This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

OFFER TO SUBSCRIBE FOR SHARES IN A PUBLIC SUBSCRIPTION IN THE UAE ONLY

Prospectus for the Public Offering of Shares in

NMDC Energy – P.J.S.C. (unlisted)
Public Joint Stock Company

Dated: 28 August 2024

This Prospectus is for the sale of 1,150,000,000 (one billion one hundred and fifty million) fully paid ordinary shares ("**Offer Shares**") in NMDC Energy – P.J.S.C. (**"NMDC Energy"** or **Company**") by the Company's sole shareholder, NMDC Group P.J.S.C. (**"Selling Shareholder"**). Each Offer Share has a nominal value of AED 0.50 (fifty Fils) and will be available for public subscription in the United Arab Emirates ("**UAE**") only (the "**Offer**"). The Offer Shares represent 23% of the total capital of the Company, with an offer price of AED 2.8 (two Dirhams and eighty Fils) per Offer Share (the "**Offer Price**"). The Selling Shareholder reserves the right to amend the size of the Offering at any time prior to the end of the Offer Period at its sole discretion, subject to applicable laws and the approval of the UAE Securities and Commodities Authority ("**SCA**" or "**Authority**"). The Company will apply for the Shares to be admitted to the official list of securities of the Abu Dhabi Securities Exchange ("**ADX**") and to list the Shares on the ADX.

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus in any other country except in the UAE. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction.

The Company is subject to UAE Federal Decree-Law No. (32) of 2021 concerning Commercial Companies.

The offering will start on **Friday, 30 August 2024** (the "**Opening Date**") and close on **Wednesday, 4 September 2024** (the "**Closing Date**").

SCA is not responsible for the content of this Prospectus, or the information contained herein.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers should carefully read section 13 ("Investment Risks"), section 4 ("Important Notice") and section 5 ("Forward-looking Statements) of this Prospectus to inform themselves about factors that should be considered before subscribing in the Offer Shares.

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1. NAME AND CONTACT DETAILS OF THE OFFER PARTICIPANTS

Lead Receiving Bank

First Abu Dhabi Bank PJSC

FAB Building Khalifa Business Park, Al Qurm District, PO Box 6361, Abu Dhabi, UAE

Lead Manager

First Abu Dhabi Bank PJSC

FAB Building Khalifa Business Park, Al Qurm District, PO Box 6361, Abu Dhabi, UAE

Placement Agent

International Securities LLC

Al Bateen Towers, C2, 13th Floor, P.O. Box 107077, Abu Dhabi, UAE

IPO Legal Counsel

Hadef & Partners LLC

12th Floor, The Blue Towers, Khalifa Street, P.O. Box 3727, Abu Dhabi, UAE

Listing Advisor

International Securities LLC

Al Bateen Towers, C2, 13th Floor, P.O. Box 107077, Abu Dhabi, UAE

Reporting Accountants

Deloitte & Touche M.E.

Level 11, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 990, Abu Dhabi, UAE

Legal Adviser to the Lead Manager

Ibrahim & Partners

Level 24, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 5100746, Abu Dhabi, UAE

Receiving Banks for Retail Tranche

Abu Dhabi Commercial Bank PJSC	WIO Bank PJSC	Al Maryah Community Bank LLC
Abu Dhabi Commercial Bank Building, Shk Zayed street. P. O. Box: 939, Abu Dhabi United Arab Emirates	Etihad Airways Centre, 5th Floor PO Box 112457, Abu Dhabi United Arab Emirates	454 Shakhbout Bin Sultan St - Al Mushrif P. O. Box 111485. Abu Dhabi United Arab Emirates

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IPO Subscription Auditor

Ernst & Young

Unit G, Level GF, ICD Brookfield Place, DIFC, PO Box 9267, Dubai, UAE

Investor Relations Officer

Shaima Ali

P.O. Box 3649, Abu Dhabi, UAE

Tel: +97125549000 Email: IR@nmdc-group.com
Company website: www.nmdc-energy.com/en/
This Prospectus is dated 28 August 2024.

2. OFFER PERIOD

The Offer Period starts (for all tranches) on **Friday, 30 August 2024** and will close on **Wednesday, 4 September 2024**.

This is the public offering ("**Offering**") of 1,150,000,000 (one billion one hundred and fifty million) Shares in the share capital of the Company. The Shares in the capital of the Company, which is a public joint stock company established in the UAE, will be offered for sale from the Selling Shareholder. The Offer Price will be AED 2.80 (two Dirhams and eighty Fils) per Offer Share.

If all the Offer Shares are fully subscribed and allocated, and the number of Offer Shares is not increased, the Offer Shares will represent 23% of the total Shares on issue. The Selling Shareholder reserves the right to amend the size of the Offering and the size of any tranche at any time before the end of the Offer Period at its absolute discretion, and in accordance with the laws in force in the UAE and the approval of the Authority.

Prior to this Offering, the Shares have not been listed on any financial market and no public marketing of the Shares had taken place or occurred. After closing the Offer Period for all tranches, the Company will apply to list the Shares on the ADX.

Date of SCA's approval of publishing this Prospectus: **Monday, 26 August 2024.**

This Prospectus contains data that has been submitted in accordance with the rules for disclosure issued by the SCA in the UAE and this Prospectus has been approved by the SCA on Monday, 26 August 2024. However, the SCA's approval of the Prospectus does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe for the Offer Shares. The approval only means that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to the Prospectus. The SCA is not responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the board of directors of the Selling Shareholder are jointly and severally bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in this Prospectus that render any statement contained herein misleading to the Subscribers or influencing their decision to invest.

2.1 Method of Sale of the Offer Shares in a Public Subscription

The Offer Shares will be offered by the Selling Shareholder in a public offering to enable the Selling

Shareholder to realise a portion of its investment in the Company and the listing of the Shares on the ADX. The Selling Shareholder, subject to obtaining the requisite corporate approvals, reserves the right to amend the size of the Offering at any time prior to the end of the Offer Period at its sole discretion, subject to applicable laws and the SCA's approval.

The Receiving Banks are committed to refund any oversubscription amounts received from Subscribers for the Offering and any accrued interest on such amounts (calculated for the period starting one day following the Closing Date until one day prior to the refund to Subscribers), provided that the refund is made within five working days from the date on which the allocations of Offer Shares to successful Subscribers is determined.

It is not permitted for the Selling Shareholder to subscribe in any of the Offer Shares directly.

2.2 Listing Advisor

International Securities LLC has been appointed to be the Listing Advisor of the Company (in accordance with the requirements for that role as described in Article (19) of the Offering Regulations) for a period of twelve (12) months from the date of Listing. The Listing Adviser is licensed from SCA to practice the activities of a listing adviser.

A list of further definitions and abbreviations is provided in section 8 ("Definitions and Abbreviations") of this Prospectus.

