



طيران أبو ظبي  
ABU DHABI AVIATION



Q1 2026

# Management Discussion & Analysis Report

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## Group CEO Statement



**Mahmood Alhameli**  
Group Chief Executive Officer

It is my pleasure to share an update on the performance of Abu Dhabi Aviation Group for the first quarter of 2026. The Group entered 2026 building on the foundations established through the consolidation of AMMROC, Etihad Engineering and GAL in 2024 and the integration progress delivered throughout 2025. Our priority is to translate the scale and capabilities of the combined Group into sustained, disciplined growth across our two principal business segments, General Aviation and Maintenance, Repair and Overhaul (MRO).

The first quarter unfolded against a more complex operating backdrop than we had anticipated at the start of the year. Heightened regional dynamics shaped activity levels across parts of our portfolio, while broader market conditions weighed on the valuation of certain financial assets during the period.

Notwithstanding these factors, Group revenue for the quarter was broadly in line with the prior year, reflecting the resilience of our underlying franchise and the diversification of our customer base. As anticipated, profitability for the quarter was lower than the comparable period, primarily reflecting market-driven movements in financial asset valuations.

GAL delivered a strong performance during the quarter, supported by the continued demand for fleet support services, reinforcing its position as the largest contributor to Group revenue. AMMROC continued to advance its OEM partnership agenda and to build out the capabilities introduced in 2025. Etihad Engineering progressed its AI Massar transformation programme, with the new hangar facility now substantially complete and supporting the next phase of capacity expansion. Across General Aviation, our rotary and fixed-wing operations continued to serve customers across the offshore energy, emergency medical, search-and-rescue and business aviation segments with the safety and reliability that have long defined ADA Group.

The Group's financial position remains strong. Liquidity, leverage and capital structure remain well within our internal benchmarks, providing the flexibility to fund our growth, including the ongoing hangar expansion and selected fleet additions, while continuing to deliver returns to shareholders.

We further deepened our commitment to UAE national talent development through the signing of a Memorandum of Understanding with the General Civil Aviation Authority on the AI Jeer programme, the first Group-wide aircraft maintenance training pathway of its kind in the country. We continued to advance our strategic agenda during the quarter. Air Taxi Egypt, launched in late 2025 in collaboration with the Egyptian Air Force, has continued to expand its route network. Our work with Archer Aviation on eVTOL, and our preparations for the introduction of electric air taxi operations in Abu Dhabi, continued during the period.

Looking ahead, our priorities for the remainder of 2026 are clear. We will maintain the safety and operational discipline that underpin everything we do, advance the integration and synergy agenda across the Group, complete the capacity investments already underway, and continue to pursue selective in-organic opportunities.

While the external environment remains a factor we will continue to monitor closely, the fundamentals of our business and the structural demand for the services we provide remain firmly intact.

I would like to thank our Board of Directors, our shareholders, our customers and our partners for their continued confidence in the Group, and above all, I extend my appreciation to our colleagues across ADA Group, whose professionalism and commitment remain the foundation of everything we achieve.

**Mahmood Alhameli**  
Group Chief Executive Officer



## Key Highlights

*This MD&A should be read alongside the audited consolidated financial statements for the quarter ended 31 March 2026, prepared in accordance with IFRS and applicable laws and regulations, as confirmed by the Board of Directors.*

## Key Performance Indicators – 1Q 2026



**AED 2,007.3mn**  
Revenue <sup>(1)</sup>



**AED 149.9mn**  
EBITDA



**AED 124.4mn**  
Net Profit



**AED 182.7m**  
Adjusted Net Profit <sup>(2)</sup>



**+1.4%**  
Revenue  
Growth



**7.5%**  
EBITDA Margin



**9.1%**  
Adjusted Net Profit  
Margin



**1.1x**  
DEBT <sup>(3)</sup> /LTM EBITDA

## Operational Highlights



### Safety

Maintained the highest cumulative safety standards to date.



### Fleet Scale

70 aircrafts | 5 simulators | 1.1mn+ rotary wing hours.



### Workforce

≈10,000 employees across 79 nationalities.



