ADNOC Logistics & Services

ANNUAL REPORT AND ACCOUNTS 2024

Delivering Energy For Life

DELIVERING ENERGY FOR LIFE

ADNOC Logistics & Services PLC[1], is a global energy maritime logistics company headquartered in Abu Dhabi and listed on the Abu Dhabi Securities Exchange.

[1]ADNOC Logistics & Services PLC ("ADNOC L&S" or "the Company")

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adnocls.ae

A global energy maritime logistics leader

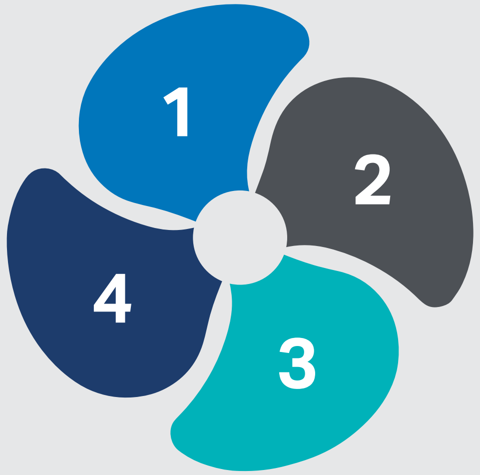
Our Vision

To become the leading energy maritime logistics company of choice

Our Strategy

Transformational growth through four key levers:

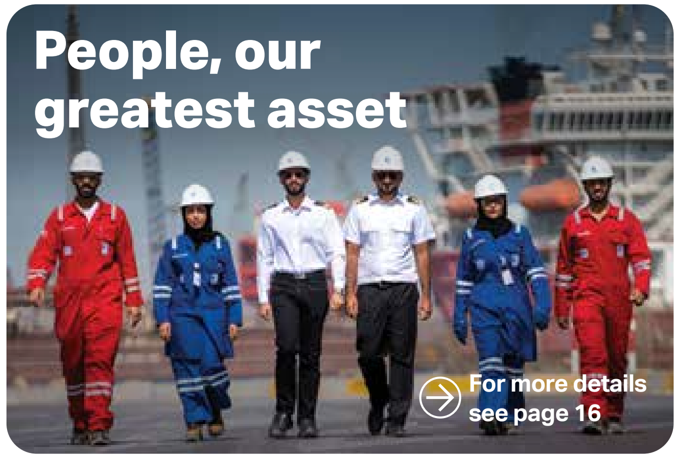
1. Grow with ADNOC: Service new growth and expand service offering
2. Expand service offering to capture additional business with existing clients
3. Extend international activities and blue-chip client base
4. Enter new and relevant adjacent verticals



For more details see page 26

Our Investment Case

We are building a business of scale through sustainable growth.



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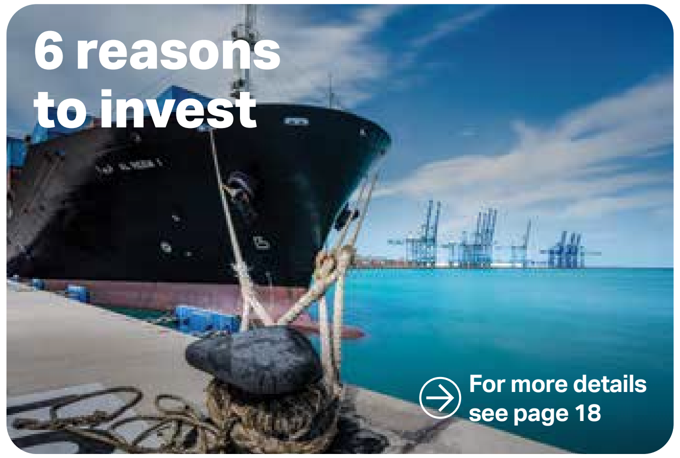


For more details see page 18

For more details see page 20

International presence

ADNOC L&S is a fully integrated global energy maritime logistics company that operates onshore and offshore energy-related logistics activities, including international energy transportation to more than 100 customers in over 50 countries and have offices in 19 cities.

Key figures

Established	Workforce[1]
1975	11,000+

Seafarers[1]	Owned Vessels[1]
3,400	330+

Operated and Chartered Vessels[1]
600+

2024 highlights

TRIR[2]	In Country Value (US$)
0.21	$260m

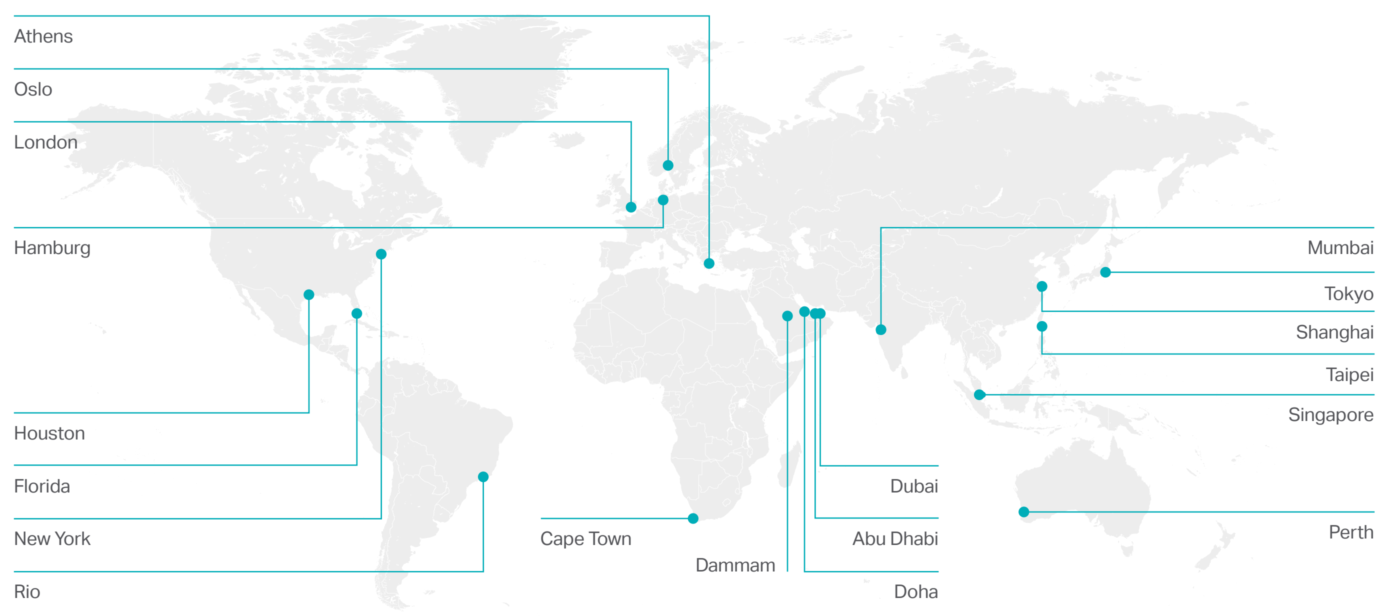
Revenue (US$)	EBITDA (US$)
$3,549m	$1,149m

Net Profit (US$)	FCFFO (US$)
$756m	~$1.1bn

[1] Approximate figure at 31 December 2024, including 3,400 seafarers. [2] Total Recordable Incident Rate. **FCFFO –** Free Cash Flows from Operations.

Global offices[1]

Customers	Countries
100+	50+



[1]Includes Navig8 offices

Integrated Logistics

Delivering comprehensive offshore logistics solutions: transporting people; materials, equipment; fuel and water, and providing diving support; support base and shore-side support services; and materials handling & storage.

2024 Revenue (US$)

$2,281m

Shipping

Offering commercial shipping solutions for the transportation of energy and related products such as crude oil, refined products, Liquefied Natural Gas and Liquefied Petroleum Gas.

2024 Revenue (US$)

$956m

Services

Delivering marine and onshore services including terminal operations; warehousing & onshore materials handling; maritime traffic management; petroleum ports operations; oil spill & HNS response; commercial pools management; ship management and bunkering.

2024 Revenue (US$)

$312m

Delivering growth: our story

Since its founding in 1975, ADNOC has been a cornerstone in the UAE's energy landscape, driving the nation's progress. In response to rising global demand for energy, ADNOC L&S was born from the merger of ADNATCO, ESNAAD and IRSHAD, positioning the Company as a key player in Integrated Logistics, Shipping, and Marine Services.

Delivering growth

1975
Abu Dhabi National Tanker Company (ADNATCO) established

1979
Abu Dhabi Petroleum Ports Operating Company (IRSHAD) established

2003
Petroleum Services Company (ESNAAD) PJSC established

2016
Establishment of ADNOC L&S through merger of ADNATCO, ESNAAD AND IRSHAD

2022
ADNOC L&S and Wanhua Chemical Group form joint venture called AW Shipping

2022
ZMI Acquisition

ZMi | HOLDINGS
1st major acquisition
24 JUBs
38 OSVs

2023
IPO, listed on ADX

ADX Listing on ADX
Acquisition of
8 additional JUBs
Delivery of
4 newbuilt VLCCs

2024
Expansion of Integrated Logistics

20 Offshore assets acquired and deployed
19 JUBs ~**39**-year contract coverage

2025
Navig8 acquisition completed[1]

Navig8
2nd major acquisition
32 tankers

2025-26
Delivery of DAS LNGCs

1 LNGC delivered in 2024
5 LNGCs to be delivered
~67 years contract coverage

2025-27
Delivery of VLECs

9 VLECs to be delivered
~**180**-year contract coverage

2026-28
Delivery of VLACs

4 VLACs to be delivered

2028+
Delivery of Ruwais LNGCs

8 LNGCs to be delivered
~**160**-year contract coverage

[1]The announcement of ADNOC L&S commitment to acquire Navig8 was published on 3 June, 2024. The completion of 80% acquisition of Navig8 was completed on 7 January 2025.

JUBs – Jack-Up Barges **VLACs** – Very Large Ammonia Carriers **VLECs** – Very Large Ethane Carriers **OSVs** – Offshore Service Vessels
LNGCs – Liquified Natural Gas Carriers

Strengthening our global presence

2024 was a transformative year

we expanded our global presence, strengthened our fleet, and entered new high-value verticals such as ship pooling and internationalizing commercial management services, positioning the company to capture long-term value in the growing maritime logistics market.

A defining moment was our $1 billion acquisition of 80% of Navig8

With a presence in 15 cities across five continents, this acquisition marks a pivotal step in ADNOC L&S' global expansion—strengthening operational capabilities, unlocking new markets, and enhancing shareholder value. Our wider global operational base enables us to deliver greater efficiencies and unlock new value for customers and investors.

Our record financial results reflect the strength of our strategy

In 2024, revenue rose 29% to over $3.5 billion, EBITDA grew 31%, and net profit increased 22% to $756 million. ADNOC L&S is now one of the world's leading energy maritime logistics companies by market capitalization, and by year-end, our share price had increased more than 178% since our IPO in 2023, significantly outperforming the ADX. We continue to deliver strong shareholder returns with total dividends of $273 million announced for 2024, 5% higher than the prior year annualized dividend.

ADNOC L&S' strong balance sheet, prudent leverage policy, and free cash flow generation position us well for growth. We have a visible long-term revenue stream and a robust financial position driven by strong growth in core businesses.

To further fuel its smart growth strategy, ADNOC L&S has successfully signed an innovative Hybrid Capital Instrument (HCI), with available funds of $1.3 billion and $2.0 billion. This is a very efficiently priced equity solution which enables further growth investment options.

Beyond financial growth, we continue to lead in sustainability and innovation

In 2024, we reduced carbon intensity by over 11% from 2023 and cut emissions from our ocean-going fleet by 56% since 2019. Our commitment to a low-carbon future is reinforced by the imminent addition of 21 environmentally efficient vessels, featuring low-emission dual-fuel engines that set new industry standards.

Technology remains a key pillar of our growth strategy

ADNOC L&S is prioritizing investments in game-changing innovations to accelerate our trajectory. In 2024, we deployed AIQ's SMARTi safety monitoring solution across 86 vessels, leveraging AI-driven insights to enhance safety and mitigate risk. We also expanded our AI Enabled Integrated Logistics Management System (ILMS), optimizing ADNOC's UAE offshore logistics which will reduce material delivery delays by 60%.

We remain committed to supporting the UAE's economic growth and investing in local talent

In 2024, we invested nearly AED 1 billion into the local economy, driving In-Country Value through optimized supply chains, workforce development, and local partnerships. ADNOC L&S continues to empower Emirati talent, developing the next generation of seafarers and industry leaders while upholding the UAE's core values.

As we progress through 2025, ADNOC L&S is strategically poised for future growth

We announced the addition of 8 LNG Carriers, four Very Large Ammonia Carriers, and nine Very Large Ethane Carriers, with deliveries scheduled from 2025 to 2028. We also took delivery of the first of six newbuild LNG Carriers contracted in 2022, with the second arriving in May 2025 and the majority contracted for 20 years upon delivery. With the Company's acquisition of new energy- efficient fleet, ADNOC L&S is not only enhancing its operational capabilities but also securing its financial future.

We will continue to pursue organic expansion and strategic acquisitions, delivering ADNOC's energy to the world while further contributing to the UAE's economic ambitions,

Our success is made possible by the dedication of our Board, employees, and shareholders. Your commitment to ADNOC L&S' vision is pivotal, and it is your contributions that continue to drive this company forward.

H.E. DR. SULTAN AHMED AL JABER
Chairman

Building a business of scale

In 2024 ADNOC L&S continued to deliver strongly, early and profitably on our transformational growth strategy, substantially expanding our fleet against long-term contracts whilst significantly extending international reach and service portfolio. This year has been characterized by the internationalization of our business platform, the addition of new vessel types focused on transition fuels and the growth of our offshore logistics business. Today ADNOC L&S is a larger, stronger, more international business, and we are now one of the leading energy maritime logistics companies in the world. We end 2024 as a strong business, confident that the initiatives we have taken during the year have created an enhanced platform that positions us well for future growth.

People are our greatest asset and we take pride in ensuring that employees remain safe and return home safely across all our operations and assets. We continue to have an excellent safety record throughout our operations. In 2024 the Total Recordable Injury Rate (TRIR) was 0.21, a reduction of 80% between 2020 and 2024, achieved by instilling a strong health and safety culture, implementing new technologies, policies and awareness-raising initiatives.

> **Each of our business segments have continued to grow substantially throughout the year, and our focus remains on growth as we conclude 2024 and move into 2025."**

Coupled with the growth and expansion of our business is the investment into our people and the development of the next generation of leaders. The ADNOC L&S People-First strategy reflects our commitment to developing a diverse, inclusive, and highly skilled national workforce across the national maritime ecosystem. As a Captain and former seafarer, it is important to me that ADNOC L&S honors its promise to be the proud custodian of the nation's marine heritage. This means sustainable business growth, investment in people and communities, and protecting our environment, all whilst delivering value for shareholders and stakeholders. In the investment case (pages 14-21) and throughout the report, ADNOC L&S shares examples of how it has delivered on its strategy while remaining cognizant of its responsibilities to people and the planet.

Enhancing our Integrated Logistics business segment

During 2024 we completed several strategic objectives across our Integrated Logistics business segment, the largest revenue-generating unit. We achieved significant growth in 2024 through the acquisition of 20 offshore assets as well as securing contracts for the deployment of 19 Jack-Up Barges (JUBs).

Our strategic investments and fleet expansion are enabling substantial regional and international growth in Integrated Logistics. During 2024 the Company launched its Integrated Logistics Management System (ILMS), an AI-driven tool that helps create optimal vessel routes and schedules, improving decision-making and operational efficiency. ILMS improves vessel utilization by 9%, ensuring a better deployment of assets. We are well positioned to build on this solid performance in 2025 as we meet the evolving needs of customers and capitalize on new market opportunities.

Strategic fleet expansion to meet the growing global demand for natural gas as a lower-carbon energy source

To support the energy transition and to capture the growing demand for the transportation of low-carbon energy, ADNOC L&S invested in expanding and modernizing its fleet with new building contracts for 21 energy-efficient vessels, including eight LNG carriers (LNGCs), nine Very Large Ethane Carriers (VLECs) and four Very Large Ammonia Carriers (VLACs). Furthermore, the Company continues to invest in vessel maintenance and re-purposing vessels to increase the longevity of the fleet.

I was also pleased to attend the naming and delivery ceremony of 'Al Shelila,' the first of six newbuild Liquified Natural Gas Carriers (LNGC) from Jiangnan Shipyard in China, ordered in 2022. In Arabic, 'Shelila' represents strength and grace, qualities that reflect the legacy of our forefathers' vessels. The vessel was delivered two months ahead of schedule, with the remaining five LNGCs expected to be delivered in 2025 and 2026. Immediately after delivery, "Al Shelila" was hired by a top-tier, global energy trader.

CAPTAIN ABDULKAREEM ALMESSABI
Chief Executive Officer

Growth through M&A

During 2024 ADNOC L&S delivered on its growth strategy. The Navig8 acquisition, announced during the first half of 2024, closed on 7 January, 2025. An 80% stake in Navig8 for approximately US$999.3m (AED3.7 billion) was completed with a contractual commitment to acquire the remaining 20% in mid-2027. The value-accretive transaction is expected to boost earnings per share by at least 20% in 2025 compared to 2024, unlocking US$20m per annum in synergies from 2026. The transaction adds a modern fleet of 32 tankers and expands its service portfolio, including commercial pooling and bunkering. This milestone marks the next phase in the growth journey of ADNOC L&S, building on the successful integration of ZMI Holdings (ZMI) while reinforcing its leadership in global energy maritime logistics. We have high regard for the business that Navig8 has established and look forward to working with our new colleagues.

Financial performance

ADNOC L&S has a strong balance sheet, a prudent leverage policy and has generated free cashflow. In 2024 we delivered another strong set of financial results. The revenue for ADNOC L&S for the year 2024 was US$3,549 million, up 29% compared to the year 2023. EBITDA rose by 31% to US$1,149 million in the same period driven by robust performance across all business segments, sustaining EBITDA margins at 32%. Net profit for the year 2024 was US$756 million, equating to US$0.10 per share, an increase of 22% compared to the year 2023.

I would also like to take the opportunity to thank our stakeholders for their support and all of our employees and contractors, ably led by the management team, for their continued hard work and commitment.

CAPTAIN ABDULKAREEM ALMESSABI
Chief Executive Officer

Outlook – more growth to come

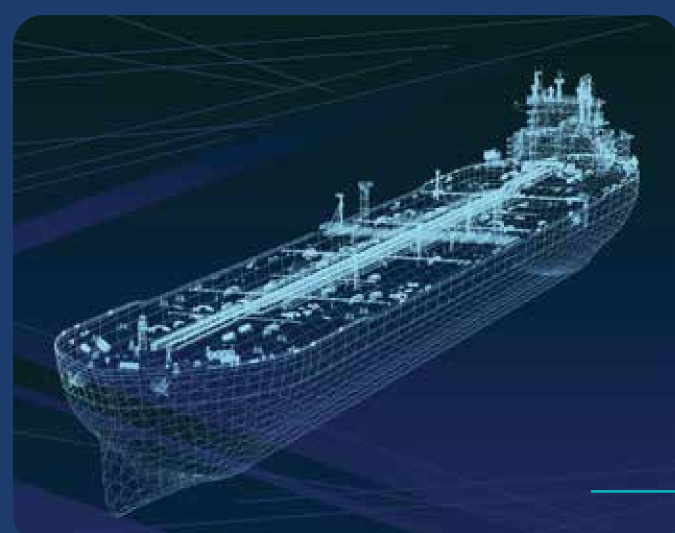
ADNOC L&S remains ambitious in its growth plans. To reflect on our commitment to long-term growth and strategic expansion we anticipate an additional investment of US$3 billion+ by 2029, beyond the projects already announced. Our diverse portfolio of assets, capabilities and service offerings supports our strategy of delivering long-term, sustainable growth and returns. With its financial strength, ADNOC L&S remains poised for more value accretive growth opportunities and delivering strong shareholder value. ADNOC L&S is a business that has: An international presence: expanded service offerings and capabilities; a blue-chip customer base; quality assets with long-term contracts; stable revenue; and visibility of cashflows. There is more growth to come. We look forward to delivering on our strategy in 2025 and beyond.

Custodians of our nations proud maritime heritage

Through sustainable growth, we are future-proofing our business. By supporting the next generation of seafarers and playing our part in the energy transformation, we are helping to create a more sustainable maritime industry.

People are our greatest asset

Accelerating decarbonization



Reasons to invest

People are our greatest asset

The ADNOC L&S People First strategy reflects its commitment to developing a diverse, inclusive and highly skilled workforce. The Company is also investing in UAE nationals through plans to recruit graduates, ranging from seafarers and engineers to corporate professionals, via on-the-job training and development programs.

Many of our young UAE graduates, who participated in the Trainee Program, have already transitioned to specialized roles at operational sites. This includes many women who have embraced the new challenges in their careers with great enthusiasm.

Through highly targeted succession planning strategies, diversity frameworks and robust career development programs, the Company is successfully building capabilities not just for ADNOC L&S but for the nation as a whole.

A strong culture of Health and Safety

100% HSE is at the heart of ADNOC L&S and is a core value that shapes how we protect our people, assets and environment.

Throughout 2024, the Company's Total Recordable Incident Rate (TRIR) stood at 0.21, a reduction of 80% between 2020 (0.59) and 2024 (0.21), achieved by instilling a strong health and safety culture, implementing new technologies, policies and awareness-raising initiatives.

Total Recordable Incident Rate (TRIR) 2024

0.21

Diversity, Equity and Inclusion

The development of a culturally rich and inclusive workforce is integral to the sustainability agenda of the Company.

ADNOC L&S offers on-the-job training to candidates from maritime colleges around the world through cadetships. Through its 'People First' agenda, the Company sets out to provide equal opportunities for all men, women and 'people of determination[1]'.

People of determination: ADNOC L&S creates opportunities for people of determination by providing individuals with specialist access to personalized skills development and training opportunities that meet their unique needs.

Women in Leadership Program: ADNOC L&S has rolled out a specialized Women in Leadership Program to promote female representation in leadership roles.

Youth Committee: Young people represent a significant portion of the overall workforce, and due to their potential as future business leaders, they are actively encouraged to contribute and make a meaningful contribution to the Company's future. This committee is overseen by the CEO.

[1]The UAE refers to people with disabilities as people of determination in recognition of their achievements in different fields.

Training the next generation of seafarers

To contribute to the evolution of a highly-skilled workforce in the national maritime ecosystem, ADNOC L&S offers on-the-job training to candidates from maritime colleges around the world through cadetships.

This vocational training is essential, alongside academic study to graduate. During 2024 the Company offered on-board training to over 136 cadets, from 15 nationalities and nearly a fifth of them were female cadets.

The business continues to focus on increasing the number of female employees, particularly female seafarers so that the entire business – including in logistics and services – can benefit from a diversity of outlooks, attitudes and experiences. Currently, we have two fully qualified on-ship female seafarers.

→136 Cadets
→15 Nationalities
→19% Female
In 2024

Reasons to invest in ADNOC L&S

Investing in the world's fastest growing energy sector end-to-end logistics solution provider.

1. Visible long-term revenue streams

Over 500 years of contracted revenue, with over US$25 billion of future contracted revenue as at 31 December 2024.

2. Growing with ADNOC's ambitious expansion agenda

ADNOC L&S aims to be the provider of choice for ADNOC Group's needs as they grow domestically & internationally.

ADNOC Group's logistics requirements will grow due to planned doubling of production and international expansion, with US$150bn capital expenditure already projected.

3. Financial strength and poised for growth

Strong balance sheet, prudent leverage policy and robust free cash flow generation, with target maximum net debt to EBITDA of 2.5x.

4. Blue-chip customer base

Strong international client base with high performance in client retention.

5. Inorganic growth through value-accretive M&A

In the first year post the ZMI's acquisition, ADNOC L&S grew the market leading Jack-Up Barges fleet by 25%, demonstrating the Company's capacity to integrate and grow high-quality businesses to deliver strong value-accretion to shareholders.

Immediately post acquisition of 80% of Navig8, ADNOC L&S added 20 Tankers to Navig8's Commercial Pools. The Company sees significant potential to deliver valuable growth through high-quality acquisitions and partnerships.

*80% Navig8 acquisition completed on January 7, 2025.

6. Supporting energy transition

Investment into modern energy-efficient vessels, repurposing of vessels, maintaining our fleet and transporting low-carbon energy resources.

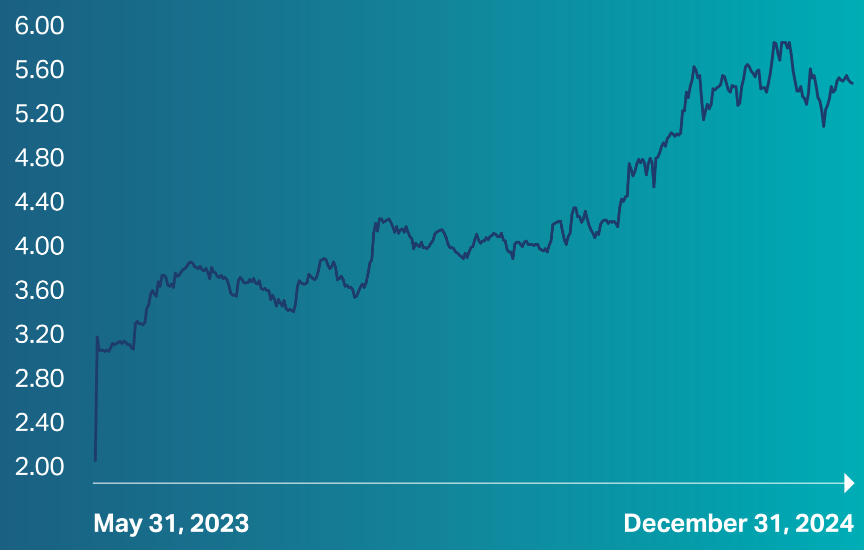
Superior Shareholder Returns

We are delivering value for our shareholders by executing our transformational growth and building international scale.

The total shareholder return since IPO and until 31 December 2024 was over

178%[1]

[1]Based on the final offer price of AED 2.01 per share at IPO to AED 5.43 at 31 December 2024, including dividend payments of AED16.43 fills over the period.



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Accelerating decarbonization

Investing in energy-efficient vessels

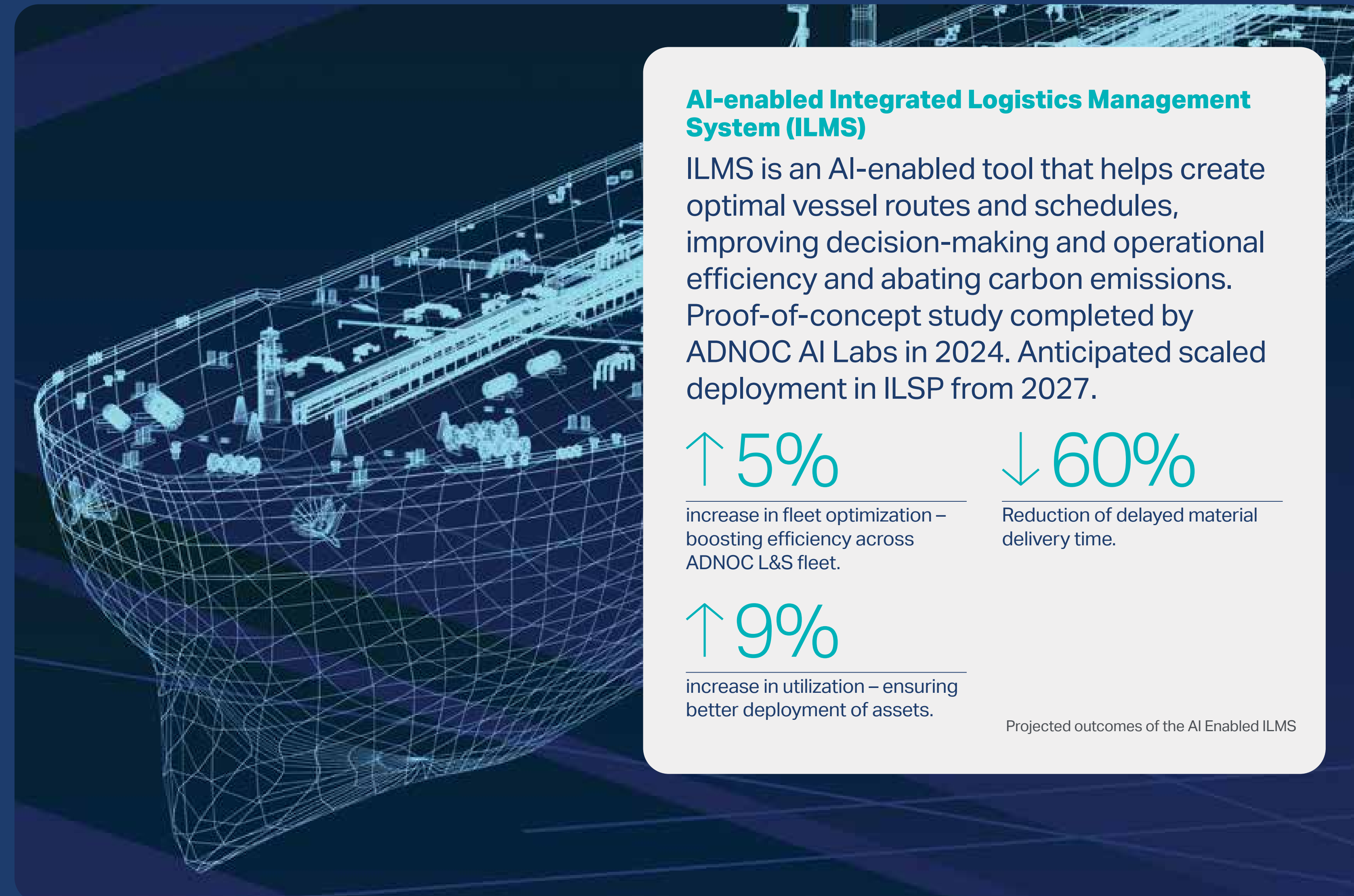
ADNOC L&S' modern fleet uses cutting-edge technology to increase fuel efficiency and to reduce carbon intensity in line with the Company's sustainability goals.

Liquified Natural Gas Carriers

- With superior hull form, advanced voyage and trim analytics, dual-fuel capabilities, air lubrication and other modern features, ADNOC L&S' LNGCs deliver the best fuel economy and lowest emissions in the Company's global fleet

Very Large Ethane Carriers and Very Large Ammonia Carriers

- ADNOC L&S' VLECs and VLACs are specified to run on energy-efficient dual fuel engines, bolstering the Company's ability to efficiently transport lower-carbon energy sources, supporting the energy transformation



AI-enabled Integrated Logistics Management System (ILMS)

ILMS is an AI-enabled tool that helps create optimal vessel routes and schedules, improving decision-making and operational efficiency and abating carbon emissions. Proof-of-concept study completed by ADNOC AI Labs in 2024. Anticipated scaled deployment in ILSP from 2027.

↑5%
increase in fleet optimization – boosting efficiency across ADNOC L&S fleet.

↓60%
Reduction of delayed material delivery time.

↑9%
increase in utilization – ensuring better deployment of assets.

Projected outcomes of the AI Enabled ILMS

Hybrid power OSV

A pilot study during 2024 involved installing batteries on an offshore support vessel (OSV), abating the use of conventional fuels. The battery can last for 11 hours. The CO_2 emission reduction potential is 2 tons / hour. The installation of batteries is expected to mid 2025.

↓22 tons[1] per day
Reduction in CO_2 emissions per battery-run OSV.

Sea Gliders

100% electric marine vessels used to transport passengers. By replacing the current fixed wings aviation and conventional marine passenger transportation assets with Sea Gliders, which are faster and electric, fuel usage and CO_2 emissions can be reduced. The first Sea Glider will be deployed by the first quarter of 2027 for a pilot study.

↓70%[1]
Reduction in commute time resulting in a lower environmental impact by increasing efficiency, compared to the current conventional marine assets.

[1]Anticipated savings based on preliminary/ pilot studies on selected vessels.

Market overview

ADNOC L&S Market Overview:

Integrated Logistics: Offshore Support Vessels (OSV) rates remain elevated in the Middle East regions, and in some vessel classes, such as Jack-Up Barges (JUBs) and Anchor-Handling Tug Supply (AHTS) vessels, are significantly above their long-term historical averages. This is due to robust utilization rates resulting from strong demand from offshore oil and gas production, as well as other associated offshore activities, such as EPC work and maintenance of existing offshore facilities.

Shipping: Shipping rates during 2024 remained robust compared to previous years. Geopolitical disruptions continue to keep the supply-demand balance tight, particularly in tanker markets. Despite a recent softening due to OPEC+ cuts and weaker-than-expected refinery throughput, rates in 2024 have been robust overall and considerably above historical rates.

Similarly, Dry-Bulk market rates remained elevated, approximately 20% above the 10-year average, driven partly by trade-route disruptions and strong Chinese demand. Charter rates for vessels in the main gas segments have come under some pressure due to relatively higher order book ratios to existing fleet sizes compared to other major sectors. However, it is worth mentioning that ADNOC L&S' long-term contractual coverage is mainly focused within this segment, hence, less exposed to downturns in associated LNG and LPG charter rates.

