



ADNOC to Offer Approximately 375 million Shares in ADNOC Distribution at a price of AED 4.36 per share, and Issue Approximately USD 1.195 billion of Exchangeable Bonds through a Combined Offering with a Total Transaction Size of Approximately USD 1.640 billion

Abu Dhabi, UAE – 26 May 2021: 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:

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, JAPAN OR SAUDI ARABIA, OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL.

This announcement is for information purposes only and does not constitute a public offer of securities for sale or subscription in any jurisdiction, including the United Arab Emirates, the United States, Australia, Canada, Japan or Saudi Arabia. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

ADNOC to Offer Approximately 375 million Shares in ADNOC Distribution at a price of AED 4.36 per share, and Issue Approximately USD 1.195 billion of Exchangeable Bonds through a Combined Offering with a Total Transaction Size of Approximately USD 1.640 billion

Share Offering: ADNOC launches accelerated bookbuilding offer of approximately 375 million common shares corresponding to approximately 3% of the registered share capital of ADNOC Distribution at an offer price of AED 4.36 per share

Exchangeable Bond Offering: concurrent offering of approximately USD 1.195 billion of senior unsecured bonds due 2024 exchangeable under certain conditions into existing common shares of ADNOC Distribution constituting 7% of the registered share capital

Blended price of Combined Offering approximately 5% above the 3-month volume-weighted average share price of ADNOC Distribution with a total transaction size of approximately USD 1.640 billion



Final terms of the Combined Offering are expected to be announced following completion of the bookbuild for the Share Offering and Exchangeable Bond Offering

The Combined Offering is another milestone in enabling ADNOC to further unlock and monetize significant value from its assets, whilst also increasing the free float of ADNOC Distribution, boosting liquidity in its shares and diversifying its shareholder base

Abu Dhabi, UAE – May 26, 2021: Abu Dhabi National Oil Company (“ADNOC” and, together with its subsidiaries, the “ADNOC Group”), the current holder of 80% of the common shares in Abu Dhabi National Oil Company for Distribution PJSC (“ADNOC Distribution”) (ISIN: **AEA006101017**) (ADX Symbol: **ADNOCDIST**), announced today its intention to offer approximately 375 million shares (the “Shares”), corresponding to approximately 3% of the registered share capital of ADNOC Distribution (the “Share Offering”), through an accelerated bookbuild offering at an offer price of AED 4.36 per share to certain eligible institutional investors in reliance on Rule 144A and Regulation S of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”).

Concurrently with the Share Offering, ADNOC proposes to issue approximately USD 1.195 billion senior unsecured bonds due 2024 that are exchangeable into existing common shares of ADNOC Distribution constituting approximately 7% of the company’s registered share capital under certain conditions (the “Exchangeable Bonds”), pursuant to a private placement to certain eligible investors outside the United States in accordance with Regulation S under the U.S. Securities Act (the “Exchangeable Bond Offering” and, together with the Share Offering, the “Combined Offering”). The Combined Offering will not be available to the public in the United Arab Emirates or any other jurisdiction.

Together, the Share Offering and, assuming exchange and settlement in shares of all of the Exchangeable Bonds in accordance with their terms, the Exchangeable Bond Offering, represent a Combined Offering by ADNOC of approximately 10% of the registered share capital of ADNOC Distribution. The blended price of the Combined Offering of AED 4.82 is approximately 5% above the 3-month volume-weighted average share price of ADNOC Distribution.

The Exchangeable Bond Offering will have a maturity of 3 years and will be issued at an issue price of 100% with a coupon of 0.70% per annum, payable semi-annually in arrears in June and December each year. The exchange premium will be 15% above the reference price of ADNOC Distribution shares, resulting in an exchange price of AED 5.01.

The transaction is the first combined equity and exchangeable bond offering in the GCC, once again highlighting ADNOC’s novel approach to unlocking value from its assets. The innovative deal



structure and attractive form of financing provides ADNOC with greater access to a new and broader investor base, including those that are interested in an equity-linked bond investment. The terms of the Exchangeable Bonds also provide an opportunity for the monetization of ADNOC Distribution shares at a premium to the price of the Share Offering.

The sale supports ADNOC's commitment to increase the free float in ADNOC Distribution following the company's Initial Public Offering ("IPO") in December 2017. Morgan Stanley Capital International ("MSCI") announced on 11 May 2021 that ADNOC Distribution has been included as part of the MSCI Emerging Markets Index, effective 27 May 2021. The company will be one of only nine UAE publicly listed companies to be part of the index. Its inclusion is expected to contribute to the diversification of its investor base and strengthen awareness of its unique value proposition.

