

NMDC ENERGY PJSC
(formerly National Petroleum Construction Company)

REPORT AND CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2024

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

Reports and condensed consolidated interim financial information
30 June

<i>Contents</i>	Pages
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2-3
Condensed consolidated interim statement of profit or loss	4
Condensed consolidated interim statement of comprehensive income	5
Condensed consolidated interim statement of changes in equity	6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial statements	8 - 23

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of NMDC Energy PJSC (formerly National Petroleum Construction Company) (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2024, and the related condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Faeza Sohawon
Registration Number 5508
6 August 2024
Abu Dhabi
United Arab Emirates

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,147,661	3,041,366
Right-of-use assets	6	421,498	286,599
Investment in equity accounted investees	7	24,134	24,134
Goodwill		5,057	5,057
Total non-current assets		3,598,350	3,357,156
Current assets			
Inventories		185,976	235,889
Trade and other receivables	8	5,745,529	3,174,717
Due from a related party	17	1,217,793	1,015,829
Contract assets	9	3,124,682	2,208,519
Derivative financial assets		20,217	24,602
Cash and bank balances	10	2,577,830	3,003,586
Total current assets		12,872,027	9,663,142
Total assets		16,470,377	13,020,298
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	11	100,000	100,000
Statutory reserve	12	50,000	50,000
Restricted reserve	12	1,291	1,291
Currency translation reserve		(2,199)	(14,059)
Hedging reserve		20,217	14,812
Retained earnings		4,193,543	4,442,642
Equity attributable to the shareholder of the Company		4,362,852	4,594,686
Non-controlling interest		5,439	3,915
Total equity		4,368,291	4,598,601
Liabilities			
Non-current liabilities			
Term loans - non-current portion	13	448,069	580,287
Provision for employees' end of service benefits	14	283,734	260,343
Lease liabilities	6	362,660	297,866
Total non-current liabilities		1,094,463	1,138,496

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	30 June 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Current liabilities			
Trade and other payables	15	10,331,647	6,785,339
Term loans - current portion	13	264,434	264,434
Derivative financial liability		-	9,790
Lease liabilities	6	64,117	9,733
Contract liabilities		265,317	141,287
Income tax payable	16	82,108	72,618
Total current liabilities		11,007,623	7,283,201
Total liabilities		12,102,086	8,421,697
Total equity and liabilities		16,470,377	13,020,298

Mr. Yasser Zaghoul
Group Chief Executive Officer

Mr. Ahmed Al Dhaheri
Chief Executive Officer

Mr. Sreemont Prasad Barua
Group Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2024

	Notes	3 months ended 30 June		6 months ended 30 June	
		2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Contract revenue	19	3,673,384	1,598,428	5,808,164	3,090,472
Direct costs		(3,324,538)	(1,414,378)	(5,240,720)	(2,812,153)
Gross profit		348,846	184,050	567,444	278,319
General and administrative expenses		(34,499)	(28,955)	(62,892)	(43,975)
Other income, net		36,970	12,468	38,931	22,446
Finance income		23,324	24,076	54,269	43,420
Finance costs		(15,779)	(18,589)	(34,403)	(38,975)
Depreciation of right-of-use assets	6	(3,462)	(2,883)	(6,925)	(5,767)
Foreign currency exchange loss		(6,120)	(7,428)	(18,566)	(12,951)
Profit before tax		349,280	162,739	537,858	242,517
Income tax (expense)/credit, net	16	(20,823)	(5,900)	(35,433)	559
Profit for the period		328,457	156,839	502,425	243,076
Profit attributable to:					
Shareholder of the Company		327,423	156,242	500,901	242,090
Non-controlling interests		1,034	597	1,524	986
Profit for the period		328,457	156,839	502,425	243,076

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 30 June 2024

	<i>3 month ended 30 June</i>		<i>6 months ended 30 June</i>	
	<i>2024</i>	<i>2024</i>	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	328,457	156,839	502,425	243,076
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Fair value gain arising on hedging instruments during the period	(120)	8,729	5,405	17,159
Foreign exchange difference on translation of foreign operations	15,658	67	11,860	(971)
Total other comprehensive income	15,538	8,796	17,265	16,188
Total comprehensive income for the period	343,995	165,635	519,690	259,264
Non-controlling interests	(1,034)	(597)	(1,524)	(986)
Total comprehensive income for the period - attributable to the Shareholder of the Company	342,961	165,038	518,166	258,278

