ADIPEC ROUNDTABLE INSIGHTS REPORT 2025

OIL – GAS – MONEY: How can Publicly-Listed UAE Energy Companies Balance Capital Discipline & Growth to Deepen Engagement with Retail Investors?

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FOREWORD

Balancing Pragmatism and Purpose in the Energy Transition

Matthew Nix
Head of Corporate Finance, Dana Gas

The energy industry has always been shaped by cycles—of prices, policies, and public sentiment. When I began my career, the focus was all about production growth and reserve replacement. Companies were judged by how fast they could expand, and investors worried about "peak oil supply." Fast-forward a few decades, and that anxiety has flipped. Today, the conversation centers on capital discipline, shareholder returns, and, increasingly, how oil and gas fit into the broader Energy Transition.

We now find ourselves in what I'd call a pragmatic era. Investors, governments, and companies recognize that oil and gas will remain essential to global energy security for years to come, even as cleaner technologies take hold. The challenge isn't whether hydrocarbons have a future—it's how responsibly we produce and reinvest in them while funding the transition ahead.

At Dana Gas, and indeed across the region, this means constantly balancing capital allocation. Investors expect stability and dividends, yet sustained growth requires reinvestment. The tension is clear: many retail investors are laser-focused on the next dividend payout, not necessarily the long-term growth that ensures future ones. As management, we must deliver both—meeting short-term expectations while preserving the capacity to expand and evolve.

That balance depends on transparent communication and trust. We must articulate why reinvesting profits into gas and transition-fuel projects isn't a threat to returns, but their safeguard. For Gulf markets, where dividends carry cultural as well as financial weight, this education is key. The Middle East has an opportunity to lead by example—to show that profitability, responsibility, and Energy Transition can coexist. Pragmatism, not polarization, will define the winners in this new energy order. ■

INSIGHTS
ADNOC Investor Majlis

Dividend Commitment and Market Leadership

ADNOC is targeting to distribute AED158 billion ($43 billion) in dividends across its six publicly listed companies through to 2030, subject to customary approvals, in addition to the AED86 billion ($23 billion) already paid since the first company IPO in 2017. ADNOC's six listed companies represent more than AED550 billion ($150 billion) of the market cap and nearly 40% of the annual dividends paid on the ADX.

Quarterly Dividend Distribution and Growth Focus

ADNOC Distribution, ADNOC Gas and ADNOC Logistics & Services (L&S) will be joining ADNOC Drilling in distributing dividends on a quarterly basis, giving more frequent payments to investors.

ADNOC's AI Transformation Unlocks Long-Term Value

ADNOC's rapid adoption of Artificial Intelligence and advanced technology is driving a new wave of efficiency, growth, and productivity across its operations. Its flagship predictive maintenance platform, Neuron 5, has reduced unplanned shutdowns by 50%, boosting asset utilization, cash flow stability, and profit margins, and ENERGYai - the world's first agentic AI solution - is accelerating field appraisal and development timelines.

SOURCE: October 08, 2025 - ADNOC

EXECUTIVE SUMMARY

The energy industry in the UAE has entered a period of reassessment. After years of focusing on production growth, the conversation has moved toward how to maintain discipline, reward investors, and still invest in a lower-carbon future. The country's publicly listed energy companies are at the heart of this shift, managing the expectations of shareholders while navigating the realities of global transition. The balancing act between capital discipline and expansion is shaping the region's corporate strategy, market behavior, and investment culture.

From Volume to Value

The pressure to balance immediate shareholder rewards with longer-term growth has changed how companies think about performance. The old metric of success was production volume, but investors now pay closer attention to efficiency, stability, and return on capital. UAE energy firms must demonstrate that they can be both profitable and responsible, showing a clear path toward sustainability without undermining financial strength. This pragmatic approach is rooted in realism. It acknowledges that oil and gas will continue to play a vital role in global energy supply, even as cleaner technologies gain momentum.

Dividends, Trust, and Market Culture

A central theme emerging from the discussion is the need for companies to explain their purpose in plain terms. Retail investors, in particular, want to understand what they are buying beyond the numbers. For most, the appeal lies in the reliability of dividends. In a region where many households rely on investment income rather than pension plans, dividends have become a cultural expectation as much as a financial one. This behavior makes local markets unique. Companies that fail to meet dividend expectations risk losing trust, regardless of their long-term vision.

