

# ACCELERATING INTERNATIONAL GROWTH WITH THE ACQUISITION OF SHELL DOWNSTREAM SOUTH AFRICA (SDSA)

Investor presentation



7 July 2026

# Agenda



**01**

TRANSACTION  
OVERVIEW

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**Bader Saeed Al Lamki**  
Chief Executive Officer



**02**

STRATEGIC  
RATIONALE & IMPACT

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**Athmane Benzerroug**  
Chief Strategy,  
Transformation &  
Sustainability Officer



**03**

TRANSACTION TERMS  
AND REGULATION

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**Ali Siddiqi**  
Chief Financial Officer



**04**

GROWTH LEVERS &  
INTEGRATION

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**Klaas Mantel**  
Chief Operating Officer



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# Shell Downstream South Africa (SDSA) proposed acquisition

1

## Value-accretive transaction for shareholders with compelling expected financial returns

- Debt financed proposed acquisition of 100% of the shares in SDSA with an implied Enterprise Value of ~\$1bn (on a 100% basis of SDSA's share capital), with a subsequent sell-down of a 28% stake to a local empowerment partner and ESOP <sup>(1)</sup> post-closing
- SDSA is expected to increase ADNOC Distribution EBITDA by c.13% and EPS by c.6% in Year 1 post closing
- Acquisition represents ~6x EV/EBITDA multiple, offers a FCF yield of ~15% and is expected to generate an IRR above the Company's hurdle rate
- Anticipated acquisition implementation date (transaction becomes effective): 2027

2

## Resilient fundamentals and structured regulatory framework supporting earnings visibility

- South Africa offers exposure to resilient fundamentals supported by underlying and improving economic growth
- Represents a compelling fuel customer location with predictable gasoline pricing regulatory framework like UAE designed to support sustainable returns across the value chain
- Opportunity to position ADNOC Distribution as one of the leading mobility players in South Africa

3

## High-quality business with established positions in fuel, non-fuel retail and lubricants

- Retail network with throughput per station more than 30% above the South Africa average, providing a strong platform for further optimization
- Attractive real estate model: c.50% of sites are owned, supporting long-term value and operational flexibility
- Access to the leading lubricants brand portfolio on a long-term license basis

4

## Incremental shareholder value through identified growth opportunities

- Potential \$30-40m incremental run-rate EBITDA by Year 5 (linear ramp-up from Year 2) driven by network optimization, realization of the full regulated margin through ADNOC supply arrangement, commercial growth initiatives and Non-Fuel Retail uplift
- Post-closing integration will be centrally-led by ADNOC Distribution, through a structured post-merger integration framework, combined with local management continuity
- Building on ADNOC Distribution's proven international M&A track record in Saudi Arabia and Egypt

# Target overview

SDSA is a leading fuel distribution player in South Africa with a 120+ year operating history and a well-established asset base and brand

## Retail: 71% of volumes <sup>(1)</sup>

- **Leading player** by network size (#3) <sup>(2)</sup>
- ~75% of network located in **the three key economic hubs**
- **High freehold ownership:** long-term value and operational flexibility