3. TRANCHES STRUCTURE

3.1 First Tranche (Retail Subscribers)

The Retail Offer Share will be offered in the First Tranche (Retail Subscribers) in accordance with this Prospectus, and approximately 2.17% of the Offer Shares, which represents 25,000,000 (twenty-five million) Shares. The minimum subscription for the Retail Subscribers is AED 5,000. The First Tranche which will be limited to the following persons:

- ***Individual Subscribers***

Natural persons (including natural persons who are considered Assessed Professional Investors (as defined in the second tranche, who do not participate in the second tranche)) who hold a NIN with ADX and a bank account in the UAE (except for any person who is a resident of the United States of America as defined in the US Securities Act). There are no other requirements or restrictions on nationality or place of residence to qualify as an individual subscriber.

Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- ***Other Investors***

Other investors (companies and institutions) who do not participate in the second tranche and who hold a NIN with ADX and a bank account number in the UAE (except for any person residing in the United States of America as defined in the US Securities Act).

If all of the Retail Offer Shares are not fully subscribed, the unsubscribed Retail Offer Shares will be available to subscribers from the second tranche, or alternatively (in consultation with the SCA) the Company may (i) extend the Closing Date for the subscription to all tranches; or (ii) close the Offer with the level of applications received.

Each Subscriber from the first tranche should possess a NIN with ADX.

The Selling Shareholder reserves the right to amend the size of the first tranche at any time before the end of the Offer Period at its absolute discretion, in accordance with the laws in force in the UAE and after obtaining the approval of the SCA.

The minimum application size for Subscribers in the first tranche is AED 5,000 (five thousand Dirhams) with any additional application in increments of at least AED 1,000 (one thousand Dirhams) or multiples of this number.

There is no maximum application size for Subscribers in the first tranche.

3.2 Second Tranche (Professional Subscribers)

Shares will be offered for the second tranche for 85.43% of the Offer Shares, which represents 982,500,000 (nine hundred and eighty-two million five hundred thousand) Shares, which will be allocated and limited to Professional Investors, which specifically includes investors classified as follows:

- *"**Professional Investors by nature**" which include:*

  (a) international corporations and organisations whose members are state, central banks or national monetary authorities;

  (b) governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;

  (c) central banks or national monetary authorities in any country, state or legal authority;

  (d) capital market institutions licensed by the SCA or regulated by a supervisory authority equivalent to the SCA;

  (e) financial institutions;

  (f) regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;

  (g) any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;

  (h) any company whose shares are listed or admitted to trading in any market of an IOSCO member country;

  (i) a trustee of a trust which has, during the past 12 months, assets of not less than AED 35,000,000 (thirty five million) or more;

  (j) the owner of a license according to the regulations of (same family office) with respect to only practicing its activities to perform its duties (such as same family office) with assets of not less than AED 15,000,000 (fifteen million);

  (k) joint ventures and private associations which have or had, at any time during the past two years, net assets of AED 25,000,000 (twenty five million). It is calculated, in the case of a joint venture company, without deducting loans owed to any of the partners;

(l) a body who fulfils a large undertaking, whereby it fulfils at least two of the following requirements:

(i) holds total assets of AED 75,000,000 (seventy five million) or more (before deduction of the short-term liabilities and long-term liabilities);

(ii) has a net annual revenue of AED 150,000,000 (one hundred and fifty million); or

(iii) an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000 (seven million).

- *"**Assessed Professional Investors**" which include:*

(a) **a natural person** who owns net assets, excluding the value of his/her main residence, of not less than AED 4,000,000 (four million);

(b) **a natural person** who is:

(i) approved by the SCA or a similar regulatory authority;

(ii) an employee of a licensed entity or a regulated financial institution who has been employed for the past two years;

(iii) assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks in accordance with suitability standards or represented by an entity licensed by the Authority in a manner that does not conflict with the terms of its license (following a suitability assessment);

(iv) represented by an entity licensed by the Authority in a manner that does not conflict with the terms of its license;

(c) **a natural person who has a joint account (the "Account Participant") representing an Assessed Professional Investor (the "Main Account Holder"), provided that each of the following conditions are satisfied**:

(i) the Account Participant must be an immediate or second degree relative of the Main Account Holder;

(ii) the account is used to manage the investments of the Main Account Holder and their subscribers; and

(iii) written confirmation is obtained from the Subscriber in the Account confirming that investment decisions relating to the joint investment account are made on their behalf by the Main Account Holder;

(d) **any Establishment with a special purpose or special legal form such as a trust ("Trust") or corporation solely established to facilitate the management of an investment portfolio for a natural person representing a Assessed Professional Investor; and**

(e) **an undertaking person which satisfies the following requirements**:

(i) the total of its cash and investments in the balance sheet, or its total authorised capital, less the paid-up capital, is not less than UAE 4,000,000 (four million);

(ii) has sufficient experience and understanding of the markets, financial products, related financial transactions and associated risks in accordance with suitability criteria; or

(iii) an undertaking person who has:

1. a controlling natural person who owns a majority of the shares in a company, is able to control a majority of its voting rights, or has the ability to appoint or remove a majority of the members of its board of directors;

2. a holding or subsidiary company; or

3. a investment joint venture partner.

- *"**Professional Investors (based on service)**" which include:*

(a) a person who engages in an activity that includes providing credit facilities for commercial purposes for any of the following:

(i) undertaking person;

(ii) a person controlling an undertaking person;

(iii) any member of the group to which the undertaking person belongs;

(iv) a investment joint venture to which the undertaking person is a partner.

(b) a person who practices the service of arranging credit facilities and investment transactions related to structuring, financing and companies,

who are approved in all cases by the Selling Shareholder, in consultation with the Lead Manager.

All Professional Investors must hold a NIN with ADX.

If all Offering Shares for the second tranche are not fully subscribed, the Selling Shareholder may cancel the Offering.

The Selling Shareholder reserves the right to amend the size of the second tranche at any time before the end of the Offer Period at its absolute discretion, in accordance with the laws in force in the UAE and after obtaining the approval of the SCA.

The minimum application size for Professional Subscribers is AED 1,000,000 (one million Dirhams).

There is no maximum application size for Professional Subscribers.

3.3 Cornerstone Investor

The Selling Shareholder intends to transfer 142,500,000 (one hundred and forty-two million five hundred thousand) Shares, representing approximately 12.39% of the Offer Shares, to Al Ataa Investment LLC, subject to the approval of the Selling Shareholder's general assembly and SCA, in connection with the Selling Shareholder's acquisition of certain plots of land for commercial use from HMR Investment SPV RSC Ltd. Each of Al Ataa Investment LLC and HMR Investment SPV RSC Ltd are Related Parties to the Selling Shareholder, and the Company.

