ADNOC Logistics & Services

FULL-YEAR 2023
RESULTS PRESENTATION

14 February 2024

ADNOC Logistics & Services

Disclaimer

This presentation has been prepared by ADNOC Logistics & Services Plc (the 'Company') based on publicly available information and non-public information to assist you in making a preliminary analysis of the content referenced herein solely for informational purposes. It should not be construed as an offer to sell or a solicitation of an indication of interest to purchase any equities, security, option, commodity, future, loan or currency including a private sale of shares in the Company (the Financing Instruments).

It is not targeted to the specific investment objectives, financial situation or particular needs of any recipient It is not intended to provide the basis for any third-party evaluation of any Financing Instrument or any offering of them and should not be considered as a recommendation that any recipients should subscribe for or purchase any Financing Instruments.

The recipient agrees to keep confidential any information contained herein and any other written or oral information otherwise made available in connection with any potential transaction related to this presentation and shall not reproduce, publish, distribute or otherwise divulge such information to any other person(s) other than in accordance with any applicable non-disclosure agreements executed by the recipient with the Company.

None of the Company or any of its affiliates or advisors make any representation or warranty as to the fairness, accuracy, adequacy or completeness of the information, the assumptions on which it is based, the reasonableness of any projections or forecasts contained herein or any further information supplied or the suitability of any investment for your purpose. None of the Company or any of its affiliates or advisors, or their respective directors, officers or employees, share any responsibility for any loss, damage or other result arising from your reliance on this information. Each of the Company, its affiliates and advisors therefore disclaim any and all liability relating to this presentation including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the information herein. No recipient of this presentation should rely upon any information contained in this presentation, including but not limited to any historical financial data, forward looking statements, forecasts, projections or predictions.

The Company, their affiliates and advisors are acting solely in the capacity of an arm's length counterparty and not in the capacity of your financial advisor or fiduciary. Such information is represented as of the date and, if applicable, time indicated and the Company, its affiliates and advisors do not accept any responsibility for updating any such information.

Nothing in this presentation should be construed as legal, tax, regulatory, accounting or investment advice. The recipients should seek and rely upon the advice of its own professionals and other advisors for such matters.

This presentation may be recorded, and the Company will assume that by attending this presentation the recipient consents to such recording.

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

Agenda & Presenters

1. Safety
2. FY 23 Highlights
3. Growth Strategy
4. Financial & Operational Performance
5. Decarbonization & Sustainability
6. Guidance
7. Closing Remarks

Abdulkareem Al Masabi
Chief Executive Officer

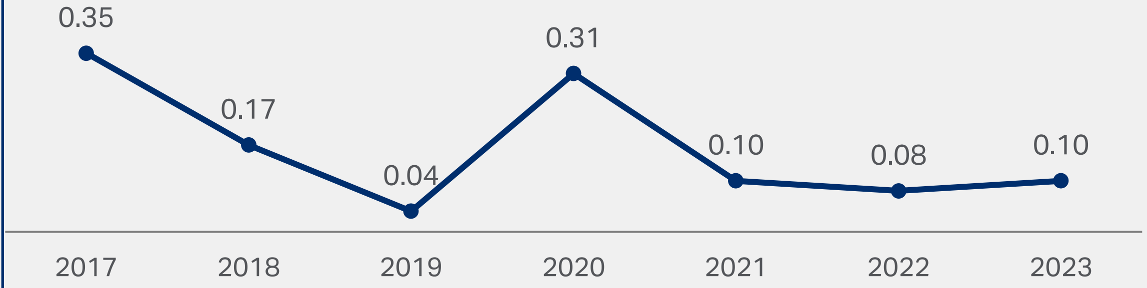
Nicholas Gleeson
Chief Financial Officer

100% Health, Safety & Environment: ADNOC L&S' Leading Principle

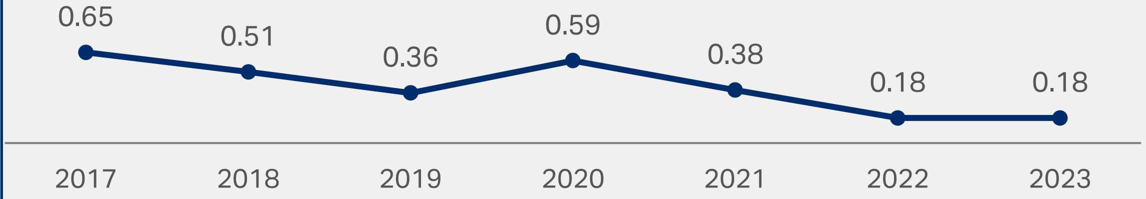
Continued strength in health & safety KPIs

OUTSTANDING HEALTH & SAFETY TRACK RECORD

Lost Time Incident Frequency (LTIF)



Total Recordable Incident Rate (TRIR)



CONTINUED INDUSTRY RECOGNITION & HSE AWARDS OF 2023[1]

OJME Excellence in Health Safety Environment "HSE'

Oil Spill Response accreditation: Nautical Institute

Ship Owner/ Operator of the Year

IMCA Safety Award

GREEN SHIPPING AWARD of the Year

Decarbonizing Offshore Fleet

  [1]Sources: The Maritime Standard Awards, ShipTek Awards, MENA Stevie Awards

FY 2023 Results Highlights

ADNOC

HIGHLIGHTS

- Stellar performance continues with 138% Year-on-Year Increase in Net Profit.
- High value growth driven by expansion of Integrated Logistics services activities including EPC[1], ZMI[2] acquisition and ILSP[3] volumes; and continuing strong charter rates for Tankers and Gas Carriers.
- EBITDA margin expanded by 9pp to 32% in FY 23 driven by Integrated Logistics, continued strong performance in Shipping and further delivery on smart growth strategy.
- Group Target - Average annual EBITDA growth continuing in the low teens over the medium term.
- The Board recommends a cash dividend of $130 million (6.45 fils per share) for H2 2023.