>2.5bnL <sup>(3)</sup>

retail fuels sold <sup>(1)</sup>

580 sites

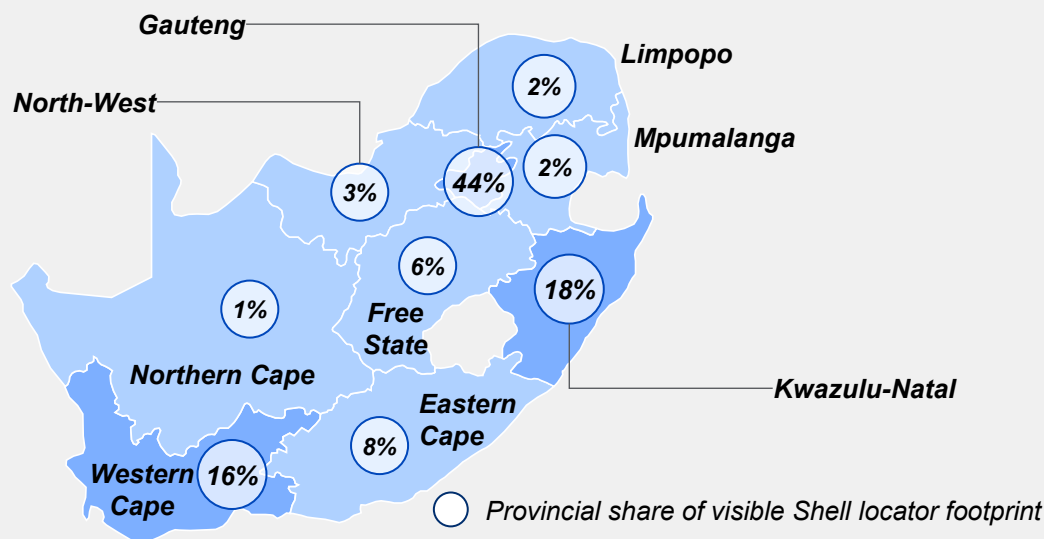
60% CODO/40% DODO <sup>(1)(5)</sup>

~4.4mL <sup>(4)</sup>

throughput >30% above sector avg.

~50%

freehold ownership



## Corporate: 18% of volumes <sup>(1)</sup>

- **Established platform** supplying commercial fuels to key industries
- **Resilient and competitive supply chain** to drive B2B growth
- **Offering >30 lubricants products** to an established client base under a leading brand

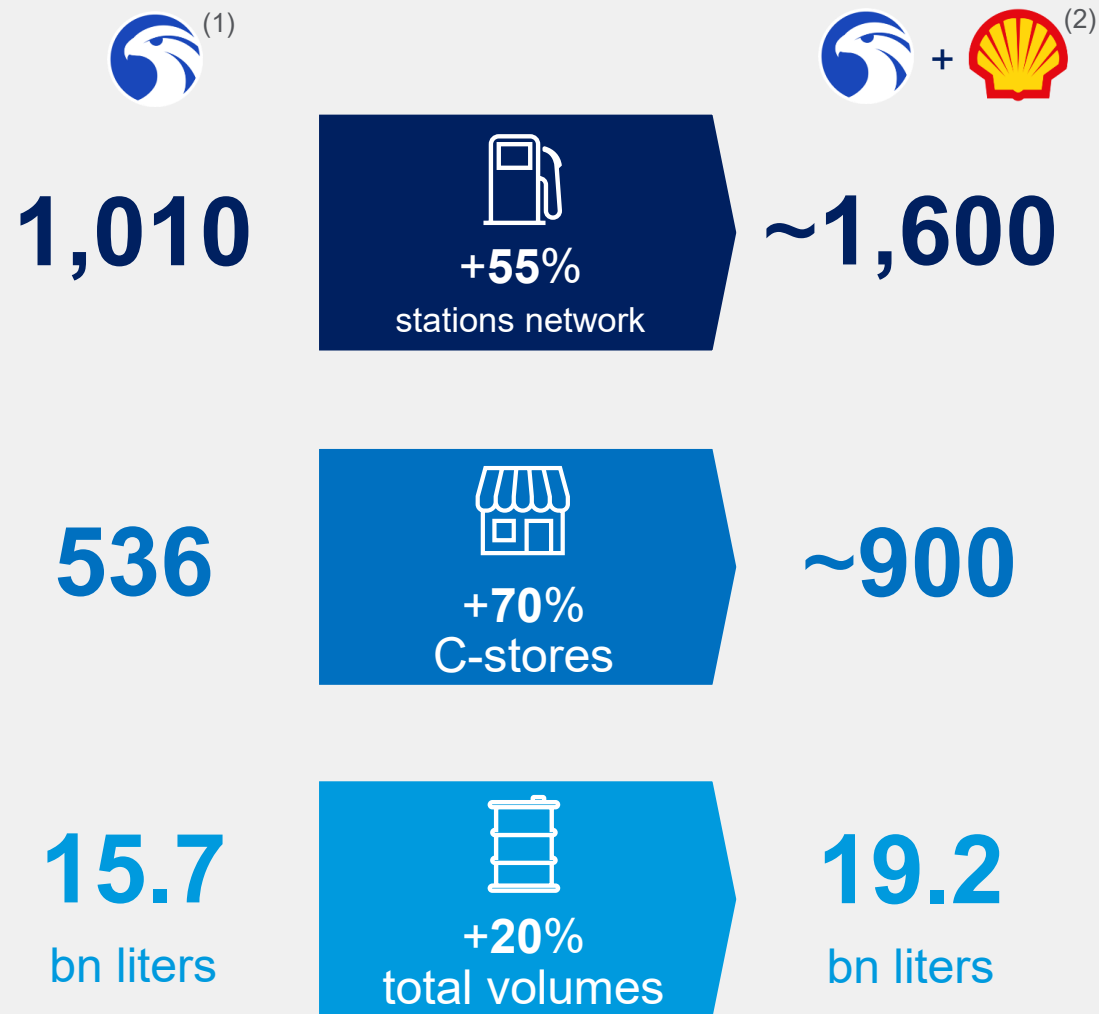
## Aviation: 11% of volumes <sup>(1)</sup>

