

# **National Marine Dredging Company PJSC**

REPORTS AND INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2024 (UNAUDITED)

# National Marine Dredging Company PJSC

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Reports and interim condensed consolidated financial statements  
31 March 2024 (Unaudited)

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## **REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF NATIONAL MARINE DREDGING COMPANY PJSC**

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of National Marine Dredging Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 31 March 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration Number 717  
7 May 2024  
Abu Dhabi  
United Arab Emirates

# National Marine Dredging Company PJSC


## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at 31 March 2024

	Notes	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,423,098	5,137,916
Investment properties		40,000	40,000
Right-of-use assets	4	326,043	330,097
Goodwill		5,057	5,057
Investments in equity accounted investees	5	306,207	282,389
Deferred tax assets		4,205	6,465
Retentions receivable		373,126	222,548
<b>Total non-current assets</b>		<b>6,477,736</b>	<b>6,024,472</b>
<b>Current assets</b>			
Inventories		573,247	598,679
Trade and other receivables	6	6,898,897	5,315,075
Contract assets	7	5,372,466	4,691,691
Financial assets at fair value through profit or loss		487,661	461,750
Derivative financial assets		23,488	24,602
Cash and bank balances	8	3,125,992	3,730,932
<b>Total current assets</b>		<b>16,481,751</b>	<b>14,822,729</b>
<b>Total assets</b>		<b>22,959,487</b>	<b>20,847,201</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		825,000	825,000
Merger reserve		765,000	765,000
Other reserves	17	(93,814)	33,303
Retained earnings		6,998,720	6,976,897
<b>Equity attributable to the shareholders of the Company</b>		<b>8,494,906</b>	<b>8,600,200</b>
Non-controlling interest		4,405	3,915
<b>Total equity</b>		<b>8,499,311</b>	<b>8,604,115</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefit		455,252	441,352
Long term borrowings		992,459	1,078,046
Deferred tax liability	11	2,332	-
Long term lease liabilities	4	315,486	330,266
<b>Total non-current liabilities</b>		<b>1,765,529</b>	<b>1,849,664</b>
<b>Current liabilities</b>			
Trade and other payables	10	10,911,819	9,457,067
Contract liabilities		882,288	479,830
Derivative financial liabilities		3,150	9,790
Income tax payable		201,971	93,718
Short term borrowings	9	684,748	342,346
Short term lease liabilities	4	10,671	10,671
<b>Total current liabilities</b>		<b>12,694,647</b>	<b>10,393,422</b>
<b>Total liabilities</b>		<b>14,460,176</b>	<b>12,243,086</b>
<b>Total equity and liabilities</b>		<b>22,959,487</b>	<b>20,847,201</b>

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in these condensed consolidated financial statements.

  
**Mohammed Thani Mursheed Al Rumaithi**  
 CHAIRMAN

  
**Yasser Nassr Zagnoul**  
 GROUP CHIEF EXECUTIVE  
 OFFICER

  
**Sreemont Prasad Barua**  
 GROUP CHIEF FINANCIAL  
 OFFICER

The attached notes 1 to 22 form part of these condensed consolidated financial statements.

# National Marine Dredging Company PJSC

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three month period ended 31 March 2024

	Notes	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
<b>Revenue from contracts with customers</b>	<b>12</b>	<b>5,342,392</b>	3,208,269
Contract costs		(4,540,332)	(2,885,339)
<b>Gross profit</b>		<b>802,060</b>	322,930
Share of net results of equity accounted investees	5	21,555	13,870
General and administrative expenses		(81,824)	(41,488)
Finance income		42,331	29,008
Finance cost		(36,280)	(30,377)
Fair value gain/(loss) on financial assets at fair value through profit or loss		25,911	(1,933)
Foreign currency exchange loss		(20,446)	(8,760)
Other income, net		7,246	13,616
<b>Profit before tax</b>		<b>760,553</b>	296,866
Income tax (expense)/credit	11	(119,490)	6,459
<b>Profit for the period</b>	<b>13</b>	<b>641,063</b>	303,325
<b>Profit attributable to:</b>			
Shareholders of the Company		640,573	302,936
Non-controlling interests		490	389
<b>Profit for the period</b>		<b>641,063</b>	303,325
<b>Basic and diluted earnings per share (in AED) attributable to equity holders of the Company</b>	<b>15</b>	<b>0.78</b>	0.37

The attached notes 1 to 22 form part of these condensed consolidated financial statements.

