NATIONAL MARINE DREDGING COMPANY PJSC

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE-MONTH PERIOD ENDED 30 September 2023

This Management Discussion and Analysis (MD&A) should be read in conjunction with the unaudited interim condensed consolidated financial statements of National Marine Dredging Company PJSC ("NMDC" or the "Group") as at and for the nine-month period ended 30 September 2023.

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

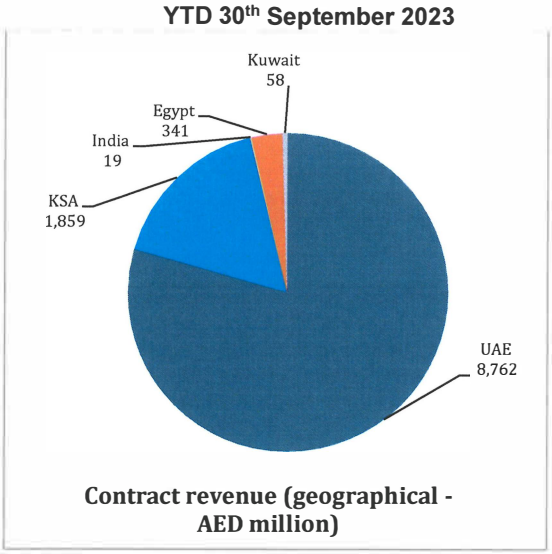
(AED Millions)

	Three months ended 30 September			Nine months ended 30 September		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Revenue	**4,274**	2,526	1,748	**11,039**	6,072	4,967
Gross profit	**615**	341	274	**1,444**	488	956
Net profit	**632**	300	332	**1,513**	703	810

- Revenue of AED 11,039 million is higher than the revenue for the corresponding prior period, primarily driven by revenue from the newly awarded project Al Hudayriyat Island, in addition to continued progress on projects such as Shamal Development, Hail & Ghasha and Umm Shaif in the U.A.E., and ARAMCO LTAs in the Kingdom of Saudi Arabia.

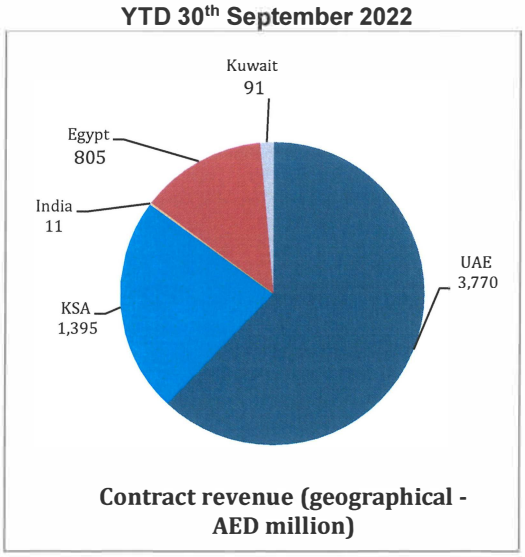
- Geographical diversification of revenue for the Group is set out in the chart below. For the period ended 30 September 2023, the Group generated 79% of its revenue from the UAE and 21% from the international market (mainly Saudi Arabia 17% and Egypt 3%).

YTD 30th September 2023



Contract revenue (geographical - AED million)

YTD 30th September 2022



Contract revenue (geographical - AED million)

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MAJOR EVENTS

1. New Projects Awarded

New projects awarded to the Group during the nine months ended 30th September 2023 include:

- Al Hudayriyat Island PDA – Enabling Works Package – Dredging, Grading and Filling and Ground Improvement Works from The Modon Properties.
- Estidama-Sales Gas Pipeline Network Enhancement project - ADNOC Gas Processing - EPC of pipeline and associated facilities to transport Sales Gas from Habshan to customers in Northern Emirates. This project is awarded in consortium with C.A.T International LTD - Abu Dhabi Branch.
- Abu Dhabi National Oil Company "ADNOC" - EPC works for Installation of Seven (7) Jackets.
- ADNOC Gas awarded (MERAM) Maximizing Ethane Recovery and Monetization in partnership with Tecnicas Reunidas. The Group has 50% share in this contract.
- EPC works for replacement of 125 km of 20" Main Oil Line (MOL) from Umm Lulu to Zirku Island awarded from ADNOC Offshore.
- Subsequent to 30 September 2023, ADNOC has awarded the Group the EPC contract for the Hail & Ghasha offshore development project as a joint venture with Italian oilfield services company Saipem. The Group has a 50% share in this contract.

2. Other Events

- The Group has signed a MOU with Abu Dhabi Chamber of Commerce and Industry to engage Abu Dhabi based suppliers in key strategic projects as part of its support and to increase in-country value. As a result of the same, the "Let's Grow Together" initiative will be launched in order to improve the supplier awareness of market demands.
- As part of the Group's International presence, the Group has actively participated in the Egypt Petroleum Show, in addition to MARLOG in Alexandria, Egypt, to further strengthen its presence in the Egyptian market.
- The Group together with Modon properties has signed MOU for all future projects as part of our commitment to continue delivering transformational projects that enhance the special features of Abu Dhabi and support its economic growth and prosperity.
- The Group has been allotted 109,626,864 shares as a cornerstone investor in ADNOC Logistics & Services.
- In October, the Group has actively participated as a key sponsor of ADIPEC 2023 , the world's largest energy exhibition and conference where it showcased its pioneering efforts in leading marine industry towards sustainability and decarbonization. The Group signed several MOU's and agreements during this event.

CAPITAL EXPENDITURE

During the period ended 30th September 2023, the Group invested AED 836 million in capital expenditure, which mainly comprised costs incurred on acquiring a new vessel, dry docking/upgrade of existing dredgers/support equipment and the acquisition of a plot of land valued at AED 40 million.

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CORPORATE INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

For and on behalf of
National Marine Dredging Company

Eng. Yasser Nasr Zaghloul
Group Chief Executive Officer

About National Marine Dredging Company Group:
The Group is a leading contractor in the field of Engineering, Procurement and Construction (EPC), Dredging and Marine Civil Construction. The Group delivers a range of services including the construction of oil and gas and 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. The Group employs 19,321 professionals.

For more information, please visit www.nmdc.com, or contact:

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