

# BUSINESS STRATEGY

**Our growth strategy is designed to deliver sustainable earnings growth and long-term shareholder value through disciplined capital allocation, operational excellence, and value-accretive growth. Launched at the Company's 2024 Investor Day and reinforced during the Investor Majlis in 2025, the strategy provides a clear roadmap to strengthen ADNOC Distribution's position as a leading, customer-centric international mobility retailer.**

The strategy is anchored in future-proofing the business amid an evolving energy and mobility landscape. It focuses on optimizing the network, accelerating non-fuel retail growth, scaling new mobility solutions, and enhancing customer experience through digitalization and innovation, transforming our service stations into destinations of choice. These priorities are underpinned by strong cost discipline and operational efficiencies, supporting resilient earnings and cash flow generation.

The strategy is executed through an integrated and disciplined approach to investment and operations, aligning growth initiatives with defined priorities and return thresholds. While we remain agile in responding to changing consumer needs and market dynamics, our strategic objectives remain consistent: expanding earnings in priority segments and channels, strengthening the quality of the earnings mix, and delivering attractive returns.

Together, this integrated approach should enable ADNOC Distribution to adapt with resilience, maintain focus on measurable outcomes, and deliver on its 2028 ambitions with discipline. It defines how we create sustainable long-term value and forms the foundation of our Unique Value Proposition.

## Our unique value proposition



**Solid business performance and cash flow visibility**



**Delivering incremental and sustainable growth**



**Track record of shareholder value creation**

In practice, we execute this integrated strategy through three reinforcing pillars. First, we deliver profitable domestic growth by enhancing returns in our UAE retail core, redeploying capital to convenience and mobility to make our stations destinations of choice and expanding our commercial business to gain share while driving enhanced margins.

Second, we build international platforms by scaling retail assets in KSA and Egypt, entering new accretive markets, and growing lubricants and LPG into a cash-generative growth vertical.

Third, we future-proof the portfolio and unlock new revenue streams through premium-margin, on-the-go EV charging, a targeted decarbonization plan to reduce operational emissions intensity by 25% by 2030 (compared to 2021), pilots in biofuels and hydrogen, and proactive mobility solutions.

These pillars are integrated: strong domestic cash flows fund disciplined expansion and innovation; international scale diversifies earnings; and future-proofing protects relevance and margins together driving revenue growth, mix-led margin expansion, and superior cash conversion.



# Strategy Overview



## Vision

To become a leading customer-centric, international mobility retailer.



## Purpose

Provide world-class customer experience through compelling fuel & non-fuel offerings, digital integration, and innovation to transform ADNOC Distribution stations as a destination-of-choice.

## Pillars



### Deliver profitable domestic growth

#### Retail

- Enhance returns from core assets.
- Leverage on highly attractive and growing core UAE energy market.
- Reallocate capital towards convenience and mobility to transform our stations as destinations of choice

#### Commercial

- Continue to grow market share while driving enhanced margins



### Build international platforms

#### Fuel Retail

Expand assets

- **KSA:** accelerating growth
- **Egypt:** maximize earnings potential and drive value creation
- **Global:** Invest in new value accretive markets with attractive long-term fundamentals

#### Lubricants & LPG

Scale-up business to create new growth verticals



### Future-proofing & new revenue streams

- Electric vehicles: access premium-margin on-the-go EV charging value pool
- Alternative fuels: develop biofuel propositions & pilot hydrogen

#### Decarbonization

- Achieve 25% reduction in operational emissions intensity by 2030 compared to 2021 baseline

#### New revenue streams

- Extend core capabilities into new business models, e.g. vehicle servicing, feet solutions, Quick Service Restaurants



## Enablers



People



OPEX & CAPEX optimization



AI & technology



Strong free cash flow & balance sheet



Business transformation



Robust operating model



Station network & land bank

To achieve long-term growth objectives, ADNOC Distribution is focusing on the following key areas:

## Domestic Fuel

We are focused on delivering profitable and sustainable domestic growth in the UAE, a resilient and attractive energy market supported by population growth rising mobility trends, and a growing car parc. Our leadership position, extensive network, and the UAE's strong regulatory environment underpin visible and durable economics, with industry leading retail fuel margins and high station throughputs.

