ADNOC Classification: Public

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ADNOC LOGISTICS & SERVICES

Q1 2026 Earnings

Management Discussion & Analysis Report
14 May 2026

ADNOC Logistics & Services PLC
Part of Level 28, 28, Al Sarab Tower, Abu Dhabi Global
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جزء من الطابق 28، الطابق 28، برج السراب، مربعة سوق
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ADNOC Logistics & Services

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

Table of Contents

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

Financial Highlights

ADNOC Logistics & Services plc (“ADNOC L&S” or the “Company”) delivered robust financial performance in the first quarter of 2026, recording strong growth in both EBITDA and net profit. Results reflect sustained profitable growth driven by the Company’s strategic growth initiatives, ongoing business diversification, and the resilience of its operating model. Performance was supported by continued strong demand, particularly within the commercial shipping fleet, amid heightened geopolitical volatility.

The effectiveness of the Company’s strategy is evidenced by its diversified business mix and its ability to secure long-term contracts across the majority of operating segments. During Q1 2026, increased geopolitical disruption drove more favourable shipping market conditions, which offset softer performance within the Integrated Logistics segment. This business segments mix underpinned resilient overall financial performance despite segmental divergence. Forward contracted revenue now stands at approximately USD 25 billion, significantly enhancing earnings visibility and long-term cash flow stability.

The Shipping and Services segments delivered solid contributions to the Company’s first-quarter financial performance, underscoring the strength and diversification of ADNOC L&S’s operating model.

Integrated Logistics: recorded a softer overall financial performance, reflecting a combination of pricing and utilisation variances across Jack-Up Barges (JUBs) and Offshore Support Vessels (OSVs), alongside higher fleet operating expenditure. Performance in the Hail & Ghasha project was adversely affected by lower activity levels during the quarter. In addition, the absence of a large-scale EPC project, following the completion of the G-Island project in the fourth quarter of 2025, moderated revenue contribution, while contributing to a modest improvement in EBITDA margins.

Shipping: delivered stronger performance compared to the first quarter of 2025, benefiting from favourable market conditions amid ongoing geopolitical volatility. Earnings were supported by higher Tanker time charter equivalent (TCE) rates, improved Dry Bulk TCE performance, and increased LNG carrier chartering activity. Performance was further enhanced by incremental contributions from fleet expansion during Q1 2026, including two Handysize vessels and newly delivered Das LNG carriers. These positive factors were partially offset by losses on hedging instruments related to Forward Freight Agreement (FFA). In addition, gains on the sale of the VLCC Leicester and incremental contribution from the AW Shipping fleet further supported the segment’s robust performance.

Services: delivered improved year-on-year performance, supported by the reclassification of the ILSP warehouse activities from Integrated Logistics to Services, which positively enhanced the segment’s earnings profile. Results were further supported by higher profit contributions from associates and joint ventures, including “Integrate” the bunkering business of Navig8. These positive factors were partially offset by lower volumes at Petroleum Port Operations (PPO) and the Borouge Container Terminal (BCT). Despite these headwinds, the segment delivered solid profitability and outperformed on a year-on-year basis.

ADNOC L&S’s well-timed and strategically accretive acquisitions, combined with its forward-looking strategy and disciplined operational execution, have materially expanded the Company’s global footprint and reduced its geographic concentration risk, particularly in the Middle East, amid ongoing geopolitical disruption. These initiatives continue to support solid financial performance and reinforce the Company's leadership position within the global maritime logistics sector. For the first quarter of 2026, EBITDA increased by 7% year-on-year to USD 368 million, reflecting margin expansion to 34%. Net profit rose by 20% year-on-year to USD 222 million, driven by earnings growth and improved operating leverage.