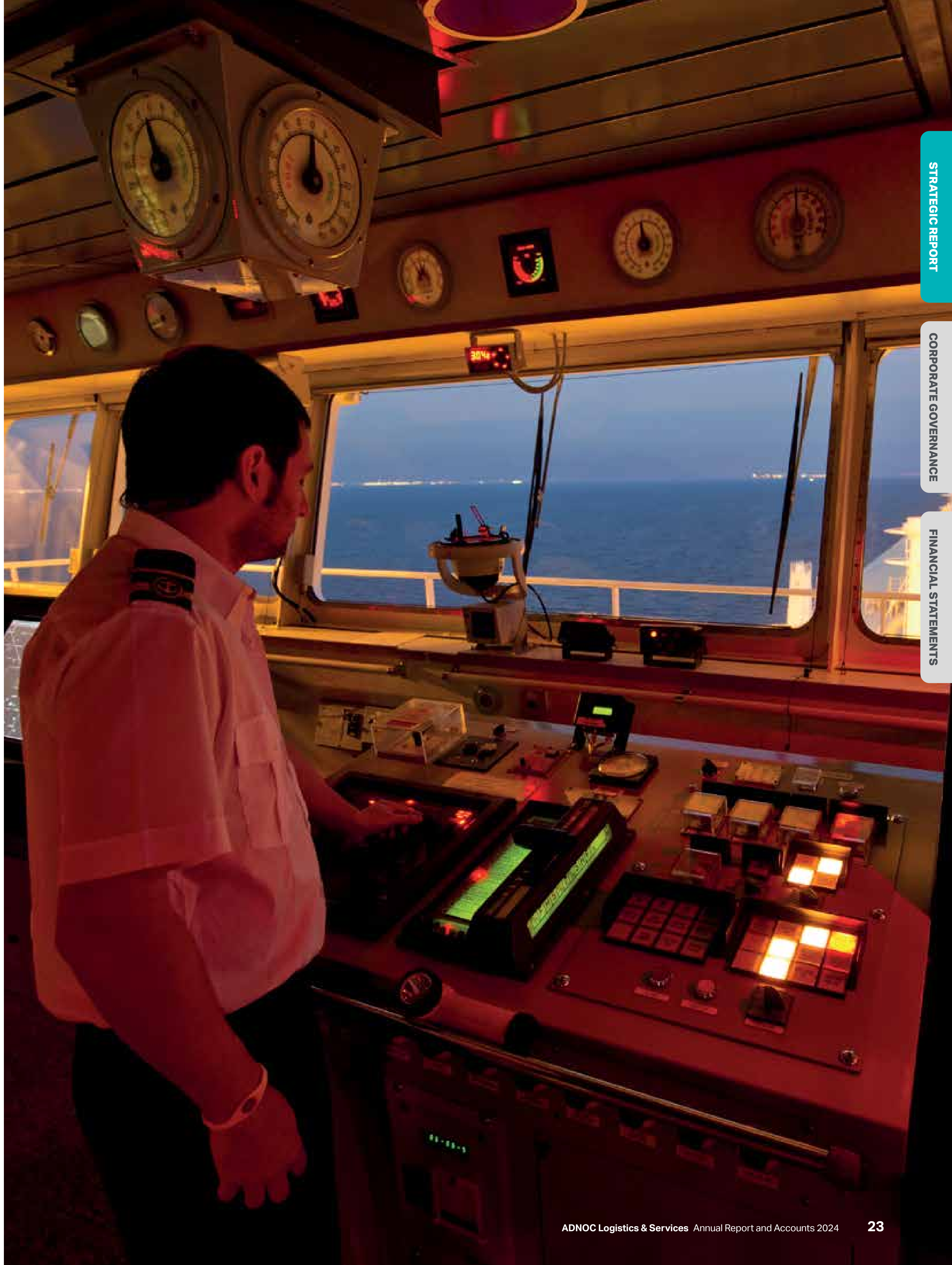
Aging fleet and ton-mile growth

Looking ahead, significant fleet replacement due to vessel aging, potentially exacerbated by greater environmental regulations affecting older, less efficient vessels, as well as ongoing geopolitical disruptions, are likely to remain at the forefront of market activity. In tanker markets, the Company expects to see greater long-haul activity as production growth moves to the Americas and consumption growth remains in the Far East. Furthermore, we expect continued strength in the major offshore vessel supporting segments, as demand for offshore activity continues to outweigh deliveries of new vessels.

Gas demand showing signs of robust growth

Furthermore, the global demand for LNG, LPG and clean ammonia trade continues to grow, due to the growing importance of lower carbon fuels to meet energy transition targets. Seaborne gas trade is expected to remain especially robust in the coming years, forecasted to grow by more than 10% on a year-on-year basis in 2026 – based on volume traded, and 13% on a ton-mile basis. The growing importance of low carbon transition fuels is a primary driver behind ADNOC L&S' recent investments in sustainable shipping solutions.

> **"GDP growth is expected to reach at least 5% in 2025, according to the IMF, providing a positive landscape for ADNOC L&S."**
>
> **CAPTAIN ABDULKAREEM ALMESSABI**
> **Chief Executive Officer**



Sustainable value creation for stakeholders

ADNOC L&S is laser-focused on generating sustainable returns through the responsible management of its current portfolio and careful selection of new value-accretive opportunities with transformative potential.

Inputs

Unique market position
A key energy maritime logistics provider for the ADNOC Group

International scale
One of the world's leading energy maritime logistics company[1]

Digitally advanced
World-leading Integrated Logistics Services Platform (ILSP)

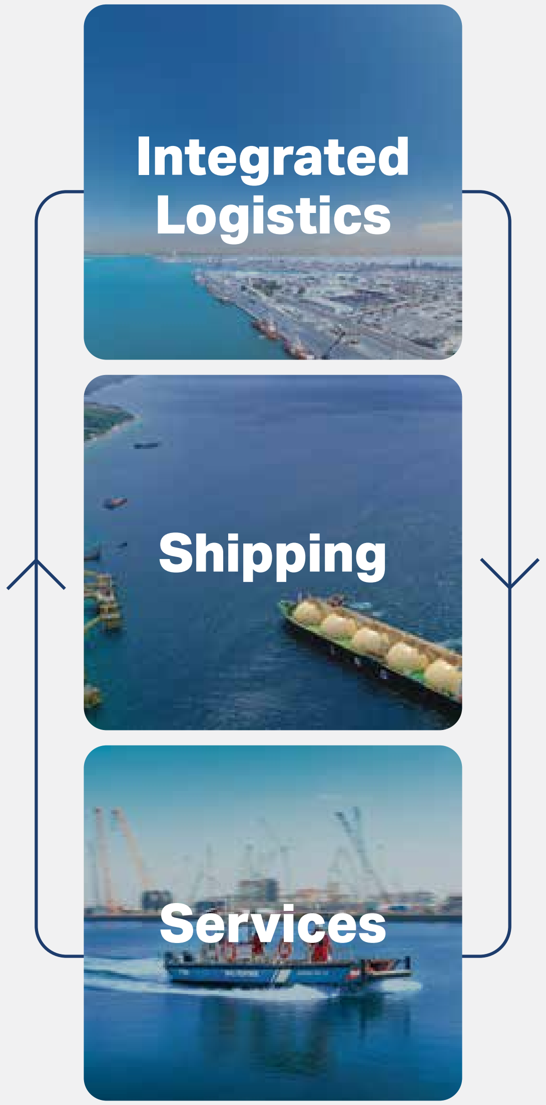
Our people
Employees with vast industry experience, technical acumen and commercial expertise

Truly integrated offering
One of the largest integrated energy supply bases in the region

Financial Strength
Robust balance sheet, strong cash-flow generation and earnings visibility through long-term contracting

[1] by market capitalization

A fully-integrated international maritime logistics and services business



Value created for our stakeholders

Shareholders
Sustained value creation through a high-growth, low-risk business model with a proven superior financial performance

Employees
Robust career development programs and highly targeted succession planning strategies help the Company build capacity and to develop the next generation

Customers
Truly Integrated Logistics offering a wide range of services and fleet capabilities, and deploying technology to provide customers with better, faster and cost-effective solutions

Community
Effective and transparent communication with the communities within which ADNOC L&S operates, with a commitment to in-country value creation

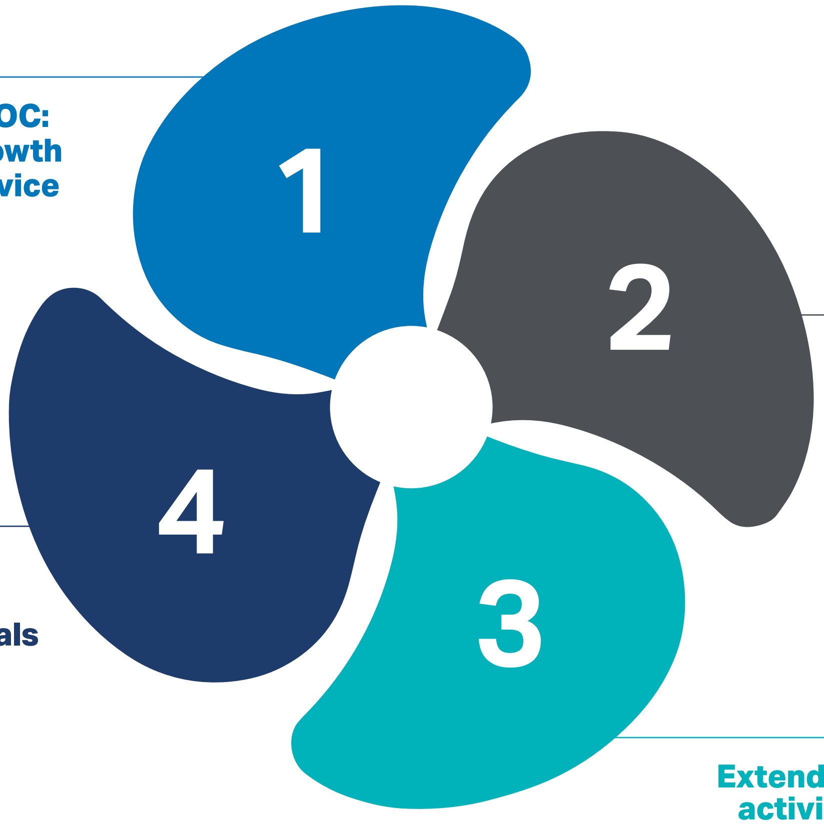
Partners and suppliers
Responsible supply chain management with robust procurement processes for vendors across supply chain

Transformational growth

Our growth strategy is defined by four key levers.

1

Grow with ADNOC: service new growth and expand service offering



2

Expand service offering to capture additional business with existing clients

3

Extend international activities and blue-chip client base

4

Enter into new and relevant adjacent verticals

1 Grow with ADNOC: service new growth and expand service offering

- Delivering additional value in existing services and maximizing share of ADNOC's logistics spend
- Logistics and maritime service provider of choice to ADNOC
- Logistically enable ADNOC's growth agenda, including new business areas

2 Expand service offering to capture additional business with existing clients

- Internationalizing ILSP
- Support and partner EPC contractors on offshore operations
- International Shipping – greater trading activity in Dry-Bulk and increase international scope in tankers and gas business

3 Extend international activities and blue-chip client base

- North Africa and GCC are target markets given growing offshore energy exploration – opportunities lie in LNG import terminal infrastructure, JUBs as well as other offshore marine services
- Successful in venturing to Asia – well-positioned to capture energy maritime logistics requirements in China and Far East
- Able to leverage ADNOC's relationship and existing overseas operations to opportunistically enter new markets

4 Enter into new and relevant adjacent verticals

- Continue to deploy cleaner fuels and emissions reduction projects to deliver equivalent or better outcomes with lower carbon intensity
- Explore opportunities in hydrogen vessels, storage and distribution
- Advising clients on decarbonization – emissions abatement and other solutions

Key Performance Indicators

Total Recordable Injury Rate
(per million man-hours worked)

0.21

2024	0.21
2023	0.18
2022	0.18

The Company is committed to operating safely and responsibly at all times. Having a positive impact on the wellbeing of its employees, contractors and the local communities in which it operates is a priority.

Utilization rate – Integrated Logistics

>92%

2024	>92%
2023	>92%
2022	>90%

Maintaining high utilization boosts profit sustainably by optimizing the use of invested funds and the work-delivered per asset.

Utilization rate – Shipping

>95%

2024	>95%
2023	>95%
2022	>95%

Maintaining high utilization boosts profit sustainably by optimizing the use of invested funds and the work-delivered per asset.

Returns to shareholders
(US cents per share)

13.56

2024*	13.56
2023	9.68

ADNOC L&S remains committed to delivering strong profitable growth and attractive shareholder returns.

Dividends are paid on a semi-annual basis. The Company aims to increase annual dividends by at least 5% per annum, taking the 2023 annualized dividend (US$260 million) as a base.

* 2024 proposed full-year dividend

FY 2024

EBITDA
(US$m)

1,149

2024	1,149
2023	876
2022	453

Earnings before interest, taxes, depreciation and amortization.

ADNOC L&S has increased it's EBITDA margin from 21% in 2022 to 32% in both 2023 and 2024, benefiting from focus on strong asset utilization, commercial performance operation, and delivering operational efficiencies across the business.

Capital expenditure
(US$m)

811

2024	811
2023	774
2022	300

Investment in the Company's asset base required to maintain and grow the business.

The Company typically invests US$100 – 150m per annum in maintenance capital expenditure, with the remainder focused on value-accretive business growth, targeting unlevered returns on investment in the low double-digits, with high single digits targeted for long-term contracted (20 years+) shipping assets.

Cash, cash equivalents
and liquid investments (US$m)

199

2024	199
2023	216
2022	165

ADNOC L&S has a history of stable finances and a strong balance sheet due to prudent management of the business.

Cash equivalents and liquid investments: Through an active program of margin enhancement and working capital management, the company has significantly improved its free cash flow delivery, reducing the cost of finance to the business and increasing available funds for value-enhancing growth.

Strategy in Action: Navig8 acquisition[1]

Geographical expansion

Building on its acquisition of ZMI in 2022, along with organic commercial growth, ADNOC L&S has seen tremendous expansion of international presence, now with Navig8's local presence in 15 cities across five continents delivering a total of 19 offices globally for the ADNOC L&S.

Navig8 acquisition key benefits

Platform will globalize presence across major continents, providing global 24/7 execution capabilities

- Next major leg in the ADNOC L&S transformational growth plan
- Expected to boost earnings per share by at least 20% in 2025 compared to 2024
- Access to new and existing opportunity sets in new markets
- Extension of international customer base and deepening of existing customer ties
- Delivers geographic expansion in ADNOC L&S service portfolio, including commercial pooling and bunkering
- Transaction adds modern owned fleet of 32 tankers

[1]Navig8 acquisition completed 7 January 2025

Strategy in Action: Energy efficiency

Advancing net zero

In line with ADNOC's accelerated Net Zero by 2045 ambition, ADNOC L&S has invested in energy-efficient newbuild vessels to meet the growing export volumes of in-demand lower-carbon transition fuels.

Strategic Investments in 21 New Energy-efficient Gas Transportation Vessels Committed to in 2024, along with 340 Years of Contracted Revenue

Eight Liquefied Natural Gas Carriers (LNGCs)

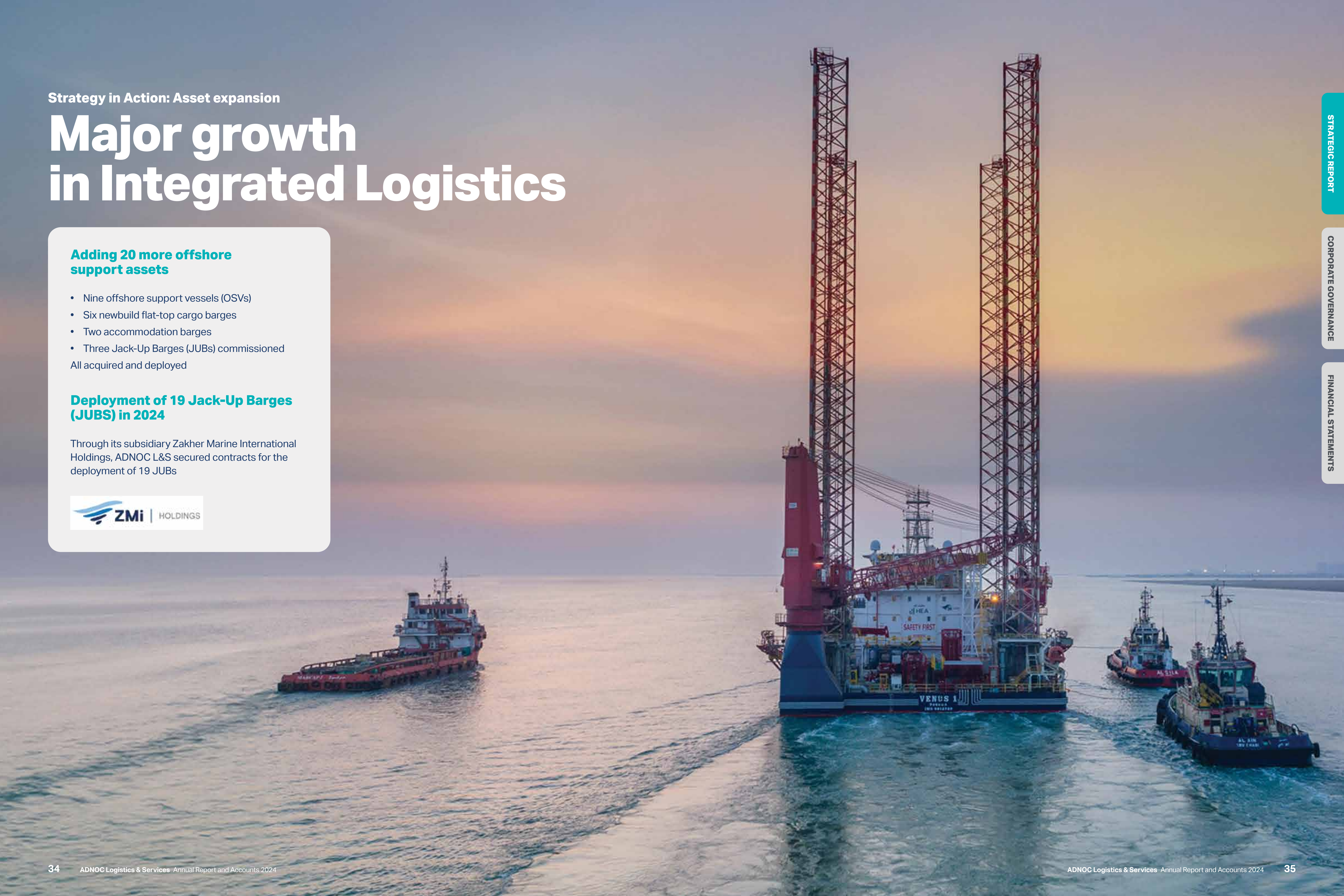
- Contracted for 20-years on delivery
- With cutting-edge technologies to increase fuel efficiency and to reduce carbon intensity
- Sought after asset classes and designs opening up new logistics and new relationships
- Delivery expected in 2028
- Contracted for 20-years on delivery

Nine Very Large Ethane Carriers (VLECs)

- The world's largest ethane carriers
- Energy-efficient dual fuel engines and can be powered by ethane or conventional fuels
- Delivery expected between 2025-2027
- Contracted for 20-years on delivery

Four Very Large Ammonia Carriers (VLACs)

- Bolster our ability to transport lower carbon-energy sources and support energy transition
- Can be powered by Liquefied Petroleum Gas or conventional fuels
- Potential to generate substantial revenue streams for ADNOC L&S
- Delivery expected between 2026-2028



Strategy in Action: Asset expansion

Major growth in Integrated Logistics

Adding 20 more offshore support assets

- Nine offshore support vessels (OSVs)
- Six newbuild flat-top cargo barges
- Two accommodation barges
- Three Jack-Up Barges (JUBs) commissioned

All acquired and deployed

Deployment of 19 Jack-Up Barges (JUBS) in 2024

Through its subsidiary Zakher Marine International Holdings, ADNOC L&S secured contracts for the deployment of 19 JUBs

Global and domestic coverage

ADNOC L&S ensures a reliable supply of gas, crude oil, oil products and industry feedstock to local and international customers.

Integrated Logistics (offshore contracting, offshore services and offshore projects)

Offshore contracting
- Jetty services and operations
- Warehousing and material management
- Jack-Up Barges

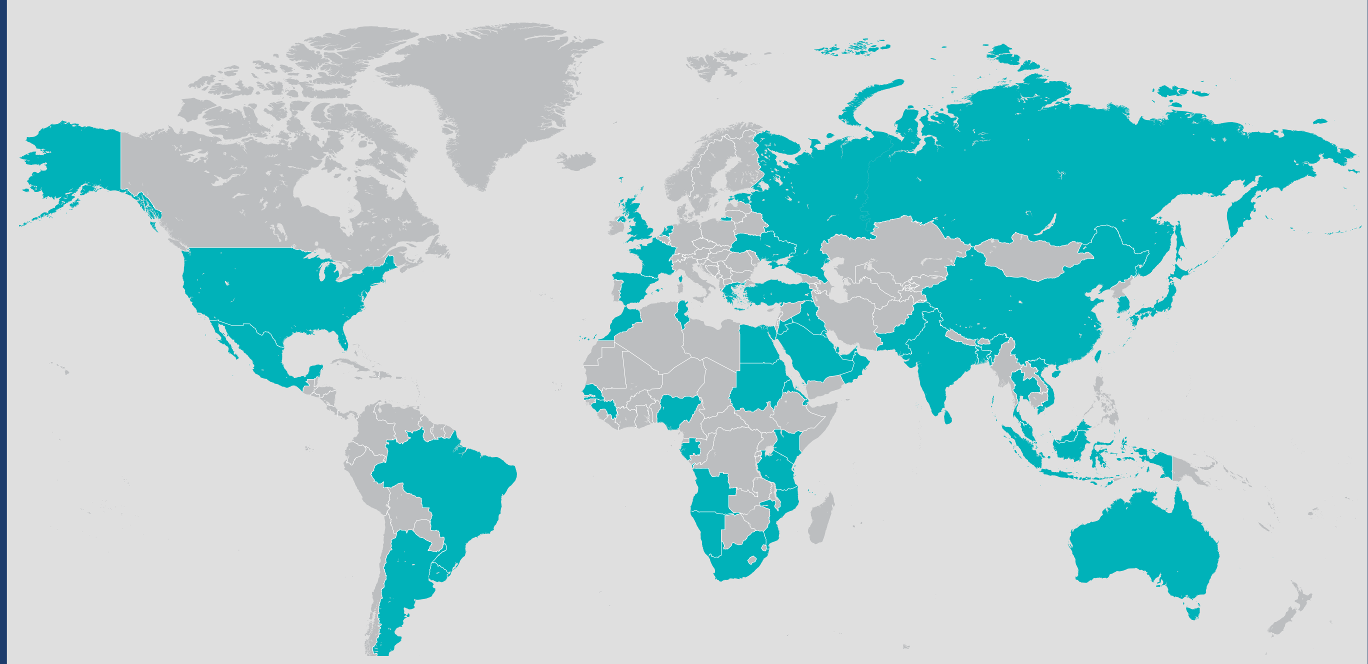
Offshore services
- Cargo and supply operations
- Dive Support Vessels

Offshore projects
- EPC services

Shipping
- Gas carriers
- Crude carriers
- Product tankers
- Dry-Bulk and container vessels

Marine and onshore services
- Petroleum port operations
- KEZAD warehousing and material management
- Oil spill and Hazardous Noxious Substance response services
- Packaging, container terminal operations

100+ customers in 50+ countries



UAE Offices, bases and warehouses in:

Mussafah
Ruwais
Port of Fujairah
Sharjah
Zayed Port
KEZAD
Barakah
Das Island
Mubarraz Island
Zirku Island

Integrated Logistics

Integrated Logistics is the largest operating segment in ADNOC L&S, and includes offshore contracting, offshore services and offshore project activities.

ADNOC L&S is one of the world's largest fully integrated, energy maritime logistics services providers.

Revenue (US$)	EBITDA (US$)
$2,281m	$687m

Integrated Logistics model

Our Integrated Logistics Services Platform (ILSP) provides our customers with a vast range of logistics solutions through one system with a cost-per-metric ton logistics execution, by sharing resources and moving away from the conventional asset-leasing model.

Coordinate, cooperate, integrate

Supply chain
- Warehouse management
- Onshore material handling and logistics (Mussafah)
- Offshore material handling and logistics (artificial and natural islands)

Supply and logistics planning
- Supply and logistics planning (drilling and production)
- Shipping logistics (OSVs performance management)

Maritime support services
- Rig move operations
- Marine terminal operations
- Aids to navigation services
- Subsea diving

Advise, tailor, service

For clients and suppliers:
- Reduction in cost
- Planned and organized quality of services
- Single point of contact
- Simplified contract management

For ADNOC L&S:
- Unique service offering in the energy supply chain
- Increase in efficiency and competitive edge
- Closer to net zero, through resource pooling

Growth in the deployment of Jack-Up Barges

A powerful strategic driver for the extension of the ADNOC L&S Integrated Logistics segment, ZMI Holdings (ZMI) was acquired in 2022. It represents an important part of ADNOC L&S' strategic value creation and growth program, and reinforces the Company's commitment to delivering value-accretive growth and driving investment in the UAE.

During 2024, JUBs were among the highest performing asset types in the Integrated Logistics segment. Through its subsidiary ZMI, ADNOC L&S secured contracts for the deployment of 10 JUBs to support EPC contracts in the UAE and Saudi Arabia, on terms up to one year and with six-month extension options. These JUBs support EPC contracts in the UAE and Saudi Arabia. ZMI also secured a five-year contract for deploying a JUB in Qatar, with a two-year extension option. Additionally, ZMI secured three-year contracts this year to deploy eight JUBs, with a two-year extension option, to support operations in the Upper and Lower Zakum fields in the UAE.

Reflecting its confidence in the asset type, The Company acquired three additional shallow water JUBs in 2024 to enhance its offerings in the UAE and Saudi Arabia.

ADNOC L&S is one of the world's largest fully integrated energy maritime logistics services providers, transporting people, materials and equipment essential for developing and maintaining vital energy production.

Unlocking efficiencies and improving on customer service delivery through digitalization

Integrated Logistics services AI – enabled technology

The ADNOC L&S Integrated Logistics business expertly manages the intricate coordination of transporting millions of tons of critical equipment and resources, overseeing over 80 offshore sites and hundreds of vessels. It offers an Integrated Logistics Services Platform (ILSP) – a comprehensive offshore logistics solution that provides customers with advanced planning and resource optimization capabilities through a single digital interface. This cutting-edge technological solution supports vessel movements and service delivery with highly detailed planning and optimization capabilities, addressing the multiple touch points that the global maritime logistics industry faces.

By leveraging an AI-enabled Integrated Logistics Management System (ILMS), which supports the ILSP, ADNOC L&S empowers offshore maritime planners to optimize routes and schedules, improve operational efficiency and ensure the timely delivery of energy products, all while reducing manual workload and enhancing customer satisfaction. The AI-enabled ILMS will assist maritime planners in making complex operational decisions effectively, thereby reducing delivery times.

Expansion of owned fleet

As part of its fleet expansion strategy, ADNOC L&S acquired and deployed nine offshore support vessels (OSVs), including passenger ferry and crew boats, anchor handling tug supply vessels, platform supply vessels and multipurpose supply vessels.

Additionally, six newbuild flat-top cargo barges were acquired which will transport equipment and materials to support EPC projects. The flat-top cargo barges are expected to be delivered in the first quarter of 2025.

The Company also acquired two accommodation barges, each with a capacity to house 300 crew members working at offshore production sites.

The Company acquired three additional shallow water JUBs in 2024 to enhance its offerings in the UAE and Saudi Arabia.

Hail and Ghasha project delivery

In 2022, ADNOC L&S secured a contract for the provision of offshore logistics and marine support services as part of ADNOC Group's contract with the Hail and Ghasha development project, which is part of the Ghasha Concession – the world's largest offshore sour gas development. The concession agreement is a key component of ADNOC Group's integrated gas master plan and an enabler of gas self-sufficiency for the UAE – and in serving growing global demand.

ADNOC L&S provides, amongst other services, material supply chain, marine personnel transportation, safety coverage, accommodation services, harbor management, marine traffic management and island general handling.

By the end of 2024, three islands in Ghasha field were successfully commissioned with fully fledged drilling operations.

Engineering, procurement and construction (EPC) projects

Al Omairah Island construction project also known as G-Islands

In 2023 ADNOC L&S commenced the construction of a US$975 million artificial island at the Lower Zakum field. The Al Omairah project provides support to ADNOC Group's long-term objectives to increase oil and gas production and its responsibility to meet domestic and global energy demand. Additionally, as part of ADNOC Group's in-country value program, at least 75% of the total contract value for dredging reclamation and marine construction of the island will flow back into the UAE economy.

The Al Omairah Island project involves dredging, land reclamation and marine construction. This initiative represents a significant contract for ADNOC L&S and is part of the Company's strategy to expand its range of integrated maritime services and its proven ability to execute major offshore engineering, procurement and construction contracts. During 2024 we continued the project with zero Lost Time Injuries (LTI) across over three million man-hours. The project is ~54% completed as of end 2024 and, with offshore works steadily progressing, in line with project deliverables.

2024 achievements

- Completed first Engineering, Procurement and Construction (EPC) Project, 60 Days ahead of schedule 'Jabel Dhanna Channel Enhancement' in Q2 2024, with 250,000+ safe man-hours with Zero Lost Time Injuries (LTIs)
- Successfully delivered the mooring system installation project for accommodation barges, supporting the development of the Hail and Ghasa fields for the EPC joint-venture
- Effectively replaced and commissioned three offshore pedestal cranes in Zakum Central and West Complex, pivotal for platform operation at the Lower Zakum field (Pedestal Crane Replacements project)

Shipping

Commercial shipping and ship management solutions, including chartering services for crude oil, refined products, LPG and LNG.

ADNOC L&S Shipping is heavily involved in supporting ADNOC Group's ability to deliver cleaner energy products to global markets, particularly ammonia.

Revenue (US$)	EBITDA (US$)
$956m	$396m

Expansion of fleet and decarbonization

To support the energy transition and to capture the growing demand for the transportation of low-carbon energy, ADNOC L&S invested in strengthening and modernizing its fleet with newbuild contracts for up to 21 new energy-efficient vessels, including eight Liquified Natural Gas Carriers (LNGCs), nine Very Large Ethane Carriers (VLECs) and four Very Large Ammonia Carriers (VLACs),

Furthermore, the Company continues to invest in vessel maintenance and re-purposing vessels to increase the longevity of the fleet. In November 2024, the first of six LNGCs from Jiangnan Shipyard in China (ordered in 2022) was delivered two months ahead of schedule, with the remaining five expected to be delivered in 2025 and 2026. Upon delivery, the first vessel was hired and chartered by a top-tier global energy trader, safely and successfully completing its first loading and delivery operation in the Far East.

Liquified Natural Gas Carriers (LNGCs)

In July 2024, it was announced that ADNOC L&S had awarded South Korean shipyards Samsung Heavy Industries and Hanwha Ocean up to US$2.5 billion (AED 9.2 billion) shipbuilding contracts for the construction of new Liquified Natural Gas Carriers (LNGCs) as part of the Company's transformational growth strategy and fleet expansion plans.

Samsung Heavy Industries and Hanwha Ocean were each awarded shipbuilding contracts for the construction of four firm vessels with the option of an additional one. The vessels are expected to be delivered in 2028 and will be time chartered to ADNOC Group subsidiaries for a period of 20 years to support the growing export volumes of natural gas as an in-demand critical lower-carbon transitional fuel. The new vessels will increase the Company's fleet of LNGCs from 14 to at least 22 vessels.

These LNGCs will employ cutting-edge technology to increase fuel efficiencies and carbon intensity reductions in line with the Company's sustainability goals and will open new opportunities for customer and geographical expansion while unlocking increased value for our shareholders. The LNGCs will each have a capacity of 174,000 cubic meters and feature MEGA and XDF2.2 engines, which will produce the best fuel economy and lowest emissions in the Company's global fleet. The vessels will feature cutting-edge sustainability technologies, including a cargo conditioning system designed to reduce LNG cargo evaporation while in transit, systems to direct cargo boil-off gasses to the engines that will increase fuel efficiency and decrease fuel consumption, a real-time emissions monitoring system, and pioneering cargo containment systems to reduce methane emissions.

These features will make the carriers among the most fuel-efficient vessels in the world, strengthening the position of ADNOC L&S as a leader in maritime decarbonization and ADNOC Group's 2045 Net Zero target.

Very Large Ethane Carriers (VLECs)

AW Shipping, a joint venture between ADNOC L&S and Wanhua Chemical Group, awarded shipbuilding contracts to Jiangnan Shipyard in China for the construction of nine Very Large Ethane Carriers (VLECs) priced at approximately US$1.4 billion (AED5.1 billion). The new vessels will be among the world's largest ethane carriers and run on energy-efficient dual fuel engines. The VLECs will be deployed on 20-year time charter contracts. Currently, there are more than 25 VLECs in operation with different shipping companies around the world. Upon receiving the nine new vessels, AW Shipping will own one of the world's largest fleets of VLECs. The VLECs have a carrying capacity of 99,000 cubic meters each and can be powered by ethane or conventional fuels. They are scheduled for delivery between 2025-2027.

Very Large Ammonia Carriers (VLACs)

AW Shipping also awarded shipbuilding contracts to Jiangnan Shipyard for the construction of four VLACs priced at approximately US$500 million (AED1800 million). The new vessels will be among the world's largest ammonia carriers and run on energy-efficient dual fuel engines. The VLACs have a carrying capacity of 93,000 cubic meters each for ammonia and can be powered by liquefied petroleum gas (LPG) or conventional fuels. They are scheduled for delivery between 2026-2028. The VLACs are not yet contracted and are targeted to serve the emerging ammonia transportation market.

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Tankers

The ADNOC L&S tanker fleet consists of eight Very Large Crude Carriers (VLCC). These all have eco-design hull forms and fitted with exhaust gas scrubbers or LNG dual fuel. Eight LR2 and four LR1 tankers underpin the global transportation of clean petroleum products for ADNOC and other blue-chip customers. Four MarineLine coated, methanol-ready MR tankers will be long-term chartered in 2026 to support the growing petrochemicals infrastructure under construction in Abu Dhabi. Two MR tankers and two small chemical tankers are dedicated to covering all of ADNOC Distribution's marine transportation requirements across the UAE. The Company's fleet of tankers increased upon the closing of the acquisition of Navig8, which add over 32 modern and eco-oriented vessels comprising MRs, LR1s, LR2s, one VLCC and one bunker tanker.