## Our plan Fuel retail business

To capture this opportunity, we intend to grow fuel volumes through smart network expansion, disciplined CAPEX deployment, and broader customer reach via digitally enabled mobile assets. At the same time, we seek to enhance network efficiency by upgrading existing stations and transforming them into destinations of choice, expanding non-fuel retail offerings to improve same station productivity and deepen customer loyalty. Profitability and resilience will remain central to the strategy.

A five-year auto renewal supply contract with ADNOC, renewed in 2023, provides stable retail fuel margins, protection against inventory losses, and exposure to inventory gains. With an extensive domestic network of 567 retail fuel stations at the end of 2025, we are well positioned to sustain market leadership and efficiently capture demand.

## Network strategy Maintaining and growing our leading market position

Network strategy is anchored in high return growth corridors. Dubai offers some of the region's highest retail fuel throughputs per station and compelling non-fuel retail potential, enabling expansion without cannibalizing existing volumes; in 2025, we increased our presence in Dubai to 57 stations.

We also aim to maintain our leading position in Abu Dhabi and the Northern Emirates, continuing to expand and enhance the network to meet growing demand, protect market share, and provide convenient access to fuel and non-fuel services. Expansion in these markets is prioritized to generate attractive returns while preserving our customer experience.

## Our plan Commercial fuel

We are positioned to capture sustained growth in the UAE as the country's robust economic outlook, expanding industrial base, and growing population drive demand for commercial fuels, LPG, aviation fuel, and lubricants.

In this context, we are evolving from a traditional supplier into a partner of choice for commercial energy solutions - combining market leadership, a reliable supply chain, and an expanding suite of value-added, digital, and lower-carbon offerings.

Our strategy is disciplined and margin-accretive: we deepen customer relationships, broaden channel reach, and help customers transition to more sustainable fuels, domestically and abroad.

## Domestic corporate main fuel business

We are scaling our core commercial fuels portfolio in the UAE through long-term contracts, direct customer access, and tailored B2B services, while selectively growing aviation and bulk fuels in markets where our capabilities provide clear advantages. To enhance convenience, speed, and safety for corporate customers, we continue to expand mobile and digital channels. Across all segments, we seek to enable customer decarbonization through more sustainable fuels such as biofuels and operational efficiency solutions.

Our competitive edge is grounded in our leadership and scale in the UAE, trusted product quality, and consistent supply. We bring integrated logistics and diversified delivery channels, underpinned by fully digitized mobile assets that elevate customer experience. Our commercial capabilities data-driven pricing, long-term contracting, and sector-specific service models are complemented by our commitment to safety, reliability, and sustainability.

In corporate main fuels, our priority is Abu Dhabi and the Northern Emirates, the largest markets where gasoil demand is supported by construction and industrial activity. We expect to sustain volume and margin growth by capturing underlying market demand, signing new strategic long-term supply contracts, and strengthening direct access to customers. We will seek to differentiate through fully digitized mobile fueling solutions for fleets and sites and by supporting customers' decarbonization journeys with more sustainable fuels such as biofuels and tailored efficiency services.



## Mobile assets

Our mobile assets diversify supply channels and elevate convenience with safe, reliable, and digitally enabled fueling. Today, our fleet comprises 225 ADNOC MyStation trucks and trailers, including 130 LPG cylinder delivery units supported by four micro-stations offering gasoline and LPG. We plan to extend coverage across priority segments and locations, enhance scheduling and routing through analytics, and integrate end-to-end digital ordering, tracking, and billing for corporate accounts.

## LPG business across UAE

In LPG, we see attractive growth in Dubai and the Northern Emirates, building on a strong base in Abu Dhabi. We intend to gain share in these markets and scale profitability in Abu Dhabi through an enhanced digital distribution model leveraging the ADNOC Dist mobile application. Our customer proposition includes direct-to-customer delivery, innovative vending machines for on-demand access, and lightweight composite cylinders that improve safety and ease of use.