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
Revenue	1,083	1,204	-10%	1,187	-9%
Direct Costs	(802)	(975)	-18%	(895)	-10%
EBITDA (1)	368	344	7%	391	-6%
Margin	34%	29%	5pp	33%	1pp
Net Profit	222	185	20%	232	-4%
EPS ($ /share)	0.03	0.02	12%	0.03	-9%
EPS (AED /share)	0.10	0.09	12%	0.11	-9%
Capital expenditures	(264)	(70)	278%	(471)	-44%
Free Cash Flow (2)	130	202	-36%	(26)	605%

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
Total Equity	7,325	5,982	22%	7,225	1%
Net Debt (3)	420	1,104	-62%	694	-40%
Net Debt / EBITDA	0.28	0.80		0.44	

(1) EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

(2) Free Cash Flow is calculated as EBITDA less working capital adjustments less income tax expense less capital expenditure

(3) Net Debt and Cash is calculated as debt and debt-like items consisting of shareholder loan and current and non-current lease liabilities less cash and cash equivalents

Note: Q1, Q2 and Q3 2025 Tankers revenue and direct costs have been re-presented for analytical consistency, with no impact on Gross Profit, Net Profit or EBITDA

Q1 2026 financial highlights:

Revenue for Q1 2026 was $1,083 million, down $122 million, (-10%) against $1,204 million in Q1 2025; and a decrease of $105 million, (-9%) against $1,187 million for Q4 2025.

EBITDA for Q1 2026 was $368 million, up $25 million, (7%) against $344 million in Q1 2025; and a decrease of $23 million, (-6%) against $391 million for Q4 2025.

Net Profit for Q1 2026 was $222 million, up $38 million, (20%) against $185 million in Q1 2025; and a decrease of $10 million, (-4%) against $232 million for Q4 2025.

Total Shareholder Returns since IPO was 175% as of 31 March 2026.

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Segmental Results

INTEGRATED LOGISTICS

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
Revenue	**481**	**628**	**-23%**	**574**	**-16%**
Offshore Contracting	312	300	4%	359	-13%
Offshore Services	166	136	22%	175	-6%
Offshore Projects	4	192	-98%	40	-91%
Direct Costs	**(350)**	**(481)**	**-27%**	**(423)**	**-17%**
Offshore Contracting	(212)	(192)	10%	(229)	-7%
Offshore Services	(130)	(111)	17%	(139)	-7%
Offshore Projects	(8)	(177)	-95%	(54)	-85%
EBITDA (1)	**151**	**182**	**-17%**	**195**	**-22%**
Offshore Contracting	106	132	-19%	154	-31%
Offshore Services	48	35	39%	53	-9%
Offshore Projects	(4)	16	-123%	(12)	69%
Margin	**31%**	**29%**	**2pp**	**34%**	**-3pp**
Offshore Contracting	34%	44%	-10pp	43%	-9pp
Offshore Services	29%	25%	3pp	30%	-1pp
Offshore Projects	-96%	8%	-104pp	-29%	-67pp
Net Profit	**83**	**119**	**-30%**	**120**	**-31%**
Offshore Contracting	59	86	-31%	103	-42%
Offshore Services	28	19	48%	30	-7%
Offshore Projects	(4)	13	-131%	(13)	67%

(1) EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

Offshore Contracting

Year-on-Year Performance

Offshore Contracting delivered a modest revenue increase in Q1 2026, with revenue rising 4% to $312 million, compared to $300 million in Q1 2025. Growth was supported by the commercial deployment of three additional JUBs, partially offset by lower utilization and rates from JUBs.

EBITDA declined 19% to $106 million in Q1 2026 compared to Q1 2025, primarily reflecting the recognition of an Expected Credit Loss (ECL) provision, alongside lower JUB utilization and rates and reduced activity levels on the Hail & Ghasha.

Quarter-on-Quarter Performance

Revenue decreased 13% quarter-on-quarter to $312 million in Q1 2026, primarily due to lower ILSP material handling volumes, softer JUB pricing and utilization, and reduced activity levels in Hail & Ghasha.

Accordingly, EBITDA declined 31% to $106 million in Q1 2026, compared with $154 million in Q4 2025 driven by the same factors affecting revenue in addition to the ECL provision.

Offshore Services

Year-on-Year Performance

Offshore Services reported solid growth for Q1 2026, with revenue increasing 22% to $166 million, compared to $136 million in Q1 2025, largely driven by the OSV fleet growth, improved utilization and higher chartering activity.

As a result, EBITDA increased 39% to $48 million in Q1 2026, reflecting the same operational drivers that supported revenue growth.

