



## NATIONAL MARINE DREDGING COMPANY PJSC

### MANAGEMENT DISCUSSION AND ANALYSIS FOR SIX MONTHS ENDED 30 June 2019

**Abu Dhabi, UAE – 6 AUGUST 2019:** National Marine Dredging Company PJSC (“NMDC” or the “Group”), a leading contractor for dredging, land reclamation and marine civil construction, published its consolidated results for the period ended 30 June 2019, as set out below:

#### SUMMARY FINANCIAL RESULTS (in AED Millions)

	Three months ended 30 Jun			Six months ended 30 Jun		
	2019	2018	Variance	2019	2018	Variance
Revenue	620.4	389.5	230.9	944.8	722.4	222.4
Gross profit	55.7	34.5	21.2	83.9	63.4	20.5
Net profit/(loss)	49.5	-4.0	53.5	67.0	10.3	56.7

#### HIGHLIGHTS

- Revenue of AED 945 million for the six-month period is significantly higher than the corresponding period last year, largely due to higher levels of activity in projects such as Khalifa Port.
- Net profit for the six-month period increased to AED 67 million from AED 10 million in the corresponding period last year, largely due to the increase in revenue, but also due to favorable foreign currency fluctuations (Egyptian Pound) and interest income in Egypt.
- In H1 2019, the Group was awarded the high-profile Hail and Ghasha Artificial Islands Construction Project by Abu Dhabi National Oil Company, in addition to 2 projects by Abu Dhabi Ports Company (Mugharaq Port Marine Development and Refurbishment of Al Sila Port), and 2 projects for development activities on Al Yasat Island and Jubail Island.
- NMDC signed agreements for purchase of eight barges, four tugs and a Multicat.

In Q2 2019, the Group continued works on multiple projects, of which the most notable are Khalifa Port South Quay Development and Foreshore Works, Ruwais Resort Island, Hail and Ghasha Artificial Islands Construction Project, Al Yasat Island and Ras Ghurab South Island development, in addition to ongoing development works at Al Sila and Mugharaq ports.

In terms of international projects, the main activity is focused on Egypt with 2 projects in progress during the second quarter - Manzalah Lake Development, and Damietta Port.

A total amount of AED 215 million was invested in property, plant and equipment during the six months ended 30 June 2019, which mostly comprised the first two instalments paid for the hopper dredger and the first installment for the backhoe dredger, in addition to a payment for a Multicat recently purchased. Following the recent award of Hail and Ghasha Artificial Islands Construction Project, the Group reactivated two rock barges and two tugs that were previously classified as 'held for sale', to be utilized on the project. The vessels that are still laid up are planned to be divested and continue to be classified as 'held for sale'.



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البحرية الوطنية  
NATIONAL MARINE  
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## MANAGEMENT EXPLANATION ON THE AUDITOR'S REVIEW CONCLUSION

With reference to the Auditor's Report on the interim financial information – "Qualified Conclusion" & "Emphasis of Matters" – Management would like to highlight that the Group is executing strategic projects for the Government of Abu Dhabi and/or Government related entities. The Group is involved in the projects from concept design to final construction and the nature of these projects is such that they require time from conceptualization to finalization with the clients. Discussions and negotiations with clients for finalization of the billing arrangements are continuing and the billings for a significant amount of the unbilled receivables has recently been approved by the client. Management expects that progress will be made on completing the billing and collecting the payments, in the coming periods.

For and on behalf of  
National Marine Dredging Company

Eng / Yasser Nasr Zaghloul  
Chief Executive Officer



### About National Marine Dredging Company:

NMDC is a leading contractor in the field of dredging and marine civil construction. The Group delivers a range of services including the construction of port infrastructure, land reclamation, coastal defense and deepening and maintenance of waterways. The Group owns and operates a modern fleet of dredgers supported by a wide range of auxiliary equipment including tugs, workboats, barges and survey vessels. NMDC employs 2466 professionals.

For more information, please visit [www.nmdc.com](http://www.nmdc.com), or contact:

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