Emirates Investment Authority

Emirates Investment Authority is permitted to subscribe for a percentage up to 5% of the Offer Shares which is allocated from the Second Tranche pursuant to the Article (127) from the Commercial Companies Law. If the Emirates Investment Authority does not exercise its preferential right to subscribe for Offer Shares, the Offer Shares will be available for the Subscribers of the Second Tranche.

The Arabic version of this Prospectus was approved for publication by the Authority in accordance with the provisions of the Companies Law on Monday, 26 August 2024.

In accordance with Article (121) of the Companies Law, the chairman of the board of directors of the Selling Shareholder shall sign the Prospectus. The board of directors of the Selling Shareholder are responsible for the accuracy of the data and information contained in the Prospectus. The advisors and parties participating in the Offering process and those acting on their behalf must exercise the care of a prudent person and each of them must be responsible for the performance of their duties.

Investing in the Offer Shares involves a high degree of risk. Therefore, prospective Subscribers should carefully read section 13 ("Investment Risks") in this Prospectus in order to obtain sufficient information on the factors that they should take into consideration before subscribing to the Offering Shares.

This Prospectus is published on Wednesday, 28 August 2024.

This Prospectus is available on the Company's website: https://nmdc-energy.com/en/ipo

4. IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide the potential Subscribers with information in order to assist in deciding whether or not to subscribe for the Offer Shares. Potential Subscribers should read this Prospectus in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to subscribe for Offer Shares (and, in particular, section 13 ("Investment Risks"), and section 14 ("Financial Disclosures") as well as the Articles of Association of the Company, when considering making an investment in the Company.

- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved and obtain any necessary advice from its legal and financial advisors regarding the investment. An investment in the Offer Shares entails considerable risks. Potential Subscribers should not subscribe for the Offer Shares unless they are able to bear the loss of some or all of that investment.

- Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the subscription for the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to subscribe for Offer Shares. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

- The contents of this Prospectus should not be construed as legal, financial or tax advice.

- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in two daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholder reserves the right to cancel the Offering at any time and at its sole discretion with the prior written approval of the SCA.

- The Offer Shares are being offered under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).

- This Prospectus is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the SCA.

- If the Offer Shares are offered in another jurisdiction, the Selling Shareholder shall offer the Offer Shares in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.

- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DIFC Markets Rules.

- The Offer has not been approved or licensed by the FSRA or DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DIFC Markets Rules.

- The publication of this Prospectus has been approved by the SCA. The SCA's approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the offering rules and information disclosure applicable to the prospectus and issued by the SCA have been met. The SCA and the ADX shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

The publication of this Prospectus was approved by the SCA on Monday, 26 August 2024.

5. FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. The forward-looking statements contained in this Prospectus speak only as of the date of this document. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial standing, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in the expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Please refer to the section 13 ("Investment Risk") for further information.

6. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

6.1 Historical financial information

The Company's consolidated audited financial statements as of and for the years ended 31 December 2022 and 31 December 2023 ("**Audited Financial Statements**") and the independent auditor's report on review of consolidated interim financial statements for the six (6) months period ended 30 June 2024 (unaudited) have been included in this Prospectus. The Audited Financial Statements have been prepared in accordance with the requirements of the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and applicable provisions of the Companies Regulations. Deloitte & Touche M.E. has audited the interim financial statements in accordance with IFRS Standard as stated in their audit reports included in this Prospectus.

The Company's fiscal year ends on 31 December of each year.

Prospective investors should consult with their professional advisors to understand the financial statements and interim financial statements contained in section 14 ("Financial Disclosures") of this Prospectus and in Annex 1 ("Financial Statements").

6.2 Currency presentation

Unless otherwise indicated, all references in this Prospectus to:

- "UAE Dirham" or "AED" are to the lawful currency of the United Arab Emirates; and

- "US Dollar" or "USD" are to the lawful currency of the United States of America.

The value of UAE Dirhams has been pegged to US Dollar at a rate of AED 3.6725 per USD 1 since 1997. All AED/ USD conversions in this Prospectus have been calculated at this rate.

6.3 Rounding

Certain data in this Prospectus, including financial, statistical, and operating information, has been rounded out. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. The percentages in the tables have been rounded and accordingly may not add up to 100%.

7. IMPORTANT INFORMATION

Scope. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Before making any decision regarding investment in the Offer Shares, potential subscribers should read this entire Prospectus (particularly section 13 ("Investment Risks")) as well as the Company's Articles of Association. When making an investment decision, each Subscriber must rely on their own study and analysis of the Company and their inquiries about it and the terms of the Offering, relying on reviewing and reading the information contained in the Prospectus (in its entirety), including the merits and risks involved.

Exclusive Reliance on Prospectus. Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information contained herein for any purpose other than considering an investment in the Offer Shares. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section 13 ("Investment Risks") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorised to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representation must not be relied on as having been so authorised by the Company, the Selling Shareholder, the Lead Manager or the Offer Participants. By subscribing for Offer Shares, a Subscriber acknowledges that (i) it has relied only on the information in this Prospectus and (ii) no other information has been authorised by the Company, any Offer Participant, the Lead Manager or any of the Company's advisors.

No person or advisor other than the Lead Manager and the Receiving Banks will participate in the Offering or manage the public offering of the Offer Shares. Note that the entire subscription proceeds from both the first tranche and the second tranche will be deposited with the Lead Receiving Bank, which in turn will issue a certificate addressed to the Authority stating that the entire subscription proceeds have been deposited and received in the United Arab Emirates.

No Reliance on Websites. Neither the content of the Company's website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholder, any Offer Participant, nor the Company's advisors bear or accept any responsibility for the contents of such websites.

No Liability for Media Reports. None of the Company, the Selling Shareholder, the Offer Participants, the Lead Manager or the Company's advisors accept any liability for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholder, the Offer Participants, the Lead Manager, or the Company's advisors make any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

No Guaranteed Returns. None of the Company, the Selling Shareholder, any of the Offer Participants, the Lead Manager, or the Company's advisors warrant or guarantee the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Changed Conditions. Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date. Neither the delivery of this Prospectus nor any subscription made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in it is correct as of any subsequent time.

Revision, Withdrawal and Cancellation. This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in two daily newspapers circulating in the UAE. The Selling Shareholder, subject to obtaining the requisite corporate approvals, reserves the right, with the prior approval of the SCA, to withdraw the Prospectus and cancel the Offer at any time and in its sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued interest.

Listing Advisor. International Securities LLC has been appointed as the listing advisor ("**Listing Advisor**").

Lead Manager. First Abu Dhabi Bank PJSC has been appointed as the lead manager (the "**Lead Manager**") and will manage the offering, marketing and promotion of the Offer Shares in the UAE and coordinate with the Company, the Selling Shareholder, the SCA and the other Offer Participants with regard to the offering of the Offer Shares in the UAE.