Quarter-on-Quarter Performance

Revenue decreased 6% to $166 million in Q1 2026 compared with Q4 2025, reflecting lower chartering activity alongside higher fleet OPEX.

Consequently, Q1 2026 EBITDA decreased 9% to $48 million, compared with $53 million in Q4 2025.

Offshore Projects

Year-on-Year Performance

Following the completion of the G-Island EPC project, Offshore Projects recorded a significant reduction in activity. Revenue declined 98% to $4 million in Q1 2026, compared to $192 million in Q1 2025.

EBITDA was negative $4 million in Q1 2026, compared with $16 million in Q1 2025, reflecting incremental costs on the Bu Haseer scope and the non-recurrence of earnings from G-Island project, which was completed in Q4 2025.

Quarter-on-Quarter Performance

Revenue decreased 91% to $4 million in Q1 2026, from $40 million in Q4 2025, following the completion of G-Island project in Q4 2025.

EBITDA improved to negative $4 million in Q1 2026 compared to negative $12 million in Q4 2025, reflecting subcontractor claims recognized upon completion of G-Island project in Q4 2025.

SHIPPING

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
Revenue	**512**	**492**	**4%**	**519**	**-1%**
Tankers	407	405	1%	406	0%
Gas Carriers	56	39	42%	52	6%
Dry-Bulk and Containers	49	47	4%	61	-19%
Direct Costs	**(380)**	**(428)**	**-11%**	**(391)**	**-3%**
Tankers	(302)	(355)	-15%	(302)	0%
Gas Carriers	(35)	(29)	23%	(37)	-3%
Dry-Bulk and Containers	(43)	(44)	-4%	(52)	-17%
EBITDA (1)	**197**	**143**	**37%**	**181**	**9%**
Tankers	151	90	67%	136	10%
Gas Carriers	37	48	-23%	33	12%
Dry-Bulk and Containers	9	6	62%	11	-19%
Margin	**38%**	**29%**	**9pp**	**35%**	**4pp**
Tankers	37%	22%	15pp	34%	3pp
Gas Carriers	66%	55%[2]	11pp	63%	3pp
Dry-Bulk and Containers	19%	12%	7pp	19%	0pp
Net Profit	**125**	**61**	**103%**	**109**	**14%**
Tankers	100	25	298%	86	16%
Gas Carriers	23	37	-38%	18	23%
Dry-Bulk and Containers	2	0	n/a	4	-48%

(1) *EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization*

(2) *EBITDA Q1 2025 normalized to remove US$25.9m of Other Income earned in the period related to early contract termination of LNGC coupled with sale of Medium Gas Carrier Yas*

Note: Q1, Q2 and Q3 2025 Tankers revenue and direct costs have been re-presented for analytical consistency, with no impact on Gross Profit, Net Profit or EBITDA

Tankers

Year-on-Year Performance

The Tankers segment delivered broadly flat revenue of $407 million in Q1 2026, compared to $405 million in Q1 2025. Despite limited year-on-year revenue growth, performance was strong, underpinned by a significant uplift in TCE rates amid heightened geopolitical tensions, which supported favourable Tanker market conditions. This was partially offset by a sharp reduction in relet and EBN activity, which carries negligible margins.

EBITDA increased 67% to $151 million in Q1 2026, compared to $90 million in Q1 2025, driven by substantially higher Tanker charter rates and a gain on the sale of the VLCC Leicester. These positives were partly offset by losses on hedging instruments related to Forward Freight Agreements (FFAs).

Quarter-on-Quarter Performance

Revenue in Q1 2026 remained broadly flat compared to the previous quarter. However, underlying performance strengthened significantly, reflecting a marked improvement in TCE rates supported by geopolitical market dynamics, partially offset by reduced low-margin relet and EBN activity.

EBITDA increased 10% to $151 million in Q1 2026, compared with $136 million in Q4 2025, supported by higher Tanker charter rates and the gain on the sale of the VLCC Leicester, partially offset by FFA related hedging losses.

Gas Carriers

Year-on-Year Performance

Revenue from Gas Carriers increased 42% to $56 million in Q1 2026, compared to $39 million in Q1 2025. Growth was driven by the deployment of additional newbuild LNGCs including Al Rahba, Al Reef and Al Sadaf as well as a significant uplift in spot market rates.

