

Media Release:

ADNOC DISTRIBUTION BOARD APPROVES AED 1.285 BILLION INTERIM CASH DIVIDEND FOR FIRST SIX MONTHS OF 2022 (10.285 FILS PER SHARE)

*Company's dividend policy sets a dividend of minimum
AED 2.57 billion (20.57 fils per share) for full-year 2022*

*Final day for purchasing shares to fulfil eligibility for interim
dividend payment is 5 October 2022*

*The policy reflects the company's strong financial position
and cash generation ability*

Abu Dhabi, UAE – 28 September 2022: ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, announced today the approval of an interim dividend payment to shareholders for the first six months of 2022 of AED 1.285 billion (10.285 fils per share), equivalent to USD 350 million. This is the first payment of what is expected to be a full-year 2022 dividend payment of minimum AED 2.57 billion (20.57 fils per share), in line with the Company's dividend policy, with the second and final dividend for 2022 expected to be paid in April 2023, subject to the Board of Directors' recommendation and shareholders' approval.

The 2022 full-year dividend would offer a 4.9% annual dividend yield (based on a share price of AED 4.21 as of 27 September 2022).

The company's dividend policy for the years thereafter sets a dividend equal to at least 75% of distributable profits. The policy recognizes the company's strong financial position and cash-flow generation ability going forward, which will support growth opportunities and sustain attractive and shareholder returns.



Since its IPO in 2017, the company has enhanced payback to its shareholders through its progressive dividend policy with a dividend track record of AED 1.47 billion for 2018, AED 2.39 billion for 2019, AED 2.57 billion for 2020, and AED 2.57 billion for 2021, supported by robust cash generation and balance sheet strength.

In recent years, the company has taken steps to cement its position as a leading, cost-competitive fuel and non-fuel retailer, by accelerating the delivery of its smart growth strategy while enhancing customer experience. Over the first half of 2022, ADNOC Distribution opened 12 new stations in the UAE, of which four are in Dubai, taking its domestic network to 472 (Dubai: 35 stations) as of 30 June 2022. In the Kingdom of Saudi Arabia, the company added 26 new stations over the same period, taking its network in the kingdom to 66. The company's total network stands at 538 stations (as of 30 June 2022) and it remains on track to deliver its target of 60-80 new sites in 2022.

Over the first half of this year, the company also increased exports of its lubricants business, ADNOC VOYAGER, growing its network to 21 global markets. ADNOC Distribution also launched the ADNOC VOYAGER green series, an alternative 100% plant-based lubricant range for petrol and diesel engines.

ADNOC Distribution also recently announced its milestone transaction to acquire a 50% stake in TotalEnergies Marketing Egypt, one of the top four fuel retail operators in Egypt. The acquisition aligns with ADNOC Distribution's vision to establish itself as a regional fuel distribution leader. The acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution, said, "ADNOC Distribution's resilience and steadfast focus on smart growth has positioned us to confidently deliver on our strategic priorities, while ensuring attractive capital returns for our shareholders."

"The attractive value proposition that we offer is backed by our strong earnings, stable and predictable cash flows and dividend policy that reaffirm our ongoing commitment to the shareholders. By leveraging our capital deployment capacity, we aim to continue expanding our reach, to bring our unique brand of products, services and customer experience to an expanding customer base across a broader geography."



As of 30 June 2022, ADNOC Distribution continued to maintain a solid balance sheet alongside robust liquidity, with cash and cash equivalents (including term deposits) of AED 2.8 billion, unutilized revolving credit facilities of AED 2.8 billion, retained earnings of AED 2.0 billion and net debt to EBITDA of 0.77x. Over the first half of 2022, the company recorded a strong performance with an accelerated execution momentum, reporting EBITDA of AED 1.99 billion, net profits of AED 1.56 billion and a free cash flow of AED 1.96 billion.

In 2021, ADNOC Distribution was included in the MSCI Emerging Markets Index, followed by an increased weightage in the index in May 2022. The company is also listed on the new blue-chip FTSE ADX 15 (FADX15) Index, which was launched as a partnership between FTSE Russell and Abu Dhabi Securities Exchange (ADX). This inclusion provides further international exposure for ADNOC Distribution shares, increasing their attractiveness and contributing to diversifying the company's investor base.

Key Dates:

Board of Directors' approval	27 September 2022
Last Entitlement date (last day to purchase)	5 October 2022
Record date	7 October 2022
Dividend Payment	30 days from Board approval

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About ADNOC Distribution

ADNOC Distribution, listed on the Abu Dhabi Securities Exchange (ADX) under the symbol "ADNOCDIST", is the leading fuel distributor and convenience store operator in the UAE. ADNOC Distribution operates 472 retail fuel stations, 359 convenience stores in UAE as of 30 June 2022 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution operates in all seven emirates in the UAE, and in 2018 expanded its retail fuels operations internationally in the Kingdom of Saudi Arabia where it operates 66 retail fuel stations as of 30 June 2022. To find out more, visit www.adnocdistribution.ae.