Lead Receiving Bank. First Abu Dhabi Bank PJSC has been appointed as the lead receiving bank (the "**Lead Receiving Bank**") and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE.

Receiving banks. WIO Bank PJSC and Al Maryah Community Bank LLC have been appointed as receiving banks, together with the Lead Receiving Bank (collectively, the "**Receiving Banks**"), to handle subscription applications from the retail tranche subscribers.

Placement Agent. International Securities LLC has been appointed as the Placement Agent (the "**Placement Agent**") and in its capacity as such, is responsible for handling subscription applications for its professional tranche clients.

Liability of Offer Participants. Each of the Offer Participants shall be liable for its participation in the Offering process, including the board of directors of the Selling Shareholder with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant. The Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services to the Company, for which they would have received customary fees. Any previous transactions between the Offer Participants and the Company do not constitute any conflict of interest between them.

Liability of the Lead Manager. The Lead Manager is acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client to any of the Offer Participants in relation to the Offer. Each participant in the Offering, including the Selling Shareholder, is liable for the accuracy of the information in this Prospectus limited to the scope of the participant's work and expertise in the Offering. The participants in the Offering may have been engaged directly (or through a subsidiary) in transactions with the Company and the Selling Shareholder and provided services in finance, banking, investments and financial advisory and other services and received fees for those services. None of the previous transactions between the participants and the Company and the Selling Shareholder give rises to a conflict of interest between them.

Liability of the Board of Directors of the Selling Shareholder. The members of the board of directors of the Selling Shareholder assume joint and several liability for the completeness, accuracy and verification of the contents of this Prospectus. They declare that they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus misleading.

SCA Rules. This Prospectus contains data submitted according to the offering and disclosure rules issued by the SCA.

Foreign Jurisdictions. No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where any action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions. None of the Company, the Selling Shareholder, any of the Offer Participants, the Lead Manager, or the Company's advisors accepts any liability for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including electronic mail. None of the Company, the Selling Shareholder, the other Offer Participants, the Lead Manager or the Company's advisors (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of subscribing for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

8. DEFINITIONS AND ABBREVIATIONS

ADGM	Abu Dhabi Global Market.
ADX	Abu Dhabi Securities Exchange.
AED or Dirham(s)	The currency of the United Arab Emirates.
ANEWA	ANEWA Engineering Private Limited, a private limited company incorporated under the Companies Act 2013 (India).
Arabic Prospectus	The Arabic version of the Prospectus dated Wednesday, 28 August 2024 that has been approved by SCA on Monday, 26 August 2024.
Articles of Association or the Articles	Articles of Association of the Company.
Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
Backlog	The Company's estimated revenue attributable to the uncompleted portion of its projects on hand as a metric of its operating performance and visibility on projected future revenue.
Bank Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Board	The board of directors proposed by the Selling Shareholder to be confirmed by the Constitutive General Assembly to manage the Company following the Closing Date.
Chairman	The chairman of the Board.
Closing Date	Wednesday, 4 September 2024.
Commercial Companies Law or Companies Law or CCL	Federal Decree - Law No. (32) of 2021 concerning Commercial Companies (as amended from time to time).

Constitutive General Assembly	Has the meaning given to it in section 11.2 ("Notice of Constitutive General Assembly meeting") of this Prospectus.
Cornerstone Investor	Al Ataa Investment LLC.
COVID-19	SARS-CoV-2 or COVID-19, and any evolutions or variants thereof.
CT Law	Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (as amended from time to time).
DIFC	Dubai International Financial Centre.
Electronic Applications	Applications made by the Subscribers via online banking, mobile banking, or FTS.
EPC	Engineering, Procurement and Construction services.
Financial Statements	The Company's audited reports and consolidated financial statements for the years ended 31 December 2022 and 31 December 2023 and the independent auditor's report on review of consolidated interim financial statements for the six (6) months period ended 30 June 2024 (unaudited), as set out in Annex 1.
FTS	UAE Central Bank Fund Transfer mode.
FY2022	The 12 month period ending 31 December 2022.
FY2023	The 12 month period ending 31 December 2023.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, KSA, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
General Assembly	The general assembly of the Shareholders of the Company.
Group	The Company and the Subsidiaries.
IFRS	International Financial Reporting Standards.
IPO	Initial public offering of shares.

KSA	Kingdom of Saudi Arabia.
Land Purchase Transaction	The related party transaction described in section 15.8 between the Selling Shareholder and HMR Investment SPV RSC Ltd.
Lead Manager	First Abu Dhabi Bank PJSC.
Placement Agent	International Securities LLC.
Lead Receiving Bank	First Abu Dhabi Bank PJSC.
Listing	The admission of the Shares to trading on the ADX.
Listing Advisor	International Securities LLC.
NIN	A national investor number which is a unified investor number that a Subscriber must obtain from ADX for the purposes of subscription.
NEL	NPCC Engineering Private Limited, a private limited company incorporated under the Companies Act 2013 (India).
Non-Resident Person	A Taxable Person within the meaning set out in Clause 4 of Article (11) of the CT Law.
Offering or Offer	The public subscription for 1,150,000,000 (one billion one hundred and fifty million) Shares (which will represent 23% of the total issued shares of the Company as of the Listing date) which are being offered by the Selling Shareholder. The Selling Shareholder reserves the right to amend the size of the Offering at any time prior to the end of the Offer Period at its sole discretion, subject to applicable laws and the SCA's approval.
Offering Regulations	SCA Chairman of the Board Resolution No. (11/RM) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies (as amended from time to time).
Offer Participants	The entities listed on page 4 of this Prospectus.
Offer Period	The subscription starts on Friday, 30 August and will close on Wednesday, 4 September, unless extended.
Offer Price	AED 2.8 (two Dirhams and eighty Fils).
Offer Shares	1,150,000,000 (one billion one hundred and fifty million) Shares to be transferred by the Selling Shareholder under the Offering.

Opening Date	Friday, 30 August 2024.
PJSC	Public Joint Stock Company.
Professional Investors	Investors who satisfy the criteria of a 'Professional Investor' as defined in Article (5) of the Regulations Manual and who hold a NIN with the ADX.
Professional Offer Shares (or Second Tranche)	The Offer Shares that will be offered to Professional Subscribers.
Professional Subscribers	Professional Investors who subscribe to the Offer Shares.
Prospectus	This non-certified English translation and abridged version of the Arabic Prospectus prepared in relation to the Offering, dated Wednesday, 28 August 2024.
Receiving Banks	First Abu Dhabi Bank PJSC, WIO Bank PJSC and Al Maryah Community Bank LLC (together with the Lead Receiving Bank).
Regulation Manual	SCA's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularisation Mechanisms Rule Book (as amended from time to time).
Related Party	A related party means: (a) the Chairman and his relatives; (b) the Directors and their relatives; (c) the members of Senior Management and their relatives; employees of the Company; (d) companies in which any for the aforementioned in (a)-(c) hold at least 30% of its capital; (e) a parent, subsidiary, sister or affiliated company of the Company; (f) any Shareholder holding more than 5% of the Company's Shares or voting rights; (g) the chairman and directors of the board of a parent, subsidiary, sister or affiliated company of the Company; and (h) companies where any Director or Senior Management serves as a board member or senior executive.
Related Party Transactions	A contract, transaction or dealing between a Related Party and the Company.
Resident Person	A Taxable Person within the meaning set out in Clause 3 of Article (11) of the CT Law.