# 225

ADNOC MyStation trucks



# 130

LPG cylinder delivery units



## Domestic lubricants business

In lubricants, we maintain our number one position in the UAE by sales volume across automotive, industrial, and marine segments. Growth is supported by a rising vehicle parc, ongoing industrial and construction activity, and increased commercial and marine transportation. We intend to protect and grow our leading domestic position while accelerating exports, expanding our portfolio into specialty and next-generation fluids including EV fluids and immersion cooling solutions to meet evolving customer needs.

In aviation and bulk fuels, we will build on our operational track record to pursue targeted growth domestically and internationally through high-service, value-added B2B offerings. Our approach emphasizes selective market entry, disciplined risk management, long-term partnerships, and a consistent focus on reliability, safety, and product quality.

Our sustainability impact will be evidenced by uptake of biofuels and other lower-carbon solutions and by measurable support for our customers' emissions-reduction objectives. Overall, we are transforming our commercial business into a full-spectrum energy partner - delivering reliable supply, superior convenience, and lower-carbon solutions. With the right scale, channels, and capabilities, we are well positioned to capture growth across main fuels, LPG, aviation, and lubricants in the UAE and select international markets, creating long-term value for our customers and shareholders.

## Domestic non-fuel retail

ADNOC Distribution is transforming from a fuel-led network into a convenience and mobility leader, leveraging its national scale, trusted brand, and prime real estate to capture the highly profitable non-fuel retail opportunity. Longer-stay EV charging is increasing dwell time, creating a clear pathway to convert visits into higher-value transactions across food and beverage, convenience retail, car care, and quick service restaurants.

### Reinvent convenience stores as 'foodvenience' destinations

We are the largest convenience store operator in the UAE, with 384 stores, and the leading food FMCG player in the UAE convenience market. We aim to expand our convenience network by 25% by 2028 versus the 2023 baseline, following a disciplined growth approach. In 2025, we added 13 new convenience stores in the UAE, including stand-alone locations, to capture non-fuel retail growth beyond service stations and leverage our strong brand recognition.

To elevate the customer experience and margins, we are transforming our stores from traditional "convenience" destinations into F&B-led 'Foodvenience' hubs - shifting the mix toward high-margin categories and doubling the volume of barista-prepared drinks by 2028 versus the 2023 level. In 2025, we introduced our refreshed convenience brand, Oasis by ADNOC, featuring the premium On-the-Gourmet concept with elevated food and beverage offerings. New ranges include healthy fruit pots, ready meals, power bowls, and innovative wellness categories such as protein and nutrition corners.

This transformation is underpinned by advanced analytics and segmented offerings: using AI tools, we cluster stores by location and customer profile to optimize assortment, pricing, freshness, and waste, while personalization is scaled through ADNOC Rewards. We are integrating e-commerce, Click &

The strategy is anchored in disciplined, returns-focused growth, supported by data-driven personalization through ADNOC Rewards and the optimization of the real estate footprint to enhance margins, cash generation, and customer satisfaction.



Collect, and drive-thru options to extend convenience, and in 2025 we partnered with noon Minutes to enable ultra-fast delivery of Oasis by ADNOC products - reinforcing quick-commerce capabilities and catering to both on-the-go customers and longer-stay EV charging visits.

In 2024–2025

6

high-capacity  
tunnel car washeswere launched  
featuring best-in-class  
technology

### Create one-stop destination for car care services

We are evolving our Car Care business to deliver a seamless, modern experience across car wash, lube change, and vehicle inspection services, positioning our stations as one-stop destinations for vehicle needs. Over 2023–2024, we introduced a new car wash layout at multiple sites in the UAE, combining premium design with improved equipment to enhance throughput and customer satisfaction.

In 2024–2025, we launched six high-capacity tunnel car washes featuring best-in-class technology, providing significantly greater capacity than conventional facilities, with additional tunnels planned for 2026.

We are embedding digital enablement across the journey, including streamlined booking, contactless payment, and loyalty integration, to improve convenience, reduce wait times, and support cross-selling into Foodvenience and retail offerings turning routine car care into a higher-value visit.

### Enhance real estate returns by attracting more Quick Service Restaurants brands to our network, driving additional footfall and optimizing tenant mix

We are sweating our assets through real estate optimization at service stations to diversify revenues, drive footfall, and grow profitability. Our property strategy focuses on monetizing our land bank by building Community Hubs and a QSR platform to capture a larger value pool; upgrading tenant mix to enhance yields; and selectively operating franchises to extract more value across the chain and generate franchising growth.