### Sustainability

First Sustainable Aviation Fuel (SAF) helicopter flight in MENA region completed.



### Integration

Ongoing consolidation of AMMROC, Etihad Engineering and GAL into ADA.

1. Total Group revenue reflects intercompany eliminations.

2. Adjusted net profit excludes fair value gains and losses for the Group's financial asset portfolio.

3. Excludes leases.

## Business Overview

### General Aviation



Rotary Maintenance, Repair and Overhaul (MRO) A JV between ADA & Leonardo.



A leading cargo aircraft operator in the Middle East region.



Premium private aviation group with 8 BBJs and 2 Bombardier Global 500s.



Offers elite pilot training for fixed and rotary wing aircraft using state-of-the-art simulators.



The Middle East's largest commercial helicopter operator, offering offshore oil & gas support, search and rescue, air ambulance, VIP transport and maintenance services. Abu Dhabi Aero is the rebranded successor to the legacy Abu Dhabi Aviation rotary-wing operator

### Maintenance, Repair & Overhaul



Provides comprehensive logistics, maintenance and support services for military and civilian aviation.



Defense MRO and one of world's only 3rd party MRO fleet wide performance-based logistics program.



Offers comprehensive aircraft maintenance, repair and engineering services for Airbus and Boeing fleets.

### Investments



Real estate development, asset management and investment company fully owned by ADA.

## Operational and Financial Performance

### Q1 2026 PERFORMANCE SUMMARY

#### Revenue

Total Revenue for the three-month period ended 31 March 2026 reached AED 2,007mn, compared to AED 1,980mn in the prior-year period, reflecting 1.4% year-on-year growth and a marginal outperformance.

Revenue was supported by continued strength across the MRO segment, with GAL benefiting from sustained demand from key fleet support contracts, and AMMROC continuing to advance its OEM partnership agenda. This was partially offset by softer activity across parts of the General Aviation segment, primarily reflecting the regional operating environment during the period.

#### EBITDA

EBITDA for the quarter was AED 150mn, compared to AED 238mn in Q1 2025. The movement was principally driven by non-cash fair value movements on the Group's financial asset portfolio in light of market conditions during the period, together with timing-related items that the Group expects to normalize over the course of the year.

Excluding the impact of fair value movements, underlying operational performance across the Group's core MRO and General Aviation businesses remained broadly resilient.

#### Net Profit

The Group reported a Net Profit of AED

124mn for the quarter, representing a net profit margin of 6.2%, compared to AED 215mn and 10.9% in the prior-year period. The year-on-year movement reflects the same factors set out above. Underlying operational profitability across the Group's principal operating entities continued to be supported by disciplined cost management, synergy realization and the early benefits of integration initiatives implemented during 2025.

On an adjusted basis, net profit amounted to AED 182.7mn, representing a net profit margin of 9.1%, excluding fair value gains and losses related to the Group's investment portfolio.

Basic and diluted earnings per share for the three months ended 31 March 2026 amounted to AED 0.070, compared to AED 0.157 in the prior-year period.

#### Financial Position and Cash Balance

ADA Group maintained a strong financial position as at 31 March 2026, with cash and cash equivalents of AED 2,184mn and total borrowings of AED 1,141mn, including current and non-current portions. The Group's leverage profile remains conservative and well within healthy benchmarks, providing the financial flexibility to fund committed investment activity while continuing to deliver returns to shareholders.

Total equity stood at AED 8,584mn as at 31 March 2026, compared to AED 9,040mn at 31 December 2025.

## Operational and Financial Performance



### Q1 2026 PERFORMANCE SUMMARY

#### Cash Flow and Working Capital

Operating cash flow for the period reflected working capital absorption linked to the timing of customer collections and supplier settlements following year-end, including the settlement in the first quarter of 2026 of obligations carried over from December 2025. These dynamics are consistent with the Group's typical seasonal cash flow pattern, and are expected to ease as the year progresses, with collections momentum already evident early in the second quarter.

The Group continues to focus on disciplined working capital management. Days Sales Outstanding (DSO) improved by 54 days year-on-year, reflecting the benefit of ongoing collection initiatives across the Group, with the Cash Conversion Cycle remaining broadly stable on the same basis.