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the shareholder of the Company AED'000	Non- controlling interest AED'000	Total equity AED'000
Balance at 1 January 2023 (audited)	100,000	50,000	1,291	(12,399)	(5,489)	3,663,053	3,796,456	3,080	3,799,536
Profit for the period	-	-	-	-	-	242,090	242,090	986	243,076
Other comprehensive (loss)/income for the period	-	-	-	(971)	17,159	-	16,188	-	16,188
Total comprehensive (loss) income for the period	-	-	-	(971)	17,159	242,090	258,278	986	259,264
Balance at 30 June 2023 (unaudited)	100,000	50,000	1,291	(13,370)	11,670	3,905,143	4,054,734	4,066	4,058,800
Balance at 1 January 2024 (audited)	100,000	50,000	1,291	(14,059)	14,812	4,442,642	4,594,686	3,915	4,598,601
Profit for the period	-	-	-	-	-	500,901	500,901	1,524	502,425
Other comprehensive income for the period	-	-	-	11,860	5,405	-	17,265	-	17,265
Total comprehensive income for the period	-	-	-	11,860	5,405	500,901	518,166	1,524	519,690
Dividend (notes 17 &18)	-	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Balance at 30 June 2024 (unaudited)	100,000	50,000	1,291	(2,199)	20,217	4,193,543	4,362,852	5,439	4,368,291

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024

	Notes	30 June 2024 AED '000 (Unaudited)	30 June 2023 AED '000 (Unaudited)
OPERATING ACTIVITIES			
Profit before tax		537,858	242,517
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	5	98,531	93,178
Depreciation of right-of-use assets	6	33,557	5,767
Gain on disposal of property, plant and equipment		(958)	(290)
Provision for slow moving and obsolete inventories		1,230	599
Provision for expected credit losses on trade receivable and contract assets		1,109	159
Finance costs, net		(16,525)	(4,445)
Provision for employees' end of service benefits	14	25,966	18,305
Share of profit of a joint venture		-	(490)
		<hr/>	<hr/>
Income tax paid, net	16	(25,943)	(8,731)
Employees' end of service benefit paid	14	(2,575)	(8,238)
		<hr/>	<hr/>
		652,250	338,331
Working capital changes:			
Change in inventories		48,683	(13,541)
Change in trade and other receivables		(2,570,880)	508,511
Change in due from a related party		(201,964)	-
Change in contract assets		(917,204)	(659,735)
Change in contract liabilities		124,030	267,831
Change in trade and other payables		3,546,308	85,347
		<hr/>	<hr/>
Net cash generated from operating activities		681,223	526,744
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(204,831)	(101,701)
Proceeds from disposal of property, plant and equipment		958	900
Movement in deposit with original maturity more than three months	10	296,538	(490,000)
Interest received		54,269	43,420
		<hr/>	<hr/>
Net cash generated from/(used in) investing activities		146,934	(547,381)
FINANCING ACTIVITIES			
Repayment of term loans	13	(132,218)	(132,217)
Repayment of lease liabilities	6	(58,864)	(20,498)
Dividend paid	18	(750,000)	-
Interest paid		(28,158)	(32,794)
		<hr/>	<hr/>
Net cash used in financing activities		(969,240)	(185,509)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(141,083)	(206,146)
Cash and cash equivalents at the beginning of the period		2,498,069	1,681,864
Net foreign exchange difference		11,865	(996)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	10	2,368,851	1,474,722

The accompanying notes form an integral part of these condensed consolidated interim financial information.

NMDC Energy PJSC (formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 30 June 2024

1 GENERAL INFORMATION

NMDC Energy PJSC (Formerly “National Petroleum Construction Company”) (the “Company”) (“NPCC”) was established on 2 April 1973 as a limited liability Company in the Emirate of Abu Dhabi, UAE. In 1987, the legal status of the Company was changed to a Public Joint Stock Company by the application of the Abu Dhabi Law No. (2) of 1987. The Company was owned by General Holding Corporation PJSC (“SENAAT”) and Chimera Investments LLC.

In 2021, National Marine Dredging Company (“NMDC” or “Parent Company”) acquired all the share of the Company and became the sole shareholder of the Company. National Marine Dredging Company is a public shareholding company incorporated in the Emirate of Abu Dhabi 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.

During the current period, the name of the Company was changed from National Petroleum Construction Company to NMDC Energy PJSC. This change of name was registered with the concerned authority on 6 February 2024.

These condensed consolidated interim financial statements include the financial performance and position of the Company, its subsidiaries and joint ventures (collectively referred to as the “Group”).