KEY FINANCIAL HIGHLIGHTS – FY 2023

$2,755 mm Revenue

$876 mm EBITDA

$620 mm Net profit

THREE KEY OPERATING SEGMENTS

	Integrated Logistics	Shipping	Marine Services
Revenue	$1,739 mm	$839 mm	$177 mm
EBITDA	$532 mm	$321 mm	$40 mm

  [1]Engineering Procurement and Construction [2]Zakher Marine International. [3]Integrated Logistics Service Platform.

Accelerating Our Growth Strategy

Expansion of environmentally efficient fleet and pursue new growth opportunities

DELIVERY OF FOURTH VLCC[1] IN CONTINUED FLEET GROWTH

- In line with the company's transformational growth strategy to meet rising global energy demand.
- Majority of our dual-fuel VLCC's have been rated 'A' for their carbon intensity indicator which categorized them as one of the most environmentally efficient vessels in operation.

EIGHT ADDITIONAL JACK-UP BARGES EXPANDING ADNOC L&S' FLEET BY 25%

- Delivery of six owned and two chartered-in, reinforcing status as owner and / or operator of the world's largest self-elevating, self-propelled JUBs.
- One of the barges serves the Iraqi market, marking the company's entry into a new market and expanding its geographical footprint.

$975 MILLION EPC[2] CONTRACT FOR CONSTRUCTION OF OFFSHORE ARTIFICIAL ISLAND

- $975 million contract for artificial island.
- Significant milestone in the Company's strategy to pursue new growth opportunities.

  [1]Very Large Crude Carrier. [2]Engineering Procurement and Construction

Financial Summary

Strong Financials

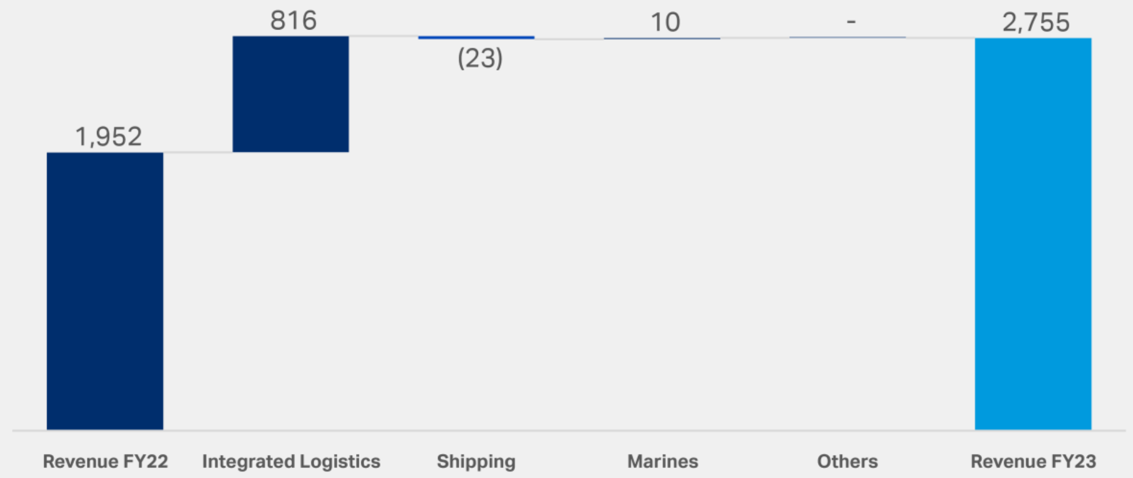
(USD millions)	FY 23	FY 22	YoY %	Q4 23	Q3 23	QoQ %	Q4 22	YoY %
Revenue	2,755	1,952	41%	828	702	18%	657	26%
EBITDA	876	453	93%	242	218	11%	169	43%
Margin	32%	23%	9%	29%	31%	-2%	26%	3%
Net Profit	620	261	138%	165	148	12%	87	89%
EPS ($ /share)[1]	0.08	N/A	N/A	0.02	0.02	12%	N/A	N/A
EPS (AED /share)[1]	0.31	N/A	N/A	0.08	0.07	12%	N/A	N/A
Capital expenditures	774	300	158%	270	282	(4%)	80	236%
Free Cash Flow	49	(33)	250%	(88)	59	(249%)	85	(204%)
Total Equity	4,406	1,800	145%	4,406	4,307	2%	1,800	145%
Net Debt	74	1,814	(96%)	74	(102)	172%	1,814	(96%)
Net Debt to EBITDA	0.08x	4.00x		0.08x	(0.12)x		2.68x	

[1] Number of shares authorized, issued and fully paid as of 31 December 2023 equated to 7.4 billion ordinary shares of USD 0.54 each .

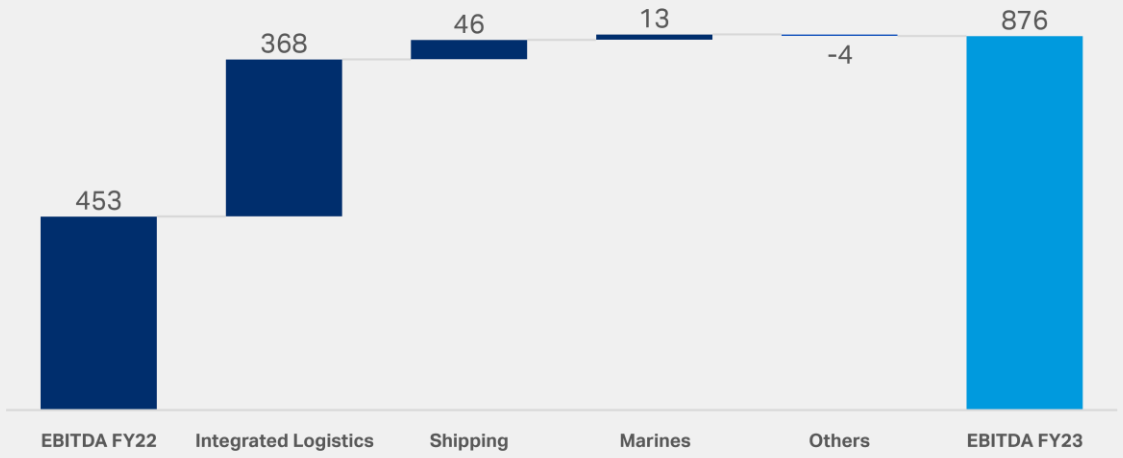
Robust Financial Performance

Impressive growth in revenues, EBITDA and margins

REVENUE ($MM)