# National Marine Dredging Company PJSC

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2024

	Note	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
<b>Profit for the period</b>		<b>641,063</b>	303,325
<b>Other comprehensive income</b>			
<i>Items that may be subsequently reclassified to the consolidated statement of profit or loss in subsequent periods:</i>			
Fair value gain arising on hedging instruments during the period		5,525	8,430
Exchange differences arising on translation of foreign operations		(132,642)	(110,895)
<b>Other comprehensive loss for the period</b>		<b>(127,117)</b>	(102,465)
<b>Total comprehensive income for the period</b>		<b>513,946</b>	200,860
<b>Profit attributable to:</b>			
Shareholders of the Company		513,456	200,471
Non-controlling interests		490	389
<b>Total comprehensive income for the period</b>		<b>513,946</b>	200,860

The attached notes 1 to 22 form part of these condensed consolidated financial statements.

# National Marine Dredging Company PJSC

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 2024

	Share capital AED'000	Merger reserve AED'000	Other reserves AED'000	Retained earnings AED'000	Equity attributable to the shareholders of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2023 (Audited)	825,000	765,000	(7,786)	4,955,312	6,537,526	3,080	6,540,606
Profit for the period	-	-	-	302,936	302,936	389	303,325
Other comprehensive loss	-	-	(102,465)	-	(102,465)	-	(102,465)
Total comprehensive income for the period	-	-	(102,465)	302,936	200,471	389	200,860
Balance at 31 March 2023 (Unaudited)	825,000	765,000	(110,251)	5,258,248	6,737,997	3,469	6,741,466
<b>Balance at 1 January 2024 (Audited)</b>	<b>825,000</b>	<b>765,000</b>	<b>33,303</b>	<b>6,976,897</b>	<b>8,600,200</b>	<b>3,915</b>	<b>8,604,115</b>
Profit for the period	-	-	-	640,573	640,573	490	641,063
Other comprehensive loss	-	-	(127,117)	-	(127,117)	-	(127,117)
Total comprehensive income for the period	-	-	(127,117)	640,573	513,456	490	513,946
Dividend (note 16)	-	-	-	(618,750)	(618,750)	-	(618,750)
<b>Balance at 31 March 2024 (Unaudited)</b>	<b>825,000</b>	<b>765,000</b>	<b>(93,814)</b>	<b>6,998,720</b>	<b>8,494,906</b>	<b>4,405</b>	<b>8,499,311</b>

The attached notes 1 to 22 form part of these condensed consolidated financial statements.

# National Marine Dredging Company PJSC

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2024

	<i>Note</i>	<i>2024</i> <i>AED '000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED '000</i> <i>(Unaudited)</i>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		760,553	296,866
Adjustments for:			
Depreciation of property, plant and equipment	3	124,225	100,831
Depreciation of right-of-use assets	4	4,054	3,475
Loss/(gain) on disposal of property, plant and equipment		927	(451)
Fair value (gain)/loss on financial assets at fair value through profit or loss		(25,911)	1,933
Provision for slow moving and obsolete inventories		1,169	1,537
Share of net results of equity accounted investees	5	(21,554)	(13,870)
Provision for/(reversal of) expected credit losses		18,301	(4,207)
Finance costs, net		(6,052)	1,369
Provision for employees' end of service benefits		16,405	10,798
		<hr/>	<hr/>
Income tax paid/(refund), net		872,117	398,281
Employees' end of service benefit paid		(1,702)	1,311
		(2,505)	(4,336)
		<hr/>	<hr/>
		867,910	395,256
Working capital changes:			
Change in inventories		24,264	(2,908)
Change in trade and other receivables		(1,748,963)	(483,272)
Change in contract assets		(684,513)	(92,331)
Change in contract liabilities		1,230,590	520,590
Change in trade and other payables		621,676	171,806
		<hr/>	<hr/>
Net cash generated from operating activities		310,964	509,141
		<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(411,790)	(150,551)
Proceeds from disposal of property, plant and equipment		1,455	1,759
Additional investment in an associate	5	-	(49,000)
Investment in financial assets at fair value through profit or loss		-	(915)
Movement in deposits with original maturity more than three months		489,739	-
Interest received		42,332	29,010
		<hr/>	<hr/>
Net cash generated from/(used in) investing activities		121,736	(169,697)
		<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>			
Repayment of term loans		(85,587)	(85,587)
Repayment of lease liabilities		(17,995)	(18,437)
Dividend paid		(618,750)	-
Interest paid		(33,065)	(27,199)
		<hr/>	<hr/>
Net cash used in financing activities		(755,397)	(131,223)
		<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(322,697)</b>	<b>208,221</b>
Cash and cash equivalents at 1 January		3,215,394	2,783,732
Effect of foreign exchange rate changes		(134,905)	(99,431)
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>8</b>	<b>2,757,792</b>	<b>2,892,522</b>
		<hr/> <hr/>	<hr/> <hr/>

The attached notes 1 to 22 form part of these condensed consolidated financial statements.



# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 1 GENERAL INFORMATION

National Marine Dredging Company (“NMDC” or the “Company”) is a public shareholding company incorporated in the Emirate of Abu Dhabi. The Company was incorporated by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi. The registered address of the Company is P.O. Box 3649, Abu Dhabi, United Arab Emirates.

At the Annual General Meeting of the Company held on 8 March 2024, the Shareholders approved the amendment to Article No. (2) of the Articles of Association of the Company, relating to the Company’s name, to be “NMDC Group” from National Marine Dredging Company PJSC, legal formalities relating to the execution of this transaction were ongoing.

These condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries, joint ventures, and branches (collectively referred to as the “Group”), details of which are set out below.

The Company is primarily engaged in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE, principally under the directives of the Government of Abu Dhabi (the “Government”). The Group also operates in other jurisdictions in the region including Bahrain, Egypt, Saudi Arabia and India through its subsidiaries, branches and joint operations.

<i>Name</i>	<i>Country of incorporation</i>	<i>Percentage holding</i>		<i>Principal activities</i>
		<i>2024</i>	<i>2023</i>	
<b><i>Subsidiaries of NMDC</i></b>				
NMDC Energy PJSC (Formerly “National Petroleum Construction Company (NPCC)”)	UAE	100%	100%	Engineering Procurement and Construction
Emarat Europe Fast Building Technology System Factory L.L.C. (Emarat Europe)	UAE	100%	100%	Manufacturing and supply of precast concrete
National Marine Dredging Company (Industrial)	UAE	100%	100%	Manufacturing of steel pipes and steel pipe fittings and holding 1% investment in the Group’s subsidiaries to comply with local regulations
ADEC Engineering Consultancy L.L.C.	UAE	100%	100%	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services
Abu Dhabi Marine Dredging Co S.P.C.	Bahrain	100%	100%	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts
National Marine and Infrastructure India Private Limited	India	100%	100%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
<b><i>Subsidiaries of NMDC Energy PJSC (Formerly “National Petroleum Construction Company (NPCC)”) National Petroleum Construction Co. (Saudi) LTD.</i></b>				
NPCC Engineering Limited	Saudi Arabia	100%	100%	Engineering Procurement and Construction
ANEWA Engineering Pvt. Ltd.	India	100%	100%	Engineering
ANEWA Engineering Pvt. Ltd.	India	80%	80%	Engineering
NPCC Service Malaysia SDN*	Malaysia	100%	100%	Engineering Procurement and Construction.
Abu Dhabi for Construction Projects*	Iraq	100%	100%	Engineering Procurement and Construction.

\*dormant entities

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 1 GENERAL INFORMATION continued

Name	Country of incorporation	Percentage holding		Principal activities
		2024	2023	
<b>Branches of NMDC</b>				
National Marine Dredging Company	Saudi Arabia	<b>Branch</b>	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Egypt	<b>Branch</b>	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Maldives	<b>Branch</b>	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Abu Dhabi	<b>Branch</b>	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Dubai	<b>Branch</b>	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
<b>Joint Ventures</b>				
The Challenge Egyptian Emirates Marine Dredging Company	Egypt	<b>49%</b>	49%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction
NT Energies L.L.C	UAE	<b>51%</b>	51%	Engineering and Consultancy
<b>Associates</b>				
Safeen Survey and Subsea Services LLC	UAE	<b>49%</b>	49%	Marine services related to oil industries.
Principia SAS	France	<b>33.33%</b>	33.33%	Engineering and consultancy
<b>Joint Operations of NMDC Energy PJSC (Formerly "National Petroleum Construction Company (NPCC)")</b>				
Saipem – NPCC - Hail and Ghasha		<b>50%</b>	50%	Engineering, Procurement and Construction.
Technicas – NPCC – MERAM		<b>50%</b>	50%	Engineering, Procurement and Construction
Technip – NPCC - Satah Full Field		<b>50%</b>	50%	Engineering, Procurement and Construction.
NPCC – Technip - UZ-750 (EPC-1)		<b>40%</b>	40%	Engineering, Procurement and Construction.
NPCC – Technip UL -2		<b>50%</b>	50%	Engineering, Procurement and Construction.
NPCC – Technip AGFA		<b>50%</b>	50%	Engineering, Procurement and Construction.
NPCC – Technip JV – US GAS CAP FEED		<b>50%</b>	50%	Engineering, Procurement and Construction.