Dry-Bulk

As of 31 December, 2024, this business wholly owned nine Bulk Carriers, comprising four Ultramax, four Supramax, one Handysize and three long-term chartered Ultramax (a further Ultramax has been chartered-in and is due to be delivered in January 2025). The vessels will operate globally on six continents. The four modern Ultramax third-party vessels are chartered-in for three-year period charters delivering Q4 2024 and Q1 2025, growing the operated fleet to support ADNOC Group and Third Party client activities. The owned Dry Bulk fleet carried 4.4 million metric tons (M MT) of cargo in 2024 over 109 voyages (69% of voyages were for non-ADNOC cargoes). The third party chartered vessels (period and trip charters) carried 6.8M MT of cargo on 131 chartered-in vessels.

Containers

As of 31 December, 2024, the container side of the Shipping segment fleet comprised three feeder vessels, all of which are engaged with ADNOC L&S sister company Borouge under a term contract, supporting the movement of 3.94 MT of containerized cargo from Ruwais to Khalifa Port and Jebel Ali for subsequent export from the UAE.

> **"The new vessels will be among the world's largest ammonia carriers and run on energy-efficient dual fuel engines. The VLACs have a carrying capacity of 93,000 cubic meters each for ammonia and can be powered by Liquefied Petroleum Gas (LPG) or conventional fuels."**
>
> **CAPTAIN ABDULKAREEM ALMESSABI**
> **Chief Executive Officer**

Services

Marine and onshore services, including terminal operations, vessel traffic management and Oil Spill (OS) and Hazardous and Noxious Substances (HNS) response in the UAE.

2024 saw significant focus on operational excellence, setting the stage for international expansion.

Revenue (US$)	EBITDA (US$)
$312m	$56m

Marine Services

Marine Services is a cornerstone of operational excellence and environmental stewardship, with a focus on marine terminal operations and protecting the environment and assets. Equipped with a cutting-edge fleet and innovative technology, the Marine Services segment strengthens the logistical capabilities of ADNOC L&S while safeguarding the marine environment with industry-leading OS and HNS services.

The Marine Services segment's comprehensive OS and HNS response services capabilities are the largest and most advanced in the Middle East.

In 2024, Marine Services delivered exceptional results, including a substantial increase in vessel utilization and US$2.6 million in fuel savings while handling increased volumes compared to the 2020 baseline. Marine Services also reduced over 4,369 tons of CO_2 emissions in 2024 compared to 2023. With world-class safety standards, to-date Marine Services achieved 12.66 million man-hours without a Lost Time Injury, while fostering a safety-first culture that drove a 230% increase in safety observations.

The Company's pioneering deployment of the region's first AI-powered system deployed at marine terminal operations has driven efficiencies, cost optimization and real-time decision-making. Supported by strategic fleet enhancements and unwavering customer focus, these milestones solidify the Company's position as a leader in industry innovation and ESG, setting the stage for continued growth and impact.

Fleet Upgrade and Business Expansion

ADNOC L&S is committed to continuously upgrading its fleet so they are fuel-efficient and with the latest technologies. This includes the delivery of best-in-class and purpose-built vessels for Tier 1 and Tier 2 OS and HNS Response. Additionally, in support of Made in UAE and enhancing local ICV, the Company purchased locally-built 60-ton BP ASD Tugs. Buoy maintenance vessels were also purchased with delivery in Q1 in 2025. Four existing pilot boats will be replaced with newer and more energy-efficient vessels within the next two years.

With a solid operational foundation, ADNOC L&S is expanding beyond ADNOC, securing Tier 1 and Tier 2 OSR agreements with new clients, and diversifying into new business streams, including external training programs. These initiatives signal the start of an exciting growth trajectory, opening new markets, expanding our service offerings and leveraging cutting-edge technologies to meet the evolving demands of the global energy sector. Marine Services is poised to take the next big leap—delivering unparalleled value to our shareholders, creating new opportunities for society, and contributing to a sustainable and prosperous future.

Enhanced skills development to drive sustainability across the UAE

The Marine Services segment is not only focused on business growth but also on advancing skills development to protect UAE waters and ensure the sustainability of the oil and gas sector. In 2024, ADNOC L&S led a comprehensive knowledge-sharing initiative, training over 300 individuals, including ADNOC employees and external participants, in OS and HNS Response preparedness. As a forward-thinking corporate citizen, ADNOC L&S is fostering a culture of responsibility and innovation that will drive long-term sustainability across the UAE and beyond. Furthermore, in 2024, there a was significant focus on operational excellence, setting the stage for international expansion. Marine Services implemented the region's first AI-based system, seamlessly integrating the entire ecosystem-from the control tower and Vessel Traffic Information Service (VTIS) team to field operations-connecting agents, shipowners, operational team and terminals. This innovation has driven automation, enhanced operational efficiency and unlocked significant cost savings through machine learning and data-driven optimization.

These achievements have been complemented by 100% HSE, strategic fleet upgrades and a relentless focus on customer satisfaction, ensuring that the Company remains at the forefront of industry excellence and continues to exceed expectations.

Onshore Services

The Onshore Services business segment primarily serves the ADNOC petrochemical supply chain, specifically polymer exports. The existing activities include product bagging lines at plant, supported by a dedicated 900,000 Twenty-foot equivalent unit (TEU) Container Terminal and a global gateway hub at KEZAD. Collectively, these activities complement each other by creating a seamless loop with the ADNOC L&S container feeder ships moving exports from the plants in Ruwais to export hubs in Khalifa Port and Jebel Ali. In addition, Onshore Services also serves other ADNOC Group Companies with their supply chain and logistics requirements through a mix of products, services advisory for infrastructure developments and logistics solutions catering to existing and future supply chain demands, as circumstances require.

In 2024, the business packaged a total of 5,121,601 MT at the Ruwais bagging lines. In addition, the Ruwais Container Terminal handled a total of 683,879 TEU that carried 3,936,431 MT of exports on ADNOC L&S feeders. The UAE gateway at KEZAD handled a total of 4,24,933 MT in 2024 across the warehousing and terminal services at Khalifa Port. In parallel to the polymer supply chain activities, the business worked with the ADNOC Group to assess existing Maintenance & Repair Operations (MRO) inventories across Upstream and Downstream businesses with the aim to integrate the warehouse and material logistics operations. The assessment has provided value optimization potential for execution in 2025. Lastly, the port and terminal division has worked closely with the TA'ZIZ business development team in 2024 to support value engineering of the new TA'ZIZ Port and terminal development.

Financial strength to continue creating value

> "An outstanding year for ADNOC L&S financially, delivering a platform for transformative growth while setting new highs in shareholder value delivery."

Financial Performance

In it's first full year post-listing, ADNOC L&S has delivered remarkable growth in revenue and profitability, setting new records across business segments. The remarkable growth is the result of successful and advanced implementation of the Company's strategic growth initiatives coupled with a strong market environment for much of the year across key segments, and a relentless focus on operating efficiency.

The Company recorded outstanding growth for the period, increasing revenues by 29% to US$3,549 million year-on-year. The company delivered 31% EBITDA growth to US$1,149 million over the same period, with EBITDA margins steady at 32%. Net profit delivered was 22% higher than 2023 at US$756 million.

ADNOC L&S's strategic decisions, rapid delivery of growth initiatives against identified opportunities, and operational enhancements and efficiencies have propelled our financial performance to new highs, reinforcing our position as a major global force in energy chain end-to-end integrated logistics.

We are proud to report that each business segment contributed robustly to the financial success of 2024.

Integrated Logistics

The Company delivered higher transported volumes across energy logistics, with outstanding contributions from the Jack-Up Barges (JUBs) fleet, due to growth, higher rates, and improved utilization. The ongoing delivery of projects such as G-Island and Hail & Ghasha along with OSV fleet expansion drove top-line growth and profitability in the GCC and newly-entered markets such as West Africa and the USA.

Offshore Contracting

Revenue increased 14% to US$1,108 million for FY 2024, from US$975 million in FY 2023.

The growth was driven by higher volumes and activity rates across business lines; increased utilization and average rates on Jack-Up Barges (JUBs); along with growth investments in 2023 adding 25% to the JUB fleet and accelerated Hail & Ghasha project also contributed to the substantial period-on-period growth.

EBITDA increased 17% to US$498 million for FY 2024, from US$424 million for FY 2023 due to same factors impacting revenue.

Offshore Services

Revenue increased 10% to US$553 million for FY 2024, from US$501 million in FY 2023. The growth was mainly driven by the increased utilization and average rates as well as expansion in owned fleet in addition to the volumes transported.

EBITDA increased 45% to US$135 million for FY 2024, from US$93 million for FY 2023 due to same factors impacting revenue.

Offshore Projects

Revenue increased 294% to US$620 million for FY 2024, from US$157 million in FY 2023. The increase was mainly driven by various Engineering, Procurement and Construction (EPC) projects' progress, particularly the contribution of the G-Island project (54.2% completion rate).

EBITDA increased 420% to US$54 million for FY 2024, from US$10 million for FY 2023 due to same factors impacting revenue.

Shipping

Dry-Bulk and Tankers markets delivered strong rates in the first half of the year, reducing in line with typical seasonal effects in Q3 but remaining low until the end of the year, driven by a deteriorating macroeconomic environment and market uncertainties.

Tankers

The first full-year since the well-timed addition of four new dual-fuel Very Large Crude Carriers (VLCCs) in 2023 significantly boosted performance in the Tankers segment.

Revenue increased 27% to US$517 million for FY 2024, from US$407 million FY 2023. This growth primarily resulted from higher charter rates for Tankers for most part of the year; four newbuild modern dual fuel VLCCs added to the fleet delivered in 2023; increased tonne-miles driven by geopolitical tensions impacting shipping voyage distances (reducing availability) and hence also rates.

EBITDA increased 51% to US$240 million for FY 2024, from US$159 million in FY 2023, due to the same factors impacting revenue.

Gas Carriers

The number of voyage days decreased in 2024 from the prior year due to a lower level of charter-in activity. In November the Company took delivery of the Al Shelila, the first of the fleet of six LNG Carrier (LNGC) newbuildings underway at Jiangnan shipyard, over two months ahead of schedule. She was placed on charter with a market-leading oil trader on delivery, contributing positively to Q4 results.

Revenue decreased 12% to US$153 million for FY 2024, from US$174 million in FY 2023. The decrease was mainly driven by the cessation of spot charter-in operations, and technical off-hire days in Q1 2024. These off-hire days were a result of the planned dry dock of three owned LNG carriers, as well as one chartered-in carrier, Sohar LNG, during 2024; partially offset by the deployment of the newly acquired VLGC from the end of Q1 2024.

EBITDA decreased 14% to US$87 million for FY 2024, from US$101 million for FY 2023 due to same factors impacting revenue.

Dry-Bulk and Containers

Revenue increased 11% to US$287 million for FY 2024, from US$258 million in FY 2023, mainly driven by higher charter rates.

EBITDA increased 15% to US$69 million for FY 2024, from US$60 million in FY 2023, driven by the same factors impacting revenue.

Services

Solid growth in the Services segment was propelled by the reallocation of the Onshore business activities into Services, increased volumes in our petroleum ports and onshore terminal operations, and a new Marine Terminal Operations contract contributing from January 2024.

Revenue was up 10% to US$312 million for FY 2024, from US$284 million in FY 2023. This was driven by increased volumes in petroleum ports and onshore terminal operations.

EBITDA increased 26% to US$56 million for FY 2024, from US$44 million in FY 2023, driven by higher activity levels in petroleum port and onshore terminal operations coupled with one-off other income for liquidated damages recovered on late deliveries of Tail Back Boats for petroleum port operations.

Hybrid Capital Instrument (HCI) (subsequent event)

On 8 January 2025 ADNOC L&S announced the signing of a US$1.3-2.0 billion HCI. The Company drew US$1.1 billion against the HCI in Q1 2025, leaving US$0.9 billion capacity available to be drawn until 31 December 2026, to fund announced or new value-accretive investments. The first drawdown against the HCI is priced at SOFR+125bps and is repayable at ADNOC L&S' discretion.

This equity financing underpins the Company's ability to finance it's announced investment commitments of over US$6.0 billion since IPO, within a targeted Net Debt: EBITDA range of 2.0 – 2.5x.

Completion of the Navig8 acquisition (subsequent event)

Following the announcement on the agreement to acquire 80% of Navig8 on the 3 June 2024, ADNOC L&S obtained necessary regulatory approvals and completed the acquisition on 7 January 2025 for US$999.3 billion, with economic ownership effective from January 1, 2024. The Company will acquire the remaining 20% ownership in mid-2027, for deferred consideration of between US$335 million and US$450 million dependent on EBITDA delivery ad-interim, payable at that time. This value-accretive acquisition is expected to boost ADNOC L&S' earnings per share by at least 20% in 2025 compared to 2024 and will unlock significant value of at least US$20 million in synergies per annum from 2026.

Dividend Policy

ADNOC L&S remains committed to delivering strong profitable growth and attractive shareholder returns. In line with its approved dividend policy, the Board of Directors approved an interim cash dividend of US$136.5 million for H1 2024, equivalent to 6.78 fils per share, that was paid to shareholders on 31 October 2024. The Board of Directors endorsed a cash dividend of US$136.5 million for H2 2024, equivalent to 6.78 fils per share (subject to AGM approval), that will be paid to shareholders in April 2025.

In line with the Board-approved progressive dividend policy, the Company aims to increase annual dividends by at least 5% p.a over the medium term, taking the 2023 annualized dividend (US$260 million) as a base.

Growth Financing Strategy

Along with our stated financing policy of targeting 2.0 – 2.5x Net Debt: EBITDA over the long run, the Company further announced a significant increased its capital expenditure guidance, reflecting its commitment to long-term growth and strategic expansion. We now see financial capacity to realize another $3bn of shareholder value-accretive investments, as a result of our strong delivered post-dividend cash flows and efficient financial structuring We maintain a strict governance process over investments to ensure value-accretion to shareholders with target unlevered internal rates of return typically in the low double digits (risk-adjusted). This includes multi-layer assessment and approval of investments along with post-investment analysis of value realization against initial plan. The Company is performing highly on realization and outperformance of historic targeted investment returns, exemplified by the growth in EBITDA margins and profitability.

Outlook

The ZMI acquisition bolstered our offering of JUB's and complemented our integrated logistics business. Navig8 complements our shipping business. Both platforms have allowed the business to diversify its service offerings, enter new markets and bolster its client base. In combination with our focus on long-term contracted revenues, with over 400 years of contract cover securing over $25bn revenues as at 31 December 2024, which provide revenue stability and cashflow visibility, our efficient and risk-appropriate capital structure and high-quality international asset platform, and a further US$3+ billion growth investments (to 2029), position the Company well for the next phase of value-accretive growth.

NICHOLAS GLEESON
Chief Financial Officer

Transaction Overview

Navig8

- Global maritime operator with commercial Shipping pools and a modern high-quality fleet of 32 tankers
- Service offerings include bunkering, technical management, commercial pooling, environmental and digital solutions and market analytics
- Initial acquisition of an 80% stake for c. US$999.3m cash consideration

Deal Economics

- Remaining 20% stake to be acquired in June 2027 (minimum of c. US$0.34bn with potential c. US$0.11bn uplift subject to financial performance over 2024E-2026E) Implied Enterprise Value of c. US$2.0bn (on a 100% basis) equating to a 4.9x CY23A EV/EBITDA
- Transaction expected to be at least 20% EPS accretive in 2025 and to deliver a low double-digit unlevered IRR
- Bargain gain to be recognized in Q1 2025 for ADNOC L&S amounting to US$8.3m

Hybrid Capital Financing (HCI)

- Efficiently priced equity – perpetual capital instrument – significantly extending value-accretive investment capacity within targeted 2.5x Net Debt: EBITDA
- Approximately $1.1bn was drawn in February 2025 primarily to finance the 80% Navig8 acquisition

Forging strong relationships

ADNOC L&S is dedicated to building robust relationships with its diverse stakeholders. In 2024, the Company made significant strides in creating value for governments, shareholders, customers, employees, business partners and local communities. Through strategic acquisitions, technological advancements and expansion of services, ADNOC L&S has solidified its position as a leading energy maritime logistics company.

Governments and regulatory bodies

Shareholders / Investors / Finance Providers

Customers

Employees

Business Partners, suppliers and vendors

Local communities

Stakeholder

Governments and regulatory bodies

How we create value

ADNOC L&S is part of the ADNOC Group (wholly owned by the Abu Dhabi government). We focus on creating economic and social opportunities for our nation. ADNOC L&S complies with all laws and regulations of the UAE and the 50+ countries in which we serve.

How we engage

We continue to look for new and innovative ways to maximize the value of Abu Dhabi's natural resources while supporting key national agendas, including the UAE's Net Zero Strategy, the Abu Dhabi Economic Vision 2030 and the and IMO 2023 GHG Strategy.

Value created in 2024

- We are proud to support the local economy through our In-Country Value Enhancement Program, which contributed more than US$260 million in 2024
- Invested in technology and AI to enhance decarbonization through:
  - New build contracts for 21 new energy-efficient vessels in 2024, including LNGCs, VLECs and VLACs
  - Integrate AI-enabled ILMS for enhanced fuel efficiency and optimized operations achieving 60% reduction of delayed material delivery and reduction in carbon emissions in Integrated Logistics
  - Using real-time data analysis for quick resource deployment and instant tracking for Petroleum Port Operations, reducing carbon emissions by over 20% without fleet changes

Newbuild contracts for

21

new energy-efficient vessels

Carbon emissions reduced by over

20%

for petroleum ports operations

Shareholders / Investors / Finance Providers

How we create value

Our objective is to deliver outstanding returns on long-term investment based on a sustainable platform for growth, disciplined approach to capital allocation and cash returns through dividends.

How we engage

We have regular dialogue with investors and shareholders through: investor webinars and financial results presentations, all material news is published via Regulatory News Services (RNS), the Annual Report and Company website, the Annual General Meeting and a combination of one-to-one and larger group meetings.

Value created in 2024

- Held over 230 investor meetings during 2024
- Attended over nine conferences globally
- Over 400 investor touchpoints, including conference calls, fire side chats, conference attendances and panel debate discussions

>230

investor meetings during 2024

9+

global conferences

400+

investor touchpoints

Customers

How we create value

ADNOC L&S is a global energy maritime logistics company that aims to deliver exceptional experiences by providing fully Integrated Logistics, Shipping and marine and onshore services to over 100 customers in more than 50 countries.

How we engage

We use state-of-the-art customer relations management tools to stay in close contact with our clients, reaching out and evaluating their feedback, and exploring ways to be better at what we do.

Value created in 2024

- We acquired Navig8, an international Shipping pool operator and commercial management company with a modern-owned fleet of over 32 tankers and a presence in 15 cities across five continents
- We expanded our Integrated Logistics by adding 20 Offshore Assets including JUBs and updating our platform with AI-enabled software to offer a better, faster and more efficient Integrated Logistics service
- We invested in a newbuild fleet for up to 21 new energy-efficient vessels in 2024, including LNGCs, VLECs and VLACs offering our customers new services to transport lower carbon fuels

Employees

How we create value

The ADNOC L&S People-First strategy reflects its commitment to developing a diverse, inclusive and highly skilled workforce. The Company is also investing in UAE nationals through an ambitious plan to recruit graduates, ranging from seafarers and engineers to corporate professionals, via on-the-job training and development programs.

How we engage

We undertake an annual employee survey. Staff receive training on a variety of topics and are kept informed of business activities through town hall meetings and our intranet.

ADNOC L&S creates opportunities for people of determination[1] by providing individuals with specialist access to personalized skills development and training opportunities that meet their unique needs. Our ‘Women in Leadership’ Program helps to promote female representation in leadership roles. Young people represent a significant portion of the overall workforce. We have set up a Youth Committee to actively empower younger generations to make meaningful contributions to the Company's future. The committee is overseen by the CEO.

Value created in 2024

- Initiated a culture program to develop high performance and accountability
- Ongoing staff training, development and wellbeing program for employees
- During 2024 the Company offered on-board training to over 136 cadets, from 15 nationalities and about a fifth of them were female cadets
- We are committed to providing a strong Health, Safety, and Environment (HSE) culture for all our employees, contractors and suppliers. Throughout 2024, the Company’s Total Recordable Incident Rate (TRIR) stood at 0.21, a reduction of 80% between 2020 (0.59) and 2024 (0.21), achieved by instilling a strong HSE culture, and implementing new technologies, policies and awareness-raising initiatives

1 Description to be supplied.

Business partners, suppliers and vendors

How we create value

The Company's business relationships with suppliers, service providers and vendors are subject to regular review and consideration through vendor due diligence and active contracts management.

How we engage

Strengthen collaboration with stakeholders and ensure transparency, accounting and reporting.

Achieve high code of conduct compliance and uphold business ethics and integrity.

Engage with suppliers on sustainability awareness.

Ensure compliance with the ADNOC Group Supplier and Partner Code of Ethics.

Value created in 2024

- We are proud to support the local economy through our In-Country Value Enhancement Program, which contributed more than US$260 million in 2024

Local communities

How we create value

We are committed to supporting local businesses, residents, and the wider public. Our goal is to be a positive presence providing responsible and sustainable development, resulting in value for local communities as well as for our shareholders. We create opportunities for people, communities, and economies to thrive – by investing in energy production, increasing energy access, enhancing economic growth, and social impact. This aligns with ADNOC's goal of Empowering Lives.

How we engage

Our support takes many forms, both financial and non-financial. Employee volunteering, work experience opportunities and building open days all contribute to establishing and maintaining effective connections.

Value created in 2024

- In addition to our ICV Program, we also play an active role in offering regular placements to school and college students in our Winter Work Placement initiative, and student-internship opportunities in various departments

US$260+ million

contributed to our In-Country Value Enhancement Program

Sustainability summary

The UAE's maritime sector is a testament to resilience and innovation. ADNOC L&S is at the forefront of this transformation, driving sustainable practices across the industry.

Our rich maritime heritage

The UAE's maritime sector is deeply woven into the nation's fabric, evolving from a rich pearl-diving past to a modern global logistics hub. As we continue Empowering Lives, ADNOC L&S proudly carries this legacy, merging time-honored traditions with cutting-edge technology to help forge a sustainable future for this vital industry.

The UAE's waters are not merely trade routes; they represent resilience, innovation and a shared responsibility for environmental stewardship. The Company embraces this ethos, extending its commitment beyond operational excellence by actively championing sustainability and supporting the UAE's ambitious environmental goals.

As a global leader in maritime logistics, the Company recognizes its pivotal role in advancing net zero by reducing emissions, investing in technologies and collaborating with stakeholders to foster lasting progress. This drives our efforts to reduce emissions, invest in clean technologies and collaborate with stakeholders to foster lasting progress. We are decarbonizing and diversifying energy – by innovating to rapidly reduce emissions from today's energy, partnering to build the future of energy, and providing leadership to the global industry.

ADNOC L&S aligns its operations with the ADNOC Group's vision and the UAE's sustainability priorities, positioning itself as a standard-bearer for a greener maritime ecosystem. By integrating advanced digital solutions, modernizing its fleet and championing low-carbon innovations, the Company is Powering Possible and seeking to demonstrate how the industry can thrive while safeguarding the planet.

ADNOC L&S strives to integrate sustainability into its core operations and values, reflecting a deep commitment to both progress and environmental stewardship. Through strategic investments in clean technologies and collaborative efforts with stakeholders, the Company can not only drives innovation in maritime logistics but also sets a benchmark for a greener future.

Sustainability leadership statement

Today's pressing environmental issues demand proactive and decisive action. ADNOC L&S rises to this challenge with a clear sustainability vision, aligning its operations with national and global climate goals. This commitment solidifies its leadership in redefining the future of maritime logistics.

Stewards of the sea

ADNOC L&S has made significant strides in accelerating decarbonization within the maritime logistics sector, achieving a 2024 reduction in its ocean-going fleet's carbon intensity by more than 11% from the previous year, and a remarkable 56% reduction since 2019. This accomplishment serves as a powerful testament to the company's unwavering commitment to measurable progress and tangible results.

Our strategic investments are aimed at setting new global benchmarks for sustainable Shipping practices, demonstrating the Company's leadership in driving the industry towards a greener future. With four LNG dual-fuel Very Large Crude Carriers (VLCC) already delivered in 2023, in 2024 we signed newbuild contracts for up to 23 efficient vessels, including 8-10 new dual-fuel LNG carriers, nine dual-fuel Very Large Ethane Carriers (VLEC) and four dual-fuel Very Large Ammonia Carriers (VLAC).

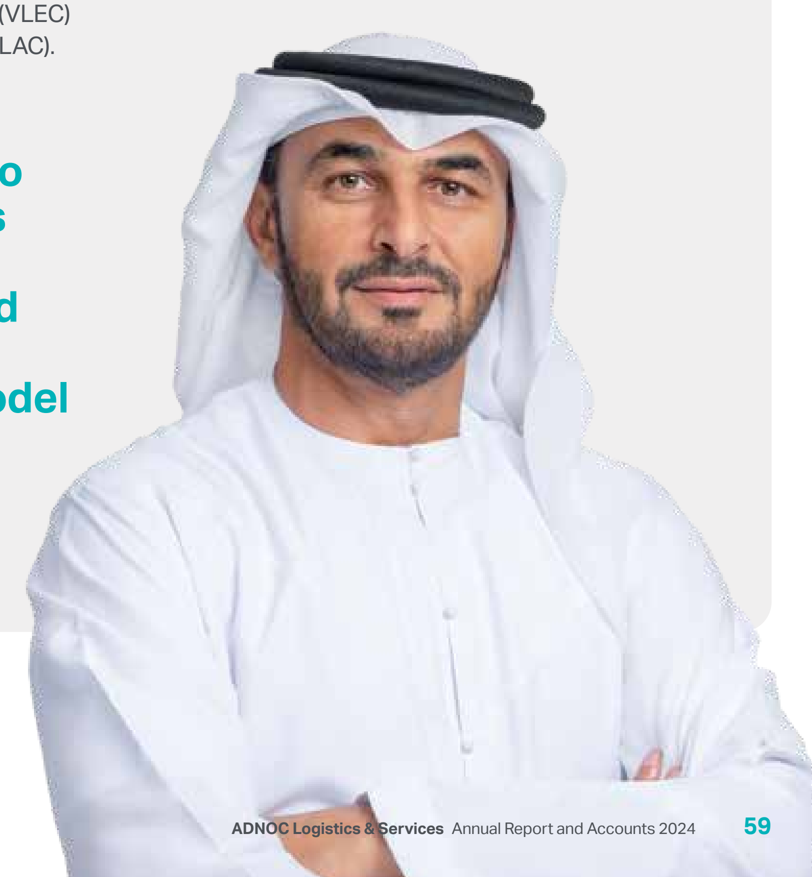
All these vessels can operate on fuels that produce considerably less emissions than conventional Heavy Fuel Oil (HFO) and represent the momentum needed to support energy transition efforts.

Our commitment to AI-enabled technology extends to the development of autonomous and remotely operated vessels, designed for versatile and efficient maritime operations. These vessels enhance operational efficiency and reduce the need for multiple specialized vessels, contributing to a lower environmental footprint and supporting the Company's sustainability goals.

Furthermore, ADNOC L&S is dedicated to enhancing the skills of our workforce, which comprises over 11,000 individuals and 3,400 seafarers. We are proud to support the local economy through our In-Country Value Enhancement Program, which contributed more than US$260 million in 2024. As ADNOC L&S continues to expand its influence across global markets, its focus remains unwavering: to lead the transformation of the maritime industry into a model of sustainability, resilience, and innovation, redefining what is possible for generations to come.

"As ADNOC L&S continues to expand its influence across global markets, our focus remains unwavering: to lead the transformation of the maritime industry into a model of sustainability, resilience, and innovation."

CAPTAIN ABDULKAREEM ALMESSABI
Chief Executive Officer



Sustainability governance

ADNOC L&S is committed to a robust and comprehensive sustainability governance framework that aligns with the broader goals of the ADNOC Group. This framework ensures that sustainability is integrated into every aspect of the Company's operations, fostering a culture of responsibility and environmental stewardship.

Aside from the Annual Report, the ADNOC L&S Sustainability Report 2024 is the second in our series, prepared in accordance with the Abu Dhabi Securities Exchange (ADX) Environmental, Social, and Governance (ESG) Guidelines. This report aligns with the ADNOC Group's 2030 Sustainability Strategy and the United Nations Sustainable Development Goals (UN SDGs), in accordance with Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB), reflecting our commitment to transparency and accountability in our sustainability efforts.

Published annually, the report is overseen by the Sustainability Committee and approved by the Executive Management. Following its completion, it informs stakeholders about our sustainability framework, performance and data.

Sustainability Committee

The Sustainability Committee, established in 2023, plays a pivotal role in advancing the Company's sustainability strategy. Comprising senior management, including the CEO, CFO, VP Strategy and Excellence, VP Health, Safety, and Environment (HSE), VP Investor Relations, VP Corporate Communication, and SVP Offshore Logistics, the committee meets at least quarterly or as required by the CEO.

The Committee's key objectives include:

- Reviewing and approving the Company's sustainability policies, targets and performance indicators
- Monitoring and evaluating sustainability risks and opportunities
- Supporting compliance with relevant sustainability standards and regulations
- Engaging and communicating with internal and external stakeholders on sustainability matters

Committee members are expected to actively participate in meetings, contribute expertise, advocate for sustainability across the organization and stay updated on the latest sustainability trends and best practices.

Sustainability is deeply embedded across various divisions, with designated subject matter experts advancing specific initiatives. This decentralized approach allows for tailored solutions that address the unique needs of each business unit, ensuring sustainability is a shared responsibility across the organization.

Stakeholder engagement is a cornerstone of our sustainability efforts. We maintain open communication with investors, customers, employees and local communities to gather insights and feedback, aligning our sustainability initiatives with stakeholder expectations and needs.

Sustainability Committee structure

The Sustainability Committee comprises the following Company executives (each a 'Member'):

CEO

- CFO
- SVP Offshore Logistics
- VP Investor Relations
- VP Corporate Communications
- VP Strategy and Excellence
- VP HSE

Sustainability highlights

Carbon Intensity	Ethics	In-Country Value	Total ICV Committed Value (US$)
11.4% decrease in carbon intensity since 2023.*	99% Overall completion of the Annual Code of Conduct trainings	41% in 2024	260m in 2024

Training Next Generation of Seafarers	Total Recordable Injury Rate (TRIR)	Health, Safety and Emergency Response Training	Emiratization Rate
136 Cadets **19%** female trained in 2024	0.21 in 2024	~6000 Hours of additional training since 2023	47.7% in 2024

* Carbon intensity measured as Annual Efficiency Ratio (AER) (gCO_2/dwt.nm)

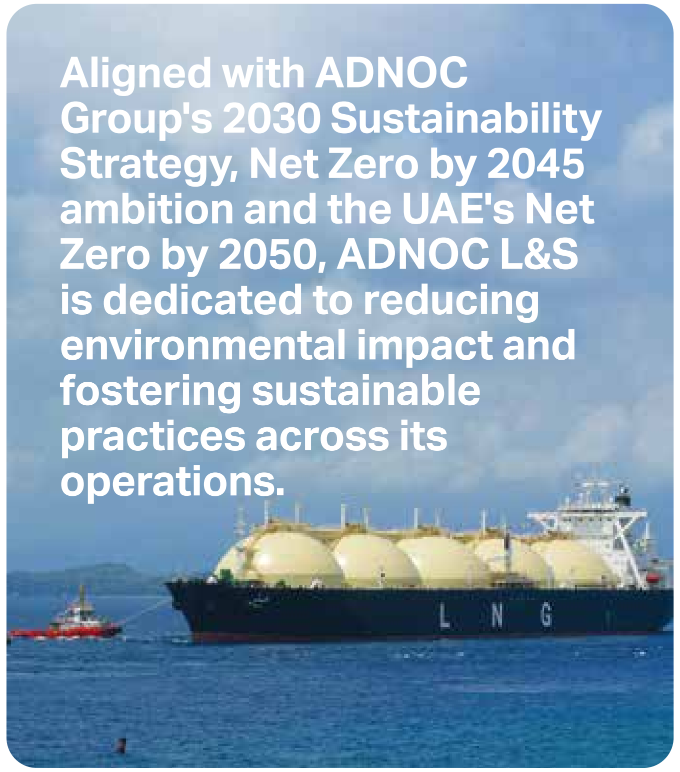
ADNOC Group alignment

As a leading player in the maritime industry, ADNOC L&S recognizes its role in global GHG emissions and is committed to reducing the carbon intensity of its operations.

We are dedicated to achieving a 25% reduction in operational emissions intensity by 2030 and are advancing towards Net Zero by 2045, in line with the ADNOC Group's sustainability targets. Our strategic approach involves mitigating climate risks, investing in sustainable projects and adopting environmentally efficient technologies.

By aligning our efforts with ADNOC Group's 2030 Sustainability Strategy, we are committed to providing responsible, lower-carbon energy, contributing to the UAE's strategic vision and supporting sustainable economic development.

Our comprehensive approach, anchored through well-established HSE standards, guides us in achieving our sustainability goals across short, medium and long-term horizons, reinforcing our leadership in environmental stewardship.



Building our sustainability framework: ESG materiality assessment

ADNOC L&S is committed to shaping its sustainability strategy through a robust materiality assessment process, to support alignment with global best practices and stakeholder expectations. This process is crucial in identifying and prioritizing the environmental, social, and governance (ESG) issues that are relevant to our business and our stakeholders.

In 2023, ADNOC L&S refreshed its materiality assessment, engaging with key stakeholders including investors, employees, suppliers and ADNOC. The process was designed to refine the Company's focus and redefine its sustainability boundaries, ensuring that essential issues are addressed.