EBITDA ($MM)



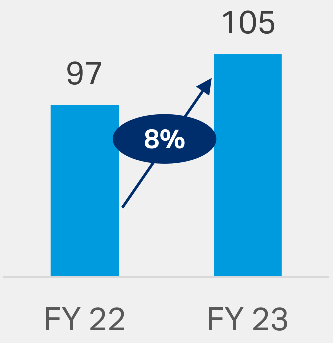
- Excellent revenue growth in Q4 23 and FY 23, primarily driven by Integrated Logistics with Shipping slightly lower primarily due to time charter rates / spot mix.
- Integrated Logistics' expansion driven by the successful integration of ZMI, expanded logistics service activities, growth in underlying volumes and new offerings including commencement of $975m G-Island.

- Solid revenue growth translated to higher EBITDA in both dollars and margin terms.
- EBITDA margin improved by 9 percentage points to 32% in FY 23 mainly driven by resilient contribution from Integrated Logistics, robust rates for Tankers & Gas Carriers and strong focus on cost controls.

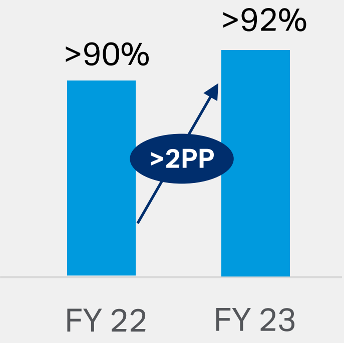
Operational Highlights: Integrated Logistics

Integrated Logistics: Number of Vessels and Utilization Rate

Number of Vessels



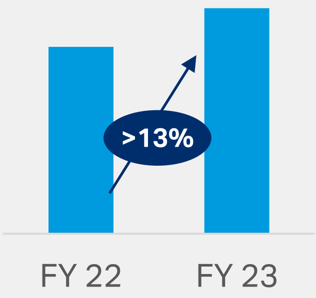
Utilization Rate



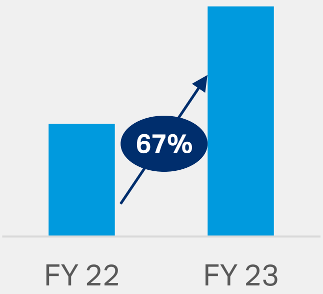
- Continued resilient demand translated into increase in fleet size and higher utilization rates.

Material Handling Volume (KMT[1])

ILSP[2]

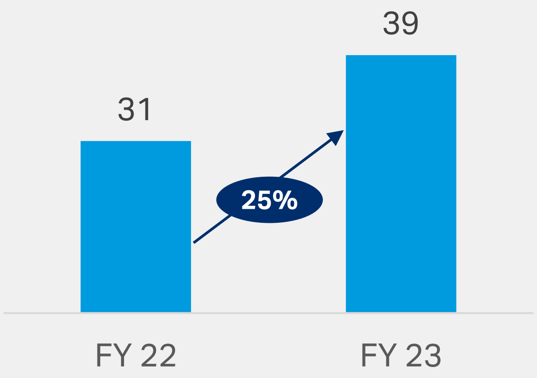


NON-ILSP



- Continued robust growth in material handling volumes driven by:
- Integrated Logistics service platform contracts.
- Extension of services to third parties.

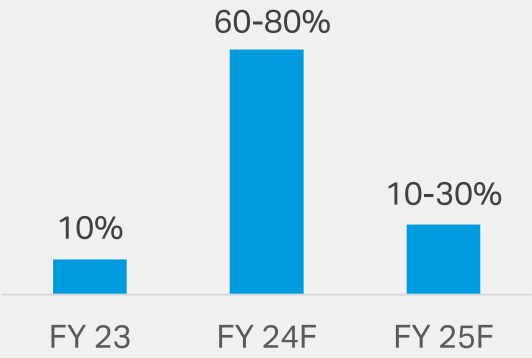
Number of Jack-Up Barges



- Delivery of six owned and two chartered-in, reinforcing status as owner and / or operator of the world's largest self-elevating, self-propelled JUBs[3].

$975M EPC Contract

EPC project Completion Rate



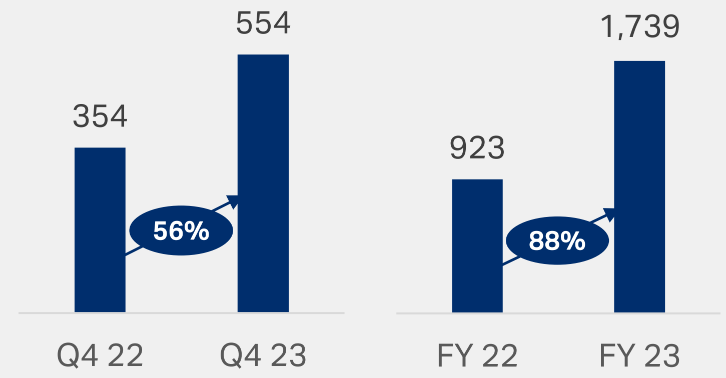
- $975-million artificial island construction contract with ADNOC Offshore.
- Accelerated project execution target to complete further 60-80% in 2024.

  [1] Kilo-Metric Ton. [2] Integrated Logistics Services Platform. [3] Jack-Up Barges.