## 2 BASIS OF PREPARATION AND CRITICAL ACCOUNTING JUDGEMENTS

### 2.1 Basis of preparation

The condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These condensed consolidated financial statements are presented in UAE Dirham ("AED") which is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

The condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 2 BASIS OF PREPARATION AND CRITICAL ACCOUNTING JUDGEMENTS continued

#### 2.2 Application of new and revised International Financial Reporting Standards (IFRS)

##### 2.2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

##### 2.2.2 New and revised IFRS in issue but not yet effective

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
Amendment to IAS 21 - Lack of Exchangeability	1 January 2025
IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided
IFRS Accounting Taxonomy 2023—Update 1 International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact on these condensed consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on these condensed consolidated financial statements of the Group.

#### 2.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements for the year ended 31 December 2024.

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 3 PROPERTY, PLANT AND EQUIPMENT

	<i>Building and base facilities AED'000</i>	<i>Dredgers AED'000</i>	<i>Barges support vessels, plant pipelines and vehicles AED'000</i>	<i>Office equipment and furniture AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
<b>2024 (Unaudited)</b>						
Cost:						
At 1 January 2024 ( <i>Audited</i> )	653,174	1,449,310	6,794,555	142,600	407,822	9,447,461
Additions	171	364	151,647	3,368	256,240	411,790
Transfers	-	865	12,096	-	(12,961)	-
Disposals	(12,089)	(10)	(1,083)	(920)	-	(14,102)
Exchange differences	-	-	-	(2)	-	(2)
<b>At 31 March 2024</b>	<b><u>641,256</u></b>	<b><u>1,450,529</u></b>	<b><u>6,957,215</u></b>	<b><u>145,046</u></b>	<b><u>651,101</u></b>	<b><u>9,845,147</u></b>
Accumulated depreciation:						
1 January 2024 ( <i>Audited</i> )	419,756	261,827	3,507,245	120,717	-	4,309,545
Charge for the period	5,554	24,061	92,008	2,602	-	124,225
Disposals	(10,595)	(5)	(635)	(485)	-	(11,720)
Exchange differences	-	-	-	(1)	-	(1)
<b>At 31 March 2024</b>	<b><u>414,715</u></b>	<b><u>285,883</u></b>	<b><u>3,598,618</u></b>	<b><u>122,833</u></b>	<b><u>-</u></b>	<b><u>4,422,049</u></b>
<b>Net carrying amount: At 31 March 2024</b>	<b><u>226,541</u></b>	<b><u>1,164,646</u></b>	<b><u>3,358,597</u></b>	<b><u>22,213</u></b>	<b><u>651,101</u></b>	<b><u>5,423,098</u></b>
<b>2023 (Audited)</b>						
Cost:						
At 1 January 2023	611,425	1,440,025	5,822,084	131,615	260,279	8,265,428
Additions	1,598	10,457	432,605	11,390	740,568	1,196,618
Transfers	40,151	(1,066)	553,212	728	(593,025)	-
Disposals	-	(106)	(11,864)	(922)	-	(12,892)
Exchange differences	-	-	(1,482)	(211)	-	(1,693)
<b>At 31 December 2023</b>	<b><u>653,174</u></b>	<b><u>1,449,310</u></b>	<b><u>6,794,555</u></b>	<b><u>142,600</u></b>	<b><u>407,822</u></b>	<b><u>9,447,461</u></b>
Accumulated depreciation:						
1 January 2023	395,233	162,402	3,259,477	109,701	-	3,926,813
Charge for the period	24,523	99,794	258,535	11,308	-	394,160
Disposals	-	-	(10,529)	(214)	-	(10,743)
Exchange differences	-	(369)	(238)	(78)	-	(685)
<b>At 31 December 2023</b>	<b><u>419,756</u></b>	<b><u>261,827</u></b>	<b><u>3,507,245</u></b>	<b><u>120,717</u></b>	<b><u>-</u></b>	<b><u>4,309,545</u></b>
<b>Net carrying amount: At 31 December 2023</b>	<b><u>233,418</u></b>	<b><u>1,187,483</u></b>	<b><u>3,287,310</u></b>	<b><u>21,883</u></b>	<b><u>407,822</u></b>	<b><u>5,137,916</u></b>

- Certain items of property, plant and equipment with a carrying value of AED 2,082 million (2023 : AED 2,143 million) have been pledged to secure the borrowings of the Group. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.
- Property, plant and equipment includes fully depreciated assets of AED 2,347 million (2023: AED 2,247 million)
- Buildings and base facilities are located in Mussafah, Abu Dhabi, UAE on leased land.
- At the Annual General Meeting of the Company held on 28 April 2023, the Shareholders approved the purchase of certain assets, valued at AED 624.8 million, in exchange for mandatory convertible bonds, convertible into 19,379,653 new equity shares of the Company, at AED 32.24 per share. Upon the issuance of these new shares, the total issued share capital of the Company will increase to AED 844,379,653. At 31 March 2024, legal formalities relating to the execution of this transaction were ongoing.

