



ADNOC Successfully Completes USD 1 Billion Institutional Placement of ADNOC Distribution shares

Abu Dhabi, UAE – September 14, 2020: Abu Dhabi National Oil Company for Distribution PJSC (“ADNOC Distribution”), the UAE’s largest fuel and convenience store retailer, informs its shareholders of the attached press release made by Abu Dhabi National Oil Company (“ADNOC” and, together with its subsidiaries, “ADNOC Group”).

**Media Release:**

ADNOC Successfully Completes USD 1 Billion Institutional Placement of ADNOC Distribution Shares

Placement constitutes a sale of 1.25bn shares priced at AED 2.95, which represents 10% of ADNOC Distribution's total share capital

Transaction represents the largest block placement of a publicly listed GCC company and leverages significant investor demand for ADNOC Distribution shares following strong performance and a resilient dividend since its initial public offering in 2017

ADNOC retains an 80% strategic stake in ADNOC Distribution and continues to see strong growth potential in the company

Abu Dhabi, UAE – September 14, 2020: Abu Dhabi National Oil Company (“ADNOC” and, together with its subsidiaries, “ADNOC Group”), announced today that it has successfully completed a placement to institutional investors of 1.25 billion shares in Abu Dhabi National Oil Company for Distribution PJSC (“ADNOC Distribution”), which are listed and traded on the Abu Dhabi Securities Exchange (the “ADX”) (**ISIN: AEA006101017**) (**ADX Symbol: ADNOCDIST**). This represents 10% of ADNOC Distribution's total share capital. With this additional 10% placement, valued at USD 1 billion, the company's free float will increase to 20%, contributing to improved liquidity of ADNOC Distribution shares.

At the time of ADNOC Distribution's initial public offering in 2017, ADNOC conveyed its intention to sell more of its shareholding in ADNOC Distribution to increase the stock's free float and liquidity on the ADX and provide an attractive investment opportunity, while continuing to hold a majority strategic stake in the company. This transaction is part of ADNOC's stated strategy and its continued focus on value creation. The placement was priced at AED 2.95 per share, which is 18% above the IPO price of AED 2.50 and represents a 5% discount on the company's 3-month volume weighted



average price. ADNOC will own 80% of ADNOC Distribution's registered share capital following the placement and continues to see strong and deliverable growth potential in the company.

ADNOC launched this placement due to significant investor demand for ADNOC Distribution stock and has delivered the largest block placement of a publicly listed GCC company to date.

H.E. Dr. Sultan Ahmed Al Jaber, ADNOC Group CEO, said: "Since its initial public offering in 2017, ADNOC Distribution has continued to deliver on its growth ambitions, introduced a range of new customer-orientated services and enhanced its progressive dividend policy. It has delivered solid business results and demonstrated to customers and investors its resilience and steadfast focus on safe, smart growth. We saw significant investor demand in ADNOC Distribution shares and quickly and efficiently responded through an institutional placement.

This transaction highlights the attractive nature of ADNOC Distribution to investors, and once again demonstrates the high quality investment opportunities offered by ADNOC and more broadly by Abu Dhabi and the United Arab Emirates. For the investors, it presented a unique opportunity to access a sizeable stake in ADNOC Distribution and invest in a stable and highly compelling equity story, with an attractive and resilient dividend policy. It also contributes to increased liquidity in the trading of shares in ADNOC Distribution, while broadening the shareholder base.

The ADNOC Group fully supports ADNOC Distribution as a committed and long term majority shareholder and remains confident that the company will continue to excel as a leading fuel and convenience retailer in the region."

Citigroup Global Markets Limited and First Abu Dhabi Bank PJSC acted as Joint Bookrunners on the transaction. Moelis & Company acted as independent financial advisor to ADNOC.

ADNOC Distribution is a leading fuel distributor and convenience store operator in the United Arab Emirates. As at 30 June 2020, ADNOC Distribution operates 406 retail fuel service stations in the United Arab Emirates and 2 retail fuel service stations in the Kingdom of Saudi Arabia. ADNOC Distribution maintains a strong balance sheet and remains well positioned to expand both its domestic and international portfolio in line with its smart growth strategy. As at 30 June 2020, ADNOC Distribution held AED 2.4 billion in cash and cash equivalents (including term deposits) and AED 2.8 billion in its unutilized revolving credit facilities.

In its Q2 2020 results announcement, ADNOC Distribution confirmed that its 2020 dividend policy is set to continue with an increase of 7.5% in 2020 to AED 2.57 billion, after a 62% increase in the 2019 dividend to AED 2.39 billion. The company expects to pay the first six-month dividend of 2020 (10.285 fils per share) in October of this year, subject to board approval in accordance with the dividend



policy. During its General Assembly meeting in March 2020, the company announced an amendment to its dividend policy for 2021 onwards, setting an AED 2.57 billion dividend for 2021 and a dividend equal to at least 75% of distributable profits from 2022 onwards, subject to board approval in accordance with the dividend policy.

Since announcing the expansion of its partnership and investment model and the more proactive management of its assets and capital in 2017, designed to unlock value for the United Arab Emirates and Abu Dhabi, ADNOC entered the debt capital markets for the first time, issuing a \$3 billion bond backed by the Abu Dhabi Crude Oil Pipeline; partially floated ADNOC Distribution on the ADX, the first-ever initial public offering of an ADNOC Group company; and entered into several strategic partnerships in its drilling, refining, fertilizer and trading businesses, amongst others. ADNOC also recently closed landmark investment partnerships with leading global institutional investors and operators in both its oil and gas pipeline infrastructure and its real estate infrastructure. The company is returning to the capital markets with this placement.

The quality and unique nature of ADNOC Group's assets continue to be attractive to investors, reinforcing ADNOC's role as a catalyst for responsible and sustained investment and value creation for Abu Dhabi and the United Arab Emirates.

About ADNOC Group

ADNOC Group is a diversified energy and petrochemical group with 14 specialist subsidiary and joint venture companies and a catalyst for the growth and diversification of the United Arab Emirates.

To find out more visit www.adnoc.ae

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About ADNOC Distribution

ADNOC Distribution, listed on the Abu Dhabi Securities Exchange under the symbol "ADNOCDIST", is a leading fuel distributor and convenience store operator in the United Arab Emirates. ADNOC Distribution operates 408 retail fuel stations and 288 convenience stores as at 30 June 2020, and is a leading marketer and distributor of fuels to commercial, industrial and government customers in the United Arab Emirates. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the United Arab Emirates, and in 2018 expanded its operations internationally, opening two service stations in Saudi Arabia.

To find out more visit www.adnocdistribution.ae