The Group's diversified financial asset portfolio stood at AED 1,387mn as at 31 March 2026, compared to AED 1,446mn at 31 December 2025, with the movement during the quarter principally reflecting the fair value impacts referenced above. No material trading activity was undertaken in the period.

#### Dividends

At the General Assembly Meeting in March 2026, shareholders approved a FY2025 cash dividend of AED 329 million (AED 0.30 per share), implying a yield of approximately 5.75%.

#### Capital Expenditure and Investment

In the three-month period to 31 March 2026, the Group continued to progress its committed capital expenditure program, principally directed towards aircraft acquisitions and the ongoing hangar capacity expansion at Etihad Engineering. The Group's full-year 2026 capital expenditure plan remains aligned with the priorities communicated in the prior reporting period, subject to the reassessment of the current regional situation.

## Segmental Performance

### Maintenance, Repair and Overhaul (MRO)

The MRO segment reported revenue of AED 1,772.5 mn for the three-month period ended 31 March 2026, compared to AED 1,738.8 mn in the prior period, reflecting year-on-year growth of 1.9%.

This performance was driven by strong operational execution at GAL and AMMROC, supported by the timely delivery of key project milestones and sustained client demand for fleet support services.

The segment delivered a Net Profit of AED 119 million, representing a healthy Net Profit margin of 6.7%, underscoring continued operational efficiency and disciplined cost management.



**119** AED mn

Net Profit

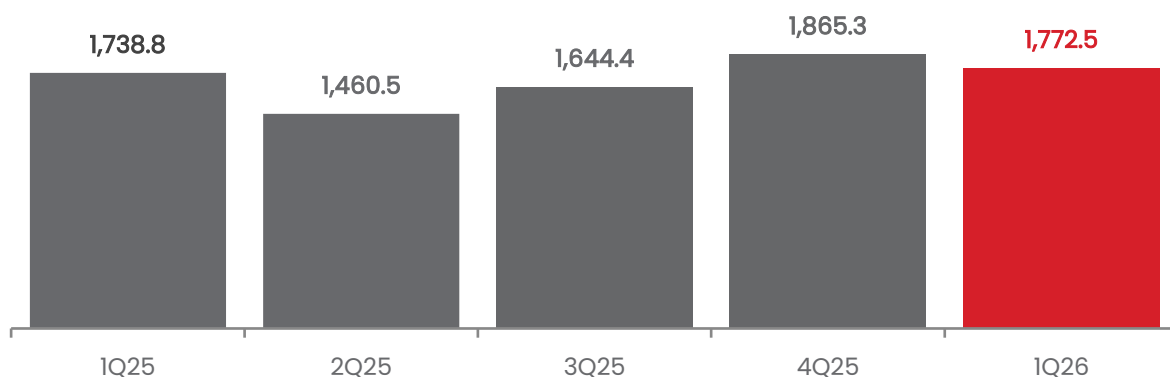


**6.7 %**

Net Profit Margin

### MRO Segment – Revenue evolution

(AED mn)



**MRO**  
**88.3%**



The MRO segment accounted for 88.3% of the Group's revenue, reaffirming its position as the primary engine of the business. The segment continues to deliver strong value while maintaining service quality and operational standards that are aligned with, and in many cases exceed, international benchmarks.

Overall performance remained robust, with select areas experiencing temporary moderation in activity in line with broader regional operating conditions during the period.

## Segmental Performance

### General Aviation

The General Aviation segment recorded revenue of AED 252.3mn (12.6% of Group revenue) for the three-month period ending 31 March 2026, compared to AED 258.3mn in the prior-year period, reflecting a marginal year-on-year decline of 2.4%.

Performance during the quarter was supported by stronger cargo operations at Maximus Air, partially offset by softer activity across rotary-wing operations linked to the regional operating environment during the period.

The segment reported a Net Profit of AED 55mn, representing a Net Profit margin of 21.9%.