Educating the Market: Reinvestment as Growth

Yet focusing solely on dividends can limit growth. Leaders across the sector agree that educating investors is essential. They must see that reinvesting profits into strategic projects is not a threat to future payouts but a way to secure them. Firms such as ADNOC Gas have built credibility by maintaining predictable dividend policies, while others like Fertiglobe are experimenting with creative structures that protect yields while funding transition projects. These examples show that stability and growth are not mutually exclusive when capital is deployed thoughtfully.

Building Investor Confidence Through Transparency

Fertiglobe's story captures this balance well. The company is a global exporter of fertilizers and ammonia, a product increasingly viewed as a bridge fuel for the Energy Transition. Its model links profitability with sustainability by using existing infrastructure to enter the clean fuels market. With support from ADNOC, Fertiglobe can pursue new energy projects without sacrificing returns. This dual identity—part traditional, part transformational—illustrates how UAE energy firms can compete globally while leading locally in responsible growth.

Institutional investors bring a different set of expectations. They look for transparency, disciplined capital allocation, and credible governance. Sovereign funds like Mubadala have been instrumental in driving higher standards by emphasizing predictable dividend frameworks and clear reporting. Their experience managing international portfolios has introduced global best practices to the region, encouraging other listed companies to follow. Mubadala's approach reflects a shift from passive ownership to active market building. It seeks not just returns but also deeper liquidity and confidence in the UAE's financial system.

Deepening the Market Base

The rise of public listings across the energy sector has been transformative. For many state-owned enterprises, going public was less about raising capital and more about embedding accountability. Public scrutiny forces companies to think like global corporations, fostering transparency and commercial discipline. This shift has already paid off, attracting foreign investors and elevating the UAE's reputation as an investment destination. It also demonstrates that privatization, when paired with clear regulation, can be a tool for modernization rather than loss of control.

Still, structural challenges remain. The region lacks the depth of institutional capital found in Western markets. Pension funds, mutual funds, and other long-term investors play a limited role in regional trading activity. Most of the capital comes from sovereign funds or retail investors. Without the stabilizing influence of domestic institutions, market liquidity can fluctuate with sentiment. Creating structured retirement funds that channel savings into local equities could address this gap, providing steady capital for listed firms while supporting personal financial security.

Retail investors, however, continue to dominate. Their

motivations vary, but many focus on dividends and quick gains rather than patient growth. This behavior can amplify market volatility, as short-term reactions to news or policy changes lead to sharp swings. To build a more resilient investor base, companies must communicate more clearly. Simplified reporting, consistent engagement, and educational outreach can help retail investors understand the link between reinvestment and future value creation. Transparency builds trust, and trust attracts longer-term holders.

The changing demographic of investors adds another layer to the story. A growing number of young, tech-savvy individuals are entering the market through online platforms. They are curious, more globally aware, and open to ideas like ESG investing. For them, financial returns are intertwined with values. They want to support companies that reflect environmental responsibility and social purpose. The challenge for energy companies is to connect with this generation honestly—to show that hydrocarbons can coexist with decarbonization, and that transition is not about abandoning the past but improving it.

Communicating the Energy Transition Story

Governance and communication have improved significantly across the Gulf. Exchanges have introduced stricter disclosure rules and investor relations guidelines, bringing greater professionalism to corporate interactions. Companies now publish dividend policies, hold regular capital market days, and engage with both domestic and international analysts. These developments are helping to close the gap between regional and global standards. The market is no longer seen as opaque or insular; it is becoming part of a broader financial conversation that links Abu Dhabi, London, and New York.

Yet there is still work to do. Many expatriates continue to remit their savings abroad rather than invest locally. That habit is changing as inflation and rising global costs make domestic opportunities more attractive, but the mindset persists. Encouraging people to invest at home will require continued market stability, strong corporate governance, and a steady pipeline of high-quality listings. Each successful IPO reinforces the perception that the UAE's markets are credible, accessible, and worth participating in.

