



ADNOC Distribution Board of Directors Approves AED 1.285 Billion Interim Dividend Payment for First Six Months of 2020 (10.285 fils per share)

- ***Full-year 2020 dividend expected to be AED 2.57 billion (20.57 fils per share), a 7% increase over previous year***
- ***Company accelerates delivering on its strategic smart growth plans by opening 37 new stations and revitalising 41 convenience stores in UAE as at end of September 2020***
- ***Final day for purchasing shares to fulfil eligibility for interim dividend payment is 7 October 2020***

Abu Dhabi, UAE – 30 September 2020: ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, announced today the approval of an interim dividend payment to its shareholders for the first six months of 2020 of AED 1.285 billion (10.285 fils per share), equivalent to USD 350 million, approved at a meeting of the Board of Directors on 29 September 2020. This is the first payment in what is expected to be a full-year 2020 dividend payment of AED 2.57 billion (AED 20.57 fils per share), reflecting a 7% increase compared to last year's dividend of AED 2.39 billion (19.10 fils per share).

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 the discretion of the Board of Directors and the approval of shareholders. ADNOC Distribution expects to continue to pay half of the annual dividend in October of the relevant year and half in April of the following year. The new dividend policy demonstrates the company's strong record of progressively increasing its dividends to its shareholders. As per the approved policy, the second and final dividend for 2020 is expected to be paid in April 2021, subject to the Board of Directors' recommendation and shareholders' approval.

Despite the challenging operating environment the company has accelerated delivering on its strategic smart growth plans by opening 37 new stations in the UAE, as at end of September 2020, a seven times increase in new station openings when compared to last year, and remains on-track to deliver 50-60 new stations by full year 2020, including 20-25 new stations in Dubai.

Ahmed Al Shamsi, Acting Chief Executive Officer of ADNOC Distribution, said: "Our progressive dividend policy demonstrates our commitment to our shareholders as we advance our strategic priorities of steady and sustainable growth, enhanced customer experience and attractive capital returns for our shareholders. With our resilient business model offering stable and predictable cash flows and low exposure to oil price volatility, we are confident in our ability to pay a generous dividend to our shareholders, while also maintaining significant capacity to deploy capital through a disciplined investment strategy aimed at continuing our efforts to expand our fuel station network, with a focus on the Dubai market, as well as investing in our non-fuel and international business expansion."



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. Although the COVID-19 pandemic caused unprecedented market conditions in the first half of the year, the Company demonstrated a resilient and steadfast focus on smart growth, delivering a 7.6% increase in underlying EBITDA for the first six months of 2020, compared to the first half of 2019.

The company's focus throughout the year has remained on providing a superior customer experience through enhancing its offering on multiple fronts; through refurbishing and modernising 41 of its convenience stores this year to date, bringing a fresh, engaging environment to its stores while also accelerating its e-commerce strategy and launching new services tailored to customer needs. The company has expanded its digital offering to include contactless payment solutions, online delivery from its convenience stores and mobile fuel and LPG delivery services via its digital application. At the end of July of this year, ADNOC Distribution launched the second phase of its ADNOC Rewards points-based loyalty program, the first loyalty programme of its kind in the region by a fuel provider. The program currently has more than 900,000 members.

Earlier this month, ADNOC announced that it has successfully completed a placement of 1.25 billion of its shares in ADNOC Distribution with institutional investors. This represents 10% of ADNOC Distribution's total share capital, and increases the Company's free float to 20%, broadening the company's shareholder base and allowing for greater liquidity of its shares on the Abu Dhabi Securities Exchange. This transaction leverages significant investor demand for ADNOC Distribution shares following a strong performance with a resilient dividend since its initial public offering in 2017. ADNOC Distributions equity case presents a unique opportunity for new investors to invest in a stable and profitable opportunity with an attractive and resilient dividend policy.

Key Dates:

Shareholders of ADNOC Distribution registered on 11 October 2020 (record date) will be entitled to receive the interim cash dividend, meaning the last day for purchasing shares and fulfilling the eligibility criteria is 7 October 2020. The payment itself is scheduled within 30 days from the date of the Board of Directors' approval.

Board of Directors' approval	29 September 2020
Entitlement date (last day to purchase)	7 October 2020
Record date	11 October 2020
Dividend Payment	30 days from Board approval

ENDS



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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 406 retail fuel stations and 288 ADNOC Oasis convenience stores as of 30 June 2020, 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 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 the approval of our shareholders.