Retail Offer Shares (or First Tranche)	The Offer Shares that will be offered to Retail Subscribers.
Retail Subscribers	Investors (including natural persons, companies and establishments) who do not participate in the Professional Investors tranche and who hold a NIN with the ADX and have a bank account, except for any person who is a resident in the United States.
Selling Shareholder	NMDC Group P.J.S.C., a public joint stock company registered in Abu Dhabi, UAE, holding commercial license no. CN-1002470 issued by Abu Dhabi Department of Economic Development and listed on the ADX.
Senior Management	The persons specified in section 15.2.2.
Shares	Fully paid ordinary shares of the Company with a par value of AED 0.50 (fifty Fils) only.
Shareholder(s)	Holders of the Shares of the Company.
Subscriber(s)	The investor(s) making an offer to purchase Offer Shares pursuant to the terms of the Prospectus.
Target Dividend	The target dividend described in section 9.1.
Taxable Person	A natural or juridical person who satisfies the criteria of a 'Taxable Person' as defined Article (11) of the CT Law.
UAE	United Arab Emirates.
US Securities Act	US Securities Act of 1933, as amended from time to time.
VAT Law	Federal Decree-Law No. 8 of 2017 (as amended from time to time).
VAT Regulations	The Executive Regulations of the VAT Law issued in terms of Cabinet Decision No. 52 of 2017 (as amended from time to time).

9. SUBSCRIPTION TERMS & CONDITIONS

9.1 Basic Information on Shares Offered for Public Subscription

Name of the Company	NMDC Energy – P.J.S.C.
License No.	IN-1001041.
Company's Head Office	MW-5 (15), Mussaffah, Abu Dhabi
Capital or Share Capital	The Company's capital as at the date of this Prospectus is AED 2,500,000,000 (two billion and five hundred million Dirhams) divided into 5,000,000,000 (five billion) ordinary shares of AED 0.50 (fifty Fils) each. Following the Offering (and provided that the Offer Shares are subscribed in full) the Company's capital shall be AED 2,500,000,000 (two billion and five hundred million) divided into 5,000,000,000 (five billion) ordinary shares of AED 0.50 (fifty Fils) each.
Offer Shares	1,150,000,000 (one billion one hundred and fifty million) ordinary shares, representing 23% of the share capital of the Company.
Offer Price	AED 2.8 (two Dirhams and eighty Fils) per Offer Share.
Offer Price Calculation Method	For the purposes of determining the Offer Price, the Selling Shareholder engaged KPMG Lower Gulf Limited, being one of the Big 4 accounting firms, to undertake a valuation of the Company using a discounted cash flow (DCF) methodology, using an income approach, in addition to a market approach using peer group comparison. The valuation report prepared as at 31 March 2024 reflected a range of AED 13.9 billion to AED 15.1 billion. The Selling Shareholder considered the valuation prepared by KPMG Lower Gulf Limited to determine the equity value of the Company as being AED 14 billion. The Offer Price is calculated as

	the equity value divided by the total number of Shares on issue (being five billion Shares.
Ratio of Offered Shares to Capital	Approximately 23% of the Company's total issued share capital as at the Listing date.
Total Value of Offered Shares	AED 3,220,000,000 (three billion, two hundred and twenty million Dirhams).
Eligibility of the qualified categories of Subscriber to subscribe for the acquisition of the Offer Shares	Retail Subscribers may subscribe for the Retail Offer Shares, representing approximately 2.17% of the Offer Shares. The Selling Shareholder reserves the right to amend the size of the Retail Offer Shares at any time prior to the end of the Offer Period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the Retail Offer Shares will result in a corresponding reduction in the size of the Professional Offer Shares. Professional Subscribers may subscribe for the Professional Offer Shares representing approximately 85.43% of the Offer Shares. For completeness, the Cornerstone Investor will be transferred 142,500,000 Shares, representing approximately 12.39% of the Offer Shares, in connection with the Selling Shareholder's acquisition of certain plots of land for commercial use from HMR Investment SPV RSC Ltd.
Public subscription in the Offer Shares is prohibited as follows:	Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber belongs. It is the Subscriber's responsibility to determine whether the Subscriber's subscription for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).
Minimum Subscription	Minimum subscription for Retail Offer Shares has been

set at AED 5,000 (five thousand Dirhams) with any additional investment to be made in AED 1,000 (one thousand Dirhams) increments. The minimum subscription for Professional Offer Shares has been set at AED 1,000,000 (one million Dirhams).

Maximum Subscription	No maximum subscription in the Offer Shares has been set.
Restriction on Selling Shareholder and Company	Neither the Company nor the Selling Shareholder may, whether directly or indirectly or through any of its subsidiaries, subscribe to any of the Offering Shares.
Reasons for the offering	The Selling Shareholder has decided to monetise its investment in the Company by selling the Offer Shares to the public with a view to listing the Company on the ADX. Listing will fit with the current legal form of the Company. The Selling Shareholder is responsible for all the expenses of the Offering (including any sale related commissions or any estimate fees) which shall be deducted from the proceeds of the Offering.
Distribution of Dividends	Shareholders are entitled to receive dividends (if any) in accordance with the recommendations of the Company's board of directors and approval of the General Assembly. Subject to the risk factors included within this Prospectus (see section 13 of the Prospectus), the board of directors of the Company intend to declare and pay a dividend of AED 700,000,000 (seven hundred million Dirhams) per annum for the financial years ending 31 December 2024, 2025 and 2026) (**Target Dividend**). Assuming there is no increase in the Company's capital, the Target Dividend will be equivalent to AED 0.14 (fourteen Fils) per Share per annum and represents a yield of 5% on the Offer Price. The Company plans to regularly review its dividend policy in light of its future performance and other value-accretive growth opportunities which may be available.