Energy Transition adds another dimension to this evolving picture. Global investment sentiment toward oil and gas has shifted over the past decade, often casting hydrocarbons as obsolete. But the world's recent energy crises have exposed the limits of that thinking. Reliability, affordability, and security still matter. The

Peter van Driel, Chief Financial Officer, ADNOC Gas, shares his insights on advancing engagement with retail investors.

UAE's approach—positioning hydrocarbons as essential to the transition rather than obstacles to it—offers a realistic model. By investing in cleaner production and low-carbon technologies while maintaining supply, the country demonstrates that energy evolution can be steady rather than abrupt.

Reforming for Long-Term Stability

Communication is central to this effort. The technology sector built its influence through storytelling—turning products into narratives of progress. The energy industry can do the same by reclaiming its story of innovation and purpose. For decades, it has powered growth, connected economies, and improved living standards. It now has the chance to redefine that legacy for a new era, one centered on efficiency and climate responsibility. Telling that story with clarity and conviction is essential to winning the trust of future investors.

Policy reform will also be key. A modern pension system could transform domestic capital markets, converting short-term savings into long-term investment. If end-of-service gratuities evolved into funded pensions, companies would gain a new pool of reliable investors, and individuals would enjoy greater financial security. It is a structural change that could anchor the next phase of market growth.

The UAE's publicly listed energy firms are proving that discipline and ambition can coexist. They are learning to speak to both local and international audiences, to appeal to traditional income seekers and new value-driven investors alike. Their ability to manage these relationships will define the next stage of the country's financial evolution. This moment is about more than dividends or balance sheets. It is about confidence—the belief that investing in the region's energy story is not just profitable, but purposeful. ■

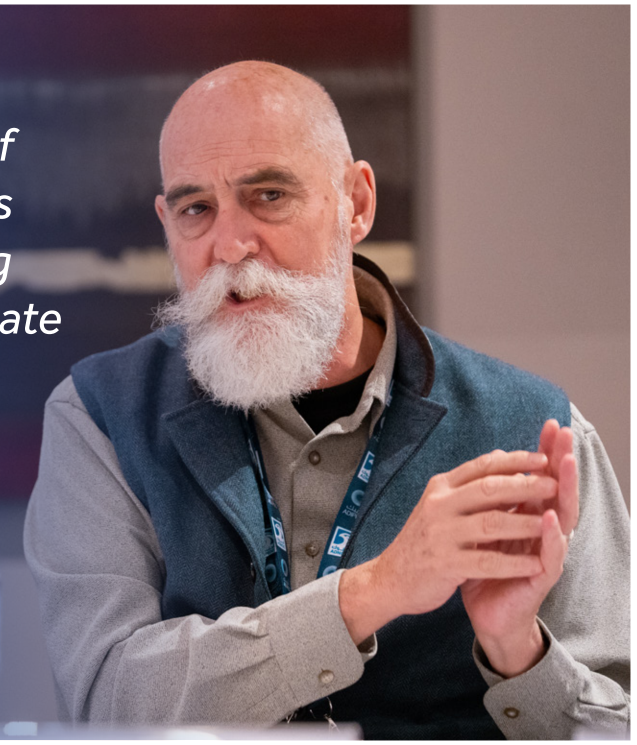
SOUNDINGS

"The Gulf has a unique edge. There is genuine pride in the region's energy leadership and a growing willingness—especially among younger investors—to engage with responsible, forward-looking energy narratives. The transition will take time, but as retail participation deepens and companies differentiate intelligently, the region can position itself as the global hub for low-carbon investment—anchored in performance, pride, and purpose."

Andrew Tait
Group Chief Financial Officer, Fertiglobe

"For too long, Middle Eastern energy players have followed the footprints of global majors like Shell and BP. Now, as those firms lose direction—struggling with dividend policy, inconsistent climate strategies, and wavering investor confidence—the Gulf has a chance to lead with clarity and conviction."