Integrated Logistics - Financials

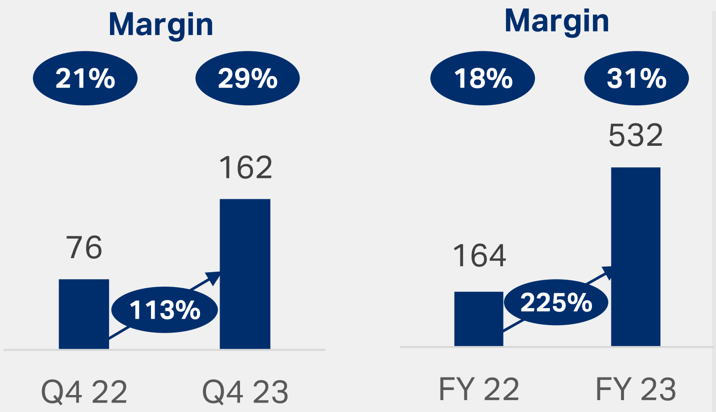
Significant revenue and profitability growth driven by ZMI[1] acquisition (first full year); Increasing volumes handled; and extended business activity

REVENUE ($MM)



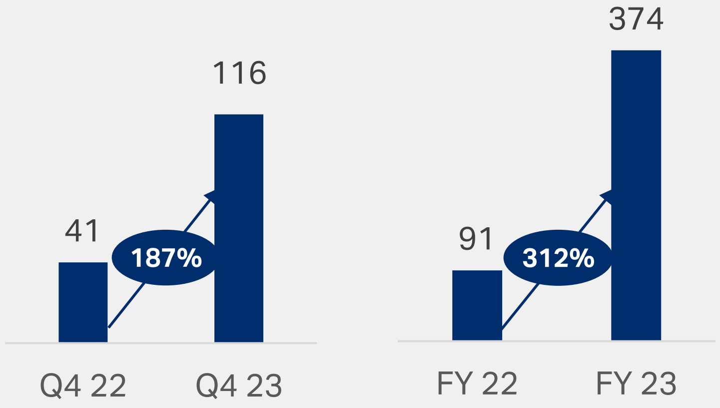
- Notable rise in Revenue mainly driven by ZMI acquisition, expanded Integrated Logistics service platform activities and new business activities such as EPC[2].

EBITDA ($MM)



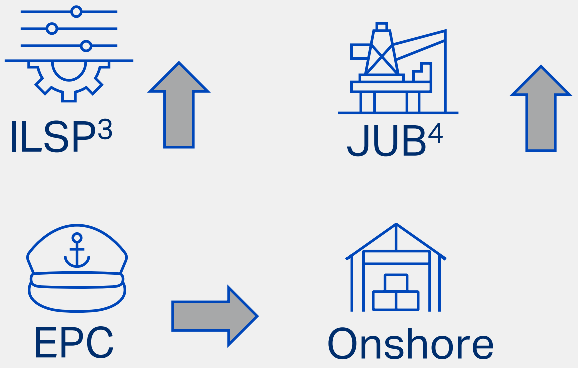
- EBITDA and margin expansion driven by Integrated Logistics service activities, resilient underlying volumes, EPC projects and contribution of the eight additional JUBs[4].

NET PROFIT ($MM)



- Jump in net profit is the aggregate result of revenue growth and the efficient deployment of resources.

OUTLOOK

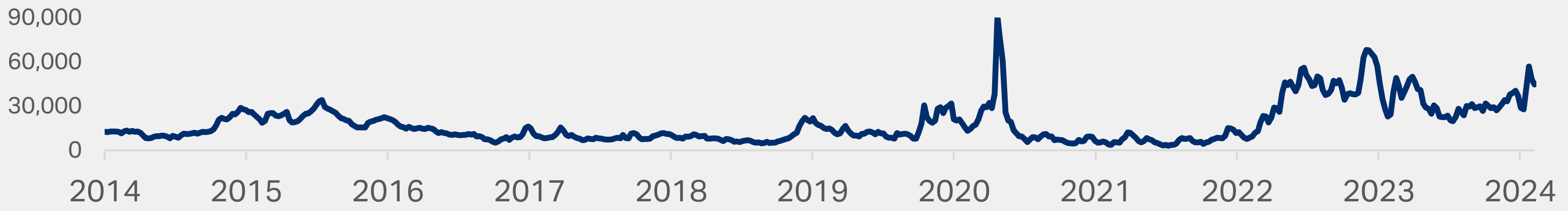


- Outlook remains strong with continued growth in Integrated Logistics service activities and offerings.
- Anticipating continued growth underpinned by EPC and JUBs fleet expansion.

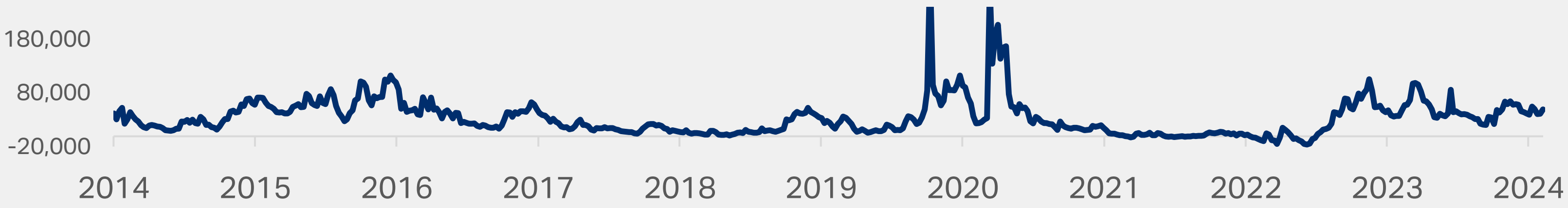
[1]Zakher Marine International acquired Nov 22. , [2]Engineering Procurement and Construction, [3] Integrated Logistics Services Platform. [4]Jack-Up Barges.