EBITDA declined 23% to $37 million in Q1 2026, compared to $48 million in Q1 2025, primarily due to the absence of one-off gains recognized in the prior year, including the gain on sale of the MGC Yas and early contract termination income from the LNGC Al Khaznah. This decline was partially offset by contributions from additional LNGCs, stronger spot rates, and the share of profit from the two newbuild VLECs Yongjiang and Minjiang under the AW Shipping JV.

Quarter-on-Quarter Performance

Revenue increased 6% to $56 million in Q1 2026 from $52 million in Q4 2025, driven mainly by a substantial uplift in spot market rates.

EBITDA increased 12% to $37 million, compared with $33 million in Q4 2025, reflecting higher spot rates and the commencement of profit contribution from the VLEC Minjiang under the AW Shipping JV.

Dry-Bulk and Containers

Year-on-Year Performance

Revenue from Dry-Bulk rose 4% to $49 million in Q1 2026, compared to $47 million in Q1 2025, primarily due to improved charter rates and contributions from two additional Handysize vessels acquired in 2025.

As a result, EBITDA increased 62% to $9 million in Q1 2026, compared to $6 million in Q1 2025.

Quarter-on-Quarter Performance

Revenue decreased 19% to $49 million in Q1 2026 compared with the previous quarter, primarily due to lower charter rates.

Consequently, EBITDA declined 19% to $9 million, down from $11 million in Q4 2025, driven by the same factors impacting revenue.

SERVICES

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
Revenue	89	84	5%	94	-5%
Direct Costs	(71)	(66)	8%	(82)	-13%
EBITDA [(1)]	20	18	13%	9	122%
Margin	23%	21%	2pp	10%	13pp
Net Profit	11	11	3%	0	n/a

[(1)] EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

Year-on-Year Performance

Revenue from Services increased 5% to $89 million in Q1 2026, compared to $84 million in Q1 2025. The growth was primarily driven by the inclusion of warehouse revenue following the reclassification of this activity from the Integrated Logistics to the Services segment. This positive impact was partially offset by lower volumes at Petroleum Port Operations (PPO) and the Borouge Container Terminal (BCT).

EBITDA increased 13% to $20 million in Q1 2026, compared to $18 million in Q1 2025, driven by the same factors affecting revenue, alongside incremental contributions from profit share from Integr8 (bunkering).

Quarter-on-Quarter Performance

Revenue decreased 5% to $89 million in Q1 2026, from $94 million in Q4 2025. This decline was mainly attributable to lower volumes across Petroleum Port Operations (PPO), Borouge Container Terminal (BCT), ILSP Warehouse and KIZAD.

Despite the lower revenue, EBITDA increased 122% to $20 million in Q1 2026, compared to $9 million in Q4 2025. This improvement was driven by stronger commercial pooling performance and higher profit share from Integr8 (bunkering), partially offset by reduced volumes across PPO, BCT, ILSP warehouse and KIZAD.

Free Cash Flow

USD Million	Q1 26	Q1 25	YoY %	Q4 25	QoQ %
EBITDA (1)	368	344	7%	391	-6%
Working Capital Adj.	36	(60)	161%	67	-46%
Income Tax	(11)	(12)	-7%	(14)	-20%
Operating Free Cash Flow	394	272	45%	445	-11%
Capital Expenditure (2)	(264)	(70)	278%	(471)	-44%
Free Cash Flow	130	202	-36%	(26)	605%

(1) *EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization.*
(2) *Refer to Note 4: Property, Plant and Equipment in Financial Statements for further details.*

Operating Free Cash Flow increased 45% YoY to $394 million in Q1 2026, driven primarily by higher EBITDA and improved Working Capital driven by better cash management.

Due to higher capital expenditure during Q1 2026, Free Cash Flow decreased 36% to $130 million in Q1 2026, compared to $202 million in Q1 2025. The continued expansion of operating free cash flow, supported by stronger profitability, positions the Company to pursue value accretive growth investments while reducing reliance on debt financing. Solid and consistent free cash flow generation after dividends distribution enables the Company to lower financing costs and supports a more efficient capital structure.

ADNOC L&S recorded capital expenditures of $264 million in Q1 2026.