  
**55** AED mn

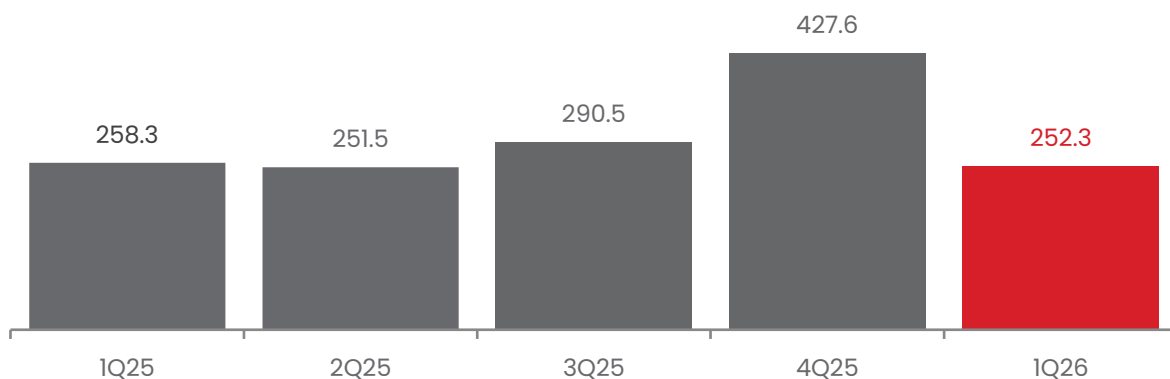
Net Profit

  
**21.9%**

Net Profit Margin

### GA Segment – Revenue Evolution

(AED mn)



**GA**  
12.6%



Despite a more challenging operating environment during the period, the General Aviation segment sustained revenue broadly in line with the prior-year comparator, supported by the continued diversification of the Group's activities.

## Segmental Performance

### Investments

The Investments segment generated AED 50.3mn in net losses for the three-month period ending 31 March 2026, compared to AED 16.2mn profit in the prior-year period.

The Group's diversified financial asset portfolio was valued at AED 1,386.9mn (excluding property valued at AED 445mn) as at 31 March 2026, compared to AED 1,446.1mn as at 31 December 2025, with AED 1,080.2mn in bonds and AED 306.6mn in equities.

The movement during the quarter principally reflects non-cash fair value pressure on financial assets in light of market conditions during the period.

  
**50** AED mn

Net Loss <sup>(1)</sup>

  
**1,832** AED mn

Portfolio Value

### Investments Portfolio

(AED mn)



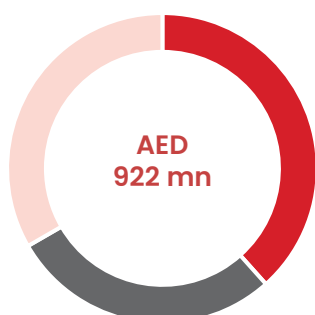
**AED 1,831.9mn**  
Portfolio Value



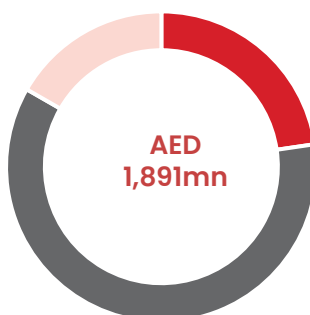
**AED 50.3mn**  
Net Loss

The investment portfolio remains anchored in UAE-denominated debt and equity instruments, complemented by income-generating prime real estate holdings in Abu Dhabi and Dubai.

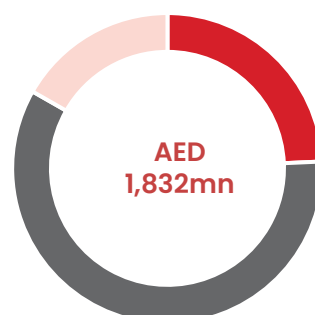
Portfolio composition was broadly unchanged during the quarter.