James McCallum
CEO & Chairman, Xergy Group
Professor of Energy, Strathclyde University



The ADNOC effect: How Retail Pressure is Reshaping Gulf Markets

Paolo Casamassima
Executive Director - Investor Relations and Stakeholder Engagement, Arqaam Capital

Something remarkable is happening in Gulf capital markets. ADNOC's listings and investor engagement push is triggering other regional corporates to consider similar measures. This ripple effect marks a pivotal moment for the GCC's equity ecosystem. Traditionally, corporate investor relations strategies have focused on attracting institutional investors—often at the expense of retail participants. Retail investors were viewed as volatile, short-term, or even undesirable. But ADNOC's approach has flipped this narrative: it has shown that an engaged, loyal retail base can enhance stability, deepen liquidity, and strengthen national ownership of listed champions. The ADNOC effect is shaping the very DNA of Gulf capital markets. At the same time, regional exchanges are also maturing rapidly. New governance codes, dividend disclosure requirements, and investor relations best practice guides are driving professionalism and accountability.

The question now is how to engage retail investors effectively. Options like automatic dividend reinvestment programs, ESG-linked communication strategies, and the establishment of retail investor relations officers could help bridge the gap between corporate strategy and a new generation of investors. Young investors increasingly expect transparency, accessibility, and purpose-driven engagement—values that traditional investor relations departments must learn to embody. ■

The Evolving DNA of Middle East Energy Listings

Robin Mills
Chief Executive Officer, Qamar Energy

The public listings of Middle Eastern oil companies such as ADNOC, Aramco, and Dana Gas—represent one of the most fascinating structural shifts in the region's energy landscape. Yet, these listings tell three distinctly different stories, each reflecting the unique path and priorities of its parent company.

Saudi Aramco's 2019 IPO offered global investors a rare, if limited, opportunity to access the upstream—the core of its massive value base. ADNOC, by contrast, has pursued a modular strategy: listing subsidiaries in petrochemicals, logistics, and drilling, but stopping short of direct upstream exposure. Dana Gas sits somewhere in between, with upstream assets but outside its home base, giving investors international exposure without the scale of an NOC.

Unlike Western markets—where a vast ecosystem of exploration and production firms compete, merge, and evolve—Middle Eastern public markets remain concentrated and state-driven. The regional model is less about risk-taking or discovery and more about offering investors stable, dividend-paying stocks tethered to long-term growth trajectories and national strategies.

Enhancing Transparency

Crucially, these IPOs were never about raising capital. In a region awash with liquidity, the motivation was strategic: to professionalize state companies and attract global institutional investors. Listing subsidiaries instills a commercial mindset, benchmarks performance against international peers, and boosts the host nation's financial markets by increasing liquidity and visibility. In essence, Middle East energy listings are not mere financial transactions—they're instruments of national ambition. They bridge the public and private, the local and global, while gradually embedding market discipline into state-led giants. The question now is how far this model will evolve—toward a more dynamic, diverse energy market, or remain anchored in the stability that first made it attractive.

TOP 20 TAKEAWAYS

1. Capital Discipline and Growth Balance

Publicly listed UAE energy companies must balance capital discipline with growth. Investors demand strong returns and dividends while expecting continued investment in transition projects, particularly gas and low-carbon fuels. Boards must manage this equilibrium to deliver both near-term value and long-term sustainability amid shifting global energy priorities.

2. Evolving Investor Expectations

The industry has moved from focusing solely on reserve replacement and production growth to prioritizing shareholder returns and environmental alignment. The current pragmatic outlook recognizes oil and gas as essential transition fuels, emphasizing capital efficiency, dividends, and strategic growth within the decarbonization journey.

3. Fertiglobe's Dual Identity

Fertiglobe's strategy merges fertilizer and future energy production through ammonia, positioning it as a transition fuel leader. It leverages ADNOC's partnership for project funding and focuses on maintaining dividend stability while investing in clean energy—appealing to investors seeking both yield and exposure to green transformation.

4. Retail Investor Engagement

Retail investors in the UAE remain dividend-driven and short-term focused, typically seeking immediate returns rather than long-term growth prospects. Companies must simplify messaging, emphasize clear business narratives, and balance dividends with reinvestment to sustain confidence and attract continued local participation.

5. Mubadala's Strategic Perspective

Mubadala views capital discipline as vital for sustaining investor trust and long-term growth. By promoting transparency, progressive dividend policies, and diversification, it aims to reinforce public market liquidity and strengthen the UAE's position as a global investment hub through proactive, not reactive, financial management.