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 4 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	<i>Right-of- use assets (land) AED'000</i>	<i>Lease liabilities AED'000</i>
As at 1 January 2023 <i>(Audited)</i>	340,127	349,054
Depreciation expense	4,636	4,638
Depreciation expense	(14,666)	-
Interest expense	-	12,749
Payments	-	(25,504)
	<u>330,097</u>	<u>340,937</u>
As at 31 December 2023 <i>(Audited)</i>		
As at 1 January 2024 <i>(Audited)</i>	<b>330,097</b>	<b>340,937</b>
Depreciation expense	<b>(4,054)</b>	-
Interest expense	-	<b>3,215</b>
Payments	-	<b>(17,995)</b>
	<u><b>326,043</b></u>	<u><b>326,157</b></u>
As at 31 March 2024 <i>(Unaudited)</i>		

Lease liabilities is disclosed in the condensed consolidated statement of financial position as follows:

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Current liabilities	<b>10,671</b>	10,671
Non-current liabilities	<u><b>315,486</b></u>	<u>330,266</u>
<b>Total</b>	<u><b>326,157</b></u>	<u>340,937</u>

### 5 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES

The carrying amounts of the Group's investments in equity accounted investees are as follows:

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Safeen Survey and Subsea Services LLC	<b>257,827</b>	236,642
The Challenge Egyptian Emirates Marine Dredging Company	<b>24,246</b>	21,613
Principia SAS	<b>24,057</b>	24,057
NT Energies L.L.C	<b>77</b>	77
	<u><b>306,207</b></u>	<u>282,389</u>

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 5 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES *continued*

The movements in investment in equity accounted investees are as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
At 1 January	282,389	191,933
Acquisition during the period/year	-	49,077
Dividend received during the period/year	-	(1,337)
Foreign exchange and other movement	2,264	(9,931)
Share of profit for the period/year, net	21,554	52,647
	<hr/>	<hr/>
At 31 December	<b>306,207</b>	282,389
	<hr/> <hr/>	<hr/> <hr/>

### 6 TRADE AND OTHER RECEIVABLES

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
Trade receivables	3,361,530	2,534,329
Retention receivables	348,628	310,584
Less: allowance for expected credit losses	(42,310)	(27,747)
	<hr/>	<hr/>
Deposits and prepayments	3,667,848	2,817,166
Advances paid to suppliers	570,879	587,002
ICV retention receivables	1,651,821	1,195,606
ICV retention receivables	251,294	214,924
VAT and GST receivables	31,648	38,682
Advances paid to employees	30,278	31,852
Development work in progress	141,527	147,329
Other receivables	553,602	282,514
	<hr/>	<hr/>
	<b>6,898,897</b>	5,315,075
	<hr/> <hr/>	<hr/> <hr/>

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 6 TRADE AND OTHER RECEIVABLES continued

Receivables, net are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

#### Allowance for expected credit losses

The Group recognises lifetime expected credit loss (ECL) for trade receivables, retention receivables and contract assets (refer note 7) using the simplified approach. To determine the expected credit losses all debtors are classified into four categories:

- Category I – billed receivables and unbilled receivables from governments and related companies;
- Category II – private companies with low credit risk;
- Category III – private companies with high credit risk; and
- Category IV – debtors at default.

These are adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. Trade receivables are considered past due once they have passed their contracted due date. Management has not recognised an expected credit loss in respect of delays in recovery of receivables expected to be recovered in full in the future as these are expected to be recovered in the short term and therefore no discounting adjustment is required.