The final terms of the Combined Offering are expected to be announced following the completion of the bookbuilding process for the Combined Offering. Settlement of the Share Offering is expected to occur on or about May 31, 2021, and settlement of the Exchangeable Bond Offering is expected to occur on or about June 4, 2021. ADNOC has agreed to a lock-up period of 90 calendar days from the settlement date under the terms of both the Share Offering and Exchangeable Bond Offering. An application is expected to be made for admission of the Exchangeable Bonds for listing and trading on the Vienna MTF, an exchange-regulated market operated by the Vienna Stock Exchange.

H.E. Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and Managing Director and ADNOC Group CEO of ADNOC, said: "At the time of ADNOC Distribution's IPO, ADNOC conveyed its intention to sell additional ADNOC Distribution shares at the appropriate time, to increase liquidity and access to an attractive investment opportunity. Today's announcement follows the placement of 10% of the outstanding share capital in September 2020 and represents the first combined equity and exchangeable bond offering in the GCC.

"Assuming all the Exchangeable Bonds are exchanged and settled in shares, the transaction will increase the free float in ADNOC Distribution to 30%, with ADNOC retaining a 70% strategic stake in the company, as we continue to see significant growth potential. The transaction also marks a further milestone in our value creation strategy, enabling ADNOC to unlock significant value from its assets."

Since its IPO, ADNOC Distribution has continued to deliver on its growth ambitions, introduced a range of new customer-orientated services and enhanced its dividend policy. ADNOC remains confident that the company will continue to excel as a leading regional fuel and convenience retailer.

Citigroup Global Markets Limited and First Abu Dhabi Bank PJSC are acting as the Joint Global Coordinators and Joint Bookrunners for the Share Offering. Citigroup Global Markets Limited is acting as the Global Coordinator and Bookrunner, with Abu Dhabi Commercial Bank PJSC and First Abu Dhabi Bank PJSC acting as Co-Bookrunners, for the Exchangeable Bond Offering (collectively, the "Banks").



About the ADNOC Group

ADNOC is a leading diversified energy and petrochemicals group wholly owned by the Emirate of Abu Dhabi. ADNOC's objective is to maximize the value of the Emirate's vast hydrocarbon reserves through responsible and sustainable exploration and production to support the United Arab Emirates' economic growth and diversification.

To find out more, visit: www.adnoc.ae

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 449 retail fuel stations, 332 convenience stores as of 31 March 2021 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the UAE, and in 2018 expanded its operations internationally, opening two service stations in the Kingdom of Saudi Arabia. To find out more, visit www.adnocdistribution.ae

Cautionary statement on forward-looking information

This news release contains forward-looking statements about ADNOC and ADNOC Distribution 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 control of ADNOC and/or ADNOC Distribution 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, ADNOC Distribution, the Banks and/or their respective affiliates, expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

Disclaimer

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change. No obligation is undertaken to update this announcement or to correct any



inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of ADNOC and/or ADNOC Distribution to proceed with either the Share Offering or the Exchangeable Bond Offering or any transaction or arrangement referred to herein. This announcement has not been approved by any competent regulatory authority. None of the Banks and/or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers and/or agents are responsible for the contents of this announcement.

No prospectus or offering document has been or will be prepared by ADNOC in connection with the Combined Offering. Any investment decision in connection with the Combined Offering must be made on the basis of publicly available information. Such information has not been independently verified.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with or act as an inducement to enter into, any contract or commitment whatsoever. The Combined Offering and the distribution of this announcement and other information in connection therewith or herewith in certain jurisdictions may be restricted by law, and persons into whose possession this announcement, any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

In particular, this announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in the United Arab Emirates, the United States, Australia, Canada, Japan or Saudi Arabia, or in any jurisdiction in which such offer or solicitation is unlawful. The securities referred to herein may not be offered or sold in the United States unless registered under the Securities Act, or offered in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable United States state law. The offer and sale of the securities referred to herein have not been and will not be registered under the U.S. Securities Act or under the applicable securities laws of the United Arab Emirates, Australia, Canada, Japan or Saudi Arabia. Subject to certain exceptions, the securities referred to herein may not be offered or sold in the United Arab Emirates, Australia, Canada, Japan, Saudi Arabia or to, or for the account or benefit of, any national, resident or citizen of the United Arab Emirates, Australia, Canada, Japan or Saudi Arabia. Any Shares sold in the United States pursuant to the Share Offering will be sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A. Any Exchangeable Bonds sold pursuant to the Exchangeable Bond Offering will be sold only in compliance with Regulation S of the U.S. Securities Act. Copies of this announcement are not being, and should not be, distributed in or sent into the United Arab Emirates, the United States, Australia, Canada, Japan or Saudi Arabia. **There will be**



no public offer of the securities in the United Arab Emirates, the United States or any other jurisdiction.