- Supplying **3 int'l airports** and **15+ major airlines**
- **\$-denominated prices** alleviate FX exposure
- **Established operations** offering growth runway

## Supply chain

- **Assets in key infrastructure hubs** ensuring supply resilience
- **Six terminals owned and operated**
- **Access to third-party terminals** to bolster supply network

# Strategically transformative proposed transaction



# Expected financial impact of the transaction on ADNOC Distribution



<b>EBITDA</b>	<b>\$1,166m</b>	<b>c. +13%<sup>(3)</sup></b>
<b>Net profit</b>	<b>\$761m</b>	<b>c. +6%<sup>(3)</sup></b>
<b>Net debt/EBITDA<sup>(4)</sup></b>	<b>0.7x</b>	<b>&lt;1.2x<sup>(3)</sup></b>

Material growth in scale across all relevant financial KPIs while maintaining financial discipline

# Overview of key transaction terms and structure

## Transaction structure

- Acquisition of 100% in Shell Downstream South Africa (SDSA) with a subsequent sell-down of a 28% stake to a local empowerment partner and ESOP <sup>(1)</sup> post-closing in line with local regulation
- ADNOC Distribution to ultimately own a majority stake of 72% in Shell Downstream South Africa (SDSA)

## Transaction funding <sup>(2)</sup>

- Efficient combination of ADNOC Distribution's financing resources, SDSA-level ZAR-denominated non-recourse debt with net debt/EBITDA of ~2x at SDSA level, as well as local partner financing
- Post-transaction, ADNOC Distribution's net debt to EBITDA to remain under 1.2x

## Branding

- Long-term branding agreement to continue operating Shell's established globally-recognized brand with more than 120 years of presence in South Africa

## Conditionality

- Transaction is subject to customary regulatory conditions, other conditions precedent and closing conditions

## Anticipated completion

- Anticipated acquisition implementation date (transaction becomes effective): 2027
- Envisaged timeline is in line with precedent transactions in South Africa

# South Africa offers a robust fuel retail margin regulatory framework

Embedding an efficient margin protection mechanism for inflation and FX volatility



## Regulation based on return on investment

- **Allowing sustained investments:** by offering a balance between pump price level and accretive return on investment
- **Designed to protect industry participants:** Fuel distribution seen as strategically important given its impact on Small-To-Medium Enterprises (SME) and employment in South Africa



## Fuel price regulation framework and gross margin per liter comparable to the UAE

- **Monthly price adjustment** for global crude oil prices reflecting costs of imports
- **Additional margin protection** with a Basic Fuel Price (BFP) reflecting import cost economics and shielding from macro fluctuations



## South African retail fuel sector operates under two main models

- **CODO / CLDO** (Company Owned / Leased - Dealer Operated) (60% of SDSA's total network <sup>(1)</sup>): Local players (Dealers) operate a station CODO / CLDO model offers higher oversight of site performance and benefitting from a higher share of retail fuel margin but requiring a high capital investment
- **DODO model** (Dealer Owned - Dealer Operated) (40% of total network <sup>(1)</sup>): Local players (Dealers) operate a station. Lower oversight of site performance and not receiving a share of retail fuel margin but having a low capital investment



