

THE KEY RISKS AND OPPORTUNITIES THAT LIE AHEAD

AET operates in a dynamic tanker market, proactively managing risks while capturing emerging opportunities to strengthen resilience, enhance performance and deliver sustainable long-term value across its global operations.

CATEGORIES

Digitalisation including Artificial Intelligence (AI) and Cyber Threats

Advancement and integration of digitalisation and automation through machine learning and AI increases productivity, drives efficiency and ensures robust reporting, but increases exposure risks to cyber threats

EMERGING RISK



Operational Safety Challenges from New Cargo/Fuel Types and Technologies

The utilisation of new technologies (for example, lithium-ion batteries and ammonia dual-fuel engines) and the carrying of new cargo types (for example, ammonia) increases the complexity of hazard and safety management

EMERGING RISK



RISKS AND OPPORTUNITIES

- The advancement of machine learning, AI and quantum computing backed by data increases opportunities for AET to be innovative in its decisions regarding safety, procurement, decarbonisation and its operations
- While cybersecurity risks are increased with greater exposure to a wider range of technologies and vulnerabilities, robust digital safeguards enables AET to leverage advanced analytics and automation safely to support long-term efficiency and competitiveness



- The energy transition necessitates the adoption of new fuels and technologies, where AET is positioned through its diversification and focus on harnessing decarbonisation technology to support customers in navigating the energy transition and strengthen its reputation as a reliable operator in evolving markets
- While the adoption of alternative fuels, new cargoes and emerging technologies introduces unfamiliar hazard profiles and operational complexity, proper management of these risks will help to prevent safety incidents, environmental harm or regulatory non-compliance

MITIGATIONS/ACTIONS

- AET has 24/7 monitoring and incident response teams to contain and mitigate cybersecurity incidents, emerging threats, security gaps and vulnerabilities
- Awareness and training sessions are conducted throughout the year, including cybersecurity e-learning and phishing campaigns, to strengthen security awareness
- AET is also developing its internal Business Improvement strategy to leverage its unique access to ship and operational data as a centralised backbone for digitalisation and automation to ensure efficiencies for the organisation and its fleet
- Strengthen internal competencies through targeted external courses and structured in-house knowledge sessions to build familiarity with alternative fuels and emerging technologies
- Continue keeping seafarers updated on the latest safety procedures through courses and real-life application simulations at the Malaysian Maritime Institute (ALAM) and Texas A&M University at Galveston (TAMUG)
- Maintain close relationships and liaison with the ship management side to enhance vessel readiness and update risk assessment and procedures, while ensuring that appropriate training and safeguards are in place

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CATEGORIES

Availability and Scalability of Low- and Zero-Carbon Marine Fuels

Pace at which low- and zero-carbon bunkers become commercially available at scale and across key voyage routes creates fuel uncertainty and asset investment risks

EMERGING RISK



Energy Transition

Accelerating decarbonisation policies, evolving emissions standards and uncertainty over transition pathways create strategic and operational risks for shipowners



RISKS AND OPPORTUNITIES



- By reviewing our fleet fuel strategy alongside developing energy transition trends to align with our customers' requirements and needs, we consistently stay ahead of the curve to enhance our commercial positioning as supply chains mature
- Uncertainty and misalignment around fuel availability, infrastructure readiness and cost competitiveness of low- and zero-carbon fuels may affect fleet deployment and capital allocation decisions

- Ongoing development of the International Maritime Organization's (IMO) Net-Zero Framework (NZF), alongside regional regimes like EU Emissions Trading System (ETS), FuelEU Maritime and emerging ETS in other jurisdictions, introduces uncertainty in carbon pricing levels and compliance timelines. Divergence between these global and regional rules may lead to fragmented obligations and overlapping carbon costs.
- AET's commitment to sustainable shipping and early investments into alternative fuel solutions and low-carbon technologies has uniquely positioned AET, along with its customers, to navigate this period of uncertainty by optimising carbon cost exposure using key fuel optionalities



MITIGATIONS/ACTIONS

- 22% of AET's existing fleet on water by fleet size is currently dual-fuel ready or capable, allowing customers the fuel optionality that is critical in today's quickly changing markets.
- AET actively seeks opportunities to collaborate with trusted partners to advance technologies across the supply chain. For example, AET completed its first Bio-LNG trial onboard *Eagle Brasilia* in February 2026, marking a significant milestone in its decarbonisation journey.