Movement in the provision for expected credit losses on trade and retention receivables is as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
At 1 January	27,747	45,823
Charge/(reversal) during the period/year	14,563	(18,076)
	<hr/>	<hr/>
At reporting date	<b>42,310</b>	27,747
	<hr/> <hr/>	<hr/> <hr/>

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 7 CONTRACT ASSETS

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
Construction contracts	5,396,472	4,492,198
Less; allowance for expected credit losses	(27,117)	(23,379)
	<u>5,369,355</u>	<u>4,468,819</u>
Work in progress	3,111	222,872
	<u>5,372,466</u>	<u>4,691,691</u>

#### 7.1 Construction contracts, net of allowance for expected credit losses

Construction contracts, net of allowance for expected credit losses and discount, are analysed as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
<i>Unsigned contracts</i>		
Government of Abu Dhabi and its related entities	1,896,891	444,813
Equity accounted investees	30,239	27,698
Other entities	3,104	27,954
	<u>1,930,234</u>	<u>500,465</u>
<i>Signed contracts</i>		
Government of Abu Dhabi and its related entities	2,209,980	1,531,952
Equity accounted investees	75,214	115,335
Other entities	1,153,927	2,321,067
	<u>3,439,121</u>	<u>3,968,354</u>
	<u>5,369,355</u>	<u>4,468,819</u>

Movement in the provision for expected credit losses on construction contracts (unbilled receivables) is as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
At 1 January	23,379	27,558
Charge/(reversal) during the period / year, net	3,738	(4,179)
	<u>27,117</u>	<u>23,379</u>



# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 7 CONTRACT ASSETS continued

#### 7.2 Work in progress

Work in progress represents costs incurred on projects for which the Group is required to meet specific contractual obligations such as joint inspections, milestone completion and customer acceptance/handover, prior to billing the customer. Those obligations are expected to progressively be met over time, resulting in a winding down of the balance throughout the remaining contractual period.

### 8 CASH AND CASH EQUIVALENTS

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Cash in hand	4,123	3,283
Cash at banks:		
Current accounts	916,584	919,321
Short-term deposits	2,205,585	2,808,328
	<hr/>	<hr/>
Cash and bank balances	3,125,992	3,730,932
Less: short-term deposits with original maturity more than three months	(25,798)	(515,538)
Less: bank overdrafts (note 9)	(342,402)	-
	<hr/>	<hr/>
Cash and cash equivalents	<u>2,757,792</u>	<u>3,215,394</u>

Short-term deposits have original maturities of three months or less. These deposits, carry interest at prevailing market interest rates.

### 9 BORROWINGS

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
<b>Long term borrowings</b>		
Non-current portion of term loans	992,459	1,078,046
	<hr/>	<hr/>
<b>Short term borrowings</b>		
Bank overdrafts (note 8)	342,402	-
Current portion of term loans	342,346	342,346
	<hr/>	<hr/>
	<u>684,748</u>	<u>342,346</u>

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 10 TRADE AND OTHER PAYABLES

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
Trade payables	1,904,994	1,890,540
Project and other accruals	4,815,948	4,166,625
Advances from customers	3,404,962	2,576,831
Provisions	333,308	444,910
Retentions payable	194,169	177,448
VAT payables	164,805	67,354
Other payables	93,633	133,359
	<hr/>	<hr/>
	<b>10,911,819</b>	<b>9,457,067</b>
	<hr/> <hr/>	<hr/> <hr/>

### 11 Taxation

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 March 2023 AED'000 (Unaudited)
<b>Current income tax charge</b>		
Current income tax charge/(credit)	117,158	(6,459)
<b>Deferred income tax</b>		
Relating to origination of temporary differences	2,332	-
	<hr/>	<hr/>
<b>Income tax expense/(credit)</b>	<b>119,490</b>	<b>(6,459)</b>
	<hr/> <hr/>	<hr/> <hr/>

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group’s accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The application of the Global Minimum Tax rate of 15% in FY2024 is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The tax charge for period ended 31 March 2024 is AED 119.5 million (31 March 2023: Tax credit of AED 6.5 million), representing an Effective Tax Rate (“ETR”) of 16% (31 March 2023: 2%). The ETR difference compared to prior period is due to the introduction of UAE CT in Q1 FY24.

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 12 REVENUE FROM CONTRACTS WITH CUSTOMERS

#### 12.1 REVENUE BY ACTIVITY

*Period ended 31 March 2024 (Unaudited)*

	UAE AED'000	International AED'000	Total AED'000
Dredging, reclamation and marine construction	3,116,735	90,877	3,207,612
Engineering, procurement and construction	1,271,050	863,730	2,134,780
<b>Total</b>	<b>4,387,785</b>	<b>954,607</b>	<b>5,342,392</b>

*Period ended 31 March 2023 (Unaudited)*

	UAE AED'000	International AED'000	Total AED'000
Dredging, reclamation and marine construction	1,438,416	139,388	1,577,804
Engineering, procurement and construction	1,127,221	503,244	1,630,465
<b>Total</b>	<b>2,565,637</b>	<b>642,632</b>	<b>3,208,269</b>

#### 12.2 TIMING OF REVENUE RECOGNITION

	<b>31 March 2024</b>	31 March 2023
	<b>AED'000</b>	AED'000
	<b>(Unaudited)</b>	(Unaudited)
Services transferred over time	<b>5,342,392</b>	3,208,269

#### 12.3 UNSATISFIED PERFORMANCE OBLIGATION

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March 2024 amounted to AED 61.8 billion (31 March 2023: AED 28 billion).