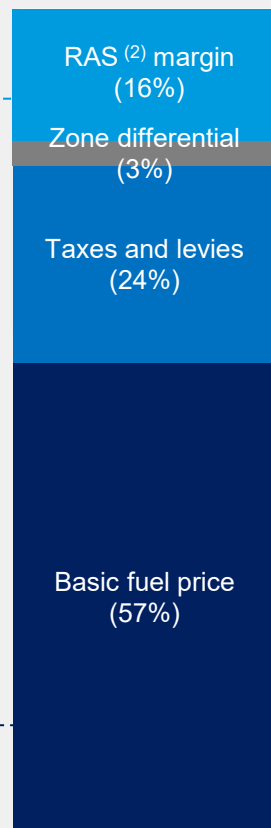
# South Africa retail fuel sector regulation: Structured pricing mechanism shields from macro fluctuations and enables predictable returns <sup>(3)</sup>

## Regulated fuel pricing mechanism <sup>(1)(3)</sup>

How pump prices are set

- Regulatory certainty and transparency
- Based on **guaranteed return on investment** across the value chain

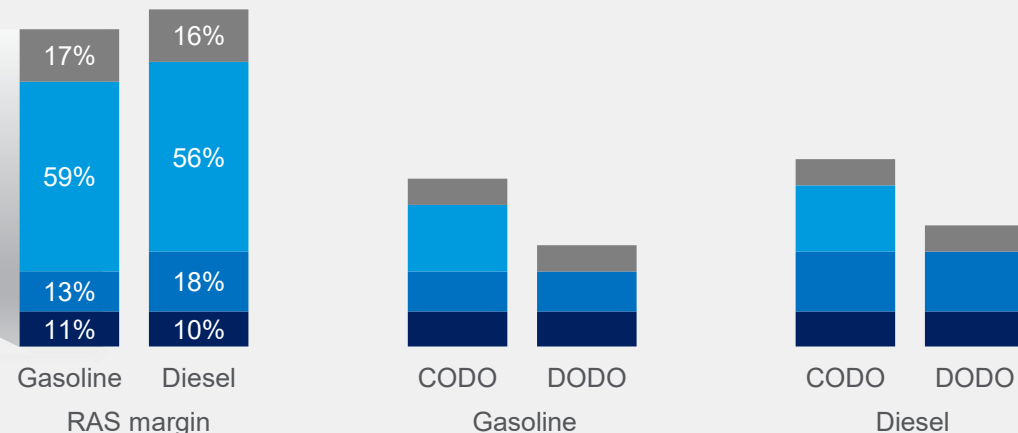
Predictable and quantifiable earnings



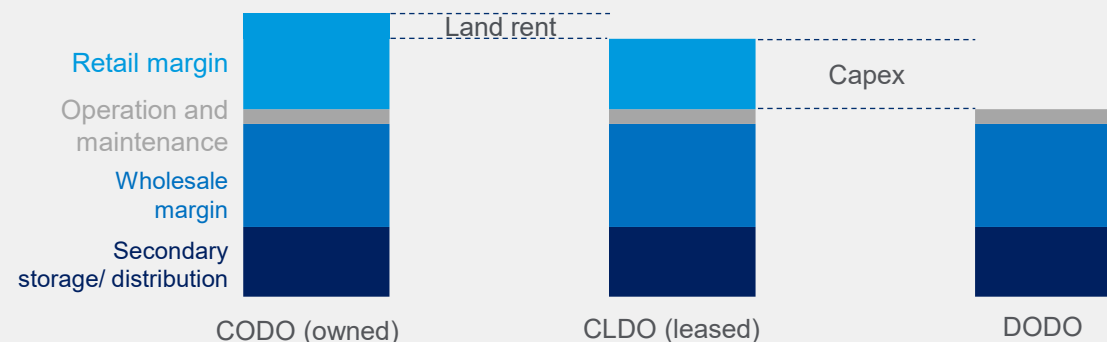
- Import parity pricing principle – based on **international benchmarks**
- Framework designed to support **sustainable returns across the value chain**