Offer Period	The Offering will commence on Friday, 30 August 2024 and close on Wednesday, 4 September 2024.
Authorised persons to distribute subscription forms	The only persons authorised to distribute subscription forms for the Offer Shares on behalf of the Selling Shareholder is the Receiving Banks, the Lead Manager and the Placement Agent. Collection of all subscription forms and orders and collection of proceeds during the Offer Period shall be performed solely by and processed through the Receiving Banks and the Placement Agent. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) following the closing of the Offer Period and prior to the Listing shall be performed solely by, and processed through, the Lead Receiving Bank.
Listing & Trading of Shares	Subsequent to the Closing Date, the Company will submit an application to the SCA to list all of the Shares on the ADX in accordance with the requirements of the SCA and the ADX. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry, with the commencement of such trading estimated to take place after completion of the registration, provided that the ADX's records are suitably complete, accurate and satisfactory to allow the Listing and trading in the Shares and if market conditions are suitable at the time.
Investment Risks	There are some risks related to investment in this Offering. These risks are presented in section 13 ("Investment Risks") within this Prospectus and should be carefully considered prior to taking any decision to invest in Shares.

9.2 Subscription Applications

Each Subscriber may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name or in multiple tranches, the Receiving Banks reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must complete all of the relevant fields in the subscription application along with all required documents and submit it to the Receiving Banks together with the subscription amount during the Offer Period.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the latter satisfies all the required information or documentation before the close of the subscription.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of the subscription application shall be accepted. The subscription application should only be fully completed after reviewing the Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to the Receiving Banks' participating branches or via electronic subscription as described in this Prospectus.

Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Receiving Banks may reject subscription applications submitted by any Subscriber for any of the following reasons:

- The subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allocation of Offer Shares if the address of the subscribers is not filled in correctly);

- The subscription application amount is paid using a method that is not a permitted method of payment;

- The subscription application amount presented with the subscription application does not match the minimum required investment or the increments set for the relevant tranche;

- The completed subscription application form is not clear and fully legible;

- The Bank Cheque is returned for any reason;

- If the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Lead Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;

- If the NIN is not made available to ADX or if the NIN is incorrect;

- If the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Selling Shareholder);

- If the subscription application is otherwise found not to be in accordance with the terms of the Offering;

- If the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);

- A Subscriber has not adhered to the rules applicable to the Retail Offer Shares or Professional Offer Shares;

- If it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Regulations, the Articles of Association, this Prospectus or the requirements of the SCA or the ADX; or

- If for any reason FTS/SWIFT/online/mobile/ATM subscription channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks may reject the application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform such rejected Subscribers before the notification of the allocation of Shares to Subscribers.

9.3 Documents Accompanying Subscription Applications

Subscribers shall submit the following documents along with their subscription application forms:

9.3.1 Individuals

For individuals who are UAE nationals, GCC nationals or nationals of any other country:

- NIN details; and
- The original and a copy of a valid passport or Emirates identity card.

In case the signatory is different from the Subscriber:

- The duly notarised power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;

- The original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and

- A copy of the passport/Emirates ID of the Subscriber for verification of signature.

In case the signatory is a guardian of a minor, the following will be submitted:

- Original and copy of the guardian's passport/Emirates ID for verification of signature;
- Original and copy of the minor's passport; and
- If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

9.3.2 Corporate bodies

For corporate bodies including banks, financial institutions, investment funds and other companies and establishments:

UAE registered corporate bodies:

- The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
- The original and a copy of the document that authorises the signatory to sign on behalf of the Subscriber and to represent the Subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription form;
- The original and a copy of the passport/Emirates ID of the signatory; and
- NIN details.

Foreign corporate bodies:

- The documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Lead Receiving Bank to obtain the list of required documents.

9.4 Method of Subscription and Payment for the First Tranche Shares (Retail Subscribers)

Subscription applications for the Retail Offer Shares must be submitted by a Subscriber to a Receiving Bank's participating branches or through the electronic subscription channels listed in the Prospectus and the NIN with ADX and the Subscriber's bank account number must be provided, together with payment in full for the amount the Subscriber wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- **Bank Cheque drawn in favor of "NMDC Energy P.J.S.C. – IPO";**
- **Debiting a Subscriber's account with the Receiving Banks; or**
- **Electronic subscriptions (please refer to section 9.4.1 ("Electronic subscription")).**

Details of the Subscriber's bank account must be completed on the subscription application form provided in connection with this Prospectus even if the application amount will be paid by Bank Cheque.

The subscription amount may not be paid or accepted by the Receiving Banks using any of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to Annex 3 for the Receiving Banks' participating branches.

9.4.1 Electronic subscription

The Receiving Banks may also have its own electronic channels (ATMs, on-line internet banking applications, mobile banking applications, etc.) interfaced with the ADX eKtetab IPO system.

By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is authorising the Receiving Banks to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of "**NMDC Energy – P.J.S.C. IPO**" held at the Receiving Banks, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements. Accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section 9.4.1 ("Electronic subscription").

Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any interest thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

9.4.2 FAB - Lead Receiving Bank's electronic subscription

Applying for Retail Offer Shares through FAB, access:

- English – https://www.bankfab.com/v1/en-ae/investment-banking/iposubscription

- Arabic – https://www.bankfab.com/v1/ar-ae/investment-banking/iposubscription

Please refer to the "How to subscribe page" and follow the instructions and submit subscriptions for the Retail Offer Shares. FAB Mobile Banking application is available for FAB clients. In case of any issues or support required, please contact FAB call center at +971-261-61800.

9.4.3 ADX ePortal subscription

Applying for Retail Offer Shares through ADX ePortal subscriptions:

- For Arabic – https://www.adx.ae/Arabic/Pages/ProductsandServices/ipo.aspx
- For English - https://www.adx.ae/English/Pages/ProductsandServices/ipo.aspx

Refer to the "ADX IPO ePortal Subscription Instructions" page and follow the instructions. Click on the IPO Subscription Link provided to subscribe for the Retail Offer Shares. If you have any queries about any of the above, please reach out via telephone on 800-ADX(239) or via email on info@adx.ae.

9.4.4 Abu Dhabi Commercial Bank E-Subscription:

Applying for Retail Offer Shares with Abu Dhabi Commercial Bank:

Step # 1 ADCB customers to visit the https://www.adcb.com/NMDCEnergy and click the IPO Subscription Link.

Step # 2 Complete login authentication (Customer ID, Mobile Number and OTP)

Step # 3 Enter NIN Number

Step # 4 Select Broker, Enter Subscription Amount, Select Account and Submit.

In case of any issues or support, please contact Abu Dhabi Commercial Bank call centre at 600 502030.

9.4.5 WIO Bank PJSC E- Subscription (Only E-subscription – No – branches)

Wio Bank's digital IPO subscription allows customers to generate a National Investor Number (NIN) with ADX instantly and submit their IPO subscription requests.

Existing Wio Personal customers can visit the IPO section within the mobile application and subscribe for the Retail Offer Shares instantly. New customers seeking to subscribe for Retail Offer Shares can avail the service by first opening their Wio Personal account: download the Wio Personal application from the App Store or Google Play onto a mobile device and apply for an account. Once the application is approved, Retail Offer Shares can be subscribed for instantly.