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 13 PROFIT FOR THE PERIOD

Profit for the period is stated after:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 March 2023 AED'000 (Unaudited)
Salaries and other benefits	<b>659,177</b>	490,181
Depreciation of property, plant and equipment (note 3)	<b>124,225</b>	100,832
Depreciation of right-of-use assets (note 4)	<b>4,054</b>	3,475

### 14 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include majority Shareholders, equity accounted investees, Directors and key management personnel, management entities engaged by the Group and those enterprises over which majority Shareholders, Directors, the Group or its affiliates can exercise significant influence, or which can exercise significant influence over the Group. In the ordinary course of business, the Group provides services to, and receives services from, such enterprises on terms agreed by management.

Balances with related parties included in the condensed consolidated statement of financial position are as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 December 2023 AED'000 (Audited)
<i>Due from equity accounted investee for project related work:</i>		
Trade and other receivables	<b>540,516</b>	499,864
Trade and other payables	<b>651,610</b>	429,900
Contract assets	<b>104,326</b>	147,803
<i>Due from/to other related parties:</i>		
Trade and other receivables	<b>1,367,731</b>	63,429
Contract assets	<b>1,566,459</b>	38,143
Trade and other payables	<b>79,666</b>	33,010
Bank balances	<b>2,818,142</b>	2,793,662
Borrowings	<b>556,193</b>	575,671

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 14 RELATED PARTY TRANSACTIONS AND BALANCES continued

Transactions with related parties included in the condensed consolidated statement of profit or loss are as follows:

	<b>31 March 2024 AED'000 (Unaudited)</b>	31 March 2023 AED'000 (Audited)
<i>Other related parties</i>		
Revenue	<b>1,843,777</b>	-
Material and services purchased / received	<b>26,724</b>	16,930
Net interest income	<b>5,248</b>	9,251
<i>Equity accounted investee</i>		
Revenue earned	<b>77,815</b>	123,928
Costs incurred	<b>170,963</b>	138,000

### 15 EARNINGS PER SHARE

Basic earnings per share has been computed by dividing the profit for the period attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	<b>31 March 2024 (Unaudited)</b>	31 March 2023 (Unaudited)
Profit attributable to the shareholders of the Company (AED'000)	<b>640,573</b>	302,936
Weighted average number of ordinary shares ('000)	<b>825,000</b>	825,000
Earnings per share attributable to the shareholders of the Company (AED)	<b>0.78</b>	0.37

Diluted earnings per share as of 31 March 2024 and 31 March 2023 are equivalent to basic earnings per share.

### 16 DIVIDEND

At the annual general meeting held on 8 March 2024, the shareholders approved a dividend of AED 0.75 per share for a total dividend amounting to AED 618,750 thousand, relating to the year ended 31 December 2023 (2022: nil).

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 17 OTHER RESERVES

	Legal reserve AED'000	Restricted reserve AED'000	Hedging reserve AED'000	Foreign currency translation reserve AED'000	Total AED'000
At 1 January 2023 (Audited)	280,572	1,291	(5,489)	(284,160)	(7,786)
Transfer of 10% of current year profit	131,928	-	-	-	131,928
Fair value gain on revaluation of hedging instruments	-	-	20,301	-	20,301
Cumulative translation adjustment on foreign operations	-	-	-	(111,140)	(111,140)
	<u>412,500</u>	<u>1,291</u>	<u>14,812</u>	<u>(395,300)</u>	<u>33,303</u>
At 31 December 2023 (Audited)	412,500	1,291	14,812	(395,300)	33,303
Fair value gain on revaluation of hedging instruments	-	-	5,525	-	5,525
Cumulative translation adjustment on foreign operations	-	-	-	(132,642)	(132,642)
	<u>412,500</u>	<u>1,291</u>	<u>20,337</u>	<u>(527,942)</u>	<u>(93,814)</u>
<b>At 31 March 2024 (Unaudited)</b>	<b><u>412,500</u></b>	<b><u>1,291</u></b>	<b><u>20,337</u></b>	<b><u>(527,942)</u></b>	<b><u>(93,814)</u></b>

### 18 CONTINGENCIES AND COMMITMENTS

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Bank guarantees	13,851,996	13,350,209
Letters of credit	376,863	289,220
Capital commitments	281,696	188,303
Purchase commitments	5,190,910	5,378,558

The above letters of credit and bank guarantees issued in the normal course of business.