As of the end of 2025, we operated 20 Burger King outlets under a franchise model, achieving a 2.5x yield improvement versus a conventional rental approach. To fast-track non-fuel retail growth and maximize value, we launched The Hub by ADNOC in 2025 - a community anchor that triples the non-fuel retail footprint at select stations and brings together Fuel, Fast Charge, Food, Fix, Fun, and Family.

We launched six flagship Hubs in 2025 and have a clear roadmap to scale nationally, targeting 30 sites by 2030. This EV-ready format is designed to meet evolving expectations for convenience, speed, and lifestyle, deepen customer engagement, and unlock new revenue streams by turning our service stations into destinations of choice.

we operated

20

Burger King outlets

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## Strategy in action

### Redefining roadside retail with 'The Hub by ADNOC'

As customer expectations evolve toward integrated, lifestyle-oriented experiences, ADNOC Distribution sought to diversify beyond traditional fuel services and accelerate non-fuel retail growth.

In November 2025, ADNOC Distribution launched 'The Hub by ADNOC', a pioneering roadside retail concept that combines essential services - fuel, EV charging, and car care - with lifestyle offerings such as dining, fitness, and family recreation. Each hub features a retail footprint three times larger than conventional service stations, creating vibrant community destinations. 'The Hub by ADNOC' will feature play zones for children, public fitness areas, and a variety of recreational and athletic facilities - including padel courts and gyms - placing family fun at the heart of the concept and offering compelling reasons for visitors to stay longer.

The first six 'The Hub by ADNOC' locations hosted leading retail and dining partners including Lulu Hypermarket, McDonald's, Starbucks, KFC, Hardee's, and Al Baik, as well as ADNOC Distribution's signature 'Oasis by ADNOC' convenience stores - providing customers with a wide range of choice and convenience.

In addition, select 'The Hub by ADNOC' locations will include pop-up retail markets designed with seasonal, rotating concepts, offering an ever-changing variety of products and experiences to keep the customer journey fresh and engaging.

#### Impact

1. First location opened in Shawamekh, Abu Dhabi; **six sites** opened by end-2025 and **30** expected by 2030
2. **90%** of retail units at initial sites already leased to leading brands
3. Expected to contribute **AED 110 million** EBITDA annually by 2030, where with **90%** coming from secured rental income, reinforcing ADNOC Distribution's commitment to double non-fuel retail transactions by 2030

#### Key Differentiator

'The Hub by ADNOC' transforms service stations into multi-purpose destinations, leveraging ADNOC Distribution's extensive land bank and retail partnerships to deliver convenience, community, and growth.



# Building International Platforms



## International retail: expand the assets

ADNOC Distribution's international growth strategy focuses on disciplined capital allocation, capex-light models, and select partnerships and M&A to deliver attractive risk-adjusted returns. We aim to increase the earnings contribution from our international operations and maximize value from our established platforms in Saudi Arabia and Egypt, leveraging our integrated fuel retail and high-quality non-fuel offerings to scale efficiently and profitably.

### Saudi Arabia – smart expansion in accelerated mode

Saudi Arabia is a large, fragmented fuel retail market with over 7,000 service stations, where our operating experience and integrated model provide a clear competitive advantage. After entering the Kingdom in 2018 with two stations, we built a fully operational team and, in 2025, accelerated expansion to 199 stations doubling the network versus end-2024. This included 99 contracted retail stations using a capex-light, value-accretive Dealer Owned Company Operated (DOCOC) model. We plan to continue organic growth through DOCOC, driving efficient capital allocation while capturing share in both fuel and non-fuel categories.

### Egypt - building on synergies to expand aviation segment and grow lubricant market share

Our presence in Egypt through a 50% stake in TotalEnergies Marketing Egypt LLC, acquired in 2023, provides a diversified platform with 244 retail fuel stations, aviation fuel, lubricants, wholesale fuel operations, approximately 140 convenience stores, over 200 lube change bays, and more than 130 car wash locations. Egypt offers attractive growth potential across retail, lubricants, and aviation, supported by tourism and a growing industrial base. Between 2023 and 2025, twelve stations in Cairo were rebranded to ADNOC. We are leveraging dual-brand strength to grow lubricant market share and expand aviation services to more airlines. ADNOC Voyager lubricants local blending started in 2024, positioning Egypt as a regional export hub.