Shipping Business Unit:
Benchmark TCE rates

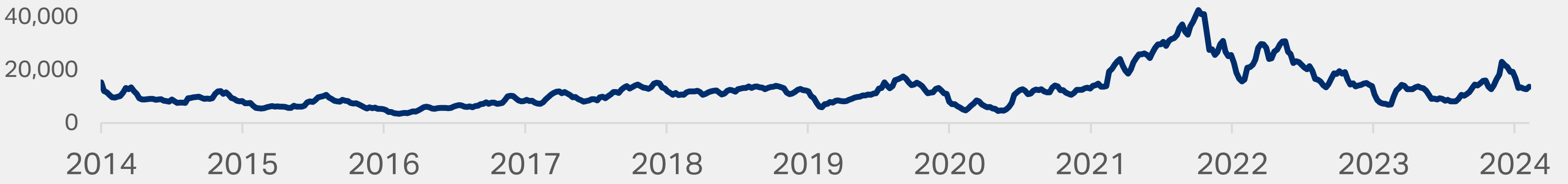
TANKERS (PRODUCT)



TANKERS (CRUDE)



DRY-BULK



MARKET INSIGHT

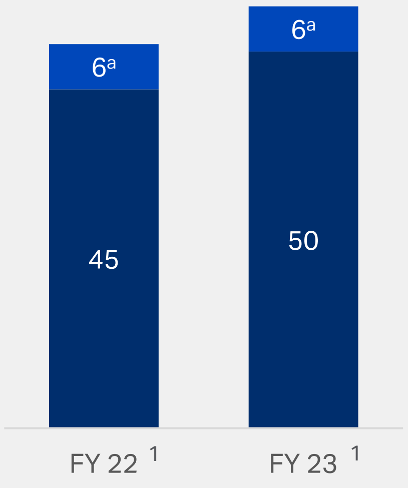
- **Tankers – Strong rates** continued with surges late in the year 2023 driven by disruptions in the Red Sea and Gulf of Aden.
- **Dry-Bulk – Rates firmed up** in Q4 2023 typical of seasonality.

Source: ADNOC L&S. Benchmark Crude: Clarkson's – 50% Bonny Off – Ningbo + 50% Middle East Gulf to China + $8k/day higher for the combined benefit of eco + scrubber; Benchmark Tankers: Clarkson's – Middle East to China; Benchmark Dry Bulk: Baltic Dry Index
Note: TCE = Time Charter Equivalent; Benchmark data are 3-month moving average

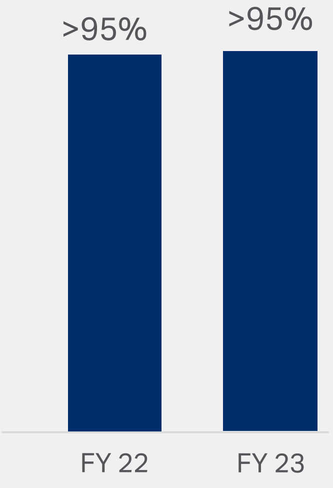
Operational Highlights: Shipping

NUMBER OF SHIPPING VESSELS

No. of owned vessels

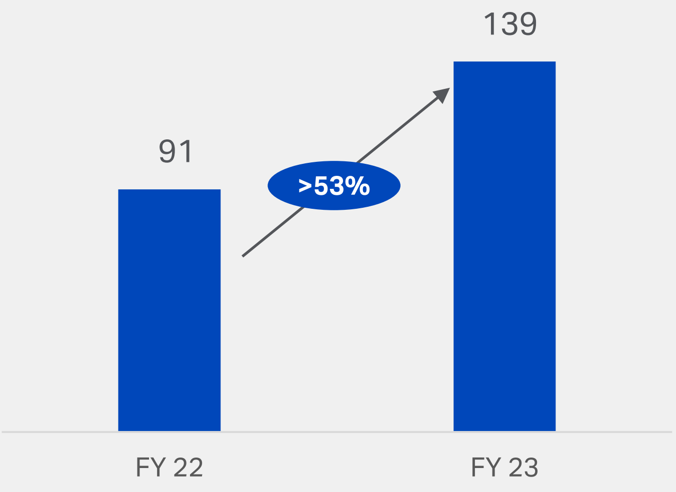


Utilization rate



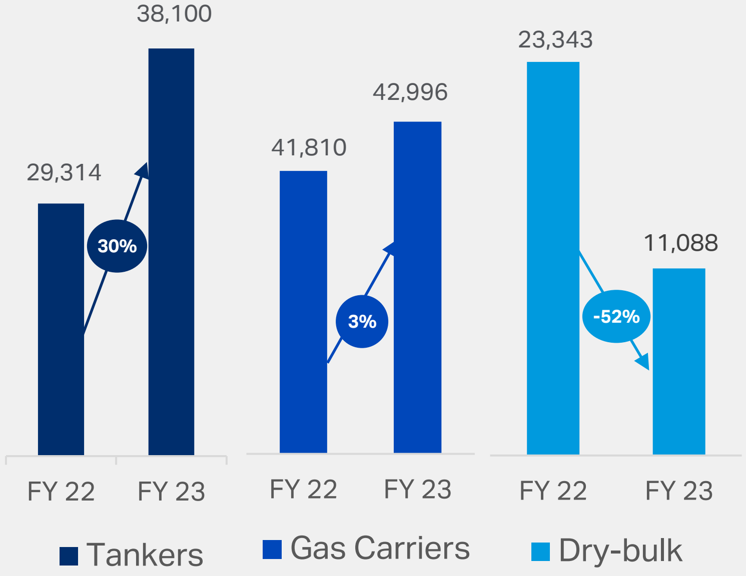
- Continued strong utilization rates.
- Favorable supply/demand balance environment enabled exceptional performance.

NUMBER OF CHARTERED-IN VESSELS



- Chartered-in vessels were mainly in Dry-Bulk shipping as ADNOC moved to 100% CFR[2] sales for Sulphur exports in 2023, which increased the demand volume.