## RAS <sup>(2)</sup> and retail fuel margins <sup>(3)</sup>

■ Zone diff. ■ Retail margin ■ Wholesale margin ■ Secondary storage/distribution



## Key differences between operating models

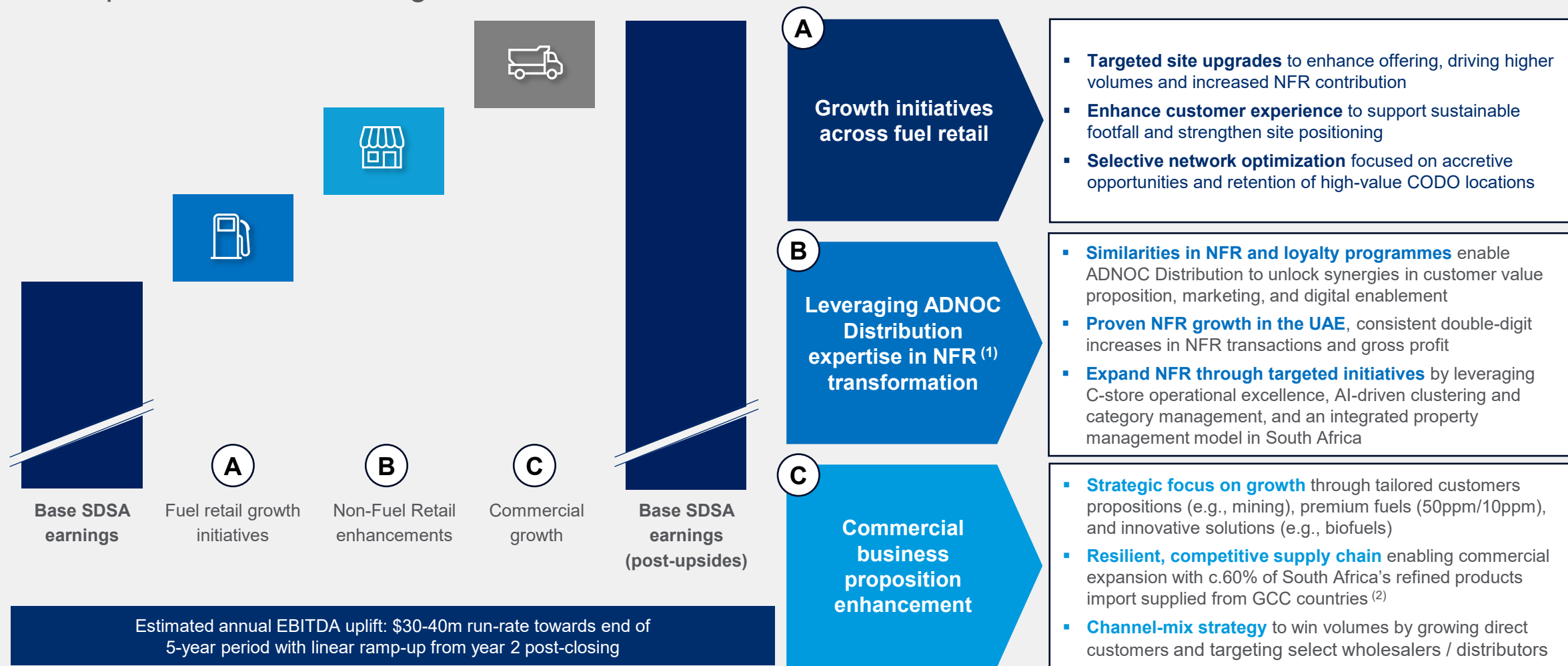


(1) Source: Department of Mineral and Petroleum Resources of South Africa, Fuels Industry Association of South Africa (as of June 2026), (2) RAS: The Regulatory Accounting System, (3) Diesel retail prices are not regulated but have a comparable price structure to gasoline with retail margins estimated to be similar



# Clear, executable growth levers across fuel retail, NFR <sup>(1)</sup> and B2B

Leveraging ADNOC Distribution's execution track record, disciplined M&A, detailed integration plan and experienced local management



Note: Chart is illustrative and not to scale.