FY 2024



FY 2025



Q1 2026

■ Debt ■ Equity ■ Properties

## Business Outlook

The Group's forward-looking agenda is built around three strategic priorities



**Enhancing** core operations to drive efficiency, quality and innovation.



**Integrating** capabilities across business entities to unlock cross-functional value.



**Accelerating growth** through international expansion, strategic investments, and selective inorganic opportunities.

### Strengthening MRO Capabilities

- ADA is expanding within the MRO market through enhancing technical capacity and facility utilization. Efficiency and cost-optimization measures continue to reinforce profitability and operational resilience.
- Q1 2026 saw continued progress on capacity expansion, with the additional widebody hangar at Etihad Engineering substantially complete and supporting the next phase of throughput growth. AMMROC continued to scale the blade shop and Line Replaceable Unit capabilities introduced in 2025, alongside ongoing OEM partnership development.

### Deepening General Aviation Operations

- The Group continues to broaden its presence across Oil & Gas, EMS, SAR and business aviation, building on its proven service excellence.
- Air Taxi Egypt continued to expand its route network during the quarter, building on its launch in late 2025.
- The Group also signed a Memorandum of Understanding with the General Civil Aviation Authority on the Al Jeer program, the first Group-wide aircraft maintenance training pathway of its kind in the UAE, reinforcing the Group's commitment to UAE national talent development.

### Advancing Fleet Modernization and Regional Growth

- Fleet renewal remains central to ADA's aviation strategy, with new aircraft additions enhancing efficiency and capability each year. In parallel, the Group is pursuing regional expansion, particularly within Africa's Oil & Gas aviation markets, to capture emerging opportunities.
- The Group continued to advance its Advanced Air Mobility partnership with Archer Aviation during the quarter, supporting preparations for the introduction of electric air taxi operations in Abu Dhabi.

## Q1 2026 Consolidated Financial Performance Income Statement Summary

| Metric (AEDmn)                                                          | Q1 2026        | Q1 2025        | Change %       |
|-------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Revenue</b>                                                          | <b>2,007.3</b> | <b>1,980.0</b> | <b>1.4%</b>    |
| Direct Operating Costs                                                  | (1,680.6)      | (1,649.8)      | 1.9%           |
| Gross Profit                                                            | 326.7          | 330.2          | (1.1%)         |
| G&A Expenses                                                            | (174.5)        | (165.4)        | (5.5%)         |
| Other Income                                                            | 4.5            | 13.2           | (65.9%)        |
| Net change in the fair value of financial assets through profit or loss | (58.3)         | 6.1            | (1055.7%)      |
| Share of Profit from Equity Accounted Investees                         | 13.8           | 26.2           | (47.4%)        |
| Net Finance Income                                                      | 24.4           | 23.5           | 3.8%           |
| Profit Before Tax                                                       | 136.6          | 233.9          | (41.6%)        |
| Income Tax Expense                                                      | (12.1)         | (18.5)         | (34.5%)        |
| <b>Net Profit</b>                                                       | <b>124.4</b>   | <b>215.3</b>   | <b>(42.2%)</b> |
| Margin %                                                                | 6.2%           | 10.9%          | -4.7 pp        |
| <b>Adjusted Underlying Net Profit<sup>(1)</sup></b>                     | <b>182.7</b>   | <b>209.2</b>   | <b>(12.6%)</b> |
| Attributable to Owners                                                  | 76.8           | 172.1          | (55.3%)        |
| Attributable to Non-controlling Interests                               | 47.6           | 43.3           | 10.0%          |

