



## NATIONAL MARINE DREDGING COMPANY PJSC

### MANAGEMENT DISCUSSION AND ANALYSIS FOR NINE MONTHS ENDED 30 September 2019

**Abu Dhabi, UAE – 13 November 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 September 2019, as set out below:

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

	Three months ended 30 Sep			Nine months ended 30 Sep		
	2019	2018	Variance	2019	2018	Variance
Revenue	776.5	345.7	430.8	1,721	1,068	653
Gross profit	59.5	62.4	-2.9	143.4	125.8	17.6
Net profit	49.3	46.4	2.9	116.3	56.7	59.6

#### HIGHLIGHTS

- Revenue of AED 1,721 million for the nine-month period is significantly higher than the corresponding period last year, largely due to contributions from projects such as Khalifa Port South Quay Development and Foreshore Works and Hail & Ghasha.
- Net profit for the nine-month period increased to AED 116 million from AED 57 million in the corresponding period last year, essentially due to the increase in operating profit, but also due to favorable foreign currency fluctuations (Egyptian Pound) and interest income on deposits in Egypt.
- On 8 July 2019, the Group signed a financing agreement for a EUR 65.6 million facility with Cooperatieve Rabo bank for a new Hopper Dredger under construction, “Ghasha”, with a 10 year tenor. During the quarter, NMDC has been reimbursed a total of EUR 36.2 million from the loan.

The Group continued the execution of work on multiple projects in the UAE, of which the most notable are Khalifa Port South Quay Development and Foreshore Works, Hail & Ghasha Artificial Islands Construction Project, Al Yasat Island, Ras Ghurab South Island development, Delma Port, and Jubail Island infrastructure works, in addition to ongoing development works at Al Sila and Mugharaq ports.

With regard to international projects, the main activity continues to be in Egypt with two main projects progressing during the third quarter – Ras Gargoub and Manzala Lake.

A total amount of AED 400 million was invested in property, plant and equipment during the nine months ended 30 September 2019, which mostly comprised instalments paid for the hopper dredger and the backhoe dredger, in addition to the purchase of five barges, four tugs, a self-propelled barge, two split barges and a Multicat. Following the award of the Hail and Ghasha 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  
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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

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 3075 professionals.

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

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