The principal activities of the Group include engineering, procurement and Construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

2 Basis of preparation

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

These interim 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 interim 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 six-months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

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

3.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim 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

3.2 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>
Amendment to IAS 27 - Lack of Exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 interim 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 interim financial statements of the Group.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim 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 interim 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 2023.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

5 PROPERTY, PLANT AND EQUIPMENT

	Buildings AED'000	Plant, barges and vehicles AED'000	Furniture and office equipment AED'000	Capital work in progress AED'000	Total AED'000
2024 (Unaudited)					
Cost					
1 January 2024 (audited)	577,094	5,750,829	127,336	234,370	6,689,629
Additions	-	16,837	4,397	183,597	204,831
Transfers	-	24,398	-	(24,398)	-
Disposal/write-offs	-	(3,795)	-	-	(3,795)
Exchange difference	-	-	(13)	-	(13)
	<u>577,094</u>	<u>5,788,269</u>	<u>131,720</u>	<u>393,569</u>	<u>6,890,652</u>
Accumulated depreciation					
1 January 2024 (audited)	391,383	3,147,216	109,664	-	3,648,263
Charge for the period	7,749	86,986	3,796	-	98,531
Disposal/write-offs	-	(3,795)	-	-	(3,795)
Exchange difference	-	-	(8)	-	(8)
	<u>399,132</u>	<u>3,230,407</u>	<u>113,452</u>	<u>-</u>	<u>3,742,991</u>
Carrying amount At 30 June 2024	<u><u>177,962</u></u>	<u><u>2,557,862</u></u>	<u><u>18,268</u></u>	<u><u>393,569</u></u>	<u><u>3,147,661</u></u>
2023 (Audited)					
Cost					
1 January 2023	542,765	5,171,840	116,357	224,310	6,055,272
Additions	67	39,365	10,746	594,671	644,849
Transfers	34,262	550,016	333	(584,611)	-
Disposal/write-offs	-	(10,392)	-	-	(10,392)
Exchange difference	-	-	(100)	-	(100)
	<u>577,094</u>	<u>5,750,829</u>	<u>127,336</u>	<u>234,370</u>	<u>6,689,629</u>
Accumulated depreciation					
1 January 2023	378,519	3,027,542	101,973	-	3,508,034
Charge for the year	12,864	129,456	7,767	-	150,087
Disposal/write-offs	-	(9,782)	-	-	(9,782)
Exchange difference	-	-	(76)	-	(76)
	<u>391,383</u>	<u>3,147,216</u>	<u>109,664</u>	<u>-</u>	<u>3,648,263</u>
Carrying amount At 31 December 2023	<u><u>185,711</u></u>	<u><u>2,603,613</u></u>	<u><u>17,672</u></u>	<u><u>234,370</u></u>	<u><u>3,041,366</u></u>

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at the beginning of the period/year	286,599	294,262
Additions during the period/year	168,456	4,642
Depreciation expense	(33,557)	(12,305)
Balance at the end of the period/year	421,498	286,599

Lease liabilities

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at the beginning of the period/year	307,599	311,718
Additions during the period/year	168,456	4,637
Interest expense	9,586	12,402
Payments	(58,864)	(21,158)
Balance at the end of the period/year	426,777	307,599

The interest and depreciation are charged to profit and loss for the period ended 30 June 2024 as follows:

	Depreciation expense AED'000	Interest expense AED'000
Direct costs	26,632	3,341
General and administrative expenses	6,925	6,245
	33,557	9,586

The interest and depreciation are charged to profit and loss for the period ended 30 June 2023 as follows:

	Depreciation expense AED'000	Interest expense AED'000
General and administrative expenses	5,767	6,181

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Lease liabilities– classification		
Current	64,117	9,733
Non-current	362,660	297,866
	426,777	307,599

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEEES

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

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
NT Energies	77	77
Principia SAS	24,057	24,057
	24,134	24,134

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

	30 June AED'000 (Unaudited)	31 December AED'000 (Audited)
At 1 January	24,134	23,667
Acquisition during the period/year	-	77
Share of profit for the period/year	-	1,727
Dividend received during the period/year	-	(1,337)
Balance at the end of the period/year	24,134	24,134

During the year 2023, the Group signed an agreement with France-based company Technip Energies to establish a Joint Venture, NT Energies. The Group owns 51% share in the Joint Venture.

The Group acquired 33% shares of the Principia SAS ("Principia") a Company registered in Marseille, France from IGEN SARL (which owns 16.67% of the share capital of Principia) and GREENERGY SARL (which owns 16.67 % of the share capital of Principia) (together, referred to as "Sellers") in the sale purchase agreement dated 23 June 2016 with effect from 27 July 2016.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

8 TRADE AND OTHER RECEIVABLES

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Trade receivables	2,761,071	1,201,880
Less: allowance for expected credit losses	(2,356)	(2,288)
	<u>2,758,715</u>	<u>1,199,592</u>
Advances to suppliers	2,189,076	1,017,951
Prepayments	370,058	553,072
Contract retentions	332,818	263,288
VAT and GST receivables, net	19,923	31,689
Advances paid to employees	14,088	15,067
Other receivables	60,851	94,058
	<u><u>5,745,529</u></u>	<u><u>3,174,717</u></u>

Included in trade and other receivables are amounts of AED nil (2023: AED 354.3 million) due from entities disclosed in note 17 to the condensed consolidated interim financial information.

