

Media Release:

ADNOC DISTRIBUTION TO ACQUIRE A 50% STAKE IN TOTALENERGIES' FUEL RETAIL, AVIATION AND LUBRICANTS BUSINESS IN EGYPT

Delivering on its commitment to pursue attractive international growth, ADNOC Distribution signs an agreement to acquire a stake in a significant portfolio, which includes 240 fuel retail stations, wholesale fuel, aviation fuel and lubricants operations

c. \$203 million investment is the largest in ADNOC Distribution's history

The acquisition will accelerate ADNOC Distribution's international growth following regional expansion in the Kingdom of Saudi Arabia in 2018

Cairo, Egypt – [July] 28, 2022: ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and retail distributor, has today announced it has entered into an agreement with TotalEnergies Marketing Afrique SAS to acquire a 50% stake in TotalEnergies Marketing Egypt LLC (**TotalEnergies Egypt**) for approximately \$186 million, with an additional earn-out of up to \$17.3 million (if certain conditions are satisfied) (the **Acquisition**).

Established in 1998, TotalEnergies Egypt is among the top four fuel retail operators in Egypt. The Acquisition marks another important milestone in delivery of ADNOC Distribution's expansion plans. The partnership with TotalEnergies, a leading global multi-energy company with a strong brand and successful track record in Egypt, includes a diversified portfolio comprising 240 fuel retail stations, 100+ convenience stores, 250+ lube changing stations, and car washes, as well as wholesale fuel, aviation fuel, and lubricant operations.

Through this deal, ADNOC Distribution and TotalEnergies will develop future growth opportunities of TotalEnergies Egypt through unlocking value potential and exploring beneficial synergies in fuel distribution, lubricants and aviation businesses driven by economic growth and post COVID recovery.

The Acquisition will also see the refurbishment of several service stations to full ADNOC branding, with certain future sites being constructed under the ADNOC brand, offering a robust foothold in a fast-growing fuel retail market in Egypt.

The Acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

His Excellency Dr. Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology, Managing Director and Group CEO of ADNOC, and Chairman of ADNOC Distribution said, "This Acquisition marks a significant milestone in ADNOC Distribution's international growth story. Egypt is the Arab world's most populous country and we look forward to entering such a dynamic market. The Acquisition is also well aligned with the Industrial Partnership for Sustainable Economic Growth between the UAE, Bahrain, Egypt, and Jordan and will leverage the strengths of both the UAE and Egypt to boost growth in the related markets.

Bader Saeed Al Lamki, CEO of ADNOC Distribution, said, "Egypt's fuel retail market is highly attractive with exciting potential for future growth. Due to its young and expanding population, alongside a series of progressive economic reforms, Egypt has recorded positive GDP growth with a strong outlook.

"This Acquisition by ADNOC Distribution reaffirms our commitment to expanding our business in attractive international growth markets. It is a testament to our ability to leverage our experience in both fuel and non-fuel retail, to deploy cash to accelerate our international expansion, and to realize natural business synergies and partnership opportunities that allow us to quickly and efficiently enter new and dynamic markets.

TotalEnergies Egypt is a well-established business with a solid track record of operational excellence and in-depth knowledge of the Egyptian fuel and retail sector. This move aligns with our vision to establish ADNOC Distribution as a regional leader in the fuel distribution sector, supports the delivery of our ambitious strategy, and unlocks new earnings potential to build long-term shareholder value through the next phase of our growth.



The Acquisition will be earnings accretive to ADNOC Distribution from the first year post closing. We look forward to providing the best possible service to customers in Egypt, and working with TotalEnergies to accelerate our international expansion in Egypt and beyond," added Al Lamki.

Thierry Pflimlin, President Marketing & Services at TotalEnergies, said, "TotalEnergies is pleased to be joining forces with ADNOC Distribution in Egypt. The rich experience of the leading fuel distributor in the UAE will bring substantial added value to TotalEnergies Egypt.

We look forward to collaborating with ADNOC Distribution in its international growth strategy."

The Acquisition is another milestone in delivery of ADNOC Distribution's international growth strategy, after it opened its first stations outside the UAE in Saudi Arabia in 2018, with 55 stations operational across the Kingdom as at the end of March 2022. In addition, the company's ADNOC Voyager lubricants continues to expand the company's overall international footprint, exporting to 20 countries globally.

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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 464 retail fuel stations, 350 convenience stores as of 31 March 2022 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 retail fuels operations internationally in the Kingdom of Saudi Arabia where it operates 55 retail fuel stations as of 31 March 2022. To find out more, visit www.adnoccistribution.ae.

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