### Other markets

Beyond Saudi Arabia and Egypt, we are actively exploring inorganic opportunities in high-potential markets where fuel demand is expected to grow. Our strong balance sheet and ample liquidity enable step-change expansion through value-accretive transactions, while maintaining disciplined capital allocation and clear return thresholds.

## International expansion for lubricants

Wholesale lubricants is a high-potential growth engine that supports domestic and international expansion across the Middle East, Africa, and Asia. Our export network grew to 52 markets by end-2025, up from 46 in 2024. We plan to increase sales by introducing new formulations and specialty products using ADBase (a world-class base oil supplied by ADNOC Group), modernizing packaging, and expanding a portfolio benchmarked to global leaders. We are prioritizing both organic and inorganic growth in KSA and Egypt, supported by local blending in Egypt to serve regional demand efficiently.



# Future-proof our business

## Capitalize on opportunities created by the energy transformation

We are committed to creating incremental shareholder value by leading in sustainable mobility and unlocking new revenue streams from the energy transformation. Our approach spans EV charging, hydrogen, and biofuels, and is underpinned by operational decarbonization initiatives that enhance efficiency and resilience.

### Lead in EV charging services and alternative fuels

We are rolling out profitable fast and super-fast EV charging points across our UAE service stations and dedicated mobility hubs, calibrated quarterly to match actual EV uptake and supported by best-in-class technology. By end-2025, we reached 402 charging points across strategic highways and urban locations, equivalent to an 83% increase versus 2024 cementing our leadership in on-the-go EV charging. We target 500–750 charging points by 2028 and aim for similar profitability as our fuel retail business, assuming the on-the-go segment captures approximately c.20% of EV charging customer demands. The network is integrated with ADNOC Rewards to offer an accessible, reliable, and convenient charging experience. In parallel, we are exploring hydrogen and biofuels transport solutions to support the UAE's cleaner mobility ambitions.



### Decarbonizing our operations

We have committed to reduce the carbon intensity of our operations by 25% by 2030 across Scope 1 and Scope 2 emissions compared to 2021.

Our decarbonization roadmap includes installing solar panels across our UAE service station network, using biofuels to power our fleet, and implementing energy optimization initiatives.

From 2023 to 2025, we began solar installations across Dubai stations and signed an agreement to start solarization in Abu Dhabi.

Additionally, 100% of our UAE heavy fleet now runs on biofuel, aligning our operational footprint with national sustainability goals while improving energy efficiency.



### New adjacencies and business models

We are extending our core strengths into vehicle servicing, fleet solutions, master franchising for quick service restaurants, food and grocery convenience, and sustainability solutions. These adjacencies will be scaled organically and through acquisitions or partnerships, broadening our revenue base beyond fuel, improving margins, and building durable platforms for long-term growth.



# Our 2028 ambition

ADNOC Distribution is committed to continue delivering EBITDA growth from 2024 to 2028 through its identified key strategic initiatives and focus areas, aiming to transform into a multi-energy, convenience, and mobility leader.

## Key performance indicators

On track to deliver against key strategic growth targets for 2028

| KPI  | 2028 Target                        |
|--|------------------------------------|
| Expand fuel retail network                     | 1,150 stations                     |
| Expand EV charging points network in the UAE   | 10-15x growth*                     |
| Achieve like-for-like OPEX savings             | Up to AED 184 million over 2024-28 |
| Increase number of convenience stores          | +25%*                              |
| Increase number of non-fuel transactions       | +100%**                            |
| Double number of barista-prepared drinks       | +100%*                             |
| Growth in car wash transactions                | 3x*                                |
| Growth in number of lube change transactions   | 2x*                                |
| Growth in number of vehicle inspection centers | 1.3x*                              |
| Scale up franchise operations                  | 50+                                |
| Increase quick service restaurant brands       | ~2x*                               |

\*Compared to 2023 level

\*\* 2030 target compared to 2023 level