The key topics include:

- Health and Safety Culture
- Climate Change and Ocean Health
- Environment
- Customer Satisfaction
- Strategic Business Development
- Energy Transition
- Employee Training and Development
- Hydrogen Transportation
- Business Continuity and Risk Management
- Economic Performance
- Ethics and Compliance
- Diversity and Inclusion
- Strategic Partnerships and Collaboration
- Employee Satisfaction and Wellbeing
- Operational Efficiency

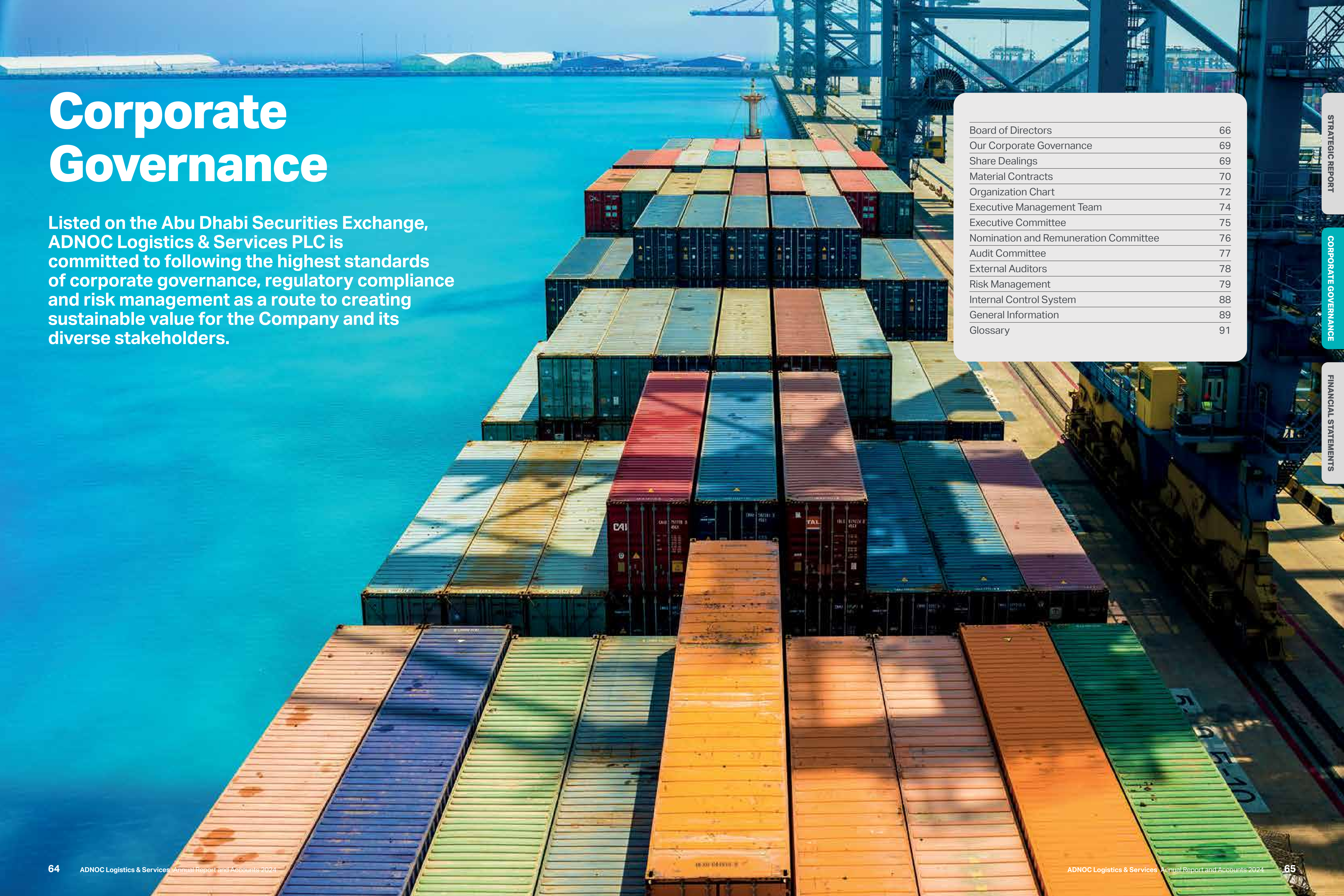
ADNOC L&S stakeholder value proposition

Through its materiality assessment ADNOC L&S is dedicated to delivering value to its stakeholders through sustainable practices, each aligned with specific Sustainable Development Goals (SDGs):

- Governments and regulatory bodies
- Shareholders / Investors / Finance Providers
- Customers
- Employees
- Business partners, suppliers and vendors
- Local communities

We believe, each stakeholder's value propositions directly relate to specific SDGs, as illustrated opposite:

Sustainability strategic pillars	Sustainability goals and commitments	Material topics	UN SDGS	2024 achievements
Climate, emissions and environment	• Align with ADNOC 2045 and UAE 2050 net-zero ambition, and IMO 2023 GHG Strategy • Attain CII compliance across all vessels • Support clients with low-carbon fuel solutions and renew fleet for energy efficiency • Accelerate energy transition and pathways to low-carbon fuel	• Energy Efficiency • Emission Reduction • Energy Transition • Low-carbon Fuels • Ocean Health	13, 7, 14	• New build contracts for up to 23 new energy-efficient vessels in 2024, including LNGCs, VLECs, and VLACs. • Integrate AI-enabled ILMS for enhanced fuel efficiency and optimized operations achieving 60% reduction of delayed material delivery time and reduction in carbon emissions in Integrated Logistics • Using real-time data analysis for quick resource deployment and instant tracking for Petroleum Port Operations, reducing carbon emissions by over 20% without fleet changes.
Health, safety and asset integrity	• Achieve TRIR and all the HSE KPIs in accordance with high HSE standards • Promote HSE awareness program	• HSE Culture Rules • Waste Management	3, 13, 14, 12	• Achieved Total Recordable Injury Rate (TRIR) of 0.21 • Achieved Oil Spill Response Accreditation from the Nautical Institute • Organized Oil Spill and Hazardous Noxious Substance (HNS) Response Workshop and Launched NORM management project for enhanced environmental stewardship • Repurposed 20 tons of scrap to fabricate bollards, with an 80% reuse/recycle rate and 80% waste reduction
People and community	• Achieve employment engagement rate of 87% • Achieve ICV contribution of 60%	• Satisfaction and Wellbeing • Training and Education • Diversity and Equal Opportunities • Promote ICV	3, 4, 5	• Achieved 41% ICV in 2024 with US$260 million spent through the local economy • Initiated a culture renovation program to develop high performance and accountability • Youth Committee overseen by the CEO encourages significant contributions from young people • Trained over 136 cadets from 15 nationalities, 19% were female
Supply chain and business ethics	• Strengthen collaboration with stakeholders and ensure transparency, accounting and reporting • Achieve high code of conduct compliance and uphold business ethics and integrity • Engage with suppliers on sustainability awareness • Achieve compliance with the ADNOC Group Supplier & Partner Code of Ethics	• Ethics and Compliance • Strategic Partnerships and Collaboration • Supplier Code of Conduct	12	• 99% overall compliance to the Annual Code of Conduct e-learning with 96% compliance rate for seafares and site-based employees • On-ground workshops with multi-lingual facilitation, supported by crew management and site coordinators
Economic performance	• Grow with ADNOC: Service new growth and expand service offering • Expand service offering to capture additional business and clients • Extend international activities • Expand blue-chip client base	• New Business Opportunities • Operational Efficiency • Customer Satisfaction	8, 9	• Announce acquisition of Navig8 • Strategic fleet expansion • AI Enabled growth for Integrated Logistics management • The share price has increased by over 170% since IPO • Strong outlook, adding 340 year of contracted revenue



Corporate Governance

Listed on the Abu Dhabi Securities Exchange, ADNOC Logistics & Services PLC is committed to following the highest standards of corporate governance, regulatory compliance and risk management as a route to creating sustainable value for the Company and its diverse stakeholders.

Board of Directors

H.E. Dr. Sultan Ahmed Al Jaber ◯
Chairman of the Board of Directors

Khaled Salmeen E
Chairman of Executive Committee

Khaled Al Zaabi A E
Chairman of Audit Committee
Member of Executive Committee

H.E. Dr. Abdulla Al Jarwan N
Chairman of Nomination and Remuneration Committee

Tayba Al Hashemi A
Member of Audit Committee
Member of the Nomination and Remuneration Committee

Marwan Naim Nijmeh E
Member of Executive Committee

Mashal Saoud Al-Kindi A N
Member of Audit Committee
Member of Nomination and Remuneration Committee

Key
- A Audit
- E Executive
- N Nomination and Remuneration
- ◯ Chair

H.E. Dr. Sultan Ahmed Al Jaber

Chairman of the Board of Directors

His Excellency Dr. Sultan Ahmed Al Jaber is a member of the UAE Federal Cabinet, Minister of Industry and Advanced Technology, and the UAE's special envoy for climate, a role he previously served in from 2010 to 2016. Dr. Sultan was appointed to the UAE cabinet in 2013, where he served as a Minister of State of the UAE until July 2020.

H.E. Dr. Al Jaber serves as Group CEO and Managing Director of the ADNOC Group. Prior to taking on the leadership position at ADNOC, he was the CEO of the Energy platform at Mubadala. In 2006, while at Mubadala, he helped establish Masdar and served seven years as its CEO. He continues to serve as Chairman of Masdar. In July 2020, he was appointed Chairman of Emirates Development Bank. In December 2020, he was appointed as a board member to the Abu Dhabi Supreme Council for Financial and Economic Affairs.

H.E. Dr. Al Jaber is Chairman of the Board of Trustees of the Mohamed bin Zayed University of Artificial Intelligence. He served as Chairman of the Abu Dhabi Ports Company from 2009-2019. He served as Chairman of the UAE National Media Council from 2015 to 2020, and he previously served on the United Nations Secretary General's High-Level Group on Sustainable Energy for All.

H.E. Dr. Al Jaber holds a PhD in business and economics from Coventry University in the United Kingdom, an MBA from the California State University, and a Bachelor's Degree in chemical engineering from the University of Southern California, USA.

Khaled Salmeen

Director
Chairman of Executive Committee.

Mr. Khaled Salmeen is the CEO of Downstream at ADNOC, where he oversees the entire downstream value chain. He is committed to driving performance, maximizing efficiency, and delivering strong, sustainable growth across all stages of the downstream sector.

Mr. Salmeen has been a driving force behind the successful public listing of five downstream companies, the strategic consolidation of ADNOC's gas businesses, and the launch of high-impact ventures like TA'ZIZ. Additionally, as a proven dealmaker, Salmeen has led major transactions that have expanded ADNOC's global footprint, reinforcing ADNOC's position as a regional and international leader.

Mr. Salmeen holds board positions at ADNOC Logistics and Services, ADNOC Refining, ADNOC Gas, Borouge ADP, Fertiglobe, ADNOC Global Trading, and ADNOC Distribution. He chairs the boards of Borouge PTE, ADNOC Trading, TA'ZIZ, and Abu Dhabi Gas Distribution, and serves on the boards of NGSCO and OMV.

In his previous role, Salmeen led the Marketing, Supply, and Trading Directorate of ADNOC. His leadership experience includes roles as CEO of Khalifa Industrial Zone Abu Dhabi (KIZAD), Chairman of Abu Dhabi Terminals, and COO of Tabreed.

Mr. Salmeen holds a Bachelor's degree in Engineering from the Colorado School of Mines and an Executive MBA from INSEAD

Khaled Al Zaabi

Director
Chairman of Audit Committee
Member of Executive Committee

Mr. Al Zaabi is ADNOC Group Chief Financial Officer and oversees the formulation and execution of comprehensive financial strategy, investments, planning, performance, operational efficiency, treasury, risk management, and strategic partnerships. In his role, he provides visionary leadership, driving the execution of ADNOC's investment strategy, and advancing the company's sustainability agenda in alignment with its financial strategy. Mr. Al Zaabi ensures effective regulatory compliance, facilitating domestic and international growth across diverse energy sectors, including oil, gas, LNG, chemicals, refining, distribution, low carbon solutions, renewables, drilling, logistics, and shipping services.

He has successfully managed major equity market transactions, publicly listed several ADNOC companies, completed M&As, and secured ADNOC's first green financing. Mr. Al Zaabi led the issuance of ADNOC's Murban first corporate bond, establishment of the region's first large-scale In-House Bank, and execution of financial restructuring deals.

Mr. Al Zaabi serves on the boards of several domestic and international entities, including OMV, ADNOC Distribution, ADNOC Drilling, ADNOC Gas, ADNOC Logistics & Services, Borouge and ADNOC Refining.

He holds a bachelor's degree in finance from Deakin University, Australia.

H.E. Dr. Abdulla Al Jarwan

Director
Chairman of Nomination and Remuneration Committee

H.E. Dr. Abdulla Al Jarwan is the Chairman of the Abu Dhabi Department of Energy and a member of the Abu Dhabi Executive Council. Previously, he served as Director of the Executive Office at ADNOC, where he led initiatives to enhance the company's global standing. He has also contributed to ADNOC Drilling and ADNOC Logistics and Services. Dr. Al Jarwan holds a Doctorate in Business Administration from UAE University, specializing in Mergers and Acquisitions, along with a Master's and Bachelor's degree in Petroleum Engineering from Khalifa University. He also completed a Senior Executives Leadership Program at the London School of Economics.

Board of Directors continued

Tayba Al Hashemi

Director
Member of Audit Committee
Member of the Nomination and Remuneration Committee

Ms. Al Hashemi is the Chief Executive Officer of ADNOC Offshore, one of the largest offshore energy producers in the world. She brings more than 20 years of industry experience across a range of technical disciplines and leadership positions. In her current role, Ms. Al Hashemi leads a team of 8,000 people and works with eight international partners.

Marwan Naim Nijmeh

Director
Member of Executive Committee

Mr. Nijmeh is the Chief Legal Officer of ADNOC, Director of AIQ and ADNOC Distribution, overseeing legal operations across the group. He served as Deputy Chief Legal Officer at Mubadala Investment Company. Prior to that role, he was a General Counsel of numerous Mubadala Group assets, including Masdar. Before joining Mubadala, Mr. Nijmeh worked as a senior associate at international law firms, including Allen & Overy and Simmons and Simmons. Mr. Nijmeh serves as a board member of Moeve.

Mashal Saoud Al Kindi

Member of Audit Committee
Member of Nomination and Remuneration Committee

Mr. Al Kindi joined TA'ZIZ as Chief Executive Officer in February 2023.

He is a leader in the UAE's oil and gas sector, with over 15 years of senior management across ADNOC's Executive Office, Upstream and Downstream Industry Trading & Marketing directorates.

Mr. Al Kindi's prior experience includes the establishment of joint ventures, as well as the spearheading of corporate management and business transformation across several ADNOC group companies. He brings a wealth of experience in major capital projects, portfolio management, governance and corporate planning.

He holds a Bachelor of Science in Mechanical Engineering and a Master of Project Management.

Women's representation on the Board of Directors

Ms. Tayba Al Hashemi is a member of the Board of Directors. In keeping with its commitment to gender diversity, the Company are actively seeking opportunities to increase female representation on its Board.

Statement of allowances paid to Board subcommittee members in 2024

No allowances, salaries, or additional fees were paid to Board subcommittee members in 2024.

Board meetings – attendance records

The Articles of Association of the Company require that the Board of Directors meets a minimum of four times each year. The quorum for meetings is a majority of Directors, and the quorum for voting during meetings is a majority of attendees.

In 2024, the Board of Directors met on four occasions. The following table sets out the meetings held by the Board of Directors in 2024.

Directors' remuneration

In 2024, our shareholders approved a total remuneration of AED 15.83 million which was paid to the members of our Board of Directors for 2023.

The proposal for the remuneration for the Board of Directors for 2024 is under consideration and this report will be republished once the figure is available. This will be presented to our shareholders at our upcoming annual General Assembly meeting for approval.

Board Member	Position on the Board	Feb 14, 2024	May 7, 2024	Aug 6, 2024	Nov 13, 2024
H.E. Dr. Sultan Ahmed Al Jaber	Chairman	P	P	P	P
Khaled Salmeen	Board Member	P	P	P	P
H.E. Dr. Abdulla Al Jarwan	Board Member	P	P	P	P
Khaled Al Zaabi	Board Member	P	P	P	P
Marwan Naim Nijmeh	Board Member	P	P	P	P
Mashal Al Kindi	Board Member	P	P	P	P
Tayba Al Hashemi	Board Member	P	P	P	P

All board members are independent and non-executive. The appointment date for the board members is April 19, 2023, except for Mr. Nijmeh, who was appointed on February 14, 2024. The governance framework ensures the CEO operates independently from chairing Boards, enabling effective oversight by the Board. The percentage of total Board seats occupied by independent members 100%.

Our Corporate Governance

The Company's Commitment

The Company embraces sustainability as a strategic pathway to maintaining integrity and accountability across the Company. The Company has an effective governance framework across its global operations, and it is committed to the principles of good corporate governance. The corporate governance standards are in line with international best practice.

Code of Conduct

ADNOC L&S is committed to operating with integrity and maintaining the highest professional and ethical standards in every aspect of our business. The Company's Code of Conduct outlines the legal and ethical standards that we expect from everyone who works for or represents any part of the Company.

Values

The values of ADNOC L&S are aligned with those of ADNOC Group. Its values are:

Collaborative
Responsible
Respectful
Efficient
Progressive

Share Dealings

Purchases and sales of the Company's shares and other transactions involving its securities by employees and representatives is governed by the Inside Information and Insider Dealing Standards.

It is the policy of the Company that inside information must not be used by any ADNOC Logistics & Services PLC personnel and their connected people for personal gain. The Company expects that all of its employees, as well as the other people with whom the Company transacts, abide by this standard and, in doing so, adhere to the applicable laws on inside information and dealings. The following table sets out the details of all purchases and sales of the Company's shares undertaken by its directors, their spouses and their children in 2024:

Director	Position	Shares held as of December 31, 2024	Total sales transactions	Total purchase transactions
H.E. Dr Sultan Al Jaber	Chairman	0	0	0
Khaled Salmeen	Board Member	946,261	0	0
H.E. Dr. Abdulla Al Jarwan	Board Member	447,761	0	0
Khaled Mohamed Abdulla Al Alkeem Al Zaabi	Board Member	447,761	0	0
Marwan Naim Salem Nijemh	Board Member	0	0	0
Mashal Al Kindi	Board Member	124,378	0	0
Tayba Al Hashemi	Board Member	124,378	0	0

Material Contracts

Related Party Transactions

The Company is a party to various agreements and other arrangements with related parties including ADNOC and certain of its subsidiaries other than the Company as well as Directors and members of the Executive Management Team of the Company. These agreements are negotiated on an arms-length basis. The most significant of these transactions are described below.

Certain transactions with related parties are considered part of the normal business of the Company and of a routine nature, and as such are "pre-approved" by the Executive Committee. Examples of these are contracts having a value of less than USD 5,000,000 or contracts having a duration of less than 12 months.

The Company is exempt from having to disclose related party transactions to ADX, so there is no requirement to maintain a register of related party transactions.

Shipping – Expansion of Fleet, Life Extension and Decarbonization

The Company's strategy in relation to its shipping business is to grow and diversify its fleet to meet the rising and evolving demand for the transportation in the global energy sector.

To support the energy transition and to capture the growing demand for the transportation of low-carbon energy, we have invested in enhancing and modernizing our fleet with newbuilding contracts entered into for up to 23 new energy-efficient vessels, including eight to ten Liquified Natural Gas Carriers (LNGCs) and, through the Company's joint venture with Wanhua Chemical Group Co. Ltd, AW Shipping Limited (AW Shipping), nine Very Large Ethane Carriers (VLECs) and four Very Large Ammonia Carriers (VLACs), Further details of these projects follow.

The Company continues to invest in vessel maintenance and re-purposing vessels to increase the longevity of the fleet. Such life extension projects delay carbon intensive asset replacement projects and extend the profitable life of assets. The Company also invests in carbon intensity reduction initiatives on existing fleet through vessels' life on a case-by-case basis.

Liquified Natural Gas Carriers

DAS LNG Project

On 25 November 2024, the first of six newbuild LNGCs, modern technology XDF vessels of 175,000 cubic meters ordered from Jiangnan Shipyard in China in 2022 was delivered, with the remaining five expected to be delivered in 2025 and 2026. These vessels are contracted for use in connection with the DAS LNG project from mid-2026. The first vessel to be delivered has been chartered to a top-tier, global energy trader which safely and successfully completed its first loading and delivery operation in the Far East.

Ruwais LNG Project

In July 2024 the Company entered into a vessel supply agreement with ADNOC for the supply of eight newbuild LNGCs, to serve the long-term shipping requirements of the Ruwais LNG Project, through the chartering of the vessels for 20-year periods. In order to service this contract, in July it was announced that ADNOC L&S had awarded South Korean shipyards Samsung Heavy Industries and Hanwha Ocean up to US$2.5 billion (AED 9.2 billion) of shipbuilding contracts for the construction of eight to ten new LNGCs. These LNGCs are targeted to the assignment under the vessel supply agreement to long-term contracts to transport volumes of the Ruwais LNG Project.

Each of Samsung Heavy Industries and Hanwha Ocean were awarded shipbuilding contracts for the construction of four firm vessels with the option for an additional one.

These LNGCs will employ cutting-edge technology to increase fuel efficiencies and carbon intensity reductions in line with the Company's sustainability goals and will open up new opportunities for customer and geographical expansion while unlocking increased value for our shareholders. The LNGCs will each have a capacity of 174,000 cubic meters and feature XDF2.2 engines, which will produce the best fuel economy and lowest emissions in the Company's global fleet. The vessels will also feature state of the art carbon intensity reduction technologies including a cargo conditioning system designed to reduce LNG cargo evaporation while in transit, systems to direct cargo boil-off gas to the engines that will increase fuel efficiency and decrease fuel consumption, a real-time emissions monitoring system, and pioneering cargo containment systems to reduce methane emissions.

These features will make the carriers among the most fuel-efficient vessels in the world, strengthening ADNOC L&S' position as a leader in maritime decarbonization and ADNOC Group's 2045 Net Zero target.

Very Large Ethane Carriers

In July 2024, the Company's joint venture, AW Shipping, entered into agreements with China Shipbuilding Trading Co. Ltd and Jiangnan Shipyard (Group) Co. Ltd for the construction of nine newbuild VLECs priced at approximately US$1.4 billion (AED5.1 billion). These vessels are due to be delivered between 2025-2027 and will be employed on 20-year fixed time charter contracts, thereby securing earnings visibility and derisking the investment. The VLECs have a carrying capacity of 99,000 cubic meters each and can be powered by ethane or conventional fuels.

Very Large Ammonia Carriers

In July 2024 the Company's joint venture company AW Shipping entered into shipbuilding contracts to Jiangnan Shipyard in China for the construction of four VLACs priced at approximately US$500 million (AED1800 million) in total for delivery in 2025 – 2027.

The new vessels will be among the world's largest ammonia carriers and run on energy-efficient dual fuel engines. The VLACs have a carrying capacity of 93,000 cubic meters each for ammonia and can be powered by liquefied petroleum gas (LPG) or conventional fuels. They are scheduled for delivery between 2026-2028. The VLACs are not yet contracted and are targeted to serve the emerging ammonia transportation market. Ammonia is considered a likely key contributor to industrial emission reduction.

Acquisition of Navig8

In June 2024 ADNOC L&S entered into an agreement for the acquisition of Navig8 TopCo Holdings Inc. (Navig8), an international shipping pool operator and commercial management company. The acquisition formally completed in January 2025. Under the terms of the agreement, ADNOC L&S acquired 80% of Navig8 for US$999.3m (AED3.7 billion) with economic ownership transfer effective from 1 January 2024, and further acquire the remaining 20% ownership in 2027 for a deferred consideration of US$335 million to US$450 million (AED1.2 billion to AED1.7 billion). ADNOC L&S will unlock significant value through cost saving synergies, with savings targets of over US$100 million (AED367 million) over the lifespan of the project already identified through optimizing technical management costs and bunker spend. Navig8's global footprint in 15 cities across five continents, and an owned modern fleet of 32 tankers, will greatly enhance ADNOC L&S' international profile and expand its blue-chip customer base. ADNOC L&S' service offering will include pooling, commercial management, bunker trading, technical management and ESG-focused digital solutions.

Musaffah Operations

ADNOC Offshore and ADNOC L&S entered into an agreement in January 2024 to cover new services related to the Musaffah Offshore Supply Base, material backload request process, marine terminal operation, and revisions to existing services related to vessel chartering. The scope includes providing onshore facilities, safety and security services, maintenance, utilities, waste handling, fuel and water supply, cargo transfer, harbor operations, terminal services, SPM marine maintenance, oil spill response, and procurement of third-party services. Key performance indicators are monitored monthly to ensure compliance and performance. The work covers the provision of a wide range of services at the Musaffah Offshore Supply Base, including onshore warehouse and office facilities, safety and security services, maintenance services, waste handling, fuel supply and bunkering services, cement handling, and liquid mud plant functions, material backload request process, vessel chartering and related services.

Oil Spill Services

Pakistan International Oil Limited (PIOL) Service Agreements

PIOL and ADNOC L&S entered into two agreements between April and May 2024. The first agreement signed was for the provision of rental Tier 1 oil spill response packages for a minimum three-month term with automatic monthly extensions. The two response packages are located onboard vessels operating at PIOL's offshore operations (Block 5 Offshore Abu Dhabi) and remain on standby to be used to initially respond to any local oil spill incident. The second agreement signed was a technical management services agreement for Tier 2 Oil Spill and HNS services for a minimum three-month term with automatic monthly extensions. The agreement provides access to Tier 2 response resources and expertise for PIOL's offshore operations in Block 5 Offshore Abu Dhabi, as well as access to accredited training during the term.

Ras Al Khaimah Ports

RAK Ports and ADNOC L&S entered into an agreement dated October 2024 (effective from August 2024). The agreement signed was an access-based technical management services agreement for Tier 2 OS and HNS services for a three-year term. The agreement provides the client with access to Tier 2 response resources and expertise for each of RAK ports operations in Ras Al Khaimah.

Hail and Ghasha Integrated Logistics Technical Services Agreement

ADNOC and ADNOC L&S has a contract to support offshore oil and gas drilling operations through the provision of marine and logistics service to transport personnel and materials for the duration of eight years, with the option to extend the agreement for additional two years from the end of the initial period.

Under the terms of the agreement, ADNOC L&S provides complete logistics services, including planning and execution of the works; receipt, storage, transportation and handling of all materials/equipment and waste; marine support, including the provision of marine assets and port facilities services; onshore base supply services inclusive of warehousing and storage of goods; onshore island port management services; provision of intra island movements of cargo and personnel; hotel services offshore; provision of passenger transportation by vessel; mobilization of land rigs to offshore islands, mobilization of cement, fluid and bulks plants to offshore islands and coordination of maritime operations offshore. Fees for the performance of services under the agreement remain fixed for its duration.

Organization Chart

- **CHIEF EXECUTIVE OFFICER**
  - **Senior Vice President** Commercial (Shipping)
    - **Vice President** Commercial (Tanker)
    - **Vice President** Commercial (Gas)
    - **Vice President** Commercial (Dry-Bulk and Container)
    - **Manager** Contracts (Claims and Demurrage)
    - **Manager** Bunker and Agency
  - **Senior Vice President** Ship Management
    - **Vice President** Technical (Shipping)
    - **Vice President** Projects (Shipping)
    - **Vice President** Marine & HSE
    - **Vice President** Technical (OMS)
    - **Vice President** Crew Management
  - **Senior Vice President** Offshore Logistics
    - **Vice President** Offshore Mobile Solutions and Projects
    - **Vice President** Offshore Shipping and Marine Support
    - **Vice President** Logistics
    - **Vice President** Commercial (Logistics and Offshore)
    - **Senior Manager** Planning and Performance
  - **Senior Vice President** Operations (Onshore Services)
    - **Vice President** Projects and Engineering Services
    - **Vice President** Onshore Logistics
  - **Senior Vice President** Marine Services
    - **Vice President** Petroleum Ports Operations
    - **Vice President** Oil Spill and HNS Response
  - **Advisor, CEO**
  - **Executive Office Coordinator**
  - **Vice President** Audit and Assurance
    - **Manager** Internal Audit (Operations)
    - **Manager** Internal Audit (Support)
  - **Senior Vice President** Transformation and Asset Management
    - **Vice President** Transformation & Integration
    - **Vice President** Asset Management
  - **General Counsel**
    - Associate General Counsel
  - **Vice President** Corporate Communication
    - **Manager** Internal Communications
    - **Manager** External Communications
  - **Senior Vice President** Strategy and Business Development
    - **Vice President** Strategy and Excellence
    - **Vice President** Business Development
  - **Vice President** Corporate HSE
    - **Manager** HSE Support
    - **Manager** HSE (Marine and Onshore Services)
    - **Manager** HSE (Offshore Logistics)
    - **Manager** Crisis Management
  - **Senior Vice President** Shared Services
    - **Vice President** Human Capital
    - **Vice President** Business Support
    - **Vice President** Procurement
    - **Vice President** Digital
    - **Manager** OD, WFP, Planning and Performance
  - **Chief Financial Officer**
    - **Vice President** Investor Relations
    - **Vice President** Investments
    - **Vice President** Financial Planning & Analysis
    - **Vice President** Finance (Treasury and Insurance)
    - **Vice President** Finance (Financial Accounts)
    - **Manager** Financial Systems
    - **Manager** Enterprise Risk Management

LEVEL I
LEVEL II
LEVEL III

Executive Management Team

Captain Abdulkareem Mubarak Al Messabi

Chief Executive Officer

Captain Abdulkareem Al Messabi is the Chief Executive officer of ADNOC Logistics & Services PLC and leads the Company. Before assuming his current role in April 2018, Captain Abdulkareem Al Messabi was the Executive Vice President of the Ports Unit at Abu Dhabi Ports and the Chairman of Abu Dhabi Terminals. He was responsible for all of Abu Dhabi Ports' day-to-day operational activities and provided operational leadership for the ports' growth.

Nicholas Murray Gleeson

Chief Financial Officer

Mr. Gleeson is the Chief Financial Officer of the Company. He has a broad range of experience in energy logistics and strategic leadership, along with experience in initial public offerings, mergers, acquisitions and disposals. Prior to his current role, he was the Group Chief Financial Officer of BW Group.

Ahmad Saeed Obaid Bin Taresh Al Dhaheri

Senior Vice President – Commercial & Operation (Shipping)

Mr. Ahmed Al Dhaheri is the Senior Vice President of Commercial & Operations (Shipping) of the Company and has been working with the Company's subsidiaries for the last 25 years in various management positions. In his current role, Mr. Al Dhaheri looks after the Company's core business.

Captain Mohamed Ali Mousa Torki Al-Ali

Senior Vice President – Offshore Logistics

Captain Mohamed Al Ali is the Senior Vice President of Offshore Logistics. In his current role, he oversees the commercial logistics and operational activities of the ports, offshore supply and support fleet to provide end-to-end offshore logistics solutions to customers, including warehousing, material handling, and port and offshore supply operations.

Vivek Kumar Seth

Senior Vice President – Marine Services

Mr. Seth is the Senior Vice President of Marine Services of the Company and the Company's subsidiary, Abu Dhabi Marine Business Services Company PJSC. He has more than 32 years of global management, commercial and operations experience in aligning corporate vision with strategic transformation. He has worked across deep-sea Shipping and offshore maritime segments globally.

Justin Sawdon Stewart Murphy

Senior Vice President – Operations (Offshore)

Mr. Murphy is the Senior Vice President of Strategy and business Development of the Company and has more than 30 years of experience in the maritime and logistics industry. He has served in a range of roles across the globe, including the USA, Canada, Singapore, London and Abu Dhabi.

Andrew Baird

General Counsel

Mr. Baird is the General Counsel of the Company. He is an English law qualified solicitor and has over 35 years of experience in private practice focused on the maritime and offshore industries. Before taking on his current role, he was a Partner in the law firm Watson Farley & Williams LLP and was the founder and Managing Partner of the firm's Dubai office.

Executive Committee

The Executive Committee consists of eight members, all being independent non-executive directors. The Board established the Executive Committee to assist the Board in the discharge of its duties.

The role of the Executive Committee is to act on behalf of the Board during the intervals between scheduled Board meetings so that matters that require Board approval during such intervals can be dealt with in a timely and efficient manner. The Executive Committee focuses on matters including health, safety and the environment, along with the Company's sustainability initiatives, operational and business planning, financial results, investor relations, and corporate communications strategy.

As part of his role as the Chairman of the Executive Committee, Mr. Khaled Salmeen is responsible for ensuring the committee's overall effectiveness and that the committee properly complies with all its stated objectives.

The following table sets out the members of the Executive Committee in 2024:

Board Member	Position on the ExCom	Feb 2, 2024	Apr 25, 2024	Jul 29, 2024	Sep 18, 2024	Oct 30, 2024
Khaled Salmeen	Chairman	P	P	P	P	P
Khaled Al Zaabi	Member	A	A	A	P	P
Marwan Naim Nijmeh	Member	P	P	P	P	P
Fatma Al Nuaimi	Member	P	P	A	P	A
Ayman Dabash	Member	P	P	P	P	P
Klaus Forehlich	Member	A	A	P	P	A
Jasim Saeed	Member	P	P	A	P	P

P – Present, A – Absent

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management members of the Company. It is responsible for evaluating certain matters relating to the Company's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors.

In addition, and subject to the Articles of Association, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration and decisions on certain of the company's human capital policies, setting the over-arching principles, parameters and governance framework of the Company's remuneration policy and overseeing remuneration and benefits packages.

The Board will delegate to the Nomination and Remuneration Committee decisions in relation to the appointment, removal, and replacement of personnel reporting directly to the Company's chief executive officer, senior vice-presidents of the Company, and management personnel reporting directly to the Group's senior vice-presidents.

The Nomination and Remuneration Committee Terms of Reference require that the Nomination and Remuneration Committee must comprise four members. At least three of the members of the Nomination and Remuneration Committee need to be Non-Executive Directors (of whom at least two must be independent directors), in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from among the independent committee members.

The members of the Nomination and Remuneration Committee are appointed in accordance with the Nomination and Remuneration Committee Terms of Reference. The Nomination and Remuneration Committee meets at least twice per year and otherwise from time to time, based on the Company's requirements.