This announcement is for distribution only to and is directed only at persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The press release is an advertisement and is not a prospectus for the purposes of Regulation, as amended or superseded (EU) 2017/1129 (the "Prospectus Regulation") including as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") and/or part VI of the Financial Services and Markets Act 2000 of the United Kingdom. In the United Kingdom and member states of the European Economic Area, this announcement and any offers of securities, if made subsequently, will be only addressed to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (including as it forms part of domestic law by virtue of the EUWA). The securities will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with qualified investors. This press release should not be acted upon or relied upon in any member state of the EEA or in the United Kingdom by persons who are not qualified investors.

This announcement has not been reviewed, verified, approved and/or licensed by the Central Bank of the United Arab Emirates, the Securities and Commodities Authority of the United Arab Emirates and/or any other relevant licensing authority in the United Arab Emirates, including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the United Arab Emirates, including the Financial Services Regulatory Authority, the regulatory authority of the Abu Dhabi Global Market ("ADGM"), and the Dubai Financial Services Authority, a regulatory authority of the Dubai International Financial Centre ("DIFC"), or any other authority in any other jurisdiction.



This announcement does not contain or constitute a financial promotion in the United Arab Emirates, and is not an offer of the securities for sale or a solicitation of an offer to purchase the securities, in the United Arab Emirates, the ADGM, the DIFC or elsewhere.

This announcement is for distribution only to persons who (a) are outside the ADGM, or (b) are Authorised Persons or Recognised Bodies (as such terms are defined in the ADGM Financial Services and Markets Regulations 2015 (“FSMR”)), or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement is for distribution only to persons who (a) are outside the DIFC, or (b) are persons who meet the Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module (all such persons together being referred to as “relevant persons” for the purposes of this paragraph). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement may not be distributed in Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations (the “Saudi Regulations”) issued by the Board of the Capital Market Authority (the “Capital Market Authority”) pursuant to resolution number 3-123-2017, dated 27 December 2017G, based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H (as amended by Resolution of the Board of the Capital Market Authority number 1-104-2019 dated 30 September 2019G and Resolution of the Board of the Capital Market Authority number 1-7-2021 dated 14 January 2021G). The securities mentioned in this announcement must not be advertised, offered or sold, and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Saudi Arabia other than to Sophisticated Investors within the meaning of Article 9 of the Saudi Regulations. The Combined Offering shall not, therefore, constitute a “public offer” pursuant to the Saudi Regulations.

No PRIIPs/UK PRIIPs key information document (“KID”) has been prepared as not available to retail in EEA or in the UK.

In connection with the Combined Offering, the Banks or any of their respective affiliates acting as an investor for their own account may take up as a proprietary position any



securities mentioned in this announcement and in that capacity may retain, purchase or sell for their own account such securities. In addition, they may enter into financing arrangements and swaps with investors in connection with which they may from time to time acquire, hold or dispose of such securities. They do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

None of ADNOC, ADNOC Distribution, the Banks and/or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person(s) accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from this announcement) or any other information relating to ADNOC, ADNOC Distribution or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the securities being offered pursuant to the Combined Offering. This announcement does not constitute a recommendation concerning either the Share Offering or the Exchangeable Bond Offering. The price and value of securities and any income from them can go down as well as up and, in the worst case, you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance. There is no guarantee that either the Share Offering or the Exchangeable Bond Offering will happen and potential investors should not base their financial or investment decisions on the intentions of ADNOC and/or ADNOC Distribution or any other person in relation to either the Share Offering or the Exchangeable Bond Offering at this stage. None of ADNOC, ADNOC Distribution and/or the Banks makes any representation as to the suitability of the Share Offering or the Exchangeable Bond Offering, as applicable, for the person(s) concerned and potential investors should consult a professional adviser as to the suitability of the Share Offering or the Exchangeable Bond Offering, as applicable, for the person(s) concerned.

The Banks are acting exclusively for ADNOC and no one else in connection with the Combined Offering. They will not regard any other person as their respective clients in relation to either the Share Offering or the Exchangeable Bond Offering and will not be responsible to anyone other than ADNOC for providing the protections afforded to their respective clients, nor for providing advice in relation to either the Share Offering or the Exchangeable Bond Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.



In connection with the Combined Offering, each of the Banks and their affiliates may take up a portion of the securities in either or both components of the Combined Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such securities or related investments in connection with either or both of components of the Combined Offering or otherwise. In addition, certain of the Banks or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they or their affiliates may from time to time acquire, hold or dispose of the securities. None of the Banks or any of their respective affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

###