## Q1 2026 Consolidated Financial Performance Summary Balance Sheet

| Metric (AEDmn)                                        | Mar-26          | Dec-25          | Change %      |
|-------------------------------------------------------|-----------------|-----------------|---------------|
| Aircraft, Property And Equipment                      | 2,020.7         | 2,013.2         | 0.4%          |
| Financial Assets At Fair Value Through Profit Or Loss | 1,386.8         | 1,446.1         | (4.1%)        |
| Right-of-use Assets                                   | 733.5           | 740.0           | (0.9%)        |
| Investment In Equity Accounted Investees              | 993.7           | 979.9           | 1.4%          |
| Investment Properties                                 | 445.1           | 445.1           | 0.0%          |
| Other Non-current Assets                              | 58.1            | 52.9            | 9.7%          |
| <b>Total Non-current Assets</b>                       | <b>5,637.8</b>  | <b>5,677.3</b>  | <b>(0.7%)</b> |
| Inventories                                           | 1,210.8         | 1,220.2         | (0.8%)        |
| Receivables                                           | 4,852.1         | 4,188.9         | 15.8%         |
| Advances, Prepayments And Other Current Assets        | 1,127.2         | 1,180.6         | (4.5%)        |
| Other Financial Assets At Amortised Cost              | 236.9           | 623.7           | (62.0%)       |
| Cash And Cash Equivalents                             | 2,183.6         | 3,187.1         | (31.5%)       |
| <b>Total Current Assets</b>                           | <b>9,610.6</b>  | <b>10,400.5</b> | <b>(7.6%)</b> |
| <b>Total Assets</b>                                   | <b>15,248.4</b> | <b>16,077.8</b> | <b>(5.2%)</b> |
| <b>Total Equity</b>                                   | <b>8,584.2</b>  | <b>9,039.8</b>  | <b>(5.0%)</b> |
| Provision For Employees' End Of Service Benefits      | 520.1           | 522.1           | (0.4%)        |
| Borrowings                                            | 261.0           | 260.8           | 0.1%          |
| Lease Liabilities                                     | 786.1           | 807.2           | (2.6%)        |
| Other Non-current Liabilities                         | 43.4            | 45.3            | (4.3%)        |
| <b>Total Non-current Liabilities</b>                  | <b>1,610.6</b>  | <b>1,635.4</b>  | <b>(1.5%)</b> |
| Trade And Other Payables                              | 3,951.1         | 4,353.7         | (9.2%)        |
| Borrowings                                            | 879.5           | 862.1           | 2.0%          |
| Lease Liabilities                                     | 78.3            | 62.3            | 25.8%         |
| Other Current Liabilities                             | 144.7           | 124.6           | 16.1%         |
| <b>Total Current Liabilities</b>                      | <b>5,053.6</b>  | <b>5,402.6</b>  | <b>(6.5%)</b> |
| <b>Total Liabilities</b>                              | <b>6,664.2</b>  | <b>7,038.0</b>  | <b>(5.3%)</b> |
| <b>Total Equity And Liabilities</b>                   | <b>15,248.4</b> | <b>16,077.8</b> | <b>(5.2%)</b> |

## Q1 2026 Consolidated Financial Performance Summary Cash Flow

| Metric (AEDmn)                                                | Q1 2026        | Q1 2025          | Change %        |
|---------------------------------------------------------------|----------------|------------------|-----------------|
| <b>Profit before Income Tax</b>                               | <b>136.6</b>   | <b>233.9</b>     | <b>(41.6%)</b>  |
| Non-cash and Other Adjustments                                | 74.2           | (16.4)           | 551.2%          |
| <b>Operating Cash Flows before Changes in Working Capital</b> | <b>210.7</b>   | <b>217.4</b>     | <b>(3.1%)</b>   |
| Change in Working Capital                                     | (1,029.7)      | (1,051.0)        | 2.0%            |
| <b>Net Cash used in Operating Activities</b>                  | <b>(818.9)</b> | <b>(833.6)</b>   | <b>1.8%</b>     |
| <b>Net Cash Used in Investing Activities</b>                  | <b>401.9</b>   | <b>(1,438.7)</b> | <b>127.9%</b>   |
| <b>Net Cash Used in Financing Activities</b>                  | <b>(596.7)</b> | <b>(267.9)</b>   | <b>(122.7%)</b> |
| Net decrease in cash and cash equivalents                     | (1,013.7)      | (2,540.2)        | 60.1%           |
| Cash & Cash Equivalents at the Beginning of the Period        | 3,005.7        | 3,755.0          | (20.0%)         |
| <b>Cash &amp; Cash Equivalents at the End of the Period</b>   | <b>1,992.0</b> | <b>1,214.8</b>   | <b>64.0%</b>    |



# Outstanding Performance Since 1976

A vertical graphic element consisting of three parallel, slanted white lines of varying lengths, creating a stylized 'A' shape.

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