All members of the Nomination and Remuneration Committee are required to comply with the ADNOC Group's information-sharing protocol, which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

The following table sets out the meetings held by the Nomination and Remuneration Committee in 2024:

Board Member	Position	Jul 3, 2024	Oct 31, 2024
H.E. Dr. Abdulla Aljarwan	Chairman	P	P
Tayba Al Hashemi	Member	P	P
Mashal Al Kindi	Member	P	P
Ayesha Mohamed Al Hammadi	Member	A	P
Nasser Omair Al Muhairi	Member	A	A

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls.

This assistance includes reviewing and monitoring the integrity of the Company's annual and interim financial statements, reviewing and monitoring the extent of the non–audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Company's relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Company's internal control review function.

The ultimate responsibility for reviewing and approving the annual report and financial statements remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, governmental authorities and the ADX, including the provisions of the Governance Guide.

The Governance Guide, as reflected in the Audit Committee Charter, requires that the Audit Committee must comprise at least three members who are Non–Executive Directors. One of the independent members must be appointed as the Chair of the Audit Committee.

In addition, at least one member is required to have recent and relevant audit and accounting experience. The Audit Committee must be chaired by one of the independent members and must include other members elected by the Board. The Audit Committee meets at least four times a year.

The Audit Committee has taken appropriate steps to ensure that the Company's External Auditors are independent of the Company as required by the Governance Rules and has obtained written confirmation from the Company's Auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee's responsibilities in relation to the Audit and Assurance Division include the review and approval of the overall audit strategies and annual audit work plan, budget, and overseeing the internal audit programs and performance. In addition, the Audit Committee ensures that Audit and Assurance has full and unrestricted access to all required sources of information relevant to the performance of its work.

As part of his role as the Chair of the Audit Committee, Mr. Khaled Al Zaabi is responsible for ensuring the committee's overall effectiveness and that the committee properly complies with all of its stated objectives.

The Audit Committee held five meetings in 2024, and all recommendations of the Audit Committee were accepted by the Board.

The following table sets out the meetings held by the Audit Committee in 2024:

Board Member	Position	Feb 8, 2024	Mar 12, 2024	Apr 30, 2024	Jul 30, 2024	Oct 28, 2024
Khaled Al Zaabi	Chairperson	P	P	P	P	P
Tayba Al Hashemi	AC Member	A	P	P	P	P
Mashal Al Kindi	AC Member	P	P	P	P	P
Wafa Ahmed Al-Ali	AC Member	P	P	P	P	P
Omar Abdulla Al Nuaimi	AC Member	P	P	P	P	P
Danielle Delbridge	AC Member	A	A	P	P	P
Ann Mazzucco	AC Member	P	P	A	A	A

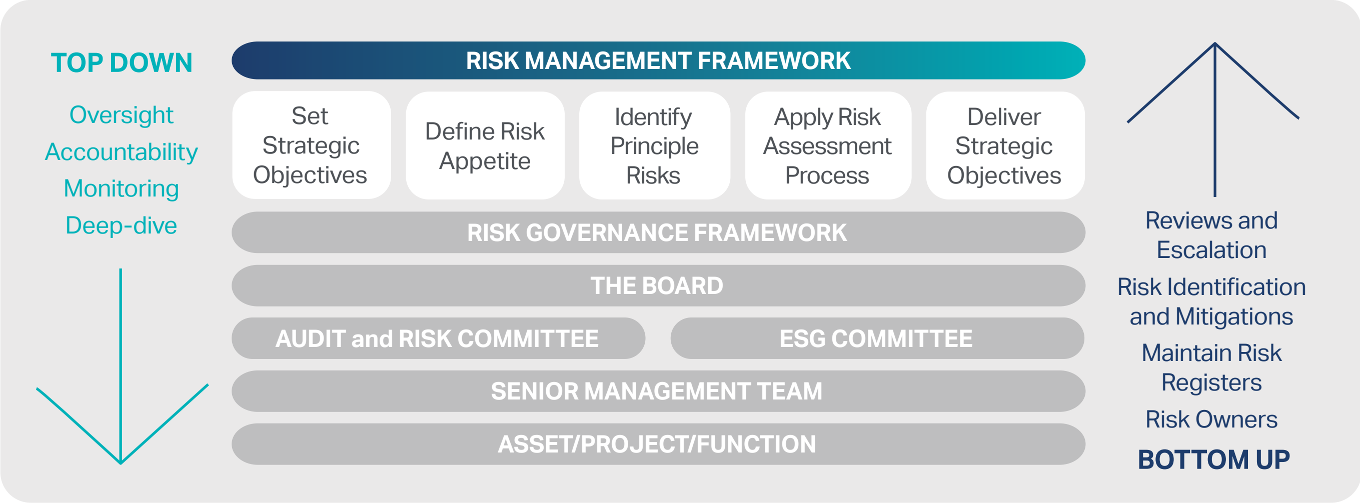
P – Present, A – Absent

Ms. Danielle Delbridge replaced Ms. Ann Mazzucco on April 29, 2024.

We have entrusted the external audit function for ADNOC Logistics & Services PLC yearly accounts to PricewaterhouseCoopers (PwC), which has been the Company's external auditor since 2023.

The number of years PricewaterhouseCoopers (PwC) has served as the company's External Auditor:	Two years
Partner name:	Nizar Jichi
Number of years the Partner has served as the Company's External Auditor:	Two years
Total fees for auditing the financial statements of 2024 (in USD), including provision of reasonable assurance report on the effectiveness of internal financial controls over financial reporting:	Audit of financial statements – USD 794,000 Non-assurance services required to be performed by the auditor according to applicable laws and regulations – USD 400,000 Other assurance services – USD 248,000 Other non-assurance services USD 400,000
For our annual financial statements for the year ended 31 December 2024, PricewaterhouseCoopers (PwC) issued an unqualified audit opinion:	11 February 2025

Risk Management Framework



Mitigating Risk

Governance

The ADNOC L&S Board of Directors, which comprises seven Directors appointed in line with SCA requirements, is collectively responsible for risk management and strategy. The Board of Directors supervises the interests of stakeholders, the creation of a culture aimed at long-term value creation, the internal audit function, and the effectiveness of internal risk management and control systems. In addition to the risk management oversight provided by the Board of Directors, the Company's Executive Committee is responsible for matters relating to commercial, financial and operational performance, function and planning, information and reports, reserved matters, and related party transactions.

The Audit Committee oversees corporate governance, risk management, legal and compliance, financial and non-financial reporting, internal control and internal and statutory audits. Furthermore, risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ADNOC L&S, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Additionally, the Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. ADNOC L&S has a dedicated ERM Committee (advisory) to oversee risk management activities, policies, and systems regularly to reflect risks based on changes in the Company's strategic objectives, internal activities or external events including emerging trends, opportunities and threats.

The Company has established its ERM framework based on the industry's best practices, specifically the ISO:31000 and Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Guidance. This helps to integrate ERM into key business activities. The ERM framework is audited internally by Internal Audit in line with their audit plan and any gaps/ findings identified are reported to the Audit Committee (last process based internal audit on ERM was done in 2024).

Risk management is a continuous process where risks are assessed inline with the ERM framework. The company assesses risks across all its subsidiaries, joint ventures (JVs), business units, departments, assets, and locations, reporting in accordance with its risk management framework and Delegation of Authority (DOA). In the assessments, risks are identified, analyzed, and evaluated early, implementing responses to mitigate these risks and support the company's objectives. Management representatives, risk owners, and department heads participate in risk assessments conducted periodically which includes conducting risk exposure review on all risks based on the company's risk matrix, and escalating risk ownership appropriately through organizational levels, creating a hierarchy from departmental to key risks.

Insurance

ADNOC L&S has taken out insurance policies in relation to a number of risks associated with its business activities, such as, among others, all-risk industry insurance covering transportation and property-related risks and policies covering our property, vehicles, liabilities, vessels, personnel, and equipment.

Under these policies (and related underlying policies), insured losses include those resulting from insured perils.

ADNOC L&S's insurance coverage is subject to customary exclusions, limits, and deductibles. At the same time, the Company has identified certain risks that cannot be insured on economically feasible terms and for which, therefore, the Company has chosen not to purchase insurance coverage. These risks include, for example, business interruptions.

The policies together provide indemnity against sums for which ADNOC L&S becomes legally liable to pay as compensation for injury, loss, or damage to a third party arising out of and in the course of the Company's business, loss or material damage to L&S property in each case subject to deductibles and insured limits.

1 GROWTH	2 MERGERS AND ACQUISITIONS INTEGRATION	3 COMPETITION	4 LEGAL AND REGULATORY COMPLIANCE
RISK AREA/ WHAT IS THE RISK?			
ADNOC L&S may not achieve its intended transformational growth across its business segments or deliver on its business strategy on time. As a result, not meeting the Company's growth beyond medium-term guidance.	ADNOC L&S regards M&A as an important driver of its global expansion strategy. The Company may not complete the acquisition of new businesses and successfully integrate them within its existing organization. This may negatively impact targeted growth beyond medium-term guidance and/or realization of projected synergies from recently completed acquisitions.	The Company operates globally in a highly competitive market. Its inability to remain efficient, maintain a high-quality portfolio of assets and innovate can negatively impact delivery of its strategy. Furthermore, a significant amount of revenue comes from the ADNOC Group. This means the Company is exposed to negative events impacting the Group.	ADNOC L&S operates across six continents and is exposed to a complex landscape of international laws and regulations. Failure of the Company to comply with legal requirements across jurisdictions and mandated laws can expose it to cases with violations of anti-corruption laws, anti-trust regulations, international sanctions, health, safety and environment laws and/or data privacy.

5 HEALTH. SAFETY and ENVIRONMENT	6 CYBERSECURITY	7 GEOPOLITICAL AND SECURITY RISK	8 ENERGY TRANSITION AND DECARBONIZATION
RISK AREA/ WHAT IS THE RISK?			
ADNOC L&S has a 100% HSE objective and the safety and wellbeing of its employees and contractors is the top priority. Shipping, offshore and logistics operations are subject to the hazards typically inherent in the maritime industry, with the potential to cause illness or injury or loss of life, damage to the environment and operational disruption.	The technology landscape of ADNOC L&S is expanding and becoming complex with more applications, devices and control systems connected online. This compounded with external threats and direct/indirect attack on the Company's digital network and critical infrastructure exposes the company to cyber security incidents.	Escalation in geopolitical tension and instability in Europe and the Middle East increases the likelihood of transportation and manpower-centric disruptions, fragmentation of supply chains along with security threats and targeted/sabotage attacks against vessels/assets in busy international and regional Shipping routes as well as ports.	Energy transition to a lower carbon economy and decarbonization is a critical business factor and crucial for ADNOC L&S to achieve sufficiently low levels of net emissions corresponding to International Maritime Organization (IMO) and ADNOC Group set targets at a speed that meets investor and customer expectations as well as generates commercial value for the Company.

9 PEOPLE: DELIVERY OF OUR STRATEGY	10 MACROECONOMICS	11 OPERATING IN SEVERAL COUNTRIES	12 JV, PARTNERSHIPS AND CONTROL OF SUBSIDIARIES
RISK AREA/ WHAT IS THE RISK?			
The successful delivery of the Company's strategy is dependent on our people, capabilities and on a culture that aligns to its goals and reflects the changes needed to realize the ambition of becoming a leading global energy maritime logistics company of choice.	The Company is exposed to macroeconomic risks, including fluctuating charter rates subject to how the market participants anticipate that supply and demand for vessel capacities will develop in future along with variations in oil and gas production targets and global demand. Accordingly, price fluctuations could have a material adverse effect on our earnings, cash flows and financial condition.	ADNOC L&S has amplified its international presence substantially post acquisition of ZMI and NAVIG8 with offices in many countries, increasing its exposure to inherent risks capacities of operating in several countries that have differing degrees of political, legal and fiscal stability. This exposes the company to developments in, a variety of laws and regulations, including, without limitation, with respect to price regulations, data privacy, divestment, transfer pricing regulations, restrictions on foreign trade, and complying with tax regimes in multiple jurisdictions.	ADNOC L&S has developed strategic relationships in the form of JVs partnerships to increase its global reach, accelerate innovation, enter new segments and optimize operations. Many of its major projects and operations are also conducted in joint arrangements or with associates, contractors and sub-contractors where we may have limited influence and control over the performance of such activities thereby reducing our ability to identify and manage risks.

13 ARTIFICIAL INTELLIGENCE	14 MAJOR PROJECT DELIVERY	15 INTEREST RATE FLUCTUATIONS
RISK AREA/ WHAT IS THE RISK?		
Artificial Intelligence (AI) and Machine Learning (ML) techniques are evolving at an accelerated rate. ADNOC L&S needs to determine how to best leverage their powerful capabilities and keep up with this increasing digital momentum. The Company needs to adapt quickly to new and changing learning systems beneficial for monitoring and analyzing activities in real time.	The Company aims to develop new capabilities and Services related to the existing oil and gas industry as well as new energies. The failure to invest in the best opportunities or deliver major projects successfully, timely and cost-effectively could adversely affect our financial performance and growth targets.	ADNOC L&S has a CAPEX plan for subsequent years and requires debt capital to meet growth objectives. Interest rate fluctuations may arise as a result of raising new funds or in the case of monetary investments.

1 GROWTH	2 MERGERS AND ACQUISITIONS INTEGRATION	3 COMPETITION
MITIGATIONS		
ADNOC L&S – Aligned with ADNOC's growth narrative and its investment plan, has a robust investment program which has invested CAPEX US$ 2.4 billion (including Navig8) against an initial plan of US$2.2 billion and continues to invest further in 2025 onwards. The Company aims to position itself as a leading clean fuel transporter, reduce emissions, and target growth across its Shipping and Integrated Logistics segments through organic and inorganic growth and stable financial performance across the business portfolio. It aims to unlock greater value for its shareholders in the short and medium term. The Company has a robust strategic planning and monitoring process embedded in its governance program wherein all investment and growth based decisions are approved through relevant Governance Committees and the Board. It focuses on high asset utilization and timely implementation of planned process standardization and automation. With the continuous development of different value propositions, diversification of Services, workplace innovation, agile adaption of geopolitical and regulatory changes, international business practices, focus on cost efficiency and a long-term stable contracts portfolio, the Company implements its strategy with resilience. The company also maintains regular engagement with its stakeholders to align expectations and customers to strengthen the value proposition.	ADNOC L&S has made two major successful acquisitions during the period 2022-24. The acquisition of NAVIG8 in 2024, a global Shipping pool operator with presence in 15 international cities, a fleet of tankers and world-class Services will expand the geographical footprint and service offering of ADNOC L&S. In 2022, the Company acquired Zakher Marine (ZMI), which positioned ADNOC L&S as the world's largest owners and operators of self-propelled, self-elevating Jack-Up Barges. ADNOC L&S has dedicated strategy and business development and finance and investment teams equipped with experienced capabilities to assist the business in effectively managing M&A transactions. The risk management team ensures risks are identified and managed along the M&A stages and/or during integration. Prior to target identification and making new investments or engaging in M&A, ADNOC L&S conducts stringent due diligence and synergy identification to the extent it deems necessary in accordance with the Company DOA, governance committees, Board directive/feedback and ADNOC Group policies and procedures.	ADNOC L&S currently delivers energy products to more than 100 customers in about 50 countries. The Company is focused on investment diversification on Shipping and leveraging strong relationships with non-ADNOC partners across EU and East Asia with the aim of expanding its geographical presence into all six continents. As ADNOC L&S transitions into adjacent verticals such as transporting low-carbon fuels, it faces an expanded and rapidly evolving range of competitors in the sectors in which it operates. The Company has a dedicated market intelligence team that provides external insights on the economic, energy, market and competitive environment. We use insights, competitive techniques and benchmark our approach internally and externally, including decisions related to strategy resilience, asset portfolio, business development and resource allocation. By adjusting its Services to its present clients, ADNOC L&S is moving away from just providing assets to clients into the provision of end-to-end solutions through investing in new technologies and modern assets to ensure the Company remains the preferred/trusted Services provider. In the past, we have been and expect to continue in the future as the service provider of choice to ADNOC Group companies. ADNOC L&S has Long-Term Agreements with ADNOC Group companies, and any new contracts/renewals are assessed on prevailing market conditions at the time. Furthermore, the Company is targeting new business segments like EPC, and capturing value from emerging/new international products like ammonia and ethane that will enable it to utilize its assets more efficiently and reduce potential competitor risk.

4 LEGAL AND REGULATORY COMPLIANCE

MITIGATIONS

ADNOC L&S operates globally and complies with international Shipping laws and specific country/port laws and regulations. The Company has an adequate number of dedicated legal, governance and compliance personnel with access to international networks and subscriptions, which aid them in identifying, understanding, monitoring, and complying with current and emerging regulatory obligations that impact the Company's international business (e.g. European Union's Emission Trading System (EU ETS). We maintain robust screening protocols, a comprehensive governance structure and have established reporting lines.

The Company assures compliance with its policies, standards and procedures, including the third-party due diligence procedures for business segments. Staff receive guidance on the requirements listed in the Company's Ethics and Compliance Manual/Standards. The effectiveness of the compliance program is assessed frequently and the Company is continually seeking ways to improve it.

The ADNOC code of conduct, the foundation of who we are, is applicable to all employees and central to managing this risk. The Company has implemented initiatives to increase focus on governance and compliance, including an emphasis on compliance awareness, training and controls, as well as fraud risk prevention awareness and training. The Company has implemented the ADNOC data privacy policy as well. Additionally, we have various ADNOC requirements and training covering areas such as anti-bribery and corruption, anti-money laundering, competition/anti-trust law, data privacy and international trade regulations.

5 HEALTH. SAFETY & ENVIRONMENT

The HSE management system of ADNOC L&S aims to ensure that all of its assets and operations foster a culture of zero harm, and implement international-level safety standards to minimize potential risks to people, assets or the environment. The Company's crew onboard vessels complies with IMO regulations like the International Safety Management (ISM) Code and International Convention for the Safety of Life at Sea (SOLAS).

ADNOC L&S reports, investigates and shares learnings from HSE incidents across the company functions. It monitors HSE performance continuously, makes risk mitigation recommendations, where relevant, to keep the risk of an accident as low as possible and has dedicated safety targets in key performance metrics to incentivize safe behaviors.

The Company also regularly trains its employees to implement sustainable maritime business practices and adhere to an established ADNOC Group occupational health and safety policy. When planning new projects, the Company conducts detailed health, safety and environmental impact assessments in line with HSE standards/guidelines. The Company routinely practices emergency response plans for potential events, such as spills or fire, which pose a significant risk.

ADNOC L&S recognizes the physical and transition risks and opportunities posed by climate change and is progressing efforts towards developing a systematic process to identify and assess these risks. This process will enable informed decision making to address potential challenges and capture future opportunities. The Company has invested in a dedicated command surveillance center at its Mussafah base in Abu Dhabi to monitor process safety across its offshore and onshore operations. Furthermore, it has invested in a smart ship program to monitor safety activities onboard offshore vessels.

6 CYBERSECURITY

ADNOC L&S has implemented robust information technology and operational technology protocols along with necessary maritime cyber security procedures onboard its vessels. The Company's cyber security capabilities are embedded into its IT systems, and its IT is protected by various detective and protective technologies. A structured approach to identify, assess and mitigate the IT and cyber security risks is built into our support processes and aligns to industry best practices. The Company continuously tracks cyber attacks, threat intelligence and vulnerabilities in its IT landscape and has a well-structured incident management and escalation process in place.

ADNOC L&S maintains back-up systems and has implemented security measures to protect its systems and information, including continuous vulnerability assessments and patch management work deployed on systems to reduce threat of breaches, bugs, etc.

The Company continues to strengthen its IT infrastructure, improve its vessel operational technology controls and invest in cyber security to safeguard its critical systems and preserve the integrity of maritime trade.

The Company continues to enhance its capabilities to control impact through appropriate preparedness, response procedures and recovery plans.

7 GEOPOLITICAL AND SECURITY RISK

MITIGATIONS

ADNOC L&S has implemented international regulations and procedures onboard its vessels and continuously monitors global political developments and events which may impact Company operations and its vessel routes. The Company works with international security agencies and maritime bodies to safeguard its assets in international waters and undertakes necessary security measures in areas with a potential security/safety exposure.

ADNOC L&S conducts detailed threat and risk assessments for its operated assets, especially vessels, facilities, projects and activities, so that security risk mitigations achieve the principles of deter, detect, delay and respond. Further mitigations include strengthening the security of assets, reducing the Company's exposure as appropriate. In addition, the Company closely monitor events and implements risk mitigation plans, where deemed appropriate.

The Company has put in place adequate security measures onboard its vessels, and necessary contingency and response plans which accommodate potential disruptions. All vessels adhere to Best Management Practices (BMP) to enhance their maritime security.

8 ENERGY TRANSITION AND DECARBONIZATION

ESG is at the core of the ADNOC L&S growth strategy. The Company is committed to the decarbonization of its operations and reducing its overall environmental impact. It continues to progress its strategy by investing in eco-vessels and offering to clients and fully supporting the GHG IMO regulation. The Company has made progress in meeting its set emission targets against IMO carbon emission intensity target of 40% reduction by 2030 (against 2019 baseline) on its assets. Dedicated sustainability and emission monitoring teams enable employees and departments to set and report their emissions targets.

The Company's investments in low-carbon solutions and vessels are subject to financial modeling and stress-testing, due diligence and risk assessments to ensure that its capital is allocated to the most attractive low-carbon projects and opportunities. During 2024, as part of its CAPEX Growth plan, the Company placed shipbuilding orders for 21 energy-efficient vessels, including 8 LNG Carriers, nine Very Large Ethane Carriers (VLECs) and four Very Large Ammonia Carriers (VLACs). In addition, the ammonia and ethane carriers will play a significant role in energy transition.

ADNOC L&S awarded shipbuilding contracts in 2022 for six LNG carriers as part of its strategic fleet expansion, and took delivery of vessel – Al Shelila, the first of six in 2024. This vessel is designed to reduce methane slip by up to 50%, which is considered to be the lowest in the industry. The Company has also invested in retrofitting projects and adopting energy-efficiency devices onboard its existing deep sea vessels (e.g. new propeller design), enhanced vessel hull design and coatings.

9 PEOPLE: DELIVERY OF OUR STRATEGY

ADNOC L&S has a dedicated human capital division, which have implemented a holistic talent strategy to attract and retain best-in-class employees. Talent acquisition oversees all hiring activity for ADNOC L&S globally, both professional hiring and early careers. They ensure that the right talent and people capability are in place, using local market analysis, people analytics and insights to underpin the Company's strategic workforce planning.

The Company has undertaken annual employee engagement and culture-centric surveys to track and update its engagement and retention strategy imperative to driving a high-performance culture in the organization and to remain competitive.

People development is a priority for the Company. It continues to build employee competencies through assessments, trainings, use of technology, as well as focusing on the future by investments in employee performance and succession planning. The Company increased learning offerings related to new skills that may be needed, including sustainability, AI and energy management.

10 MACROECONOMICS

MITIGATIONS

ADNOC L&S strategically navigates macroeconomic uncertainties, leveraging revenue optimization programs, agile pricing strategies, and focusing on value and differentiation to secure volume. Concurrently, it forges long-term partnerships with key strategic customers to establish stability and resilience in a volatile market landscape.

The Company also aims to maintain a strong balance sheet through the cycle to provide resilience against weak market prices and a changing political landscape globally. It utilizes a mix-portfolio strategy of owned and chartered vessels with a diversified agreement pool of long-term as well as spot market to manage the impact of price volatility.

The Company prepares annual strategic and financial business plans that test different scenarios and their impact on prices on its businesses and organization as a whole. Through this process, the Company can identify potential interventions that would preserve cash levels.

11 OPERATING IN SEVERAL COUNTRIES

ADNOC L&S has acquired NAVIG8 which has offices several countries and is exposed to the risks associated with operating in different regions. ADNOC L&S will work in tandem with its subsidiaries to manage the risk associated with changing laws and regulations that could increase costs, constrain its operations and affect its strategy, business plans and financial performance.

ADNOC L&S has dedicated divisions and teams to support its business lines in seeking to ensure compliance with local laws and fiscal regulations, and filing proactive claims where warranted to protest against unfair practices.

The Company's Corporate Communications team liaises with ADNOC and respective authorities in countries where it operates to understand and engage on local policies and to advocate the Company's position on topics relevant to its industry.

Furthermore, ADNOC L&S seeks to maintain a positive and collaborative relationship with authorities, regulators and the industry at large, to allow appropriate focus on areas of potential risk or uncertainty, while also protecting the Company's interests within the law.

With regard to the recent regional conflicts impacting Shipping routes, the Company continually monitors such geopolitical developments and societal issues relevant to its interests. The Company has made necessary adjustments to its operations to reduce its exposure and is closely monitoring the risk of a wider regional escalation.

12 JV, PARTNERSHIPS AND CONTROL OF SUBSIDIARIES

ADNOC L&S has made significant strides in the last few years with key acquisitions NAVIG8 and Zakher Marine (ZMI), and AW Shipping, a strategic JV between Wanhua Chemical Group and the Company. Furthermore, the Company recently entered the EPC project space.

The Company's exposure in its subsidiaries and JVs is primarily managed by governance committees, documents like DOA, and dedicated teams in the business or entity where ownership of the Company's interest lies.

Support, verification and assurance are provided by the assurance teams like safety, security assurance, risk, ethics and compliance functional assurance and internal audit to drive a focused, deliberate and systematic approach to the set-up and management of the Company's interests and exposure in respective entities.

The Company's relationships with contractors and sub-contractors are managed through the company's projects, commercial and procurement processes with appropriate requirements incorporated into contractual arrangements. For every major project where the Company has control share control, a Project Manager is appointed to manage performance and create and protect value.

13 ARTIFICIAL INTELLIGENCE

MITIGATIONS

The world is seeing a rapid rise in engineering interconnectedness of data and technology, and mass AI availability (e.g. ChatGPT); Customers currently see an opportunity to replace their need for logistic solutions with new, available and innovative technology. ADNOC L&S understands this changing landscape and has extensively shifted its focus to AI. The Company has launched many AI development tools and systems which focus on Integrated Logistics and management streamlining Shipping operations.

ADNOC L&S recently implemented ILMS (Integrated Logistics Management System) to enhance offshore logistics capabilities and plans to use AI technologies for optimizing vessel and route planning. Another recent ADNOC L&S project is the Smart Port – an AI-enabled program which aims to digitalize and optimize Pilotage and Port operation processes. Furthermore, the Company is working with AIQ, an ADNOC-enabled AI Lab focusing on innovative initiatives with a five-year horizon plan to improve and implement AI-enabled shipping and logistics solutions.

Additionally, ADNOC L&S has a dedicated innovation management system where employees can engage and raise ideas in line with its unwavering commitment to innovation, sustainability and operational excellence. We are energizing transformational progress – by accelerating technological breakthroughs, pioneering partnerships, and empowering tomorrow's leaders. This aligns with ADNOC's Energy for Life goal of Powering Possible.

These ideas go through a rigorous innovation review process in line with the Company's innovation framework. Ideas approved by the ADNOC L&S innovation committee are then implemented.

In 2024, ADNOC L&S received international recognition and achieved Platinum Level Accreditation from ideasUK for excellence in ideas management and innovation.

14 MAJOR PROJECT DELIVERY

ADNOC L&S aims to develop new capabilities and grow client base both regionally and globally. The Company aims to increase its global reach, accelerate innovation, and optimize operations. It has recently entered the EPC business and is working with world renowned partners and contractors to deliver major projects in the UAE.

The Company manages this risk through its projects team which exists to identify, bid, build and execute projects for customers. The Company contains inherent capability and has hired external expertise to manage and build projects and programs, and collaborate with its internal businesses and enablers to ensure project objectives are met.

All proposed projects go through a rigorous commercial review process involving support and assurance functions – legal, risk, finance, investment and strategy. Feedback is then given before proposals are subjected to management and its associated governance committee review.

Projects are continuously reviewed and assessed to determine if standards and processes align with those of the Company, and teams follow up on any gaps that are identified.

15 INTEREST RATE FLUCTUATIONS

ADNOC L&S treasury operations are highly centralized and seek to manage credit exposures associated with our substantial cash and debt positions. The Company conducts regular reviews of market conditions existing and emerging market risks.

Furthermore, the Company regularly assesses its optimal fixed/floating portfolio mix and re-financing options to ensure risk management approach remains effective. It has put in place policies and guidelines for debt management, and where appropriate, netting arrangements, credit insurance, prepayments and collateral are used to manage credit risk.

The Company maintains committed credit facilities. Management believes it has access to sufficient debt funding sources (capital markets) and to undrawn committed borrowing facilities to meet foreseeable requirements.

Internal Control System

Responsibility of the Board of Directors

The Board of Directors is responsible for the internal control system within the Company and has established a number of processes and procedures which are designed to ensure the effectiveness of its internal control system.

Our Internal Control System

The key objectives of the internal control system are:

a. Creating control mechanisms that ensure efficient business processes and the implementation of the Company's objectives;

b. Ensuring the safety of the Company's assets and efficient use of its resources;

c. Protecting the interests of the Company's shareholders and preventing and resolving conflicts of interest;

d. Creating conditions for timely preparation and submission of reliable reports and other information that is legally required to be publicly disclosed; and

e. Ensuring that the Company is compliant with applicable laws and requirements of regulators.

In addition to the functions and remit of the Board of Directors, the Company internal control system is embedded in ADNOC Logistics & Services PLC at three levels:

i. **Level 1:** The business units and divisions within the Company are responsible for assessing and managing risks and building an efficient control system by complying with the standard and procedures, KPIs, corporate and or divisional performance contracts.

ii. **Level 2:** Appropriate internal departments and committees (enterprise risk management, quality and compliance functions) are responsible for facilitating and guiding the risk assessment process, developing, communicating and monitoring the appropriate standards, processes and procedures.

iii. **Level 3:** The Audit and Assurance function conducts independent assessments of the efficiency of the internal control system.

Audit and Assurance Function

The Board of Directors has approved and implemented governance functions and structures, including an Audit and Assurance function that is independent of the Executive Management and reports directly to the Company's Audit Committee. The key objective of the Audit and Assurance function is to provide assurance and advice on the adequacy of the Company's internal control environment, corporate governance framework and risk management processes.

Our Audit and Assurance Division is led by Mr. Malav Patel who was appointed as Vice President Audit and Assurance in 2017. Mr. Patel is responsible for reporting the Audit and Assurance Division's internal audit findings to the Executive Management and the Audit Committee on a regular basis. To enhance the independence of the Audit and Assurance Division, it reports functionally to The Company's Audit Committee and administratively to the Company's CEO.

Audit and Assurance's charter, policies, procedures, methodologies and risk–based internal audit plans are presented to and approved by the Audit Committee. The Audit and Assurance activities are performed by teams of appropriate, qualified and experienced employees. Additionally, a continuous improvement process is implemented using a learning and development framework that is designed to ensure that the Audit and Assurance team members maintain their required professional competencies and capabilities.

Considering the independence requirements, the Audit and Assurance Division also serves as an in–house advisor on many areas of interest which allows the Division to provide value–added Services that are critical to efficient and effective governance, risk management and internal control processes.

Risk management

The Company has implemented an integrated enterprise risk management system, which showcases its commitment to protecting the business and the interest of all stakeholders. This enterprise risk management system:

a. Facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;

b. Supports the Company in identifying and managing key strategic, functional, investment and project risks (including the use of an objective-driven process);

c. Assesses the identified risks and the potential impact of such risks on the Company and its key objectives;

d. Enhances corporate performance as processes become more risk aware and control focused; and

e. Strengthens the Company's resilience to market disruption and evolving business practices.

The Company's risks are monitored by a dedicated enterprise risk unit and this unit provides quarterly reports to the Audit Committee and Board of Directors.

Identified issues and recent developments

For 2024, no significant issues were identified with respect to the Company's compliance and control systems.

Violations committed during 2024

No violations were committed by ADNOC Logistics & Services PLC in 2024

General Information

Statement of the market share price at the end of each month during the fiscal year.

Trading of ADNOC Logistics and Services PLC. shares on the ADX started on 1 June 2023 under the ticker 'ADNOCLS'. The closing share price as of 31 December 2024 was AED5.43 (US$1.48). ADNOC L&S's market capitalization as of 31 December 2024 was AED40.17 billion (US$10.94 billion). ADNOC L&S's share capital is AED14.67 billion (US$3.99 billion), divided into 7.4 billion shares, each with a nominal value of AED1.98 (US$0.54). The following table sets out the high, low and closing price of our shares at the end of each month for the year 2024.