TIME CHARTER EQUIVALENT (USD)



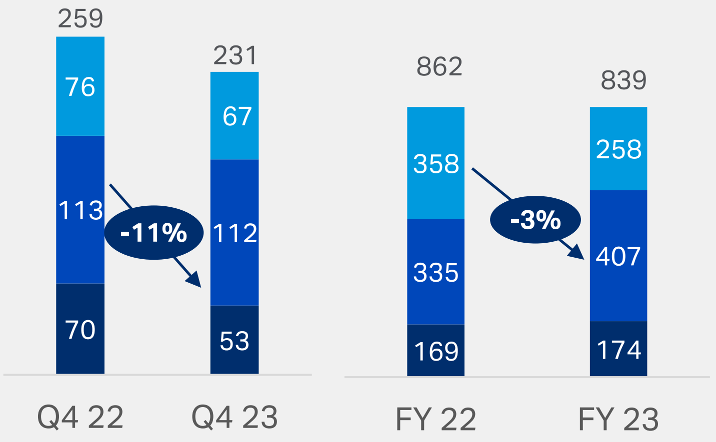
- TC equivalent earnings for Tankers & Gas Carriers increased significantly in 2023 driven by increased ton-mile demand.

  [1]Number of owned deep-sea vessels. Gas Carriers: Including VLGCs owned by AW Shipping Limited. [a] six LNG carriers which have been ordered for scheduled delivery between 2025 and 2026. [2]Cost & Freight

Shipping - Financials

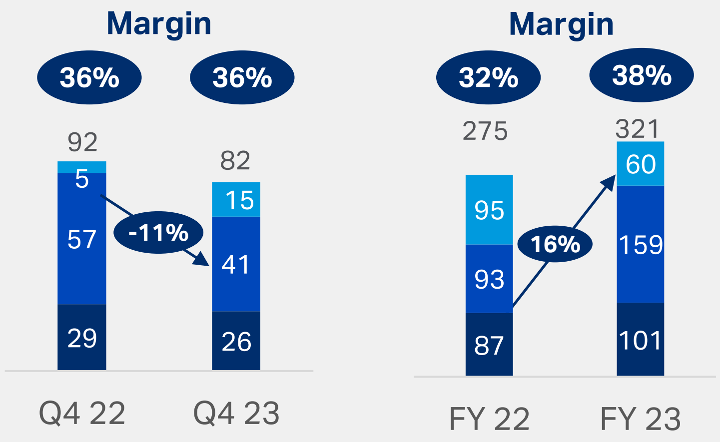
Growth in EBITDA and net profit FY 23 propelled by continued strong rates in Tankers & Gas Carriers charter rates plus VLCC fleet expansion

REVENUE ($MM)



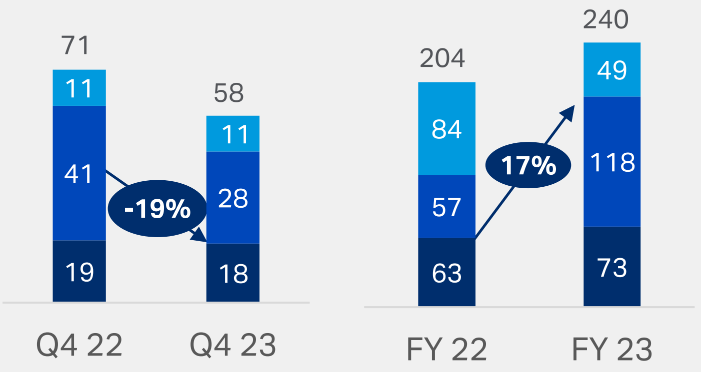
- Full-year revenues impacted by lower Dry-Bulk charter rates partially offset by higher Tankers & Gas Carriers charter rates.
- Q4 revenues were affected by lower charter rates (yoy).

EBITDA ($MM)



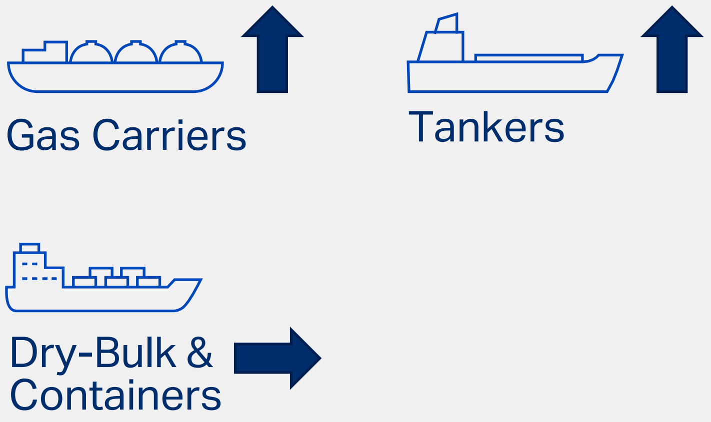
- Increase in FY23 EBITDA and EBITDA margin driven by higher charter rates for Tankers and Gas Carriers and a decrease in direct costs.

NET PROFIT ($MM)



- EBITDA growth and margin expansion led to a higher net profit in FY 23

OUTLOOK



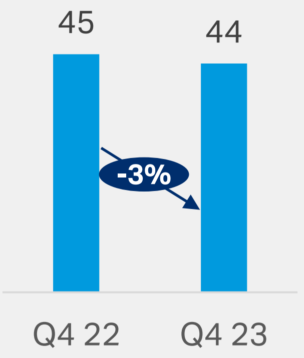
- **Gas Carriers:** Continued growth through newbuild deliveries from 2025.
- **Tankers:** Ongoing disruptions and tight vessels supply expected to keep rates firm in Q1 2024.
- **Dry-Bulk & Containers:** Anticipate steady rates in Q1 2024.