Subscription applications through Wio Bank will only be accepted if they are made by UAE residents. For any queries or support, please refer to the FAQs under the IPO section in the Wio Personal application. Alternatively, please contact us on 600-500-946. To Learn more, visit wio.io.

9.4.6 Al Maryah Community Bank LLC ("Mbank") E-Subscription

To subscribe for Retail Offer Shares through Mbank, download Mbank UAE app on a mobile device from the Apple App store or Google Play or Huawei AppGallery. For instructions on the process of applying for the IPO through the app, access https://www.mbank.ae/IPO Refer to the section "How to subscribe" for step-by-step guidance.

Applications for Minors can also be made through the Mbank app. Applicants can also issue ADX NINs from the Mbank mobile app. Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

In case of any issues or support, please contact Mbank call centre at 600 571 111.

9.4.7 Important dates relevant to the methods of payment of the subscription amounts

- Subscription amounts paid by way of Bank Cheque must be submitted by 12.00 pm (mid-day) (UAE time) on Monday, 2 September 2024.

- Subscription applications received through Online / Internet Banking and website / UAEPGS / FTS must be made before 5.00 pm (UAE time) on Tuesday, 3 September 2024.

- Subscription applications must be received by the Receiving Banks' participating branches before 1.00 pm (UAE time) by Wednesday, 4 September 2024.

9.4.8 Subscription amounts

Retail Subscribers must submit applications to purchase the Offer Shares in the amount of AED 5,000 (five thousand Dirhams) or more, with any subscription over AED 5,000 (five thousand Dirhams) to be made in increments of AED 1,000 (one thousand Dirhams).

9.4.9 Subscription process

- Subscribers must complete the application form, providing all required details. Subscribers who do not provide the NIN with ADX and bank account will not be eligible for subscription and will not be allocated any Offer Shares.

- Subscribers may apply for only one tranche of Offer Shares i.e., Retail Offer Shares, Professional Offer Shares. In the event a Subscriber applies in more than one type of Offer Shares, then the Receiving Banks, the Lead Manager or the Placement Agent (as applicable) may disregard one or all of such applications in consultation with the Selling Shareholder or its authorised representative.

- The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allocation notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, amount, date and customer bank account details.

- If the address of the Subscriber is not filled in correctly, the Company, and the Lead Receiving Bank take no liability for non-receipt of the allocation notice.

9.5 Method of placing subscription orders and payment for the Second Tranche Shares (Professional Subscribers)

Placing orders through the Placement Agent and the Lead Manager and payment of funds:

- Professional Subscribers can place orders for the Professional Offer Shares with the Placement Agent and the Lead Manager using the subscription form or the link sent by the Placement Agent.

- The Placement Agent and Lead Manager will collect the order forms and accompanying documents, NIN, and funds from Professional Subscribers and share the orders details to the Lead Receiving Bank during the Offer Period.

- Allocation of the Shares will be decided by the Selling Shareholder in accordance with the allocation policy set out in this Prospectus and communicated to the Placement Agent and Lead Manager through the Lead Receiving Bank.

- The Placement Agent and Lead Manager, will collect the funds, as required, from each Professional Subscriber who has placed an order during the Offer Period and been allocated Shares.

- Once the allocation of Shares has been finalised and notified by the Lead Receiving Bank, the Placement Agent and the Lead Manager will transfer the allocated capital funds to the Lead Receiving Bank as a single payment.

- The Lead Receiving Bank will confirm the receipt of proceeds, allocate the shares to the Professional Subscribers' accounts.

10. FURTHER INFORMATION RELATING TO THE OFFER

10.1 Additional information

Offer Period

The Offer Period commences on Friday, 30 August 2024 and closes on Wednesday, 4 September 2024.

Offering Proceeds and Costs

The proceeds from the Offering will be transferred by the Lead Receiving Bank to the Selling Shareholder. The Selling Shareholder shall bear all costs and expenses related to the Offering.

Method of allocation of Offer Shares to different categories of Subscribers *(Under the Offering Regulations)*

The allocation will be made in accordance with the offering system issued by the Authority in accordance with the Offering Regulations and the allocation policy specified below.

In the event that the total size of subscription applications received exceeds the number of the Offering Shares, the Offering Shares will be allocated in accordance with the allocation policy specified below, and the excess subscription amounts and the accrued interest, if any, will be refunded to Subscribers.

Notice of Allocation

A notice to successful Retail Subscribers will be sent by way of SMS initially confirming the acceptance of subscription and number of offered shares allocated to them. This will be followed by a notice setting out each Subscriber's Share allocation, which will be sent by registered mail or email provided on the subscription application, to each Subscriber.

Method of refunding surplus amounts to Retail Subscribers

By no later than Saturday, 7 September 2024 (being within five (5) working days of the Closing Date of the Offering), the Offer Shares shall be allocated to Subscribers and, within five (5) working days of such allocation, the surplus subscription amounts, and any profit resulting thereon, shall be refunded to Subscribers who did not receive Offer Shares, and the subscription amounts and any accrued interest resulting thereon shall be refunded to the Subscribers whose applications have been rejected for any of the above reasons. The surplus amount and any accrued interest thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by Bank Cheque, these amounts shall be returned by sending a cheque with the value of such .amounts to the Subscriber at the address mentioned in the subscription application.

The difference between the subscription amount accepted by the Selling Shareholder if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

Inquiries and complaints

Subscribers who wish to submit an inquiry or complaint with respect to any rejected applications, allocation or refunding of the surplus funds, must contact the Receiving Banks, Lead Manager or the Placement Agent through which the subscription was made, and if a solution cannot be reached, then the Lead Receiving Bank must refer the matter to the Investor Relations Manager. The Subscriber must remain updated on the status. The Subscriber's relationship remains only with the party which received the subscription application.

Listing and trading of Shares

Subsequent to the allocation of the Offer Shares, the Company intends to list all of the Shares on the ADX in accordance with the applicable listing and trading rules as at the Listing date – Wednesday, 11 September 2024. Trading in the Shares will be effected on an electronic basis, through the ADX's share registry, with the commencement of such trading estimated to take place after completion of the registration.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Offering. Those risks have been discussed in section 13 ("Investment Risks") of this Prospectus and must be taken into account before deciding to subscribe for Offer Shares.

10.2 Timetable for subscription and listing

The dates set out below outline the expected timetable for the Offering. However, the Selling Shareholder reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the SCA and publishing such change during the Offer Period in daily newspapers.