Share performance

2024	High (AED)	Low (AED)	Close (AED)
January	4.2	3.93	3.93
February	4.1	3.93	3.93
March	4.07	3.84	4.07
April	4.07	3.84	4.00
May	4.18	3.9	4.07
June	4.3	4.03	4.19
July	4.74	4.13	4.7
August	5.4	4.49	5.4
September	5.58	5.1	5.35
October	5.8	5.23	5.8
November	5.8	5.24	5.5
December	5.5	5.04	5.43

Breakdown of shareholdings as of December 31, 2024

	Percentage of Shares Held			
Shareholder Category	Individual	Companies	Government	Total
Local	2.8%	87.4%	1.45%	91.71%
GCC	0.03%	2.16%	1.07%	3.26%
Arab	0.17%	0.002%	0.00%	0.17%
Foreign	0.32%	4.54%	0.00%	4.86%
Total	3.3%	94.1%	2.5%	100%

Statement of shareholders who held 5% or more of ADNOC L&S capital as at December 31, 2024

Name	Number of Shares Held	% of the Shares Held of ADNOC L&S capital
Abu Dhabi National Oil Company	5,992,783,999	81%

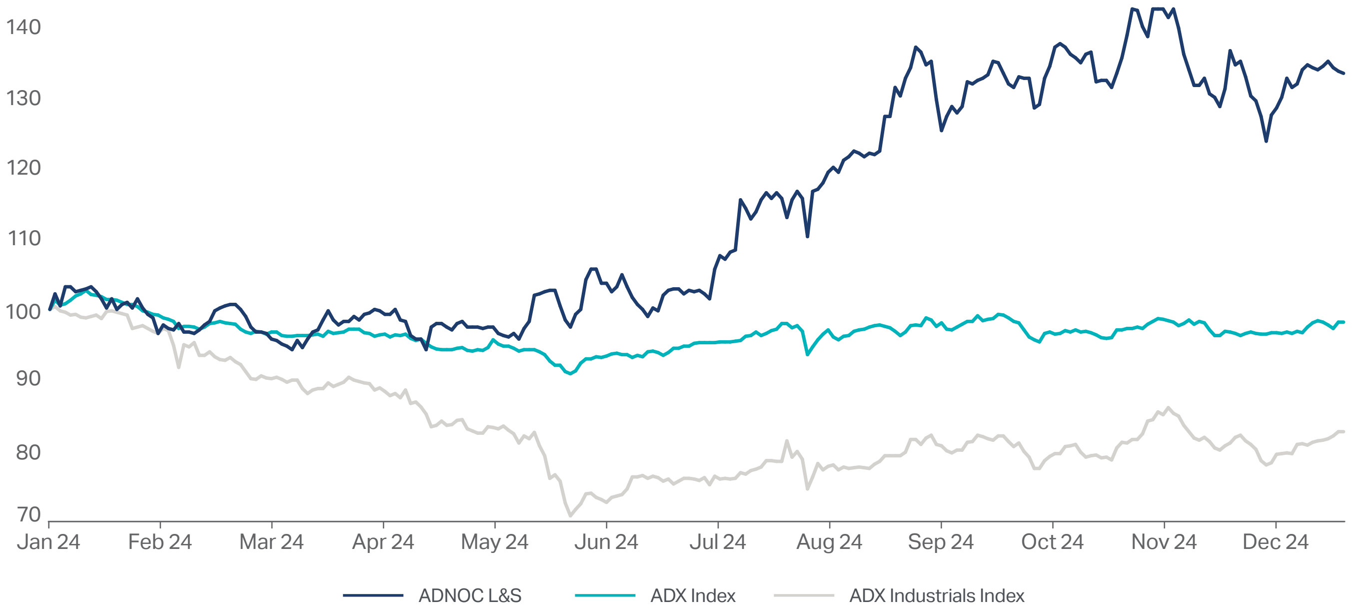
Statement of shareholding distribution by the size of equity as at December 31, 2024

Share(s) Owned	Number of Shareholders	Number of Shares Held	% of Shares Held
Less than 50,000	26679	66,333,084	0.90%
From 50,000 to less than 500,000	717	107,275,360	1.45%
From 500,000 to less than 5,000,000	180	295,525,917	3.99%
More than 5,000,000	42	6,929,364,403	93.66%

Investor relations can be contacted at ir.als@adnoc.ae Tel: 02 628535

Additional investor relations information can be found on our website https://adnocls.ae/en/investors

Share performance compared with our sector index



Glossary

EN	Full Form
AED	Arab Emirates Dirhams
US$	United States Dollar
ABC	Anti-Bribery and Corruption
ADDA	Abu Dhabi Accounting Authority
ADGM	Abu Dhabi Global Markets
ADSB	Abu Dhabi Ship Building
ADNOC	Abu Dhabi National Oil Company
ADNOC L&S	ADNOC Logistics and Services PLC
ADX	Abu Dhabi Securities Exchange
AGM	Annual General Meeting
AW Shipping	Joint Venture Company Between ADNOC L&S and Wanhua Chemical Group
Bn	Billion
CASH or cash	Cash, Cash Equivalent and Liquid Investments
CAPEX or capex	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CO_2e	Carbon Dioxide Equivalent
CSR	Corporate Social Responsibility
DD&A	Depreciation, Depletion and Amortization
DOA	Delegation of Authority
EBTIDA	Earning Before Tax, Interest, Depreciation & Amortization
EPC	Engineering, Procurement, Construction
ESG	Environmental, Social, and Governance
EU	European Union
EU ETS	European Union Emission Trading System
FID	Final Investment Decision
FSU	Floating Storage Unit
FY	Full Year
G&A	General and Administration
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HNS	Hazardous and Noxious Substances
HSE	Health, Safety, and Environment
HSES	Health, Safety, Environmental and Security
IAS	International Accounting Standards
ICV	In-Country Value
IESBA	Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
ILSP	Integrated Logistics Services Platform
IMF	International Monetary Fund
IMO	International Marine Organization
IPIECA	The Global Oil and Gas Industry Association for Environmental and Social Issues
IPO	Initial Public Offering
ISA	International Standards of Auditing
ISM	International Safety Management

Glossary continued

EN	Full Form
ISO	International Organization for Standardization
IWM	Integrated Warehouse Management
JOC	Joint Operating Company
JUB	Jack-Up Barge
JV	Joint Venture
k	Thousands
Km	Kilometer
km^2	Square Kilometer
KSA	Kingdom of Saudi Arabia
KPI	Key Performance Indicators
LNG	Liquefied Natural Gas
LOPC	Loss of Primary Containment
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long Term Incentive Plan
m	Million
M&A	Mergers and Acquisitions
MENA	Middle East and North Africa region
NAV	Net Asset Value
OCF	Operating Cash Flow
OMS	Operations Management System
OS	Oil Spill
OSR	Oil Spill Response
Opex	Operational Expenditure
PP&E	Property, Plant and Equipment
PSC	Production Sharing Contract or Production Sharing Agreement
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
Shares	Ordinary Shares
SOLAS	Safety of Life at Sea
TCFD	Task-Force for Climate-related Financial Disclosures
TCO_2e	Tonnage of Carbon Dioxide Equivalent
TOR	Terms of Reference
TRIR	Total Recordable Incident Rate
TSR	Total Shareholder Return
UAE	United Arab Emirates
UK	United Kingdom
US	United States of America
VLAC	Very Large Ammonia Carrier
VLCC	Very Large Crude Carrier
VLEC	Very Large Ethane Carrier
VTIS	Vessel Traffic Information Service
YTD	Year-to-date
ZMI	Zakher Marine International
1H	First Half

Notes

Financial Statements

Directors' Report
For the year ended 31 December 2024

The Directors have the pleasure of submitting their report, together with the audited consolidated financial statements of ADNOC Logistics & Services PLC for the year ended 31 December 2024.

Principal activities

The Company and its subsidiaries set out in Note 2.2 (collectively referred to as the "Group") are engaged in the business of providing onshore and offshore logistics and transportation services to energy production facilities including material handling, manpower and equipment supply, provision of storage facilities and related services, provision of office space and the supply of chemicals, catering and other onshore and offshore oil and gas field services; the operation and maintenance of supply bases supporting those activities; EPC services related to dredging, land reclamation and marine construction; freight and charter services for the transportation of oil, gas and related petroleum produces on ocean going vessels owned or hired from third parties; petroleum ports operations services, and oil spill and hazardous and noxious substances response services.

Results and appropriation of profits

Revenue for the year was USD 3,549,330 thousand (2023: USD 2,755,152 thousand) and the profit for the year was USD 756,170 thousand (2023: USD 620,159 thousand).

Retained earnings as at 31 December 2024 were USD 899,438 thousand (2023: USD 410,793 thousand).

In the meeting of the Board of Directors on 11 February 2025, it was proposed that a final cash dividend of USD 136,500 thousand is paid in quarter two of 2025.

Statement of disclosure to auditors

The Directors of ADNOC Logistics & Services PLC certify that as far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

External auditors

A resolution to reappoint PricewaterhouseCoopers Limited Partnership (ADGM Branch) auditors for the ensuing year will be put to the shareholders at the Annual General Meeting.

On behalf of the Board of Directors

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Chairman

Independent auditor's report to the shareholders of ADNOC Logistics & Services PLC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of ADNOC Logistics & Services PLC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the Abu Dhabi Global Market ("ADGM") together with applicable ethical and independence requirements of United Arab Emirates that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Report on the audit of the consolidated financial statements (continued)

Our audit approach

Overview

Key audit matters

- Carrying value of property, plant and equipment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Carrying value of property, plant and equipment *Refer to notes 3, 3.1 and 11 to the consolidated financial statements for disclosures of related accounting policies and balances* The carrying value of the Group's property, plant and equipment as at 31 December 2024 was USD 4.5 billion, of which USD 3.8 billion relates to vessels and marine equipment. This category of property, plant and equipment represents 55% of the Group's total assets, thereby accounting for and a material portion of the consolidated statement of financial position. The useful lives of the vessels and consideration of impairment triggers involves management judgement and is reviewed annually. We focused on this area because of the significance of the vessels and marine equipment to the consolidated financial statements and judgement applied by management in estimating the useful lives and assessing any potential impairment triggers.	Our audit procedures in this area included the following among others: • assessed, on a sample basis, the reasonableness of management's estimate of useful lives of vessels based on our knowledge and experience of the industry and by comparing to similar entities; • reviewed the Group's assessment of possible internal and external indicators of impairment in relation to the vessels by reference to the IFRS Accounting Standards impairment criteria; and • evaluated the adequacy of the disclosures in the consolidated financial statements, including disclosures of key assumptions and judgements.

Report on the audit of the consolidated financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the ADGM Companies Regulations 2020, as amended, the ADGM Companies Regulations (International Accounting Standards) Rules 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report to the shareholders of ADNOC Logistics & Services PLC continued

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015, we report that:

i. the consolidated financial statements have been prepared, in all material respects, in accordance with the applicable requirements of the ADGM Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015; and

ii. the information given in the Directors' report is consistent with the consolidated financial statements of the Group.

Further, as required by the ADAA Chairman's Resolution no 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2024, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2024:

i. its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and

ii. applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

For and on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)

NIZAR JICHI

……………………………………….

11 February 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
Revenues	4	**3,549,330**	2,755,152
Direct costs	5	**(2,608,784)**	(2,003,225)
Gross profit		**940,546**	751,927
General and administrative expenses	6	**(141,522)**	(146,436)
Reversal of (provision for) expected credit losses	17 & 24	**2,649**	(2,672)
Other expenses		**(4,310)**	–
Other income	7	**19,896**	10,865
Operating profit		**817,259**	613,684
Share of profit from a joint venture	15	**14,198**	14,071
Finance income	9	**15,594**	9,785
Finance costs	10	**(18,034)**	(15,098)
Profit before tax for the year		**829,017**	622,442
Deferred tax credit	30	**868**	1,123
Deferred tax expense	30	**(1,123)**	–
Current tax expense	30	**(72,592)**	(3,406)
Profit for the year		**756,170**	620,159
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Re-measurement (loss) gain on employee defined benefit obligation	22	**(1,025)**	612
Total comprehensive income for the year		**755,145**	620,771
Basic and diluted earnings per share	21	**0.10**	0.08

The attached notes on pages 108-162 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**4,543,335**	3,806,543
Right-of-use assets	12	**161,691**	148,146
Intangible assets	13	**11,078**	11,440
Investment properties	14	**92,501**	95,269
Investment in a joint venture	15	**267,775**	76,712
Goodwill	29	**51,368**	51,368
Advances to shipyards	17	**229,882**	38,884
Sub-lease receivables	12	**12,842**	29,201
Deferred tax asset	30	**–**	1,123
Total non-current assets		**5,370,472**	4,258,686
Current assets			
Inventories	16	**132,687**	120,720
Trade and other receivables	17	**420,479**	388,320
Due from related parties	24	**864,410**	742,847
Sub-lease receivables	12	**16,359**	19,386
Cash and cash equivalents	18	**198,919**	215,709
Total current assets		**1,632,854**	1,486,982
TOTAL ASSETS		**7,003,326**	5,745,668
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**3,995,189**	3,995,189
Retained earnings		**899,438**	410,793
Total equity		**4,894,627**	4,405,982
Non-current liabilities			
Shareholder loan	24	**550,000**	100,000
Lease liabilities	12	**130,171**	145,241
Dismantling liabilities	12	**2,009**	1,873
Due to related parties	24	**–**	17,909
Deferred tax liability	30	**34,803**	35,671
Employees' end of service benefits	22	**39,515**	32,631
Total non-current liabilities		**756,498**	333,325
Current liabilities			
Trade and other payables	23	**956,307**	708,927
Lease liabilities	12	**59,130**	44,313
Income tax payable	30	**65,391**	–
Due to related parties	24	**271,373**	253,121
Total current liabilities		**1,352,201**	1,006,361
TOTAL LIABILITIES		**2,108,699**	1,339,686
TOTAL EQUITY AND LIABILITIES		**7,003,326**	5,745,668

H.E. DR. SULTAN AHMED AL JABER
Chairman of the Board

ABDULKAREEM ALMESSABI
Chief Executive Officer

NICHOLAS GLEESON
Chief Financial Officer

The attached notes on pages 108-162 form part of these consolidated financial statements.

Consolidated Statement of changes in equity

For the year ended 31 December 2024

	Share capital USD'000	General reserve USD'000	Retained earnings USD'000	Shareholder contribution USD'000	Total USD'000
Balance as at 1 January 2023	**272,294**	**103,226**	**1,067,285**	**357,485**	**1,800,290**
Shareholder contribution converted to share capital	357,485	–	–	(357,485)	–
Equitisation of loan from shareholder	–	–	–	1,900,000	1,900,000
Shareholder loan converted to share capital	1,900,000	–	–	(1,900,000)	–
Remaining consideration payable on acquisition of ZMI assumed by the shareholder	–	–	–	149,920	149,920
Impact of share capital issued on capital reorganization	1,465,410	(103,226)	(1,212,264)	(149,920)	–
Dividend paid (note 19)	–	–	(64,999)	–	(64,999)
Profit for the year	–	–	620,159	–	620,159
Actuarial gain on defined benefit obligation (note 22)	–	–	612	–	612
Balance as at 31 December 2023	**3,995,189**	**–**	**410,793**	**–**	**4,405,982**
Balance as at 1 January 2024	3,995,189	–	410,793	–	4,405,982
Dividend paid (note 19)	–	–	(266,500)	–	(266,500)
Profit for the year	–	–	756,170	–	756,170
Actuarial loss on defined benefit obligation (note 22)	–	–	(1,025)	–	(1,025)
Balance as at 31 December 2024	**3,995,189**	**–**	**899,438**	**–**	**4,894,627**

The attached notes on pages 108-162 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
OPERATING ACTIVITIES			
Profit for the year		**756,170**	620,159
Adjustments for:			
Deferred tax credit	30	**(868)**	(1,123)
Deferred tax expense	30	**1,123**	–
Current tax expense	30	**72,592**	3,406
Profit before tax		**829,017**	622,442
Adjustments for:			
Depreciation on property, plant and equipment	11	**266,207**	216,558
Depreciation on investment properties	14	**5,259**	5,165
Depreciation on right-of-use assets	12	**39,062**	19,650
Profit on initial recognition of sub-lease receivables	12	**–**	(4,211)
Provision for dismantling expenses	12	**136**	146
Provision for slow moving and obsolete inventories	16	**692**	758
Amortization of intangible assets	13	**6,811**	7,153
Gain on disposal of property, plant and equipment	7	**(1,677)**	(1,955)
Reversal of expected credit losses on trade receivables	17	**(4,112)**	(1,616)
Provision for expected credit losses on on due from related parties	24	**1,463**	4,288
Provision for employees' end of service benefits	22	**7,222**	5,814
Share of profit from a joint venture	15	**(14,198)**	(14,071)
Finance income	9	**(15,594)**	(9,785)
Finance costs	10	**18,034**	15,098
		1,138,322	865,434
Working capital adjustments:			
Inventories		**(12,659)**	(15,908)
Trade and other receivables		**(28,047)**	(103,895)
Due from related parties		**(123,026)**	(281,181)
Trade and other payables		**102,083**	245,227
Pension liabilities paid		**(18,952)**	(18,952)
Due to related parties		**161**	119,400
		1,057,882	810,125
Employees' end of service benefits paid	22	**(2,996)**	(4,311)
Interest portion of sub-leases	12	**1,795**	2,107
Principal portion of sub-leases	12	**19,386**	16,025
Tax paid		**(7,201)**	(569)
Interest paid		**(1)**	(729)
Net cash generated from operating activities		**1,068,865**	822,648

The attached notes on pages 108-162 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 USD'000	2023 USD'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(810,851)**	(774,015)
Proceeds from disposals of property, plant and equipment		**2,753**	3,733
Investment in a joint venture	15	**(176,865)**	–
Advances paid to shipyards	17	**(229,882)**	–
Interest received		**13,799**	7,678
Net cash used in investing activities		**(1,201,046)**	(762,604)
FINANCING ACTIVITIES			
Proceeds from shareholder loan	24	**450,000**	100,000
Interest paid on shareholder loan		**(5,418)**	(1,589)
Upfront fee paid on shareholder loan	24	**–**	(3,700)
Dividends paid	19	**(266,500)**	(64,999)
Interest portion on lease liabilities		**(9,831)**	(7,893)
Principal portion of lease liabilities		**(52,860)**	(31,087)
Net cash generated from (used in) financing activities		**115,391**	(9,268)
NET (DECREASE) / INCREASE IN CASH EQUIVALENTS		**(16,790)**	50,776
Cash and cash equivalents at beginning of the year		**215,709**	164,933
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	**198,919**	215,709
Significant non-cash transactions excluded from the consolidated statement of cash flows are:			
Additions to right-of-use assets	12	**52,607**	100,588
Additions to sub-lease receivables	12	**–**	41,016
Additions to lease liabilities	12	**52,607**	141,604
Shareholder loan converted to share capital		**–**	2,257,485
Remaining consideration payable on acquisition of ZMI assumed by the shareholder and converted to share capital		**–**	149,920
Total comprehensive income for the period 1 January to 31 March 2023 converted to share capital		**–**	144,929

The attached notes on pages 108-162 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
As at and for the year ended 31 December 2024

1 General information

ADNOC Logistics & Services PLC (the "Company") was incorporated on 19 April 2023 as a public company limited by shares, with registration number 000009847, pursuant to the Abu Dhabi Global Market ("ADGM") (Amendment No. 1) Regulations 2020. The Company has been established for the purpose of serving as a holding company for the Abu Dhabi Marine Business and Services Company P.J.S.C. Group.

In 2023, the shareholders approved the listing of the Company's shares on the Abu Dhabi Securities Exchange, whereby 19% of its shares were offered in an Initial Public Offering ("IPO"). As of the reporting date, ADNOC held 81% of the issued share capital of the Group, while the remaining 19% is held by the general public.

The Company is controlled by the ultimate parent Company Abu Dhabi National Oil Company ("ADNOC"). ADNOC is wholly owned by the Emirate of Abu Dhabi.

In 2023, a capital reorganization took effect, which resulted in ADNOC Logistics & Services PLC becoming the parent entity of the previous Abu Dhabi Marine Business and Services Company P.J.S.C. Group. The consolidated ADNOC Logistics & Services PLC therefore represents a continuation of the business of the Group. Refer to Note 31 for details on the capital reorganization of the Group.

The Company and its subsidiaries set out in Note 2.2 (collectively referred to as the "Group") are engaged in the business of providing onshore and offshore logistics and transportation services to energy production facilities including material handling, manpower and equipment supply, provision of storage facilities and related services, provision of office space and the supply of chemicals, catering and other onshore and offshore oil and gas field services; the operation and maintenance of supply bases supporting those activities; EPC services related to dredging, land reclamation and marine construction; freight and charter services for the transportation of oil, gas and related petroleum produces on ocean going vessels owned or hired from third parties; petroleum ports operations services, and oil spill and hazardous and noxious substances response services.

The registered office of the Company is Level 28, 28, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The consolidated financial statements of the Group were approved and authorized for issue by the Board of Directors and signed on their behalf on 11 February 2025.

2 Basis of preparation and accounting policies

2.1 Basis of Preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Because the Company is incorporated under the ADGM, the financial information is required to be presented in USD.

Basis of measurement

The consolidated financial statements have been presented in United States Dollars (USD), which is the presentation currency of the Group as well as of the ultimate holding Company. All values are rounded to the nearest thousand (USD'000), except where otherwise indicated.

2 Basis of Preparation and Accounting Policies (continued)

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below:

	Country of incorporation	*Percentage holding*	
		31 December 2024	*31 December 2023*
Direct subsidiaries			
Abu Dhabi Marine Business and Services Company P.J.S.C	UAE	**100%**	100%
Indirect subsidiaries			
Abu Dhabi Marine Operations and Services Company LLC	UAE	**100%**	100%
Abu Dhabi Marine Assets Company LLC	UAE	**100%**	100%
Abu Dhabi Marine International Holdings RSC Limited	UAE	**100%**	100%
Zinc Holdco RSC Ltd	UAE	**100%**	100%
Al Gafai Marine Services Company LLC	UAE	**100%**	100%
Sirdal National Marine Services Company LLC	UAE	**100%**	100%
National Gas Carriers Company	Liberia	**100%**	100%
Abu Dhabi National Shipping Company BVI	British Virgin Islands	**100%**	100%
Abu Dhabi Marine International Chartering Holdings RSC Limited	UAE	**100%**	100%
Abu Dhabi Marine International Operations Holdings RSC Limited	UAE	**100%**	100%
Umm Al Lulu Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Janana Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Bazem Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Samha Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Sader Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Reem I Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Ghantout Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Abu Dhabi III Shipping Company Inc	Liberia	**100%**	100%
Bani Yas Shipping Company Inc	Liberia	**100%**	100%
Mezaira'a Shipping Company Inc	Liberia	**100%**	100%
Arrilah I Shipping Company Inc	Liberia	**100%**	100%
Abu Al Abyad Shipping Company Inc	Liberia	**100%**	100%
Al Yasat II Shipping Company Inc	Liberia	**100%**	100%
Liwa V Shipping Company Inc	Liberia	**100%**	100%
Diyyinah I Shipping Company Inc	Liberia	**100%**	100%
Yamilah III Shipping Company Inc	Liberia	**100%**	100%
Butinah Shipping Company Inc	Liberia	**100%**	100%
Ras Ghumays I Shipping Company Inc	Liberia	**100%**	100%
Yas Shipping Company Inc	Liberia	**100%**	100%
Al Karama Shipping Company Inc	Liberia	**100%**	100%
HoldCo 1 Inc	Liberia	**100%**	100%
HoldCo 2 Inc	Liberia	**100%**	100%
Al Khtam Inc	Liberia	**100%**	100%
Al Ruwais Inc	Liberia	**100%**	100%
Tarif Inc	Liberia	**100%**	100%
Al Bateen Inc	Liberia	**100%**	100%
Al Falah Inc	Liberia	**100%**	100%
Al Khaznah Inc	Liberia	**100%**	100%
Shahamah Inc	Liberia	**100%**	100%
Ghasha Inc	Liberia	**100%**	100%
Ish Inc	Liberia	**100%**	100%
Umm Al Ashtan Limited	Liberia	**100%**	100%
Al Hamra Limited	Liberia	**100%**	100%
Mraweh Limited	Liberia	**100%**	100%
Hafeet Inc	Liberia	**100%**	100%
Habshan Inc	Liberia	**100%**	100%
Al Bahya Inc	Liberia	**100%**	100%

2 Basis of preparation and accounting policies (continued)

2.2 Basis of consolidation (continued)

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below:

	Country of incorporation	Percentage holding 31 December 2024	31 December 2023
Indirect subsidiaries (continued)			
Mubaraz Limited	Liberia	**100%**	100%
Al Wathba Inc	Liberia	**100%**	100%
Al Dhafra Inc	Liberia	**100%**	100%
Das Inc	Liberia	**100%**	100%
Zakum Inc	Liberia	**100%**	100%
Hili Inc	Liberia	**100%**	100%
Arzanah Inc	Liberia	**100%**	100%
Al Jimi Inc	Liberia	**100%**	100%
Barakah Inc	Liberia	**100%**	100%
Jarnain Inc	Liberia	**100%**	100%
Newco 1 Inc	Liberia	**100%**	100%
Newco 2 Inc	Liberia	**100%**	100%
Newco 3 Inc	Liberia	**100%**	100%
Newco 4 Inc	Liberia	**100%**	100%
Newco 16 Inc	Liberia	**100%**	100%
Newco 18 Inc	Liberia	**100%**	100%
Newco 19 Inc	Liberia	**100%**	100%
Newco 20 Inc	Liberia	**100%**	100%
Newco 21 Inc	Liberia	**100%**	100%
Newco 22 Inc	Liberia	**100%**	100%
Newco 23 Inc	Liberia	**100%**	100%
Newco 24 Inc	Liberia	**100%**	100%
Newco 25 Inc	Liberia	**100%**	100%
Newco 26 Inc	Liberia	**100%**	100%
Newco 27 Inc	Liberia	**100%**	100%
Newco 28 Inc	Liberia	**100%**	100%
Newco 29 Inc	Liberia	**100%**	100%
Newco 30 Inc	Liberia	**100%**	100%
Newco 31 Inc	Liberia	**100%**	100%
Newco 32 Inc	Liberia	**100%**	100%
Newco 33 Inc	Liberia	**100%**	100%
Newco 34 Inc	Liberia	**100%**	100%
Newco 35 Inc	Liberia	**100%**	100%
ZMI Holdings	Cayman Islands	**100%**	100%
Zakher Marine International Inc	Panama	**100%**	100%
Zakher Marine International Inc. – Abu Dhabi Branch	UAE	**100%**	100%
QMS Holding Limited	British Virgin Islands	**100%**	100%
QMS 2 Offshore Services Ltd	Saint Vincent & Grenadines	**100%**	100%
QMS 2 Offshore Services Ltd. – Abu Dhabi Branch	UAE	**100%**	100%
QMS Petroleum Services Inc	Panama	**100%**	100%
MBBS Inc	Panama	**100%**	100%
Al Shahama Inc	Panama	**100%**	100%
Al Bahia Inc	Panama	**100%**	100%
Al Maryah Inc	Panama	**100%**	100%
QMS China Inc	Panama	**100%**	100%
QMS Achiever Inc	Panama	**100%**	100%
QMS Gladiator Inc	Panama	**100%**	100%
Petrodrill Inc	Panama	**100%**	100%
Subhiya Inc	Panama	**100%**	100%
QMS Gloria Inc	Panama	**100%**	100%
Bani Yas Inc	Panama	**100%**	100%

2 Basis of preparation and accounting policies (continued)

2.2 Basis of consolidation (continued)

	Country of incorporation	Percentage holding 31 December 2024	31 December 2023
Indirect subsidiaries (continued)			
Nadiya Inc	Panama	**100%**	100%
Zakher Marine Saudi Company Limited	KSA	**100%**	100%
Premier Marine Services W.L.L	Qatar	**100%**	100%
Volo Travel and Tourism (Sole Proprietorship) L.L.C	UAE	**100%**	100%
Lextus Inc	Panama	**100%**	100%
QMS Offshore Industries L.L.C	UAE	**100%**	100%
QMS Neptune Inc	Panama	**100%**	100%
QMS Aquarius Inc	Panama	**100%**	100%
QMS Leo Inc	Panama	**100%**	100%
QMS Amora Inc	Panama	**100%**	100%
QMS Sentinel Inc	Panama	**100%**	100%
QMS Nouf Inc	Panama	**100%**	100%
QMS Amouage Inc	Panama	**100%**	100%
QMS Kinoa Inc	Panama	**100%**	100%
QMS Pandan Inc	Panama	**100%**	100%
QMS Pili Inc	Panama	**100%**	100%
QMS Pesto Inc	Panama	**100%**	100%
Pluto One Inc	Panama	**100%**	100%
Pluto Two Inc	Panama	**100%**	100%
QMS Turquoise Inc	Panama	**100%**	100%
QMS Zirconium Inc	Panama	**100%**	–
QMS Al Khatem Inc	Panama	**100%**	–
QMS Al Muzn	Panama	**100%**	–
Newco 36 Inc	Liberia	**100%**	–
Newco 37 Inc	Liberia	**100%**	–
Newco 38 Inc	Liberia	**100%**	–
Newco 39 Inc	Liberia	**100%**	–
Newco 40 Inc	Liberia	**100%**	–
Newco 41 Inc	Liberia	**100%**	–
Newco 42 Inc	Liberia	**100%**	–
Newco 43 Inc	Liberia	**100%**	–
Newco 44 Inc	Liberia	**100%**	–
Newco 45 Inc	Liberia	**100%**	–
Hyper Holdco RSC Limited	UAE	**100%**	–
Hyper Issuerco SPV RSV Limited	UAE	**100%**	–
ALS International Ship Chartering Limited	UAE	**100%**	–
Compass Holdco RSC Limited	UAE	**100%**	–
Joint venture			
AW Shipping Limited	UAE	**50%**	50%

The financial statements of the subsidiaries and these consolidated financial statements have the same calendar year and use consistent accounting policies for each year presented. All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated. Companies linked to one another by consolidation are integrated through the aggregation of accounts, in accordance with rules identical to those for full consolidation.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2 Basis of Preparation and Accounting Policies (continued)

2.2 Basis of consolidation (continued)

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the consolidated financial statements have been disclosed in Note 3.1.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on loss of control is recognized in the consolidated statement of comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that the control is lost.

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 in the consolidated statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of comprehensive income as a bargain purchase.

Inter-group transactions, balances, income and expenses on transactions between subsidiaries are eliminated. Profits and losses resulting from inter-group transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

2 Basis of Preparation and Accounting Policies (continued)

2.2 Basis of consolidation (continued)

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in the consolidated statements of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the profit or loss.

Capital reorganization

Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to the transfer of interests in entities, which are under the common control of the Shareholders, are accounted for using the predecessor value method without restatement of comparative information. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the books of the transferor entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid and capital of the acquiree is recognized directly in equity.

Transactions involving newly established entities that do not qualify as business combinations are accounted for as capital reorganizations. In its consolidated financial statements, the acquirer incorporates the assets and liabilities of the existing entity at their pre-combination carrying amounts without fair value uplift. The pre-combination book values reflect the carrying values in the books of the existing entity. The acquirer's consolidated financial statements include the acquired entity's full-year results (including comparatives), even though the business combination might have occurred part of the way through the year, or they incorporate the results from the date when the entity joined the group, where such a date is later.

2.3 Changes in Accounting Policies and Disclosures

2.3.1 New and amended IFRS Accounting Standards applied with no material effect on the consolidated financial statements

The accounting policies adopted in the preparation of the consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, and the notes thereto, except for the adoption of certain new and revised standards, that became effective in the current period, as set out below:

Non-current liabilities with covenants – Amendments to IAS 1 (effective 1 January 2024) *IAS 1 Presentation of Financial Statements in 2020* clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarified what IAS 1 means when it refers to the 'settlement' of a liability.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

2 Basis of Preparation and Accounting Policies (continued)

2.3 Changes in Accounting Policies and Disclosures (continued)

2.3.1 New and amended IFRS Accounting Standards applied with no material effect on the consolidated financial statements (continued)

Non-current liabilities with covenants – Amendments to IAS 1 (effective 1 January 2024) (continued)

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Lease liability in sale and leaseback – amendments to IFRS 16 (effective 1 January 2024) The IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024) The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

Other than the above, there are no other material IFRS Accounting Standards or amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current period but may affect the accounting for the Group's future transactions or arrangements.

2 Basis of Preparation and Accounting Policies (continued)

2.3 Changes in Accounting Policies and Disclosures (continued)

2.3.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

The Group has not early adopted new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (effective date not finalized) The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025) The IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026) The IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

2 Basis of Preparation and Accounting Policies (continued)

2.3 Changes in Accounting Policies and Disclosures (continued)

2.3.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability, and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group is currently assessing the impact of these standards amendments on the future consolidated financial statements of the Group, and intends to adopt it, if applicable, when it becomes effective.

3 Material Accounting Policies

IFRS 15 Revenue from Contracts with Customers

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a. The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.

b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

3 Material Accounting Policies (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

The Group recognizes revenue from the following major sources:

Freight/ Voyage charters:

Revenue in relation to freight/ voyage charters is recognized over time since the customer simultaneously receives and consumes the benefits of the Group's performance in providing integrated transportation services.

Vessel time charters:

Time charters contain a lease component (i.e., hire of the vessel) and service components (i.e., operation of the vessel and maintenance service etc.). Revenue from hire of vessel is recognized over the lease term and revenue from services is recognized over time. The transaction price is allocated to each performance obligation using an expected cost-plus margin approach.

Vessel bareboat charters:

Bareboat charters contain only a lease component (i.e., hire of the vessel) and does not contain service components (i.e., operation of the vessel and maintenance service etc.). Revenue from hire of vessel is recognized over the lease term.

Sale of goods:

Revenue from the sale of goods is recognized when control of the goods has transferred, being when the goods have been delivered to the customers. Revenue from sale of goods is recognized at a point of time. Sale of goods primarily include sale of drilling chemicals, bunkers, petrol and water.

Rendering of services:

The Group provides port services, base operation services and oil field services to customers. Revenue is recognized over time since customers simultaneously receive and consume the benefits of the Group's performance in providing services under contractual terms.

Rental income:

The Group's policy for recognition of revenue from operating leases is described in the accounting policy on leasing below.

EPC (Engineering, procurement and construction contract revenue):

Revenue from EPC contracts is recognized in the consolidated statement of comprehensive income when the outcome of the contract can be reliably estimated. The measurement of contract revenue is affected by a variety of uncertainties (including cost estimation and surveys of work performed) that depend on the outcome of future events.

Contract revenue is recognized over time in the consolidated statement of comprehensive income based on the stage of completion of the contracts. The stage of completion can be measured by various methods. The management uses one of the following methods that measure reliably the actual work performed on the contract, depending on the nature of the contract:

- surveys of work performed; or
- the proportion that costs incurred to date bear to the estimated total costs of the contract

When the outcome of a contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that is probable to be recovered. Contract costs are recognized as an expense in the period in which they are incurred. The above estimates often need to be revised as events occur and uncertainties are resolved. Therefore, the amount of contract revenue recognized may increase or decrease from year to year.