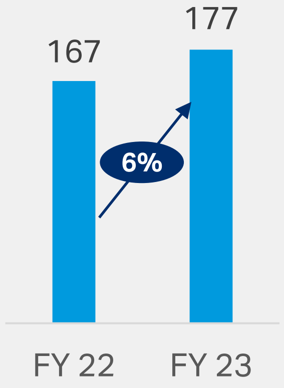
Gas Carriers | Tankers | Dry-Bulk & Containers

Marine Services

EBITDA expansion in FY 23

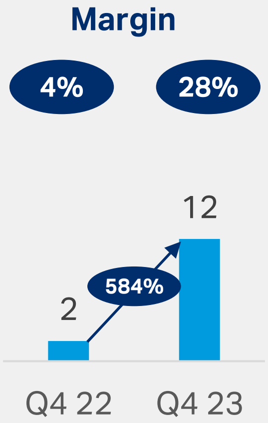
REVENUE ($MM)

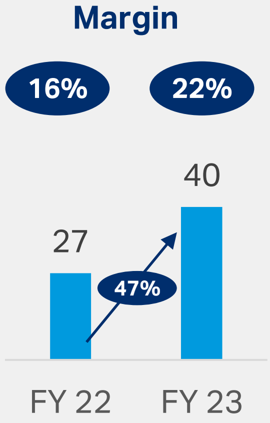




- FY 23 revenues benefited from the resilient performance of the PPO[1] and OSRC[2].
- Q4 23 revenue impacted by lower PPO volumes.

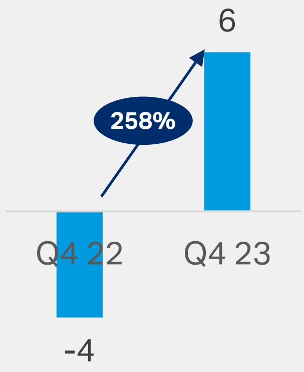
EBITDA ($MM)

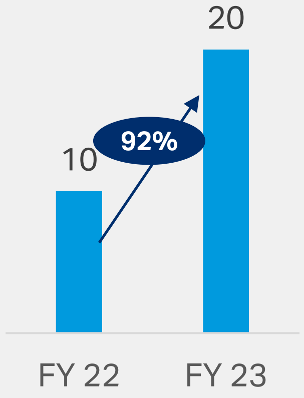




- FY 23 EBITDA growth driven by revenue growth as well as strong focus on cost controls.
- Higher EBITDA in Q4 23 driven by revenue growth.

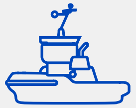
NET PROFIT ($MM)





- FY 23 net profit benefited from growth in revenue and EBITDA.

OUTLOOK



Marine Terminal Operations

Oil Spill & HNS[3] Response

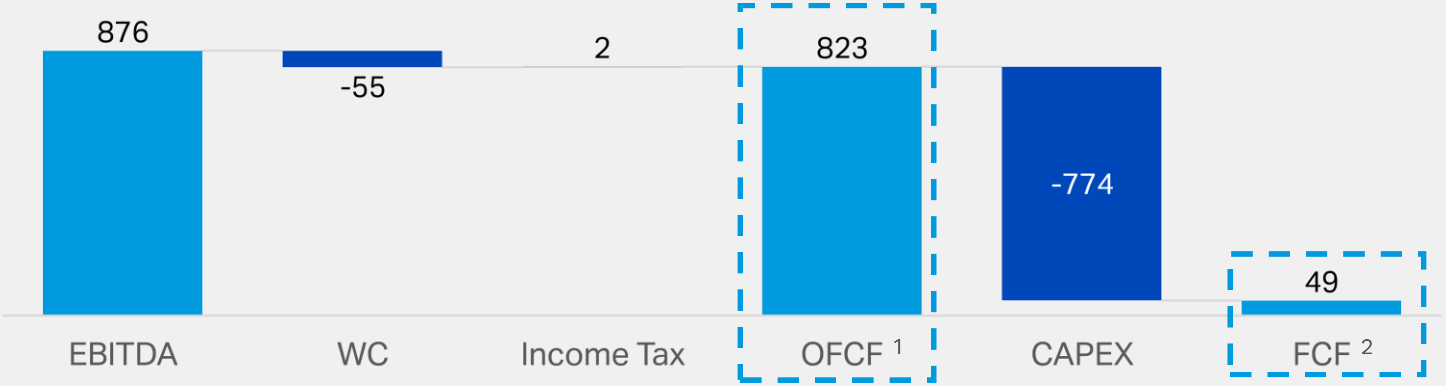
- Renewals of contracts in PPO and OSRC continue to bolster consistent performance.

  [1]Petroleum Port Operations. [2]Oil Spill Response Services. [3] Hazardous Noxious Substance

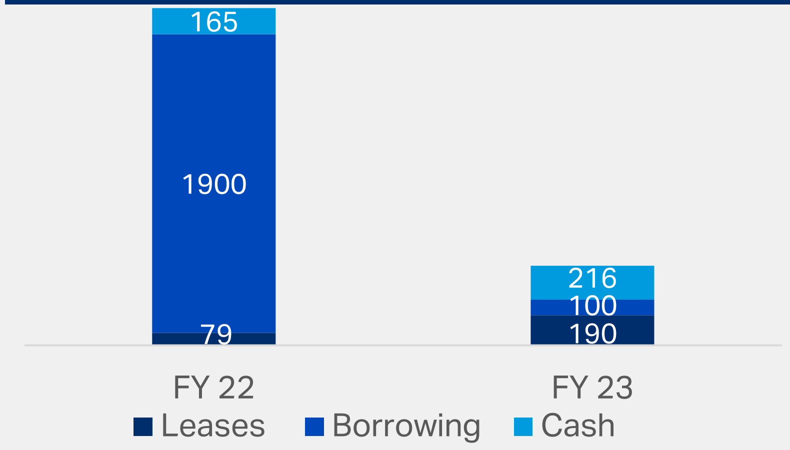
Cash Flow Profile

EBITDA growth delivered strong operating free cash flows and increasing financial capacity to fund growth

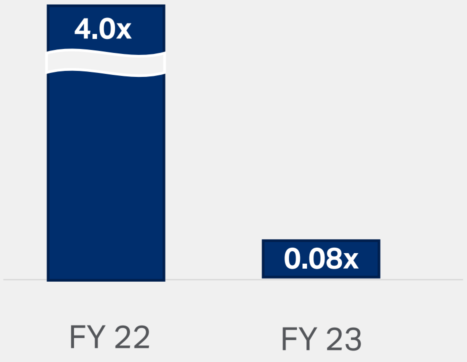
FREE CASH FLOW EVOLUTION ($MM)



NET DEBT ($MM)



NET DEBT / EBITDA



COMMENTARY

CASHFLOW

- Free cash flow remains positive despite significant CAPEX program.