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 19 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Fair value measurement recognized in the consolidated statement of financial position

The fair values of the Group's financial assets and liabilities as at 31 March 2024 and 31 December 2023 are not materially different from their carrying values at that reporting date.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities which are measured at fair value as at 31 March 2024 and 31 December 2023:

	<b>Total AED'000</b>	<b>Quoted prices in active markets (Level 1) AED'000</b>	<b>Significant observable inputs (Level 2) AED'000</b>	<b>Significant unobservable inputs (Level 3) AED'000</b>
<b>As at 31 March 2024 (Unaudited)</b>				
Derivative financial asset	<b>23,488</b>	-	<b>23,488</b>	-
Derivative financial liability	<b>(3,150)</b>	-	<b>(3,150)</b>	-
Financial assets at fair value through profit or loss (FVTPL)	<b>487,661</b>	<b>487,661</b>	-	-
<b>As at 31 December 2023 (Audited)</b>				
Derivative financial asset	24,602	-	24,602	-
Derivative financial liability	(9,790)	-	(9,790)	-
Financial assets at fair value through profit or loss (FVTPL)	461,750	461,750	-	-

# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 20 SEGMENT INFORMATION

#### Geographical segment information

The Group has aggregated its segments into Dredging & Marine and Energy.

The following table shows the Group's segment analysis:

	31 March 2024 (Unaudited)		
	Dredging & Marine AED'000	Energy AED'000	Group AED'000
Segment revenue	3,235,525	2,134,780	5,370,305
Intersegment revenue	(27,913)	-	(27,913)
<b>Revenue</b>	<b>-</b>	<b>-</b>	<b>5,342,392</b>
Segment gross profit	583,462	218,598	802,060
Share of net results of equity accounted investees	-	-	21,554
General and administrative expenses	-	-	(81,824)
Foreign currency exchange losses	-	-	(20,446)
Fair value gain on financial assets at fair value through profit or loss	-	-	25,911
Finance income	-	-	42,331
Finance costs	-	-	(36,280)
Other income, net	-	-	7,247
<b>Profit before tax for the period</b>	<b>571,975</b>	<b>188,578</b>	<b>760,553</b>
Income tax charge	(46,380)	(73,110)	(119,490)
<b>Profit after tax</b>	<b>525,595</b>	<b>115,468</b>	<b>641,063</b>
<b>Total assets</b>	<b>10,492,320</b>	<b>12,467,167</b>	<b>22,959,487</b>
<b>Total liabilities</b>	<b>5,603,050</b>	<b>8,857,126</b>	<b>14,460,176</b>



# National Marine Dredging Company PJSC

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

### 20 SEGMENT INFORMATION continued

#### Geographical segment information continued

	31 March 2023 (Unaudited)		
	Dredging & Marine AED'000	Energy AED'000	Group AED'000
Segment revenue	1,723,211	1,492,044	3,215,255
Intersegment revenue	-	-	(6,986)
<b>Revenue</b>	<b>-</b>	<b>-</b>	<b>3,208,269</b>
Segment gross profit	228,661	94,269	322,930
Share of net results of equity accounted investees	-	-	13,870
General and administrative expenses	-	-	(41,488)
Foreign currency exchange losses	-	-	(8,760)
Fair value loss on financial assets at fair value through profit or loss	-	-	(1,933)
Finance income	-	-	29,008
Finance costs	-	-	(30,377)
Other income, net	-	-	13,616
<b>Profit before tax for the period</b>	<b>217,088</b>	<b>79,778</b>	<b>296,866</b>
Income tax credit	-	6,459	6,459
<b>Profit after tax</b>	<b>217,088</b>	<b>86,237</b>	<b>303,325</b>
	31 December 2023 (Audited)		
	Dredging & Marine AED'000	Energy AED'000	Group AED'000
<b>Total assets</b>	<b>8,842,732</b>	<b>12,004,469</b>	<b>20,847,201</b>
<b>Total liabilities</b>	<b>4,598,212</b>	<b>7,644,874</b>	<b>12,243,086</b>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

**21 SEASONABILITY OF RESULTS**

No income of seasonal nature was recorded in the condensed statement of comprehensive income for the three-month period ended 31 March 2024.

**22 APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 2 May 2024.