3 Material Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives as follows:

	Useful life
Buildings, wharves and land improvements	7 – 25 years
Offshore vessels	20 – 25 years
Vessels – Tankers	25 years
Vessels – Dry-Bulk and Containers	25 years
Vessels – Gas Carriers	25 – 40 years
Jack-Up barges	40 years
Dry docking components of vessel and marine equipment	2 – 5 years
Plant	20 years
Equipment and vehicles	4 – 10 years
Furniture, fixtures and office equipment	4 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment and any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss as other income/(loss) when the asset is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

The Group reassesses the salvage value of the vessels based on the scrap value rate on a yearly basis to ensure accurate financial reporting and compliance with IFRS accounting standards.

Dry docking

Major dry docking is capitalized when incurred and is depreciated over the period until the next major dry dock which is normally 60 months.

Capital work in progress

Capital work in progress is included in property, plant and equipment at cost, on the basis of the percentage completed at the reporting date. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and the asset is commissioned.

The costs of capital work in progress will be transferred to property, plant and equipment when these assets reach their working condition for their intended use. The carrying amounts of capital work-in-progress are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets are immediately written down to their recoverable amount.

3 Material Accounting Policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (such as vessels), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to the consolidated statement of profit or loss when the qualifying asset affects it. To the extent that fixed-rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the consolidated statement of comprehensive income in the period in which they are incurred.

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost, including transaction costs.

Depreciation on investment properties is calculated on a straight-line basis over the estimated useful life of 20 - 25 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gains or losses arising on the disposal or retirement of investment properties is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income in the year.

Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date.

The profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's joint ventures and associates is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the joint venture.

3 Material Accounting Policies (continued)

Investment in a joint venture (continued)

The consolidated financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognizes the loss as part of "Share of profit of a joint venture", and then recognizes the loss in the profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and impairment losses, if any. Amortization is charged on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets mainly include computer systems, software and licenses with an estimated useful life of up to 4 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Group as a lessor

The Group subleases certain assets including land and vessels under head leases with lease terms exceeding 12 months at commencement. The Group has classified the subleases as finance leases or operating leases by reference to the right-of-use asset arising from the head lease. The lease value is capitalized using discounted cash flows and a corresponding lease liability is recognized.

3 Material Accounting Policies (continued)

Leases (continued)

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subject to impairment. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term which is as follows:

	Useful life
Land – Main Mussafah base	19 years
Land – ZMI Mussafah base	30 years
Land – KIZAD	25 years
Vessels	1.5–5 years

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Vessel lease contracts

For the vessel lease contracts fulfilling the capitalization criteria defined by IFRS 16, the lease term corresponds to the duration of the contracts signed except in cases where the Group is reasonably certain of exercising the renewal options contractually foreseen. Vessel lease contracts concluded by the Group do not include guaranteed value clauses for leased assets.

Real-estate lease contracts

Based on its analysis, the Group has identified lease contracts according to IFRS 16 concerning surface areas rented in its base in Mussafah and lease contracts on office and other buildings.

The lease term corresponds to the non-cancellable period which is estimated to be the term until the Group's sublease contracts are effective. The discount rate used to calculate the lease liabilities is determined, for each asset, according to the incremental borrowing rate at the commencement date. The incremental borrowing rate is the rate that the lessee would pay to borrow the required funds to purchase the asset over a similar term, with a similar security and in a similar economic environment. This rate is achieved by the addition of the interest rate prevalent in the market (EIBOR) or interest rate on government bonds and the credit spread, as the case may be. The coupon on government bonds is specific to the location, currency, period and maturity. The definition of the spread curve is based upon reference points, each point consisting of asset financing on assets.

3 Material Accounting Policies (continued)

Leases (continued)

Types of non-capitalized lease contracts

The Group uses the two exemptions foreseen by the standard allowing for non-recognition in the statement of financial position: short-term lease contracts and lease contracts for which the underlying assets have a low value.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Within the Group, short term property leases mainly relate to leases of:

- Land at operation sites with a reciprocal notice-period equal to or less than 12 months. There are no penalties associated with non-renewal in these leases;
- Office and warehouse space lease with a notice-period equal to or less than 12 months. There are no renewal rights that extend the lease beyond 12 months;
- Accommodations for expatriates with a notice period equal to or less than 12 months. There are no renewal rights that extend the lease beyond 12 months.

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realizable value and are held for consumption in the vessels. Inventories consist of bunkers, lubes, raw materials, finished goods and spare parts. Cost of lubes, raw materials, finished goods and spare parts are determined using the weighted average method. Cost of fuel is determined based on the last purchase price. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of comprehensive income.

3 Material Accounting Policies (continued)

Financial assets

Classification and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The most relevant classification for the Group is the financial instruments carried at amortized cost.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost primarily includes trade and other receivables, cash and cash equivalents, sublease receivables and due from related parties.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group considers a financial asset in default when it is 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3 Material Accounting Policies (continued)

Financial instruments – recognition, derecognition and offsetting

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument. All "regular way" purchases and sales of financial assets are recognized on the trade date (i.e. the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or where applicable a part of a financial asset or a part of group of financial assets) is de-recognised either when:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

(iii) the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial liabilities

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of borrowings, at fair value of the consideration received less directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method.

The Group's financial liabilities include shareholder loan, due to related parties, trade and other payables and lease liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks, current accounts and bank deposits with original maturities of three months or less.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of receivable can be measured reliably.

3 Material Accounting Policies (continued)

Provisions (continued)

Provisions for decommissioning and restoration costs, which arise principally in connection with lease of land and facilities, is estimated at current prices and in accordance with local conditions and requirements and an equivalent amount is included in the respective class of asset in property, plant and equipment and right-of-use asset. The present value is calculated using amounts discounted over the lease period. The liability is recognized (together with a corresponding amount as part of the related property, plant and equipment or right-of-use assets) once an obligation crystallizes in the period when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related property, plant and equipment and right-of-use asset. However, where there is no related asset, or the change reduces the carrying amount to nil, the effect, or the amount in excess of the reduction in the related asset to nil, is recognized in the profit or loss.

Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years taxes. Income tax is a tax on taxable profits, and consists of corporation tax, withholding tax of dividends, etc. In addition, tax comprises tonnage tax. Tonnage tax is classified as tax when creditable in, or paid in lieu of, income tax. Tax is recognized in the consolidated statement of comprehensive income to the extent that it arises from items recognized in the consolidated statement of comprehensive income, including tax on gains on intra-group transactions that have been eliminated in the consolidation. Deferred tax is calculated on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is not recognized for differences on the initial recognition of assets or liabilities, where at the time of the transaction neither accounting nor taxable profit/loss is affected, unless the differences arise in a business combination. In addition, no deferred tax is recognized for undistributed earnings in subsidiaries, joint ventures and associates when ADNOC Logistics & Services PLC controls the timing of dividends. No taxable dividends are currently expected. A deferred tax asset is recognized to the extent that it is probable that it can be utilized within a foreseeable future.

On 9 December 2022 UAE Federal Decree-Law no 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 (USD 102,110) at which the 9% tax will apply was set in place by Cabinet Decision No 116 of 2022 which was published on 16 January 2023 and at this point the tax law was considered enacted for accounting purposes.

Income taxes

As disclosed in note 30, the UAE Corporate Income Tax Law is now enacted. The Group has recognized current taxes in the consolidated statement of comprehensive income and the movement in the deferred tax balances as at 31 December 2024 in the consolidated statement of financial position.

3 Material Accounting Policies (continued)

Taxation (continued)

Current income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted by the end of the year. The income tax charge comprises current tax and is recognized in consolidated statement of comprehensive income for the year, except if it is recognized in other comprehensive income or directly in equity because it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred tax

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries and joint ventures or on gains upon their disposal. The Group does not recognize deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Employees' end of service benefits

The Group operates an un-funded post-employment benefit plan (employees' end of service benefits) for its expatriate employees in the UAE, in accordance with the Group policy and UAE Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. Payment for employees' end of service benefits is made when an employee leaves, resigns or completes his service.

The cost of providing benefits under the post-employment benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to processing and marketing fees through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of comprehensive income in subsequent periods.

3 Material Accounting Policies (continued)

Employees' end of service benefits (continued)

Interest is calculated by applying the discount rate to the defined benefit liability. The rate used to discount the end of service benefit obligation is determined by reference to market yields at the consolidated statement of financial position date on high quality corporate bonds. The current and non-current portions of the provision relating to employees' end of service benefits are separately disclosed in the consolidated statement of financial position.

The Group recognizes the following changes in the employees' end of service benefits in the processing and marketing fees:

- Service costs comprising current service costs
- Interest expense

With respect to UAE national employees, contributions are made to Abu Dhabi Retirement Pensions and Benefits Fund, calculated in accordance with the Fund's regulations. With respect to GCC national employees, the contributions are made to the pension funds or agencies of their respective countries.

The provision relating to annual leave, leave passage and pension contribution is considered as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

Foreign currencies

Transactions in foreign currencies are recorded at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Value added tax ("VAT")

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

3 Material Accounting Policies (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3 Material Accounting Policies (continued)

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's top Management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. The CODM assesses the financial performance and position of the operating segments and makes strategic decisions based on a measure of revenue and costs. Refer to Note 28 for further details.

3.1 material accounting judgments and estimates

While applying the accounting policies as stated in note 3, the management of the Group has made certain estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Measurement of ECL

The Group uses a provision matrix to calculate ECLs for trade receivables and due from related parties and to record IFRS 9 provisions thereon.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For due from related parties' balances, probability of default (PD) is determined to be immaterial based on ADNOC's rating by Fitch as at 31 December 2024. Fitch Ratings has given ADNOC Group a standalone credit rating of AA+ and a long-term issuer default rating of AA with a stable outlook, in line with the sovereign rating of Abu Dhabi. However, on a conservative basis, the Group records provisions for expected credit losses on due from related parties in accordance with IFRS 9 requirements. The Group utilizes provisioning of 33.3% and 100% against balances overdue above 365 days and 730 days respectively in accordance with the Group accounting policies.

Historical analysis of aging data:

Aging data from December 2019 to December 2024 has been used for this analysis. For the purpose of the historical analysis, management has defined 180 days past due as default. Furthermore, and in accordance with IFRS 9, Management has chosen to segment the customer base into third party and intercompany debtors.

The probability of default (PD) for the various age buckets has been calculated by assessing the flow rate of debit balances into subsequent age buckets, and ultimately into the default age bucket (according to the definition of default discussed above).

The loss given default (LGD) has been calculated by analyzing the recovery / collections of defaulted balances.

3 Material Accounting Policies (continued)

3.1 material accounting judgments and estimates (continued)

Measurement of ECL (continued)

Forward-looking macroeconomic factors:

IFRS 9 requires a forward-looking macroeconomic adjustment applied to the historical loss rate. To incorporate this element, the Group has identified the UAE's GDP of 5.1% (2023: 3.9%) to be the most relevant factor and accordingly adjusts the historical loss rate based on expected changes in this factor.

The provision for expected credit losses on trade receivables has been calculated using a simplified approach, requiring the computation of lifetime expected credit losses. Refer to Note 17 for details.

At the consolidated statement of financial position date, gross trade receivables were USD 169,384 thousand (2023: USD 109,249 thousand), and the provision for expected credit losses was USD 3,154 thousand (2023: USD 7,302 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the consolidated statement of comprehensive income.

At the consolidated statement of financial position date, gross amount due from related parties were USD 867,549 thousand (2023: USD 747,335 thousand), and the provision for expected credit loss was USD 3,139 thousand (2023: USD 4,488 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the consolidated statement of comprehensive income.

Useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives of property, plant and equipment and intangible assets based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates.

This estimate is determined after considering the current usage of the asset compared to full utilization capabilities of the asset and physical wear and tear, technical or commercial obsolescence and other limits on the use of the asset Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Impairment of property, plant and equipment

The Group determines whether property, plant and equipment are impaired when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator of impairment exists, the Group determines the value in use of the cash generating units, where an indicator has been identified. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also choose a suitable discount rate in order to calculate the present value of those cash flows. Management did not identify any impairment indicators in the current or prior year for property, plant and equipment.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset). On this basis the management has determined their best estimate of the lease term for each lease. The lease period determined will be reassessed at each reporting period.

3 Material Accounting Policies (continued)

3.1 material accounting judgments and estimates (continued)

Determining the lease classification – Group as lessor

The Group has entered into several lease arrangements in respect of land and vessels as a lessor. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term either constituting a major part of the economic life of the leased asset and the present value of the minimum lease payments either amounting to substantially all of the fair value of the leased asset, that either it retains substantially all the risks and rewards incidental to ownership of leased asset and accounts for the contracts as operating leases or finance leases accordingly.

Deferred income tax asset recognition

The recognized deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realization of the related tax benefit is probable. This includes an assessment of the taxable temporary differences expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilized. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

Deferred tax liability

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Income taxes

Tax comprises an estimate of current and deferred income tax as well as adjustments to previous years taxes. Income tax is tax on taxable profits, and consists of corporation tax, withholding tax of dividends, etc. In addition, tax comprises tonnage tax. Tonnage tax is classified as tax when creditable in, or paid in lieu of, income tax. Tax is recognized in the income statement to the extent that it arises from items recognized in the income statement, including tax on gains on intra-group transactions that have been eliminated in the consolidation.

4 Revenues

Disaggregation of revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	Segments	2024 USD'000	2023 USD'000
Freight / voyage charter income	Shipping, Integrated Logistics & Services	**838,284**	719,617
Base operation services	Integrated Logistics	**547,409**	526,792
Petroleum port operations	Integrated Logistics & Services	**233,826**	200,306
Sales of bunkering fuel & water	Integrated Logistics	**243,433**	241,362
Offshore vessels charter income	Integrated Logistics & Services	**495,527**	380,752
Operating lease income	Shipping, Integrated Logistics & Services	**366,790**	318,561
Onshore services income	Integrated Logistics & Services	**130,313**	109,256
Ship management income	Shipping	**53,122**	57,084
EPC contracts income	Integrated Logistics	**619,930**	157,146
Drilling chemicals	Integrated Logistics	**20,696**	44,276
		3,549,330	2,755,152

Timing of revenue	Segments	2024 USD'000	2023 USD'000
Goods transferred at a point in time	Integrated Logistics	**320,798**	285,638
Operating lease income	Shipping, Integrated Logistics & Services	**366,790**	318,561
Services rendered over time	Shipping, Integrated Logistics & Services	**2,861,742**	2,150,953
		3,549,330	2,755,152

5 Direct costs

	2024 USD'000	2023 USD'000
Bunker and other consumption	**1,159,446**	724,832
Staff costs (note 8)	**536,067**	472,114
Freight and voyage charter costs	**416,487**	349,197
Depreciation on property, plant and equipment (note 11)	**262,056**	213,018
Other operating costs	**66,015**	78,090
Port charges	**65,714**	73,872
Repairs and maintenance	**57,184**	66,818
Depreciation on right-of-use assets (note 12)	**38,952**	19,540
Depreciation on investment properties (note 14)	**5,259**	5,165
Amortization of intangibles (note 13)	**1,604**	579
	2,608,784	2,003,225

6 General and Administrative Expenses

	2024 USD'000	2023 USD'000
Staff costs (note 8)	**71,817**	80,724
ADNOC HQ – centralized services	**29,551**	7,792
Consultancy fees	**9,139**	12,635
Amortization of intangible assets (note 13)	**5,207**	6,574
Office rent	**3,657**	3,400
Depreciation on property, plant and equipment (note 11)	**4,151**	3,540
Audit & other assurance fees*	**1,784**	2,030
Depreciation on right-of-use assets (note 12)	**110**	110
Others*	**16,106**	29,631
	141,522	146,436

**** Audit & other assurance fees above include auditors' remuneration as follows:***

	2024	2023
Audit of financial statements	**794**	723
Other assurance services	**248**	928
Non-assurance services required to be performed by the auditor according to applicable laws and regulations	**400**	379
Other non-assurance services	**400**	–

7 Other income

	2024 USD'000	2023 USD'000
Profit on initial recognition of sub-lease receivables	**–**	4,211
Gain on disposal of property, plant and equipment	**1,677**	1,955
Liquidated damages income	**3,870**	–
Others	**14,349**	4,699
	19,896	10,865

8 Staff costs

	2024 USD'000	2023 USD'000
Salaries & benefits (direct hire and sub-contracted)	**600,662**	547,024
Employees' end of service benefits (note 22)	**7,222**	5,814
	607,884	552,838
Analyzed as:		
Direct costs (note 5)	**536,067**	472,114
General and administrative expenses (note 6)	**71,817**	80,724
	607,884	552,838

The number of employees in the Group as at 31 December 2024 and 2023 is as follows:

	2024	2023
Direct hire	**2,112**	2,129
Agency hire	**240**	266
	2,352	2,395

Staff costs also include cost of crew on vessels. The headcount of the crew on vessels and outsourced manpower are not included within the number of employees disclosed above.

9 Finance Income

	2024 USD'000	2023 USD'000
Interest income on sub-leases (finance leases) (note 12)	**1,795**	2,107
Interest income from ADNOC HQ (AGTS)	**5,414**	2,931
Interest income from banks	**8,385**	4,747
	15,594	9,785

10 Finance Costs

	2024 USD'000	2023 USD'000
Interest expense on lease liabilities (note 12)	**9,831**	7,893
Interest expense on pension cost	**1,043**	1,118
Interest expense on end of service benefits (note 22)	**1,633**	1,473
Amortization of upfront fee on shareholder loans (note 24)	**1,885**	1,231
Commitment fee on shareholder loan facilities (note 24)	**3,641**	2,654
Others	**1**	729
	18,034	15,098

11 Property, plant and equipment

	Buildings USD'000	Vessels and marine equipment USD'000	Plant USD'000	Equipment and vehicles USD'000	Furniture, fixtures and office equipment USD'000	Capital work in progress USD'000	Total USD'000
2024							
Cost:							
At 1 January 2024	129,178	4,106,213	5,391	70,780	32,021	204,963	4,548,546
Additions	–	52,094	–	1,935	1,859	957,127	1,013,015
Disposals	(42)	(10,997)	(86)	(3,333)	(1,124)	–	(15,582)
Transfer to investment properties (note 14)	–	–	–	–	–	(2,491)	(2,491)
Transfer to intangible assets (note 13)	–	–	–	–	–	(6,450)	(6,450)
Transfer from capital work in progress	2,825	526,920	–	27,884	2,525	(560,154)	–
At 31 December 2024	**131,961**	**4,674,230**	**5,305**	**97,266**	**35,281**	**592,995**	**5,537,038**
Accumulated depreciation:							
At 1 January 2024	79,498	602,552	5,320	37,843	16,790	–	742,003
Charge for the year	5,470	245,814	18	9,327	5,578	–	266,207
Disposals	(35)	(10,636)	(86)	(3,310)	(440)	–	(14,507)
At 31 December 2024	**84,933**	**837,730**	**5,252**	**43,860**	**21,928**	**–**	**993,703**
Net book value:							
At 31 December 2024	**47,028**	**3,836,500**	**53**	**53,406**	**13,353**	**592,995**	**4,543,335**

11 Property, Plant and equipment (continued)

	Buildings USD'000	Vessels and marine equipment USD'000	Plant USD'000	Equipment and vehicles USD'000	Furniture, fixtures and office equipment USD'000	Capital work in progress USD'000	Total USD'000
2023							
Cost:							
At 1 January 2023	107,276	3,319,602	5,391	53,184	29,537	170,725	3,685,715
Additions	–	243,345	–	4,975	397	626,173	874,890
Disposals	–	(9,503)	–	(1,123)	(30)	–	(10,656)
Transfer to investment properties (note 14)	–	–	–	–	–	(677)	(677)
Transfer to intangible assets (note 13)	–	–	–	–	–	(3,886)	(3,886)
Transfer from capital work in progress	21,902	549,609	–	13,744	2,117	(587,372)	–
Adjustments	–	3,160	–	–	–	–	3,160
At 31 December 2023	**129,178**	**4,106,213**	**5,391**	**70,780**	**32,021**	**204,963**	**4,548,546**
Accumulated depreciation:							
At 1 January 2023	75,256	409,475	5,302	32,044	12,254	–	534,331
Charge for the year	4,242	200,811	18	6,922	4,565	–	216,558
Disposals	–	(7,734)	–	(1,123)	(29)	–	(8,886)
At 31 December 2023	**79,498**	**602,552**	**5,320**	**37,843**	**16,790**	**–**	**742,003**
Net book value:							
At 31 December 2023	**49,680**	**3,503,661**	**71**	**32,937**	**15,231**	**204,963**	**3,806,543**

As at 31 December 2024, capital work in progress includes both vessels and projects under construction. During construction, projects are recorded under capital work in progress and then transferred to the respective asset classes including investment properties and intangible assets.

Capital work in progress additions include interest incurred during the construction of the vessels capitalized amounting to USD 10,491 thousand (31 December 2023: USD 2,419).

Depreciation has been allocated in the consolidated statement of comprehensive income as follows:

	2024 USD'000	2023 USD'000
Direct costs (note 5)	**262,056**	213,018
General and administrative expenses (note 6)	**4,151**	3,540
	266,207	216,558

12 Right-of-Use Assets, Sub-Lease Receivables & Lease Liabilities

Set out below, are the carrying amounts of the Group's right-of-use assets, sub-lease receivables and lease liabilities and the movements during the period:

A. In respect of head-lease:

USD'000	*Land right -of-use asset*	*Vessels right -of-use asset*	*Total*
As at 1 January 2024	51,442	96,704	**148,146**
Additions	–	52,607	**52,607**
Depreciation expense	(2,995)	(36,067)	**(39,062)**
As at 31 December 2024	**48,447**	**113,244**	**161,691**
As at 1 January 2023	54,429	12,779	67,208
Additions	–	100,588	100,588
Depreciation expense	(2,987)	(16,663)	(19,650)
As at 31 December 2023	51,442	96,704	148,146

USD'000	*Land lease liability*	*Vessels lease liability*	*Total*
As at 1 January 2024	55,644	97,999	153,643
Additions	–	52,607	52,607
Interest expense (note 10)	3,749	5,009	8,758
Payments	(5,496)	(39,238)	(44,734)
As at 31 December 2024	**53,897**	**116,377**	**170,274**
As at 1 January 2023	57,284	12,898	70,182
Additions	–	100,588	100,588
Interest expense (note 10)	3,799	2,775	6,574
Payments	(5,439)	(18,262)	(23,701)
As at 31 December 2023	55,644	97,999	153,643

12 Right-of-Use Assets, Sub-Lease Receivables & Lease Liabilities (continued)

B. In respect of sub-lease:

USD'000	*Land sub-lease receivables*	*Vessels sub-lease receivables*	*Total*
As at 1 January 2024	12,022	36,565	**48,587**
Interest income (note 9)	801	994	**1,795**
Payments received	(1,443)	(19,738)	**(21,181)**
As at 31 December 2024	**11,380**	**17,821**	**29,201**
As at 1 January 2023	12,622	6,763	19,385
Additions	–	41,016	41,016
Profit on initial recognition of sub-leases (note 7)	–	4,211	4,211
Interest income (note 9)	843	1,264	2,107
Payments received	(1,443)	(16,689)	(18,132)
As at 31 December 2023	12,022	36,565	48,587

USD'000	*Land sub-lease liability*	*Vessels sub-lease liability*	*Total*
As at 1 January 2024	2,348	33,563	35,911
Interest expense (note 10)	151	922	1,073
Payments	(277)	(17,680)	(17,957)
As at 31 December 2024	**2,222**	**16,805**	**19,027**
As at 1 January 2023	2,465	6,390	8,855
Additions	–	41,016	41,016
Interest expense (note 10)	160	1,159	1,319
Payments	(277)	(15,002)	(15,279)
As at 31 December 2023	2,348	33,563	35,911

12 Right-of-Use Assets, Sub-Lease Receivables & Lease Liabilities (continued)

B. In respect of sub-lease:

Sub-lease receivables are analyzed in the consolidated statement of financial position as follows:

	2024 USD'000	2023 USD'000
Current portion	**16,359**	19,386
Non-current portion	**12,842**	29,201
	29,201	48,587

Sub-lease receivables as of 31 December can be further analyzed as follows:

31 December 2024	Current portion	Non-current portion	Total	Non-current 1-5 years	Non-current 5 years & above
National Gas Shipping Company Holding Ltd	14,299	2,153	16,452	2,153	–
ADNOC Offshore	1,369	–	1,369	–	–
Total related party balances	15,668	2,153	17,821	2,153	–
Third parties	691	10,689	11,380	3,304	7,385
Total	**16,359**	**12,842**	**29,201**	**5,457**	**7,385**

31 December 2023	Current portion	Non-current portion	Total	Non-current 1-5 years	Non-current 5 years & above
National Gas Shipping Company Holding Ltd	16,661	16,452	33,113	16,452	–
ADNOC Offshore	2,083	1,369	3,452	1,369	–
Total related party balances	18,744	17,821	36,565	17,821	–
Third parties	642	11,380	12,022	3,721	7,659
Total	**19,386**	**29,201**	**48,587**	**21,542**	**7,659**

Lease liabilities as of 31 December are analyzed in the consolidated statement of financial position as follows:

	2024 USD'000	2023 USD'000
Relating to head-lease (in respect of right-of-use assets)	**170,274**	153,643
Relating to sub-lease receivables (in respect of liabilities for sub-leased assets)	**19,027**	35,911
	189,301	189,554
Current portion	**59,130**	44,313
Non-current portion	**130,171**	145,241
	189,301	189,554

Notes to the Consolidated Financial Statements continued
As at and for the year ended 31 December 2024

12 Right-of-Use Assets, Sub-Lease Receivables & Lease Liabilities (continued)

B. In respect of sub-lease: (continued)

Lease liabilities as of 31 December can be further analyzed as follows:

31 December 2024	Current portion	Non-current portion	Total	Non-current 1-5 years	Non-current 5 years & above
ADNOC HQ	1,517	28,485	30,002	3,733	24,752
Total related party balances	1,517	28,485	30,002	3,733	24,752
Third parties	57,613	101,686	159,299	79,751	21,935
Total	**59,130**	**130,171**	**189,301**	**83,484**	**46,687**

31 December 2023	Current portion	Non-current portion	Total	Non-current 1-5 years	Non-current 5 years & above
ADNOC HQ	1,351	30,002	31,353	6,561	23,441
Total related party balances	1,351	30,002	31,353	6,561	23,441
Third parties	42,962	115,239	158,201	93,069	22,170
Total	44,313	145,241	189,554	99,630	45,611

The table below indicates rental expenses resulting from lease and service contracts which are recognized in the consolidated statement of comprehensive income:

	2024 USD'000	2023 USD'000
Short term rents (included in note 5 & 6)	**6,964**	5,678

The movement in provision for dismantling liability on leased land is as follows:

	2024 USD'000	2023 USD'000
As at 1 January	**1,873**	1,727
Accretion during the year	**136**	146
As at 31 December	**2,009**	1,873

13 Intangible assets

	2024 USD'000	2023 USD'000
Cost:		
At 1 January	**31,756**	27,883
Transfer from property, plant and equipment (note 11)	**6,450**	3,886
Disposals	**(4)**	(13)
At 31 December	**38,202**	31,756
Accumulated amortization:		
At 1 January	**20,316**	13,168
Charge for the year	**6,811**	7,153
Disposals	**(3)**	(5)
At 31 December	**27,124**	20,316
Net book value:		
At 31 December	**11,078**	11,440

Intangible assets comprise the cost of acquired enterprise computer systems, software and licenses.

14 Investment Properties

	2024 USD'000	2023 USD'000
Cost:		
At 1 January	**156,025**	155,348
Transfer from property, plant and equipment (note 11)	**2,491**	677
At 31 December	**158,516**	156,025
Accumulated depreciation:		
At 1 January	**60,756**	55,591
Charge for the year	**5,259**	5,165
At 31 December	**66,015**	60,756
Net book value:		
At 31 December	**92,501**	95,269

Notes to the Consolidated Financial Statements continued
As at and for the year ended 31 December 2024

14 Investment Properties (continued)

Investment properties comprise of buildings owned by the Group which are rented to tenants under operating lease arrangements. The fair valuation of the completed properties was carried out as at 31 December 2024 by management using the discounted cash flow method of valuation, using assumptions such as annual growth rate and discount rate. The fair value was assessed at USD 110 million as at 31 December 2024 (2023: USD 116 million).

In estimating the fair value of the properties, the highest and best use of the property is considered as their current use. The inputs used in the valuation are not based on observable market data and thus the valuation techniques were considered to be Level 3 valuation.

On 1 January 2022, the Group acquired two warehouses from Abu Dhabi Ports for USD 84 million. The land on which the warehouses are built is leased by Abu Dhabi Ports to the Group for a period of 25 years with effect from 1 January 2022.

The investment properties earn revenue and incur costs as below:

	2024 USD'000	2023 USD'000
Rental income included under operating lease income	**12,173**	9,908
Direct costs excluding depreciation	**1,182**	1,223

15 Investment in a Joint Venture

Details of the Group's investment in a joint venture at 31 December are as follows:

	Percentage holding			
Name of joint venture	*2024*	*2023*	*Country of incorporation*	*Principal activity*
AW Shipping Limited	**50%**	50%	UAE	Shipping services

The movement in the carrying value of investment in a joint venture is summarized below:

	2024 USD'000	2023 USD'000
As at 1 January	**76,712**	62,641
Investment during the year	**176,865**	–
Share of profit for the year	**14,198**	14,071
As at 31 December	**267,775**	76,712

15 Investment in a joint venture (continued)

The assets, liabilities and results of the joint venture are summarized below:

	2024 USD'000	2023 USD'000
Statement of financial position:		
Total assets	**772,750**	415,420
Total liabilities	**(237,200)**	(261,996)
Net assets	**535,550**	153,424
Statement of comprehensive income:		
Revenue	**77,832**	79,283
Expenses	**(49,436)**	(51,141)
Total comprehensive income	**28,396**	28,142

Included in expenses above is depreciation of USD 15,633 thousand (2023: USD 15,384 thousand) and finance cost of USD 15,571 thousand (2023: USD 16,927 thousand). There was no interest income earned by the joint venture in 2024 or 2023.

Included in total liabilities above are loans from banks amounting to USD 227,118 thousand (2023: USD 255,833 thousand). USD 198,353 thousand (2023: USD 227,118) was classified as non-current liability and USD 28,765 thousand (2023: USD 28,765 thousand) was classified as current liability.

16 Inventories

	2024 USD'000	2023 USD'000
Bunkers	**38,052**	41,591
Lubes	**6,288**	6,545
Raw materials & finished goods	**10,016**	10,265
Spare parts, fuel and consumables	**88,935**	72,231
Firefighting foam and dispersant stock	**405**	405
	143,696	131,037
Less: provision for slow-moving and obsolete inventories	**(11,009)**	(10,317)
	132,687	120,720

Movement in the provision for slow-moving and obsolete inventories is as follows:

	2024 USD'000	2023 USD'000
At 1 January	**10,317**	9,965
Charge during the year	**692**	758
Write offs	**–**	(406)
At 31 December	**11,009**	10,317

17 Trade and other receivables

Current	2024 USD'000	2023 USD'000
Trade receivables	**169,384**	109,249
Provision for expected credit losses	**(3,154)**	(7,302)
Trade receivables, net	**166,230**	101,947
Prepaid expenses and other receivables	**51,125**	92,967
Accrued revenue	**131,455**	85,401
Receivable from employees	**16,053**	14,385
Advances to suppliers	**55,616**	93,620
	420,479	388,320

Movement in the provision for expected credit losses is as follows:

	2024	2023
At 1 January	**7,302**	8,918
Write off	**(36)**	–
(Reversal) of provision during the year	**(4,112)**	(1,616)
At 31 December	**3,154**	7,302

Below is the information about credit risk exposure on the Group's trade receivables:

			Past due				
	Total USD' 000	Not past due USD' 000	< 30 days USD' 000	30 - 60 days USD' 000	61 - 90 days USD' 000	91 - 120 days USD' 000	> 120 days USD' 000
Provision matrix 2024		0%	1%	1%	1%	1%	12%
Provision matrix 2023		1%	12%	3%	6%	1%	21%
Gross trade receivable							
31 December 2024	**169,384**	**67,844**	**36,584**	**23,950**	**16,531**	**6,692**	**17,783**
31 December 2023	109,249	29,823	6,754	27,697	10,368	12,070	22,537
Provision for expected credit losses							
31 December 2024	**3,154**	**324**	**237**	**198**	**182**	**92**	**2,121**
31 December 2023	7,302	287	810	704	640	133	4,728
Net trade receivable							
31 December 2024	**166,230**	**67,520**	**36,347**	**23,752**	**16,349**	**6,600**	**15,662**
31 December 2023	101,947	29,536	5,944	26,993	9,728	11,937	17,809

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. It is not the practice of the Group to obtain a collateral over receivables balances.

Non-current

Trade and other receivables (non-current) include advances paid to shipyards and other suppliers towards capital expenditures. Balances are as follows:

	2024 USD'000	2023 USD'000
Advances to shipyards	**229,882**	38,884

18 Cash and Cash Equivalents

	2024 USD'000	2023 USD'000
Cash in hand	**1,875**	1,478
Cash at banks	**197,044**	214,231
	198,919	215,709

The Group held cash and cash equivalent with financial institutions that are rated at least AA- to A based on rating agency ratings. Accordingly, the ECL provision amount calculated by applying the general approach is considered to be immaterial. Cash at banks include call deposit accounts that earn interest of 4% (2023: 0.07%).

19 Share capital

	2024 USD'000	2023 USD'000
Authorized, issued and fully paid		
7,398,498,764 ordinary shares of USD 0.54 each	**3,995,189**	3,995,189

On 9 October 2023, the Board of Directors approved the distribution of cash dividend of USD 64,999 thousand for the second quarter of the financial year ended 31 December 2023, equivalent to 3.2 fils per share. The dividend was paid to shareholders in the last quarter of the financial year ended 31 December 2023.

In the Annual General Assembly Meeting of the Shareholders on 29 April 2024, a final cash dividend of USD 130,000 thousand for the second half of the financial year ended 31 December 2023 was approved by the shareholders. The dividend was paid to shareholders in the second quarter of the financial year ended 31 December 2024.