(1) Non-fuel retail, (2) Department of Mineral And Petroleum Resources, as of 2024. Refined products include gasoline, diesel and jet fuel

# Clear path to integration with strong execution certainty

Leveraging ADNOC Distribution's integration experience, detailed planning and alignment with Shell to ensure smooth transition and execution post-completion



## Leveraging expertise

- ADNOC Distribution will utilize its expertise to ensure a successful integration of SDSA as an international subsidiary similar to current operations in KSA and Egypt – leveraging operational, marketing, and digital capabilities



## Experienced management team

- Retain SDSA's strong in-country management team with c.100 years of combined experience, complemented by core ADNOC Distribution management's direct experience in South Africa of more than 30 years



## Close engagement with Shell

- Structured transition with Shell to ensure operational continuity and minimize execution risk



## Benefiting from strong brand on the ground

- SDSA to continue operating under the Shell brand and distribute branded lubricants in South Africa on a long-term license basis

Strong alignment in operating model reduces integration complexity and supports execution certainty

# Closing remarks

SDSA proposed acquisition is a value-accretive transaction, delivering potential for additional value for shareholders through visible sustainable growth and identified growth drivers



**SDSA acquisition =  
Earnings and cash flow accretive  
from Year 1**

**+13%** EBITDA<sup>(1)</sup>

**+6%** EPS<sup>(1)</sup>

**~15%** FCF yield<sup>(1)</sup>  
+

**Compelling shareholder returns**  
with above communicated  
investment return hurdle rate



**Higher Net profit with SDSA  
=  
Potential for higher dividend  
faster for ADNOC Distribution  
shareholders**

Current dividend policy provides  
visibility and upside from future  
Net Profit growth

**\$700** million or

**75%** of net profit  
whichever is higher



**South Africa provides ADNOC  
Distribution an opportunity to  
realize clear upside**  
by leveraging its advanced  
retail capabilities

**\$30-40** million

Estimated incremental run-rate  
EBITDA by Year 5

**5-year**

SDSA growth outlook: targeting mid-  
single digit annual EBITDA growth,  
high-single digit annual NI growth

**High-quality business with  
leading positions in fuel, non-fuel  
retail and lubricants operating under  
an established brand**

**South Africa mirrors the UAE  
with highly-visible fuel retail  
regulatory regime, which protects  
against inflation and currency risk,  
attractive gross profit /liter margin  
as well as fuel demand potential  
reinforced by growth in driving-age  
population**

**Transaction is expected to be  
completed in 2027, subject to  
obtaining regulatory approvals**

**Strategically transformative  
transaction**



**1,010**  **~1,600**

+55% in stations  
network

**536**  **~900**

+70% in  
convenience  
stores network

**16** bn  
liters  **19** bn  
liters

+20% in fuel  
volumes



Q&A



# APPENDIX

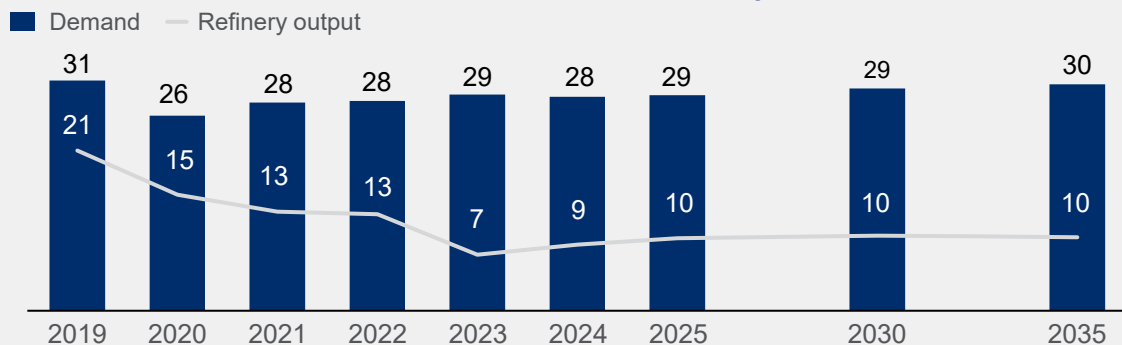


# South Africa fuel retail sector overview

Favourable demand outlook with a c.60% import share supported by CODO-led structure, and limited EV exposure