The average credit period on contract revenue is 45 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, 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.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

8 TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for expected credit losses:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At beginning of the period/year	2,288	288
Charge for the period/year	68	2,000
	<hr/>	<hr/>
At end of the period/year	2,356	2,288
	<hr/> <hr/>	<hr/> <hr/>

9 CONTRACT ASSETS

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Construction contracts	3,126,414	2,209,210
Less: allowance for expected credit losses	(1,732)	(691)
	<hr/>	<hr/>
	3,124,682	2,208,519
	<hr/> <hr/>	<hr/> <hr/>

Movement in the allowance for expected credit losses:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At beginning of the period/year	691	483
Charge for the period/year	1,041	208
	<hr/>	<hr/>
At end of the period/year	1,732	691
	<hr/> <hr/>	<hr/> <hr/>

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

10 CASH AND BANK BALANCES

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)	30 June 2023 AED'000 (Unaudited)
Cash in hand	498	691	607
Cash at banks	707,349	427,783	906,064
Short-term deposits	1,869,983	2,575,112	1,058,051
	<hr/>	<hr/>	<hr/>
Cash and bank balances	2,577,830	3,003,586	1,964,722
Less: short-term deposits with maturity of more than three months	(208,979)	(505,517)	(490,000)
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	2,368,851	2,498,069	1,474,722
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Short-term deposits carry interest at prevailing market interest rates.

Included in cash and bank balances are amounts of AED 223.4 million (31 December 2023: AED 2,209 million) held with a related party as disclosed in note 17 to the condensed consolidated interim financial information.

11 SHARE CAPITAL

The capital of the Company is made up of 100,000 thousand shares of AED 1 each and are distributed as follows:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
National Marine Dredging Company PJSC	100,000	100,000
	<hr/> <hr/>	<hr/> <hr/>

12 STATUTORY RESERVE AND RESTRICTED RESERVE

In accordance with the provisions of the UAE Federal Decree Law No. (32) of 2021, 10% of profit for the year is to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. This reserve is not available for distribution.

The statutory reserves of the subsidiaries have been transferred to the restricted reserve as these amounts are not available for distribution.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

13 TERM LOANS

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Non-current portion	448,069	580,287
Current portion	264,434	264,434
	712,503	844,721

On February 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of Term SOFR plus 0.90% (2023: Term SOFR plus 0.90 %). The total syndicated loan agreement consists of two portions: Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. The outstanding amount of this loan as at 30 June 2024 is USD 194 million which is equivalent to AED 712.5 million. In accordance with the terms of the agreement between the two parties, the loan is repayable in quarterly installments starting from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of 5 vessels of the Company.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at the beginning of the period/year	844,721	1,109,155
Loan repayment	(132,218)	(264,434)
Balance at the end of the period/year	712,503	844,721

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

14 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision for employees' end of service benefits is as follows:

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at the beginning of the period/year	260,343	239,393
Charge for the period/year	25,966	40,490
Paid during the period/year	(2,575)	(19,540)
	<hr/>	<hr/>
Balance at the end of the period/year	283,734	260,343
	<hr/> <hr/>	<hr/> <hr/>

15 TRADE AND OTHER PAYABLES

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Job and other accruals	3,903,860	3,151,971
Advances received on contracts	3,805,564	2,451,068
Trade payables	2,196,823	873,921
VAT payables	161,777	96,542
Provision for employees leave salary	76,390	64,722
Provision for board remuneration and employee bonus	47,844	52,850
Provision for air fare	36,821	37,319
Retentions payable	76,190	20,537
Warranty provision	14,093	14,093
Provision for future losses	592	686
Other payables	5,862	13,723
Other accruals	5,831	7,907
	<hr/>	<hr/>
	10,331,647	6,785,339
	<hr/> <hr/>	<hr/> <hr/>

Included in trade and other payables are amounts of AED 189.5 million (31 December 2023: AED 1,217 million) due to entities disclosed in note 17 to the condensed consolidated interim financial statements.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

16 INCOME TAX PAYABLE

	30 June 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at the beginning of the period/year	72,618	66,765
Charge for the period/year	48,815	36,178
Reversals during the period/year	(13,382)	(11,397)
Refund received during the period/year	-	11,839
Payments during the period/year	(25,943)	(30,767)
	<hr/>	<hr/>
Balance at the end of the period/year	82,108	72,618
	<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 the period ended 30 June 2024 is AED 38.3 million (30 June 2023: AED nil), representing an Effective Tax Rate (“ETR”) of 7% (30 June 2023: nil).