- Continuous monitoring and assessment of global and regional policy development
- Development of internal carbon cost forecasting and pooling/banking optimisation to manage carbon cost exposure from compliance mechanisms
- Implementation of a multi-faceted transition strategy, balancing near-term gains from fleet retrofits with long-term investments in dual-fuel optionality and vessel designs

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CATEGORIES

Market Risks

Shipping markets are influenced by global supply-demand dynamics, fleet capacity, trade patterns and geopolitical developments. Rapid shifts in market conditions can materially affect vessel utilisation and earnings.



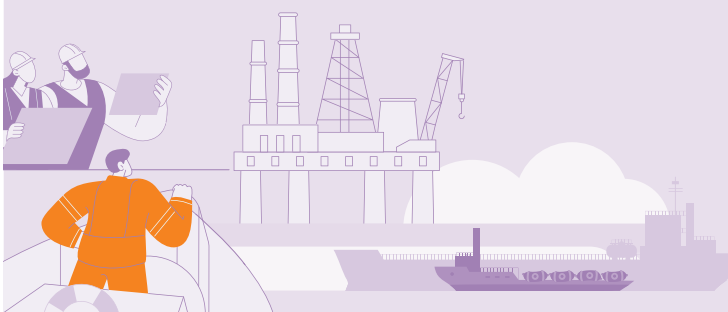
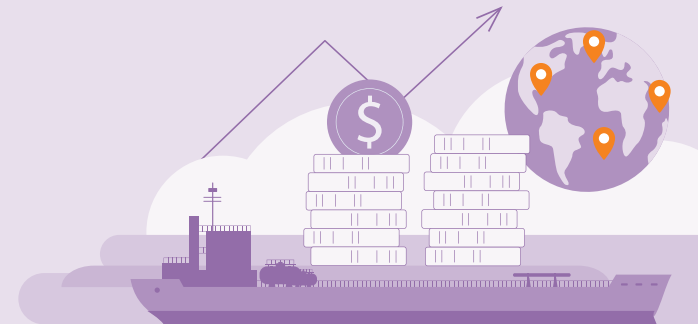
Workforce Gap

The global maritime industry faces a growing shortage of skilled seafarers and shore-based professionals, while demand is growing for evolving new competencies amid increased competition for talent



RISKS AND OPPORTUNITIES

- Despite substantial geopolitical impacts in the past year, strong tanker and oil market demand-supply fundamentals have continued to play a role in sustaining tanker rates
- The overall crude tanker market is likely to remain exposed to risks on all sides such as a growing shadow tanker fleet, geopolitical changes, production limit decisions by OPEC+ and shifting maritime decarbonisation regulations
- AET's proven operational excellence and strengths in the markets it services allows it to remain resilient in the face of volatility and uncertainty to capture quick-moving opportunities within the market



- Even as AET progresses and evolves its operations to include new and innovative technology and assets, the shipping industry faces a limited pool of maritime professionals with the right skills to efficiently and safely operate these assets
- Without the right talent, AET may potentially face disruptions and delays in its business operations and in realising its strategic objectives

MITIGATIONS/ACTIONS

- AET operates a global and diverse portfolio of tanker assets, including conventional and dual-fuel assets
- Leverage on our strong lightering expertise and market share in the U.S. Gulf to expand into new and growing lightering hubs
- Maintain our high degree of fuel optionality, allowing customers to flexibly achieve their emission targets
- Continue to optimise our fleet portfolio to allow for agile decision making, while maintaining a strong balance sheet and stable, robust secure income to increase our resilience in a volatile shipping market

- Reskilling and upskilling to develop capabilities in our people to support our business' strategic direction
- Continue our efforts in building a strong talent pipeline by sponsoring maritime-related scholarships under the AET-MaritimeONE partnership with the Singapore Maritime Foundation, and in partnership with the Texas A&M Foundation
- Empowering our people to stay relevant and take accountability for their own upskilling via employee development plans