## c.60% of refined products demand may be dependent on imports

South African fuel demand and refinery output, bnL<sup>(1)</sup>



- South African fuel sector is mature with insulation from EV
- South Africa has lost ~60% of its refining capacity

## South African fuel retail operates under two operating models

- Operating model ensuring economic benefits shared with local operators

### CODO

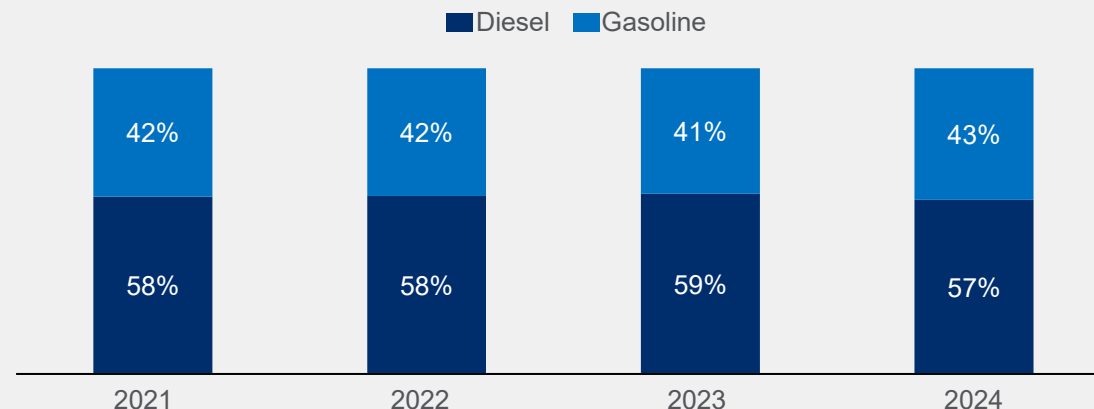
- Company owns or leases site and owns assets
- Higher control of site performance
- High capital investment, rewarded through a higher share of retail fuel margin

### DODO

- Dealer owns/leases site and usually owns assets
- Lower control of site performance
- Low capital investment

## Historically stable mix between gasoline and diesel products

South African fuel retail volume split by product <sup>(2)</sup>



## Strong network in an established area; SDSA leads by throughput



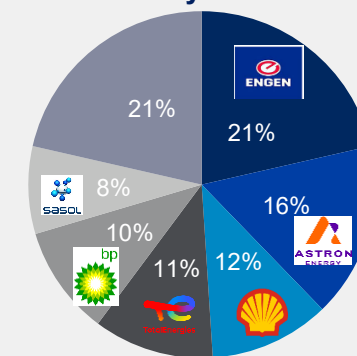
**580** stations **60% CODO**  
**40% DODO**