The tax payable resulting from foreign operations in India, Kuwait and Saudi Arabia is calculated in accordance with the taxation laws in the respective countries.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

17 RELATED PARTY TRANSACTIONS AND BALANCES

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with Companies, entities or individuals that fall within the definition of “related parties” as defined in IAS 24 *Related Party Disclosures*. Related parties comprise the Shareholder, key management staff and business entities related to them, companies under common ownership and/or common management and control, their Directors and key management personnel.

Related party balances are disclosed in notes 8, 10 & 15 to the condensed consolidated interim financial statements.

	3 months ended 30 June		6 months ended 30 June	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	<i>(Unaudited)</i>	(Unaudited)	<i>(Unaudited)</i>
<i>Related party transactions</i>				
Contract revenues	-	3,772	-	7,655
Material and services purchased	60,181	39,379	127,832	58,330
Sub-contract costs	220,485	81,165	372,738	219,165
Interest income	25,097	9,224	45,885	18,826
Dividend paid (note 18)	-	-	750,000	-
Share of profit from an associate	-	490	-	490

At the reporting date, balances with related parties were as follows:

Due from a related party

	30 June	31 December
	2024	2023
	AED'000	AED'000
	(Unaudited)	<i>(Audited)</i>
National Marine Dredging Company PJSC (NMDC)	1,217,793	1,015,829

The balance due from a related party principally represents an amount of AED 285,731 thousand (2023: AED 285,731 thousand) pertaining to the sale of Safeen Survey and Subsea Services to the parent company and an amount of AED 932,062 thousand (2023: AED 729,976 thousand) resulted from its cash pooling arrangement and certain other transactions with its parent company.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

18 DIVIDEND

At the National Marine Dredging Company's Board meeting held on 12 February 2024, the Board approved a dividend of AED 750,000 thousand (and paid in full during the period), relating to the year ended 31 December 2023 (2022: AED nil).

19 CONTRACTS REVENUE

	3 months ended 30 June		6 months ended 30 June	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue by project type				
Energy	3,673,384	1,598,428	5,808,164	3,090,472
Revenue by activity				
Engineering, procurement and construction	3,673,384	1,598,428	5,808,164	3,090,472
Timing of revenue recognition				
Revenue recognised over the period	3,673,384	1,598,428	5,808,164	3,090,472
Revenue by geography				
UAE	2,311,672	935,266	3,582,722	1,924,066
International	1,361,712	663,162	2,225,442	1,166,406
	3,673,384	1,598,428	5,808,164	3,090,472

19.2 UNSATISFIED PERFORMANCE OBLIGATION

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2024 amounted to AED 53,963 million (30 June 2023: AED 18,309 million).

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

20 PROFIT FOR THE PERIOD

Profit for the period is stated after:

	3 months ended 30 June		6 months ended 30 June	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other benefits	387,724	209,002	808,670	517,090
Depreciation of property, plant and equipment (note 5)	48,562	46,405	98,531	93,178
Depreciation of right-of-use assets (note 6)	30,094	2,883	33,557	5,767

21 CONTINGENT LIABILITIES AND COMMITMENTS

	30 June	31 December
	2024	2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Letters of guarantee	12,819,872	11,703,758
Letters of credit	87,075	147,319
Capital commitments	174,696	145,058
Purchase commitments	4,960,726	5,378,558

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 June 2024

22 SEASONABILITY OF RESULTS

No income of seasonal nature was recorded in the condensed consolidated interim statement of comprehensive income for the six-month period ended 30 June 2024 (30 June 2023: nil).

23 SUBSEQUENT EVENTS

The Board of Directors of the National Marine Dredging Company PJSC, in their meeting held on 24th July 2024, approved the following:

- I. the nominal value of the shares to be reduced to AED 0.50 per share from AED 1 per share;
- II. the share capital of the Company to be increased to AED 2,500,000,000 from AED 100,000,000, by transferring AED 2,400,000,000 from retained earnings to the share capital;
- III. number of shares increased to 5,000,000,000 shares from 100,000,000 shares;
- IV. all the Company's shares, including the new shares, shall be of equal ranking to one another in rights and obligations.

24 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the management and authorised for issue on 5 August 2024.