ADNOC L&S entered an unsecured senior corporate revolving credit facility (RCF) agreement with its parent company, amounting to $2.0 billion (AED 7 billion), with the ability to upsize the facility by a further $600 million (AED 2,203 million). This facility replaces the unsecured senior corporate term facility and the revolving credit facility established with its parent company in 2023, which amounted to $1.5 billion (AED 5.5 billion) and $350 million (AED 1,285 million), respectively.

This structure enhances the Company's funding flexibility while maintaining leverage within the target Net Debt to EBITDA range of 2.0x to 2.5x.

The company added $314 million in property, plant and equipment in Q1 2026 (refer Note 4 PPE (Additions) in Financial Statements for further details).

Outlook

ADNOC L&S raises its 2026 guidance on Revenue, EBITDA and Net Profit incorporating actual performance delivered in the first quarter of 2026 and April 2026.

Results for the first quarter within the Offshore contracting segment were impacted QoQ by lower material handling volumes within the Integrated Logistics Services Platform (ILSP), and prudent provisioning. The company maintains conservative guidance that assumes minimum activity levels amid regional uncertainty.

ADNOC L&S remains constructive on shipping demand and supply fundamentals. Shipping guidance assumptions have been updated from May 2026, while maintaining a prudent and conservative approach relative to prevailing market rates. As a result, the updated guidance reflects actual performance year-to-date and conservative assumptions for the remainder of the year, despite supportive market conditions.

Group 2026 Guidance

Metric	Current 2026 Guidance	Previous Guidance
Revenue	Low-to-mid single-digit reduction	Mid-single-digit YoY reduction
EBITDA	Mid-to-high single-digit growth	Low-to-mid single-digit YoY growth
Net Profit	Mid-to-high-teens growth	Low-to-mid single-digit YoY growth

2026 Revenue Guidance

Revenue	Current 2026 Guidance	Previous Guidance
Integrated Logistics	Mid-to-high 20% reduction	Mid-teens reduction
Shipping	Mid-to-high-teens growth	Flat YoY
Services	Low-to-mid single-digit growth	High-single-digit YoY growth

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2026 EBITDA Guidance

EBITDA	Current 2026 Guidance	Previous Guidance
Integrated Logistics	Mid-to-high 20% reduction	Flat YoY
Shipping	Mid-to-high 50% growth	High-single-digit growth
Services	Low-to-mid single-digit growth	Mid-20% YoY growth

ADNOC L&S confirms its positive medium-term outlook and CAGR guidance for 2027-2029.

Growth investments remain on track, with capex guidance unchanged. The company retains significant financial capacity for investments beyond announced projects. The dividend for FY2026 is expected to be $341 million (AED 1,252 million), reflecting a 5% increase from 2026 until 2030 and paid on a quarterly basis, subject to approvals. ADNOC L&S targets a medium-term net debt: EBITDA ratio of 2.0–2.5x.

Earnings Conference Call Details

ADNOC L&S will host the earnings webcast and conference call followed by a Q&A session for investors and analysts on Thursday, May 14, 2026, at 3:00 pm UAE time / 12:00 pm UK time through the following link.

The call will be hosted by Abdulkareem Al Masabi (CEO) and Hugh Baker (CFO).

About ADNOC Logistics & Services

ADNOC Logistics & Services, listed on the Abu Dhabi Securities Exchange (ADX symbol ADNOCLS / ISIN “AEE01268A239”) is a global energy maritime logistics company based in Abu Dhabi. Through its three business units; Integrated Logistics, Shipping and Services, ADNOC L&S delivers energy products to more than 100 customers in over 50 countries.

To find out more, visit: www.adnocls.ae
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ADNOC LOGISTICS & SERVICES

Cautionary Statement Regarding Forward-Looking Statements

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in markets in which we operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminologies such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminologies. These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our ability to enter into strategic alliances and third party transactions; failure to successfully implement our operating initiatives and growth plans, including our cost savings initiatives, due to general economic conditions, our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, the extent of our related party transactions with other ADNOC Group companies; the introduction of new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated May 16th 2023 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications. Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.

Absolute figures and percentages included in this document have been subject to rounding adjustments.