On 7 October 2024, the Board of Directors approved the distribution of cash dividend of USD 136,500 thousand for the first half of 2024, equivalent to 6.78 fils per share. The dividend was paid to shareholders in last quarter of the financial year ended 31 December 2024.

In total, a cash dividend of USD 266,500 thousand was distributed to shareholders in 2024.

20 General Reserve

In 2022, in accordance with the decision of management of the Group, 10% of the profit was transferred to a general reserve. No such transfer was made in 2023 or 2024. USD 103,226 thousand was equitized as part of capital reorganization in April 2023 before the Groups' listing on Abu Dhabi Exchange (ADX). Refer to Note 31.

21 Basic and Diluted Earnings Per Share

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

	2024 USD'000	2023 USD'000
Profit attributable to shareholders of the Company	**756,170**	620,159
Weighted average number of shares ('000)	**7,398,499**	7,398,499

	USD	USD
Earnings per share	**0.10**	0.08

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

22 Employees' end of Service Benefits

Movements in the employees' end of service benefits provision are as follows:

	2024 USD'000	2023 USD'000
At 1 January	**32,631**	31,464
Current service cost (note 8)	**7,222**	5,814
Benefits paid	**(2,996)**	(4,311)
Benefits of employees transferred – out to group companies	**–**	(1,197)
Interest cost (note 10)	**1,633**	1,473
Re-measurement losses:		
Actuarial (gains) / losses arising from experience	**(54)**	534
Actuarial losses / (gains) arising from changes in financial assumptions	**1,079**	(1,146)
At 31 December	**39,515**	32,631

Generally, upon fulfillment of certain employment conditions, the retirement benefits are payable in lump sum upon retirement, which is determined based on the employee's salary for each year of service.

The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	2024	2023
Discount rate	**5.00%**	5.50%
Expected rate of salary increase	**3.00%**	3.00%
Average turnover	**7.5%**	7.5%
Retirement age	**60 years**	60 years

Mortality rate table used is the SOA RP-2014 Total Dataset Mortality with Scale MP-2014.

Amounts recognized in the statement of comprehensive income in respect of these benefits are as follows:

	2024 USD'000	2023 USD'000
Service cost:		
Current service cost (note 8)	**7,222**	5,814
Net interest expense (note 10)	**1,633**	1,473
Components of provision for employees' end of service benefit recognized in comprehensive income	**8,855**	7,287

Amounts recognized in other comprehensive income are as follows:

	2024 USD'000	2023 USD'000
Actuarial (losses) / gain arising from the experience adjustments	**(1,025)**	612

22 Employees' end of service benefits (continued)

Significant actuarial assumptions for the determination of the provision for employees' end of service benefit are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

2024	*Increase / decrease in percentage point*	*Increase / (decrease) in provision for employees' end of service benefit USD'000*
Discount rate	**1%**	**(2,094)**
	–1%	**2,365**
Expected salary growth	**1%**	**2,467**
	–1%	**(2,214)**
2023		
Discount rate	1%	(1,890)
	–1%	2,130
Expected salary growth	1%	2,233
	–1%	(2,007)

The sensitivity analysis presented above may not be representative of the actual change in the provision for employees' end of service benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the provision for employees' end of service benefit has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the provision for employees' end of service benefit recognized in the consolidated statement of financial position.

The Group does not expect to make any contribution to defined benefit plans during the next financial year.

23 Trade and other payables

	2024 USD'000	*2023 USD'000*
Trade accounts payable	**88,874**	99,878
Accrued expenses	**540,525**	461,581
Other payables	**69,427**	41,446
Capital expenses accruals	**241,262**	95,965
Operating lease rent received in advance	**16,219**	10,057
	956,307	708,927

Trade accounts payable are interest free and are normally settled within 30 days from the date of receipt of the invoice.

24 Related party balances and transactions

These represent transactions with related parties i.e., the shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Pricing policies and terms of these transactions are approved by the Group's management.

Terms and conditions of transactions with related parties

The sales to and services from related parties are made at agreed rates with the related parties. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the Group has provision for expected credit losses of USD 3,139 thousand (2023: USD 4,448 thousand) on amounts due from related parties. The Group's significant balances are with entities controlled, jointly controlled or significantly influenced by the ADNOC.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	2024 USD'000	*2023 USD'000*
Goods sold and services provided to entities under common control		
ADNOC Offshore	**1,130,642**	1,038,479
ADNOC (Holding Company)	**827,189**	418,191
Abu Dhabi Polymers Company Limited (Borouge ADP)	**170,323**	157,370
ADNOC Global Trading (AGT)	**124,849**	135,024
National Gas Shipping Company Holding Limited	**90,340**	102,967
ADNOC Onshore	**37,856**	41,383
ADNOC Gas	**25,556**	19,859
Al Yasat JV	**18,957**	10,013
ADNOC Drilling	**14,964**	12,480
ADNOC Distribution	**10,144**	11,706
ADNOC Trading (AT)	**2,837**	3,417
ADNOC Refining	**2,477**	1,144
AW Shipping Limited	**1,098**	220
	2,457,232	1,952,253
Good and services received from entities under common control		
ADNOC Distribution	**286,481**	255,484
ADNOC (Holding Company)	**52,689**	20,286
ADNOC Offshore	**2,000**	674
ADNOC Onshore	**22**	131
ADNOC Refining	**8**	772
ADNOC Gas	**–**	7,891
Al Yasat JV	**–**	90
ADNOC Sour Gas	**–**	52
	341,200	285,380
Interest transactions		
Interest received on cash pooling balances (note 9)	**5,414**	2,931
Amortization of upfront fee on shareholder loans (note 10)	**1,885**	1,231
Commitment fee on shareholder loan facilities (note 10)	**3,641**	2,654

24 Related party balances and transactions (continued)

Balances with related parties included in the consolidated statement of financial position are as follows:

	2024 USD'000	2023 USD'000
Due from related parties:		
ADNOC Offshore	**400,749**	285,229
ADNOC (Holding Company)	**198,236**	188,703
ADNOC (Holding Company) cash pooling balance*	**144,289**	173,402
Abu Dhabi Polymers Company Limited (Borouge ADP)	**74,413**	40,917
ADNOC Gas	**19,508**	11,488
ADNOC Global Trading (AGT)	**10,895**	7,033
Al Yasat	**6,342**	8,472
ADNOC Drilling	**4,767**	6,706
ADNOC Onshore	**4,709**	7,287
ADNOC Distribution	**1,535**	5,331
ADNOC Trading (AT)	**1,189**	1
ADNOC Refining	**799**	1,454
AW Shipping Limited	**64**	–
Borouge Pte	**54**	54
National Gas Shipping Company Holding Limited	**–**	11,258
	867,549	747,335
Less: provision for expected credit losses	**(3,139)**	(4,488)
	864,410	742,847

* This balance is held with ADNOC (Holding Company) and earns interest based on rates agreed between the parties.

The movement in provision for expected credit losses on related parties' receivables is as follows:

	2024 USD'000	2023 USD'000
Balance at 1 January	**4,488**	200
Charge for the year	**1,463**	4,288
Write off	**(2,812)**	–
Balance at 31 December	**3,139**	4,488

The provision for expected credit losses on amounts due from related parties is prepared in accordance with the requirements of IFRS 9. The Group also utilizes provisioning of 33.3% and 100% against balances overdue above 365 days and 730 days respectively in accordance with the Group accounting policies.

24 Related party balances and transactions (continued)

Below is the aging of receivables from related parties:

			Past due						
	Total USD'000	Not past due USD'000	< 30 days USD'000	30 - 60 days USD'000	61 - 90 days USD'000	91 - 120 days USD'000	121-365 days USD'000	366-730 days USD'000	>730 days USD'000
Gross receivables from related parties									
31 December 2024	**867,549**	**528,184**	**201,085**	**97,988**	**31,413**	**–**	**3,366**	**3,561**	**1,952**
31 December 2023	747,335	616,039	47,771	45,065	6,673	1,756	20,709	9,322	–
Provision for expected credit losses									
31 December 2024	**3,139**	–	–	–	–	–	–	**1,187**	**1,952**
31 December 2023	4,488	–	–	–	–	–	–	4,488	–
Net receivable from related parties									
31 December 2024	**864,410**	**528,184**	**201,085**	**97,988**	**31,413**	**–**	**3,366**	**2,374**	**–**
31 December 2023	742,847	616,039	47,771	45,065	6,673	1,756	20,709	4,834	–

	2024 USD'000	2023 USD'000
Due to related parties:		
ADNOC (Holding Company)*	**178,216**	194,581
ADNOC Distribution	**74,252**	62,336
AGT	**7,798**	4,393
National Gas Shipping Company	**4,053**	–
ADNOC Drilling	**3,000**	–
ADNOC Offshore	**2,674**	674
ADNOC Refining	**1,107**	772
ADNOC Onshore	**131**	131
Yasat	**90**	90
ADNOC Sour Gas (Al Hosn Gas)	**52**	52
ADNOC Gas	**–**	7,891
AW Shipping	**–**	110
	271,373	271,030

*Included in the amounts payable to ADNOC (Holding Company) is an amount of USD 7,492 thousand (31 December 2023: USD 829 thousand) in respect of interest payable on the USD 550,000 thousand (31 December 2023: 100,000 thousand) shareholder loan.

These balances are classified and presented in the statement of financial position as below:

	2024 USD'000	2023 USD'000
Current portion	**271,373**	253,121
Non-current portion	**–**	17,909
	271,373	271,030

Due to related parties (non-current)

In 2021 the Group's ultimate Holding Company recharged USD 90,916 thousand towards UAE national employees' pension charges. These charges relate to the differential amount paid by the Holding Company to Abu Dhabi Retirement Pensions and Benefits Fund for services of employees taken over by the Group on its formation and till the period ending 31 December 2019. USD 18,952 thousand of this liability is payable in 2025 and accordingly as at 31 December 2024 USD nil (USD 17,909 thousand as at 31 December 2023) is disclosed as a non-current liability.

24 Related party balances and transactions (continued)

Related parties sub-lease receivables and lease liabilities are disclosed in note 12.

Shareholder contribution from ADNOC (Holding Company) (forming part of shareholder's equity in 2022):

In 2022, the Group's contribution from a shareholder of USD 357,485 thousand was interest free and repayable at the absolute discretion of the board of directors of the Group. Accordingly, the amount was classified under equity as shareholder contribution. In 2023, before the listing of the Group on Abu Dhabi Stock Exchange (ADX), this loan was converted to share capital. Refer to Note 31 for further details on capital reorganization.

Shareholder loan from ADNOC (Holding Company) (forming part of non-current liabilities in 2022):

In 2022, the Group had a loan facility arrangement with ADNOC (Holding Company) totaling USD 2,300,000 thousand. As at 31 December 2022, the Group had drawn USD 1,900,000 thousand from the facility.

In 2023, before the listing of the Group on Abu Dhabi Stock Exchange (ADX), this loan was converted to share capital. Refer to Note 31 for further details on capital reorganization.

Shareholder loan from ADNOC (Holding Company) (forming part of non-current liabilities in 2023 and 2024):

In 2023, the Group entered into an unsecured senior corporate term facility agreement and a revolving credit facility (RCF) with its parent of USD 1,500,000 thousand and USD 350,000 thousand respectively. USD 300 thousand was paid as upfront fee for the unsecured senior corporate term facility and USD 700 thousand was paid as upfront fee for the revolving credit facility (RCF). Both the senior corporate term facility and the revolving credit facility (RCF) incur a commitment fee of 0.2125% on the undrawn amounts. During the year, USD 3,641 thousand was charged as commitment fee on these facilities (2023: USD 2,654 thousand).

As at 31 December 2024, USD 550,000 thousand (2023: USD 100,000 thousand) was drawn from the unsecured senior corporate term facility. During the year, interest incurred on this loan amounting to USD 10,491 thousand (2023: USD 2,419 thousand) was capitalized as part of capital work in progress.

The Group's significant bank balances with Abu Dhabi Government and other entities controlled, jointly controlled or significantly influenced by the Abu Dhabi Government are as follows:

	2024 USD'000	*2023 USD'000*
Bank balances	**117,355**	160,047

	2024 USD'000	*2023 USD'000*
Board of Directors fees	**9,421**	–
Key management compensation	**1,746**	1,336

25 Bank Guarantees, Contingencies and Commitments

a) Bank guarantees:

At 31 December 2024, the Group had bank guarantees issued by the bank and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to USD 11,964 thousand (2023: USD 6,373 thousand).

b) Capital commitments:

At 31 December 2024, the Group's capital commitments amount to USD 3,303,308 thousand (2023: USD 1,113,308 thousand).

c) Purchases commitments:

At 31 December 2024, the Group's purchases commitments amount to USD 55,077 thousand (2023: USD 39,353 thousand).

d) Contingencies:

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's financial statements if concluded unfavorably.

26 Financial Risk Management and Objectives

The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management program of the Group seeks to minimize potential adverse effects of these risks on their financial performance.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's principal financial liabilities consist of trade and other payables, amounts due to related parties, shareholder loan and lease liabilities. The main purpose of the financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and other receivables, bank balances and amounts due from related parties, which arise directly from its operations.

26 Financial Risk Management and Objectives (continued)

Market risk management

Foreign exchange risk

The Group has no significant currency risk exposure from its operations as the Group's majority of transactions are in UAE Dirham or US Dollars. The UAE Dirham is pegged to the US Dollar, hence balances in US Dollars are not considered to represent a significant risk.

Price risk

The Group has no significant direct exposure to commodity price risk. Reductions in oil prices may lead to reduction in the level of future logistics services procured by customers who have significant exposure to oil and gas prices.

Cash flow and fair value interest rate risk

The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant.

	2024 USD'000	*2023 USD'000*
Effect of increase of 100 basis points on Group's profit	**3,662**	(386)
Effect of decrease of 100 basis points on Group's profit	**(3,662)**	386

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's trade and other receivables, related party and bank balances. The Group has adopted a policy of dealing only with creditworthy counterparties. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counter-parties.

The average credit period on sale of goods or services is 30-60 days. No interest is charged on trade and other receivables. The bank balances are maintained with commercial banks. The credit risk on liquid funds is limited because the counterparties are reputable banks closely monitored by the regulatory bodies.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations, generally approximates their carrying value. Advances to suppliers, other receivables and balances with banks are not secured by any collateral.

Other financial assets do not have a material expected credit loss, and the loss allowance considered during the year was limited to 12 months expected losses. As such, no loss allowance was made for such financial assets as at 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements continued
As at and for the year ended 31 December 2024

26 Financial Risk Management and Objectives (continued)

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a short-term period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group limits its liquidity risk by ensuring adequate cash available from its operations and from support of the shareholders. The table below summarizes the maturity profile of the Group's financial liabilities. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	On demand USD '000	*Less than 3 months USD '000*	*3 to 12 months USD '000*	*1 to 5 years USD '000*	*> 5 years USD '000*	*Total USD '000*
31 December 2024						
Trade payables	–	88,874	–	–	–	88,874
Due to related parties	–	161,913	18,952	–	–	180,865
Income tax payable	–	–	65,391	–	–	65,391
Lease liabilities	–	20,439	48,349	101,127	65,349	235,264
Shareholder loan	–	–	–	550,000	–	550,000
Other payables, accrued and capital expenses	–	609,952	241,262	–	–	851,214
Total	–	**881,178**	**373,954**	**651,127**	**65,349**	**1,971,608**
31 December 2023						
Trade payables	–	99,878	–	–	–	99,878
Due to related parties	–	234,169	18,952	18,952	–	272,073
Lease liabilities	–	13,242	39,725	117,265	81,416	251,648
Shareholder loan	–	–	–	100,000	–	100,000
Other payables, accrued and capital expenses	–	598,992	–	–	–	598,992
Total	–	946,281	58,677	236,217	81,416	1,322,591

26 Financial Risk Management and Objectives (continued)

Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it to ensure that it will be able to continue as a going concern. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023. Equity comprises share capital, general reserve, retained earnings and shareholder contribution, and is measured at USD 4,894,627 thousand as at 31 December 2024 (2023: USD 4,405,982 thousand).

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the statement of financial position plus net debt.

The gearing ratio, determined as net debt to net debt plus equity, at the year-end was as follows:

	2024 USD'000	*2023 USD'000*
Debt (note 24)	**550,000**	100,000
Cash and cash equivalents (note 18)	**(198,919)**	(215,709)
Net debt	**351,081**	(115,709)

	2024 USD'000	*2023 USD'000*
Net debt	**351,081**	(115,709)
Equity	**4,894,627**	4,405,982
Net debt plus equity	**5,245,708**	4,290,273
Gearing ratio	**7%**	0%

27 Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. As at 31 December 2024 and 2023, the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

28 Operating Segments

Information regarding the Group's operating segments is set out below in accordance with IFRS 8, 'Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker (CODM), in order to allocate resources to the segment and to assess its performance.

The Group's strategic steering committee, consisting of the Chief Executive Officer, the Chief Financial Officer and the Senior Vice President of Strategy, examines the group's performance from both a product and a service perspective but financial decisions are made by the Board. The operating segments are identified based on the nature of different services provided and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

The CODM primarily uses EBITDA to monitor the performance of the business. For management purposes, the Group is organized into eight operating segments and seven reportable segments. These are referred to as "business units" as follows:

Integrated Logistics:

Integrated Logistics comprises three operating segments: (i) offshore contracting; (ii) offshore services; and (iii) offshore projects, which includes engineering, procurement and construction (EPC) and other projects. During the year, onshore services has been transferred from Integrated Logistics to the 'Services' segment.

Shipping:

Shipping comprises the following reportable segments: (i) tankers; (ii) gas carriers (including ship management services); and (iii) Dry-Bulk shipping (including containers).

Services:

Services reportable segment comprises marine, onshore and other services. As mentioned above, onshore services were previously reported under 'Integrated Logistics' segment but are now reported under the 'Services' segment.

Others:

One-off items and classed under Others by management to facilitate better understanding of the business and to ensure proper decision making. Finance income, finance costs, provision for expected credit losses, other income and other expenses which are largely non-operational costs are recorded under this segment to facilitate better decision making.

28 Operating Segments (continued)

The following schedules illustrate the Group's activities according to the operating segments / sub-segments for the year ended 31 December 2024 in USD'000s:

	Integrated Logistics			*Shipping*					
2024	*Offshore Contracting*	*Offshore Services*	*Offshore Projects*	*Tankers*	*Gas Carriers*	*Dry-Bulk and Containers*	*Services*	*Others*	*Total*
Revenues	1,108,200	552,790	619,930	516,530	152,650	286,820	312,410	–	**3,549,330**
Direct costs	(691,714)	(451,840)	(571,640)	(310,630)	(106,940)	(219,830)	(256,190)	–	**(2,608,784)**
Gross profit	**416,486**	**100,950**	**48,290**	**205,900**	**45,710**	**66,990**	**56,220**	**–**	**940,546**
General and administrative expenses	(46,722)	(17,110)	(2,690)	(18,070)	(10,540)	(11,310)	(30,170)	(4,910)	**(141,522)**
Reversal of provision for expected credit losses	–	–	–	–	–	–	–	2,649	**2,649**
Other income	–	–	–	–	–	–	3,800	16,096	**19,896**
Other expenses	–	–	–	–	–	–	–	(4,310)	**(4,310)**
Operating profit	**369,764**	**83,840**	**45,600**	**187,830**	**35,170**	**55,680**	**29,850**	**9,525**	**817,259**
Share of profit from joint venture	–	–	–	–	14,198	–	–	–	**14,198**
Finance income	889	–	–	–	907	–	–	13,798	**15,594**
Finance costs	(7,122)	–	–	–	(839)	(156)	(1,715)	(8,202)	**(18,034)**
Profit before tax for the year*	**363,531**	**83,840**	**45,600**	**187,830**	**49,436**	**55,524**	**28,135**	**15,121**	**829,017**
Deferred tax credit*	868	–	–	–	–	–	–	–	**868**
Deferred tax expense*	–	–	–	–	–	–	–	(1,123)	**(1,123)**
Income tax expense*	(30,389)	(11,228)	(4,104)	(15,833)	(2,536)	(4,609)	(2,532)	(1,361)	**(72,592)**
Profit for the year*	**334,010**	**72,612**	**41,496**	**171,997**	**46,900**	**50,915**	**25,603**	**12,637**	**756,170**
Depreciation and amortization in direct costs	125,781	49,690	7,450	50,640	37,220	12,990	24,100	–	**307,871**
Depreciation and amortization in general and administrative expenses	2,158	1,350	1,190	1,230	720	770	2,050	–	**9,468**
Deferred tax credit	(868)	–	–	–	–	–	–	–	**(868)**
Deferred tax expense	–	–	–	–	–	–	–	1,123	**1,123**
Income tax expense	30,389	11,228	4,104	15,833	2,536	4,609	2,532	1,361	**72,592**
Finance income	(889)	–	–	–	(907)	–	–	(13,798)	**(15,594)**
Finance costs	7,122	–	–	–	839	156	1,715	8,202	**18,034**
EBITDA	**497,703**	**134,880**	**54,240**	**239,700**	**87,308**	**69,440**	**56,000**	**9,525**	**1,148,796**

28 Operating Segments (continued)

The following schedules illustrate the Group's activities according to the operating segments / sub-segments for the year ended 31 December 2023 in USD'000s:

	Integrated Logistics			Shipping					
2023	Offshore Contracting	Offshore Services	Offshore Projects	Tankers	Gas Carriers	Dry-Bulk and Containers	Services	Others	Total
Revenues	974,525	500,751	157,146	407,370	173,550	257,900	283,910	–	**2,755,152**
Direct costs	(599,472)	(430,122)	(147,641)	(279,170)	(112,330)	(201,280)	(233,210)	–	**(2,003,225)**
Gross profit	**375,053**	**70,629**	**9,505**	**128,200**	**61,220**	**56,620**	**50,700**	**–**	**751,927**
General and administrative expenses	(48,701)	(20,770)	(1,005)	(10,660)	(6,190)	(7,700)	(31,060)	(20,350)	**(146,436)**
Provision for expected credit losses	–	–	–	–	–	–	–	(2,672)	**(2,672)**
Other income	–	–	–	–	4,211	–	–	6,654	**10,865**
Operating profit	**326,352**	**49,859**	**8,500**	**117,540**	**59,241**	**48,920**	**19,640**	**(16,368)**	**613,684**
Share of profit from joint venture	–	–	–	–	14,071	–	–	–	**14,071**
Finance income	1,021	–	–	–	1,086	–	–	7,678	**9,785**
Finance costs	(4,125)	(1,768)	–	–	(990)	–	(1,740)	(6,475)	**(15,098)**
Profit before tax for the year*	**323,248**	**48,091**	**8,500**	**117,540**	**73,408**	**48,920**	**17,900**	**(15,165)**	**622,442**
Deferred tax credit*	–	–	–	–	–	–	–	1,123	**1,123**
Deferred tax expense*	–	–	–	–	–	–	–	–	
Income tax expense*	(2,577)	(829)	–	–	–	–	–	–	**(3,406)**
Profit for the year*	**320,671**	**47,262**	**8,500**	**117,540**	**73,408**	**48,920**	**17,900**	**(14,042)**	**620,159**
Depreciation and amortization in direct costs	96,185	41,486	1,939	39,480	26,310	10,330	22,572	–	**238,302**
Depreciation and amortization in general and administrative expenses	1,882	1,396	–	2,240	1,400	1,030	2,276	–	**10,224**
Deferred tax credit	–	–	–	–	–	–	–	(1,123)	**(1,123)**
Income tax expense	2,577	829	–	–	–	–	–	–	**3,406**
Finance income	(1,021)	–	–	–	(1,086)	–	–	(7,678)	**(9,785)**
Finance costs	4,125	1,768	–	–	990	–	1,740	6,475	**15,098**
EBITDA	**424,419**	**92,741**	**10,439**	**159,260**	**101,022**	**60,280**	**44,488**	**(16,368)**	**876,281**

28 Operating Segments (continued)

The Group's largest customers are related entities within the ADNOC Group (refer to note 15). The Group's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segment/sub-segment results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment/sub-segment and to assess their performance.

The following tables represent segment assets for the Group's operating segments as reviewed by the management in USD'000s:

	Integrated Logistics			Shipping				
31 December 2024	Offshore Contracting	Offshore Services	Offshore Projects**	Tankers	Gas Carriers	Dry-Bulk and Containers	Services	Total
Property, plant & equipment *	1,930,750	255,204	–	1,099,519	886,158	152,500	219,204	**4,543,335**
Investment properties *	92,501	–	–	–	–	–	–	**92,501**

	Integrated Logistics			Shipping				
31 December 2023	Offshore Contracting	Offshore Services	Offshore Projects**	Tankers	Gas Carriers	Dry-Bulk and Containers	Services	Total
Property, plant & equipment *	1,509,421	319,824	–	1,178,641	406,957	161,958	229,742	**3,806,543**
Investment properties *	95,269	–	–	–	–	–	–	**95,269**

* These relate to additional voluntary disclosures not presented to CODM, but which are allocated on a reasonable and consistent basis to provide additional information.

**The offshore projects sub-segment does not have dedicated property, plant & equipment. Instead, it utilizes the property, plant & equipment from other sub-segments.

29 Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's Cash Generating Units ("CGUs") where the goodwill is monitored for internal management purposes. The aggregate carrying amount of goodwill allocated to each unit is as set out below:

Goodwill on acquisition of ZMI business	51,368	51,368

The goodwill is attributable to synergies expected to be achieved from the business combination and an increase in market share. For impairment testing, the goodwill is allocated to the Cash Generating Unit ("CGU") where the goodwill is monitored for internal management purposes. The recoverable amount of the CGU was based on its value in use determined by management. The carrying amount of this unit was determined to be lower than its recoverable amount.

Value in use was determined based on the five-year business plan approved by the management. The projected future cash flows from the continuing use of the unit are based on past experience and current rates of contractual arrangements for the initial five-year period. Beyond this period, the projected future cash flows were determined by reference to historical experience and based on market rates available for similar vessels. Both the cash inflows and outflows projected utilized a growth rate equivalent to the estimated inflation rate of 2%. These resulting cash flows were then discounted based on the Group's approved discount rate.

Key assumptions used for the CGU impairment testing are as below:

	2024	2023
Discount rate (%)	**9%**	9%

Anticipated annual revenue growth is based on latest available forecasts. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and are based on both external and internal sources.

Sensitivity analysis

The Group has conducted an analysis of the impairment test to changes in key assumptions used to determine the recoverable amount of the CGU to which goodwill is allocated. Management anticipates that no reasonably possible change in any of the key assumptions above would cause the carrying value of the CGU including goodwill to materially exceed its recoverable amount.

30 Income Tax

	2024 USD'000	2023 USD'000
Tax recognized in the consolidated statement of comprehensive income		
Current tax on profits for the year	72,071	3,406
Total current tax	**72,071**	**3,406**
Origination and reversal of temporary differences	(868)	(1,123)
Adjustment for deferred tax of prior periods	1,123	–
Total deferred tax	**255**	**(1,123)**
Total income tax	**72,326**	**2,283**
Tonnage tax	521	–
Total tax expense	**72,847**	**2,283**
Tax reconciliation		
Profit before tax	829,017	622,442
Profit subject to tonnage taxation	(36,973)	–
Share of profit from joint venture	(14,198)	(14,071)
Profit before tax, adjusted	777,846	608,371
Tax using the UAE corporation tax and regional tax rates (9%)	70,006	54,753
Tax rate deviations in non-UAE jurisdictions	2,320	(52,470)
Total income tax	**72,326**	**2,283**
Effective tax rate	**8.79%**	**0.37%**
Income tax payable	**65,391**	**–**
Current tax expense is classified and presented in the consolidated statement of comprehensive income as below:		
Current tax on profits for the year	72,071	3,406
Tonnage tax	521	–
Current tax expense	72,592	3,406

Recognized deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024 USD'000	2023 USD'000	2024 USD'000	2023 USD'000
Provisions	–	1,123	–	–
Property, plant and equipment	–	–	34,803	35,671
Total	**–**	**1,123**	**34,803**	**35,671**

30 Income Tax (continued)

Change in deferred tax during the year

	2024 USD'000	2023 USD'000
Deferred tax asset		
1 January	**1,123**	–
Recognized in the consolidated statement of comprehensive income	**(1,123)**	1,123
31 December	**–**	1,123
Deferred tax liability		
1 January	**35,671**	–
Property, plant and equipment	**–**	35,671
Recognized in the consolidated statement of comprehensive income	(868)	–
31 December	**34,803**	**35,671**

There are no substantial unrecognized tax liabilities from business operations or on investments in subsidiaries, associated companies and joint ventures.

ADNOC Logistics & Services PLC generates profits from the provision of freight and charter services for the transportation of petroleum products, crude oil, Dry-Bulk and containers on ocean going vessels owned or hired from third parties, the operation and maintenance of oil terminals, EPC services related to dredging, land reclamation and marine construction, material handling, manpower and equipment supply, rental of stores, warehouses, office space and provision and the supply of chemicals and other on-shore oil and gas field services.

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current Taxes as defined in IAS 12 are payable for financial years ending after 1 January 2024. The company was subject to Corporate Income Tax for the first time during the year ending 31 December 2024. Enactment of the legislation requires the Company to record deferred taxes using the enacted rate of 9%.

In 2023, the Group signed a Fiscal Letter with the Department of Finance's Supreme Council for Financial and Economic Affairs ("SCFAEA"), which was further amended on 11 November 2024. The Fiscal Letter became effective for the year ending 31 December 2024. The UAE Corporate Income Tax law takes precedence over the Fiscal Letter, and any income generated from international shipping by group entities registered in Abu Dhabi, exempt under the UAE Corporate Income Tax law, is taxed under the Fiscal Letter based on tonnage rates prescribed within the Fiscal Letter. These changes provide the Group with a more consistent and manageable tax liability, aligning the tax burden with the operational capacity of the fleet rather than fluctuating profits. The activities, which are subject to income tax, include terminals, logistics, services and non-international shipping through which the Group operates a comprehensive port and integrated logistics service networks. The logistics products include transportation, warehousing and distribution and supply chain management services.

Global Minimum Taxation (OECD Pillar Two)

In an effort to end tax avoidance and to address concerns regarding the erosion of the global corporate tax base, a global framework for corporate taxation has been formed by the OECD/G20 Inclusive Framework and is supported by over 135 jurisdictions. One of the key elements is to introduce a global minimum tax rate of 15%, based on group accounting income per jurisdiction. The minimum tax rules are designed as a hierarchy of the right to claim income tax. If the income is not subject to a minimum effective tax rate of 15% in the country where it is earned, then the remaining tax payment (top-up tax) can be picked up by another jurisdiction where the Group is active. ADNOC Logistics & Services PLC and its subsidiaries will be grouped under the ultimate parent entity of the Group, ADNOC, which currently pays tax at an effective tax rate of more than 15%. On December 9, 2024, the UAE Ministry of Finance confirmed the introduction of a 15% Domestic Minimum Top-up Tax (DMTT) for large groups with consolidated revenues exceeding EUR 750 million (approximately USD 825 million) and operations in multiple jurisdictions, effective 1 January, 2025. Federal Decree Law No. (47) will be amended to include DMTT provisions for multinationals

30 Income Tax (continued)

Three elements are key to understanding how the rules will impact the Group:

First, the Group does not set up artificial structures in low-tax jurisdictions for tax purposes or earn significant profits in such jurisdictions, which means that our business structure itself is not impacted significantly by the rules, but some additional tax may become payable where services are provided in low-tax jurisdictions,

Second, tax incentives given to capital projects, such as critical infrastructure, will be considered less effective going forward as it will impact the effective tax rate and thereby the basis for potential top-up tax,

Third, although the rules exclude 'international shipping income', the definition is more restrictive than the global definitions usually applied under a tax treaty following the OECD Model Tax Convention or under tonnage tax.

Due to the design of tonnage taxation, the Group's effective tax rate fluctuates significantly depending on the yearly results and will also be calculated on a consolidated basis with other activities.

Taking the transitional Safe Harbor regulations into consideration, our analysis shows that no material top-up tax should apply to ADNOC Logistics & Services PLC in 2024.

31 Capital Reorganization

The transfer of the interest in Abu Dhabi Marine Business and Services Company P.J.S.C. (refer Note 1) is assessed to be a common control transaction as the Abu Dhabi Marine Business and Services Company P.J.S.C. continued to be controlled by the Shareholder being, by Abu Dhabi National Oil Company ("ADNOC") both before and after the reorganization. Therefore, the reorganization was considered to be outside the scope of IFRS 3 Business Combinations.

Although ADNOC Logistics & Services PLC (the Company) was incorporated on the 19 April 2023, the reorganization became effective on the 25 April 2023 as this is the date when the shares were transferred that effectively made the Company the parent company of Abu Dhabi Marine Business and Services Company P.J.S.C. and the wider L&S group.

The Group has applied the capital reorganization method of accounting in line with its accounting policies. Accordingly, for the purpose of this consolidated financial statements:

- The assets and liabilities of the Group were reflected at their carrying amounts. No adjustments were made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination that would otherwise be recognized under the acquisition method.
- No goodwill was recognized as a result of the combination. Any difference between the consideration transferred and the acquired net assets is reflected within equity.
- The consolidated statement of comprehensive income reflects the results of the combined entities as though they always existed.

32 Subsequent Events

In January 2025, the Company completed its acquisition of an 80% stake in Navig8 TopCo Holdings Inc. (Navig8) for USD 999.3 million, with a contractual commitment to acquire the remaining 20% in mid-2027. The remaining 20% ownership will be acquired in 2027 for a deferred consideration of between USD 335 million and USD 450 million, dependent on Navig8's EBITDA performance in the intervening period.

In January 2025, the Company signed a USD 1.3-2.0 billion Hybrid Capital Instrument (HCI). Initial drawing against the HCI will be USD 1.1 billion, leaving USD 0.9 billion capacity available to be drawn until 31 December 2026. The first drawdown against the HCI is priced at SOFR+125bps and is repayable at ADNOC L&S' discretion.

In the meeting of the Board of Directors on 11 February 2025, it was proposed that a final cash dividend of USD 136,500 thousand is paid in quarter two of 2025.

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