AVG throughput per site

**~4.4 mL p.a.** <sup>(2)</sup>

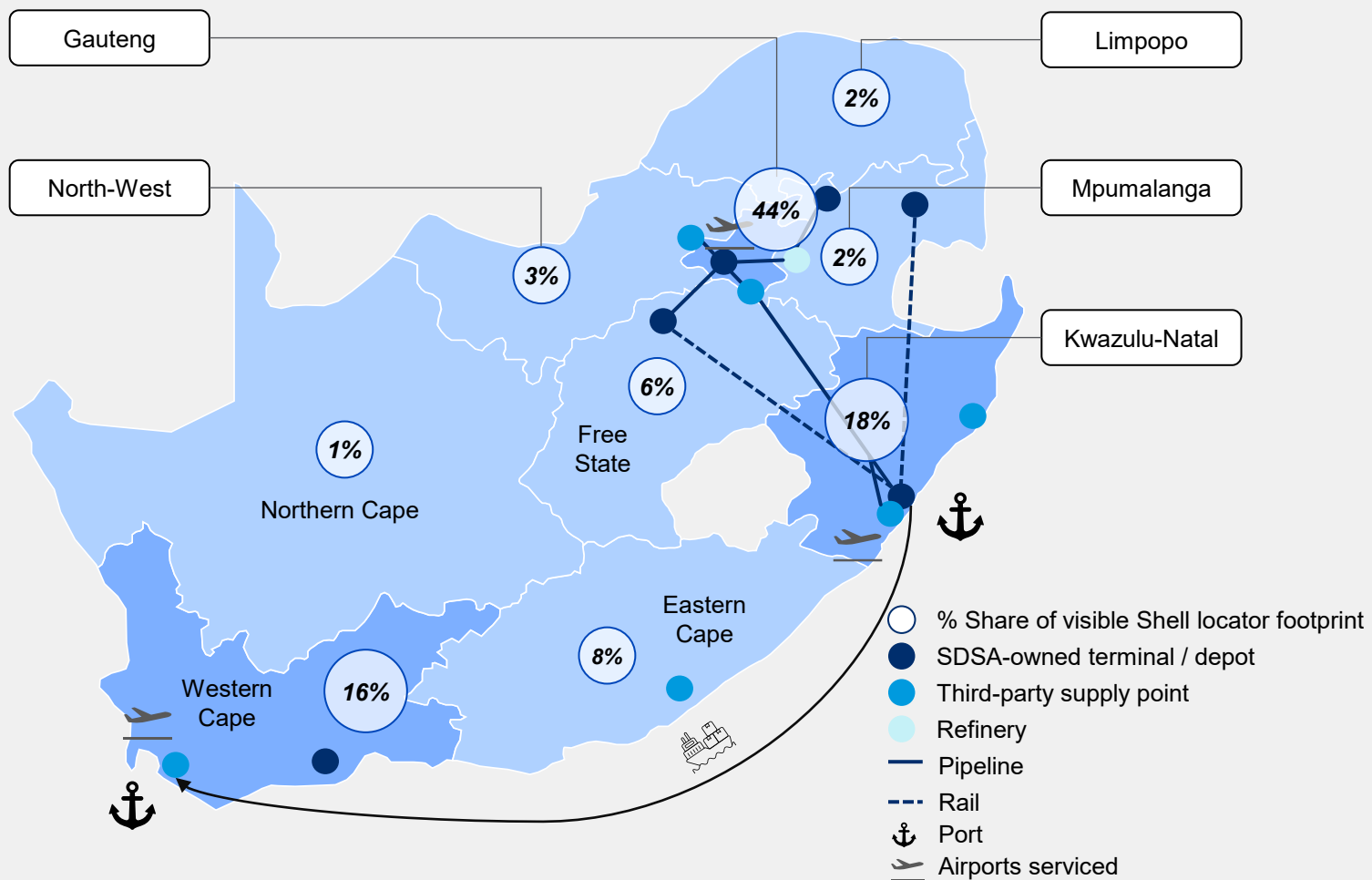
**>30%**  
above sector avg.

Overall network share <sup>(2)</sup>  
SDSA: #3 by network size



# SDSA extensive footprint

Extensive network and infrastructure serving key industry hubs and the busiest port in the country



- ✓ Distribution network among best-in-class ensuring consistent and reliable fuel supply
- ✓ 75% of sites located in key economic hubs
- ✓ 6 owned and operated terminals, 6 other third-party owned supply points
- ✓ Established supplier to major airports and international airlines in South Africa



# Transaction financing

ADNOC Distribution to finance the deal with debt with 50% at ADNOC Distribution Group level, 40% at SDSA level (ZAR denominated) and remainder as participation from BEE partner

## Envisaged transaction funding sources

### Sources

ADNOC Distribution level financing	~50%
SDSA level financing	~40%
Strategic B-BBEE Investor financing resources	~10%
<b>Total sources</b>	<b>100%</b>

- ADNOC Distribution's net debt to EBITDA post-transaction of <math><1.2x^{(1)}</math>
- All local debt will be non-recourse to ADNOC Distribution (in ZAR) providing a natural hedge against currency devaluation
- Funding sources and uses subject to closing accounts adjustment
- Final funding mix to be confirmed after regulatory approval