NET DEBT

- Balance sheet remains strong with minimal leverage, prepared for investments under transformational growth strategy.
- The company is well-positioned to effectively finance growth.

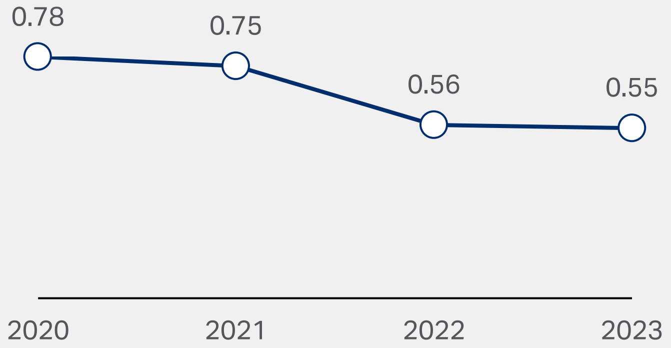
[1] Operating Free Cash Flow. [2] Free Cash Flow

Continued Decarbonization Drive

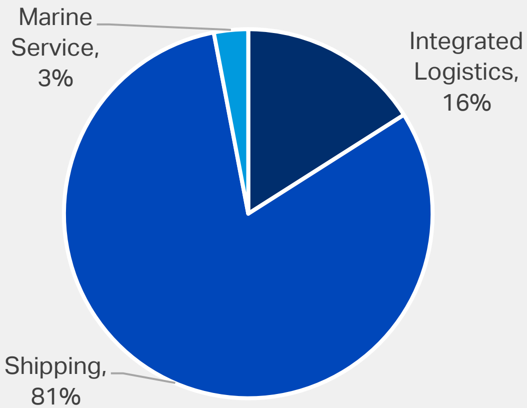
Fleetwide emission abatement initiatives continue to drive down carbon intensity

Maritime Shipping Carbon Intensity

Maritime Shipping Carbon Intensity (TCO_2/nm)



2023 Emissions by Business Unit (%)



- Shipping is key focus of our decarbonization efforts, representing c. 80% of emissions (2023).
- Shipping has seen a reduction in carbon intensity of c.30% since 2020.

Long term charter for 4 Eco newbuild MR's

- ADNOC L&S has negotiated a deal with SFI Energy to charter in 4 eco specified newbuild MR[1] for a minimum of 7 years.
- These vessels will be delivered from CSSC2 Yard Group in H2 2026 (2 units) and H1 2027 (2 units) and classified as "Methanol Ready".
- The ships will have the optionality to carry Ta'ziz methanol volumes, underscoring the company's continued pursuit into low and zero-carbon fuels.

  [1] Medium Range Tanker [2] China State Shipbuilding Corporation

Segmental Medium-term Targets

ADNOC

INTEGRATED LOGISTICS

Revenue

- Targeting strong double-digit (low 30%s) year-on-year growth in 2024 benefiting from the impact of the $975m EPC contract awarded last year.
- In the medium term, targeting mid-single digit growth year-on-year.

EBITDA

- EBITDA of 30% plus growth in 2024 driven in part by G-Island contribution.
- Over the medium term, we target average annual EBITDA growth in the low teens.

SHIPPING

Revenue

- **Gas Carriers:** Anticipate 2024 performance broadly in line with the stronger-than-anticipated performance in 2023; growth rate of 30% for three consecutive years commencing 2025.
- **Tankers:** Anticipate potential strength in the near term and stabilizing in H2 2024.
- **Dry-Bulk and Containers:** Anticipate performance in 2024 in line with 2023, with rates remaining at similar levels.

EBITDA

- Over the medium term, we target average annual EBITDA growth in the high teens driven by growth investments.

MARINE SERVICES

Revenue

- Targeting low to mid-single digit growth in the medium term, given the long-term stable nature of Marine Services contracted activity in PPO[1] and OSRC[2].

EBITDA

- Over the medium term, we target average annual EBITDA growth in the low to mid-single digit percentage range.

  [1] Petroleum Port Operations. [2] Oil Spill Response Services

Group Medium Term Targets

CONSOLIDATED REVENUE

- **2024:**
  % Growth in the high teens.
- **Medium term:**
  Mid-to-high single digit % growth year-on-year.

CONSOLIDATED EBITDA

- **Medium term:**
  Average % growth in the low teens.

CAPEX

- **2024:** $1.0 to $1.1 billion.
- **Medium term:** Organic growth capex beyond the IPO-announced ~$4-5bn.
- Highly disciplined capital allocation policy, targeting low double digit IRRs[1] on investments.
- Seeking value-accretive M&A to extend and enhance service offerings.

CAPITAL STRUCTURE

- Mean **2.0-2.5x** Net Debt to EBITDA over the medium-term.

[1] Internal Rate of Return.

Closing Remarks

STRONG CONTINUED EARNINGS GROWTH

EBITDA MARGIN EXPANSION

GROWTH STRATEGY EXECUTION

COMMITTED TO ATTRACTIVE SHAREHOLDERS RETURNS

ADNOC Logistics & Services

THANK YOU

www.adnocls.ae

IR@adnocls.ae