ADSB
ABU DHABI SHIP BUILDING
أبوظبي لبناء السفن

Management Discussion and Analysis

Net loss after tax for the nine-month period ended 30 September was AED (50) million, an improvement of AED 47 million in the quarter as operations made up some of the delays incurred in the first half of the year due to the regional situation. This net loss is after the AED (120) million accounting adjustment incurred in the second quarter due to the transfer of two vessels from the Falaj3 program for the UAE Navy to the Al Dorra program for Kuwait. As previously discussed, this AED (120) million will be reversed progressively and boost profits over the balance of the Falaj3 program from 2027 onwards. Prior to the accounting adjustment the net profit for the year to date would therefore have been AED 70 million compared with the net loss of AED (10) million at this stage in 2025.

Revenues for the period were AED 1,330 million compared with the AED 820 million in the same period last year as the Al Dorra program commenced and work continued on the Falaj3 and Angola programs. During the period the First of Class vessel in the Al Dorra program, the Second of Class vessel in the Falaj3 program and the First of Class vessel in the Angola program were launched, and four patrol boats were delivered to Angola despite some considerable logistical challenges.

After the period end the Second of Class vessel in the Angola program was launched and the keel laying and steel cutting ceremonies for vessels three, four and five in the Al Dorra program were held in Singapore. Work continues in all programs at an accelerated rate where possible in quarter four with more vessel deliveries and milestone completions anticipated including the delivery of the First of Class Falaj3 to the UAE Navy.

During the period, the Composite business segment continued with the build of the remaining nineteen Search and Rescue boats and delivered fifteen boats, eight of which were in the third quarter after it delivered five boats in 2025, while the MRO and Mission Systems business segments completed a total of 36 dockings, berthing and boat launchings.

We are confident that new contracts and sales will be announced in the fourth quarter including sales to EDGE which will be related party transactions and will be put to shareholders for approval in general assembly. The Company has a contract backlog of nearly AED 11 billion and a healthy pipeline of new business and will have a significant range of products on display at the forthcoming NAVDEX exhibition in Abu Dhabi in January 2027 for which planning is underway.

On an underlying basis the Company remains profitable with revenues and profits before accounting adjustments ahead of the comparable period last year.

Mussafah Industrial Area
P.O. Box 8922
Abu Dhabi, UAE
adsb.ae

منطقة المصفح الصناعية
ص.ب: 8922
أبوظبي، الإمارات العربية المتحدة
adsb.ae

Net cash at 30 September 2026 was AED 526 million and a payment of EUR 99 million (AED 406 million approximately) in respect of the Angola program received post the end of the period.

ADSB continues to monitor the impact of the current regional conflict on revenues and profitability in the current year while giving all possible support to its customers the UAE Navy and National Guard and to EDGE on other urgent projects.

ADSB continued to strengthen its design function and its research and development on autonomous and semi-autonomous vessels, in partnership with EDGE and related companies, and is working on a number of projects to support its customers.

ADSB is proud to have been able to support UAE Navy and National Guard operations during the regional situation and notwithstanding the operational challenges has continued production on all programs. I would like to thank all ADSB staff for their hard work and dedication in this period, and all of our partners and stakeholders for their valuable assistance.



David Massey
Chief Executive Officer