6. Regional Listing Dynamics

The Gulf's public markets differ from Western ones, lacking the diversity of mid-sized E&P players found in the US, UK, or Canada. Local listings tend to focus on stable, dividend-paying giants, underscoring a conservative approach that prioritizes predictable income over speculative growth.

7. ADNOC's Listing Strategy

ADNOC's decision to list subsidiaries was less about raising capital and more about instilling commercial discipline, transparency, and a performance mindset. Public listings enhance accountability and invite global scrutiny, improving efficiency and investor confidence while elevating the UAE's financial market credibility.

8. Retail vs. Institutional Priorities

Retail investors prioritize dividends and visible short-term rewards, whereas institutional investors focus on long-term earnings growth. UAE energy companies face pressure to satisfy both groups, using tools like social media, capital markets events, and clear guidance to bridge communication and expectation gaps.

9. ADNOC Investor Majlis

The inaugural ADNOC Investor Majlis created a vital platform linking management, investors, and analysts. It broadened engagement beyond local retail investors to international institutions, strengthening transparency and competition among ADNOC-linked entities to enhance dividend policies and capital market communication standards.

10. Dividends as a Cultural Anchor

Dividends remain the defining attraction for regional investors. Despite global trends toward share buybacks, UAE investors prefer direct cash payouts. Companies like ADNOC Gas commit to consistent, growing dividends, reinforcing reliability and meeting cultural expectations of tangible, predictable income streams.

11. Challenges of Retail Sophistication

Retail investors in the UAE have become more diverse but remain primarily income-oriented. They often lack long-term perspectives and sophisticated risk assessment, requiring clearer education and communication from corporations to foster sustainable investor bases and reduce speculative trading behavior.

12. Emerging Youth Investor Segment

A new generation of young investors is entering markets via digital platforms and social media. Companies must adapt communication strategies, offering educational initiatives, accessible investor relations tools, and ESG-aligned narratives to engage this tech-savvy, values-driven audience effectively.

13. Market Maturity and Governance

UAE equity markets have matured significantly, with better governance, disclosure standards, and investor relations practices. Exchanges now enforce clearer dividend policies and corporate transparency, improving credibility and positioning the region closer to established global markets in accountability and structure.

14. Institutionalization and Liquidity

While sovereign wealth funds dominate, the GCC still lacks robust domestic pension funds and liquid institutional investors. Building a stronger institutional base is crucial for enhancing market depth, sustaining listings, and stabilizing equity performance beyond retail investor cycles.

15. Shift in Investment Culture

Historically, many expatriates remitted earnings abroad, but inflation and better local opportunities have shifted attitudes. More investors now retain capital within the UAE's markets, drawn by attractive dividend yields, growing IPO pipelines, and confidence in the region's regulatory evolution.

16. Energy Transition Narrative

The Energy Transition remains central but must be reframed as "more energy with fewer emissions." Leaders advocate a pragmatic approach balancing decarbonization with economic development. The UAE's net-zero commitment stands as a signal for continuity rather than retreat from global transition goals.

17. ESG and Perception Shift

The oil and gas industry faces a perception challenge after years of ESG-driven divestment. Regional companies now have an opportunity to lead the narrative—positioning hydrocarbons as enablers of responsible transition rather than adversaries of sustainability, rebuilding global and local investor confidence.

18. Role of Storytelling in Investment

Beyond data and dividends, retail engagement depends on emotional storytelling—portraying the energy sector's innovation, purpose, and contribution to society. Reinvigorating the "romance" of energy work, as seen in early industry narratives, can inspire trust and attract new investor demographics.

19. Need for Policy and Structural Reform

To deepen engagement, policymakers must consider pension reform and other mechanisms to pool domestic savings. Transforming end-of-service gratuities into structured retirement funds could create sustainable local capital sources for long-term energy investment.

20. Future Outlook

The UAE's energy sector stands at a pivotal point. Strengthening retail investor education, expanding institutional participation, and balancing dividends with green investments will define success. With global credibility rising and local pride strong, the region can shape a new investment model for energy. ■

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