \$700 million or a minimum 75% of net profit, whichever is higher, which is subject to shareholders' approvals. This policy represents a balance between growth investments and sustainable shareholder payback. ADNOC Distribution had \$870 million of cash on its balance sheet with a ratio of net debt to EBITDA at 0.62x as of 31 December 2023, offering additional leverage capacity. The new dividend policy will be presented to shareholders for approval during the upcoming General Assembly Meeting scheduled in March 2024.

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PRESENTATION MATERIALS

The company's Investor Day presentation will be available for download on the ADNOC Distribution website at: <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

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

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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 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.