Event	Date
Offering Commencement Date (The Offer Period shall continue for six (6) days for the purposes of accepting Subscribers' applications)	Friday, 30 August 2024
Closing Date of Offering	Wednesday, 4 September 2024
Allocation of Professional Offer Shares	Friday, 6 September 2024
Allocation of Retail Offer Shares and SMS notification to the successful subscribers	Saturday, 7 September 2024
Commencement of refunds of investment surplus to the Subscribers and dispatch of allotment letters.	Monday, 9 September 2024
Constitutive General Assembly meeting	Monday, 9 September 2024
Expected date of Listing the Shares on ADX	Wednesday, 11 September 2024

10.3 Retail Offer Shares and Professional Offer Shares

The Offering of the Offer Shares is divided as follows:

Retail Offer Shares:

Size:

25,000,000 (twenty-five million) Shares representing 2.17% of the Offer Shares.

The Selling Shareholder reserves the right to amend the size of the Retail Offer Shares at any time prior to the end of the Offer Period at its sole discretion, subject of the approval of the SCA.

Eligibility:

Retail Subscribers are described in section 8 ("Definitions and Abbreviations") of this Prospectus.

Minimum application size:

AED 5,000 (five thousand Dirhams), with any additional application in increments of AED 1,000 (one thousand Dirhams).

Allocation policy:

In case of over-subscription of the Retail Offer Shares, each Retail Subscriber will be guaranteed a minimum allocation of up to 500 (five hundred) Shares, subject to the limits and conditions set out in this Prospectus. The final minimum guaranteed allocation for each Retail Subscriber shall be determined at the end of the Offer Period based on the total number of Retail Subscribers. Retail Offer Shares available for allocation in excess of the aggregate minimum guaranteed allocation shall be allocated on a pro-rata basis. The Selling Shareholder reserves the right to amend the minimum guaranteed shares after obtaining SCA′s approval. Applications will be scaled back on the same basis if the Retail subscription is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number.

Unsubscribed Offer Shares: If all of the Retail Offer Shares are not fully subscribed, the unsubscribed Retail Offer Shares shall be available to Professional Subscribers, or alternatively (in consultation with the SCA) the Company may extend the Closing Date and/or close the Offering at the level of applications received.

Professional Offer Shares (Second Tranche):

Size: 982,500,000 (nine hundred and eighty-two million five hundred thousand) Shares representing 85.43% of the Offer Shares.

Eligibility: Professional Subscribers are described in in section 8 (“Definitions and Abbreviations”) of this Prospectus.

Minimum application size: The minimum application size is AED 1,000,000 (one million Dirhams).

Maximum application size: There is no maximum application size.

Allocation policy: Allocations of the Professional Offer Shares will be determined by the Selling Shareholder. It is therefore possible that Subscribers who have submitted applications to subscribe for Professional Offer Shares may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.

Discretionary allocation: The Selling Shareholder reserves the right to allocate Professional Offer Shares in any way they deem necessary.

Unsubscribed Offer Shares: If all the Professional Offer Shares are not fully subscribed, then the Offer will be withdrawn. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any accrued interest.

10.4 Multiple applications

A Subscriber should only submit an application for Retail Offer Shares or Professional Offer Shares.

Multiple applications for the Retail Offer Shares under the same NIN number will be aggregated and the minimum guaranteed allocation will be applied only once per NIN, with the balance allocated on a pro-rata basis.

If a Subscriber submits more than one application in his or her personal name or its corporate name or in multiple tranches, the Receiving Banks, in concurrence with the Selling Shareholder, reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

10.5 Important notes

Retail Subscribers will be notified of whether they have been successful in their application and allotted Offer Shares by means of an SMS.

Upon Listing of the Shares on the ADX, the Shares will be registered on an electronic system as applicable by the ADX. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the ADX.

Subject to the approval of the SCA, the Selling Shareholder reserves the right to alter the percentage of the Offer Shares, which are to be made available in all tranches.

11. NOTICE OF CONSTITUTIVE GENERAL ASSEMBLY

11.1 Background

The notice set out in section 11.2 ("Notice of Constitutive General Assembly meeting") is relevant for all Subscribers which are allocated Offer Shares and the Selling Shareholder ("**Notice**"). The Notice calls for convening a Constitutive General Assembly meeting of the Company at the date, time and place set out in the Notice. The Selling Shareholder is, and all Subscribers which are allocated Offer Shares are, entitled to attend and vote at the Constitutive General Assembly. Any voting rights of any Subscriber attending the Constitutive General Assembly meeting shall correspond to the number of Offer Shares such Subscriber receives following the allotment process.

11.2 Notice of Constitutive General Assembly meeting

Notice of Constitutive General Assembly meeting

This is a notice of the constitutive general assembly (the "**Constitutive General Assembly**") of NMDC Energy – P.J.S.C. (an unlisted public joint stock company in the Emirate of Abu Dhabi, United Arab Emirates) (the "**Company**").

This is to notify you that in accordance with Article (131) of Federal Decree-Law No. (32) of 2021 regarding Commercial Companies (as amended from time to time), the board of directors of the NMDC Group P.J.S.C., being as at the date of this notice the sole shareholder of the Company, is pleased to invite you to attend, physical or remotely, the first meeting of the Constitutive General Assembly of the Company which will be held in person at the following address NMDC Energy PJSC (formerly NPCC), Plot No. 71, Street 7 Zone 6, Mussafah, Abu Dhabi, UAE at 9.00am (UAE time) on Monday, 9 September 2024.

The quorum of the first meeting of the Constitutive General Assembly is the attendance of shareholders or their representatives holding 50% (fifty per cent) or more of the Shares of the Company and the assembly will be chaired by the person elected by the Selling Shareholder.

If the required quorum for the first meeting is not present, a second meeting will be held on Monday, 9 September 2024 in person at the following address NMDC Energy PJSC (formerly NPCC),Plot No. 71, Street 7. Zone 6, Mussafah, Abu Dhabi, UAE at 11.00am (UAE time).

First Abu Dhabi Bank PJSC (in its capacity as the lead receiving bank to the Company in connection with its initial public offering) will send an SMS to all subscribers who have been allocated shares in the Company's initial public offering to allow them to attend the Constitutive General Assembly ("CGM") meeting and to vote on any proposed resolutions and also act as the Registrar and vote collector for the CGM.

The agenda of the Constitutive General Assembly is as follows:

- approving the Articles of Association of the Company;
- approving the appointment of the first board members;
- approving the appointment of the Company's auditor and the auditor's fees.

All persons who hold shares in the Company ("**Shareholders**") may attend the Constitutive General Assembly in person or through an authorised representative. Each Shareholder shall have a number of votes equal to the number of shares in the Company that they own as at the close of the last business day prior to the Constitutive General Assembly. If a representative of a Shareholder attends the Constitutive General Assembly, he/she must bring along a written proxy authorising his/her attendance on behalf of that shareholder (attached is a sample proxy). It should be noted that if the proxy holder is not a Shareholder, then the proxy needs to be notarised and the proxy holder should not be one of the Company's board members; and the proxy holder should not be representing shares in the Company for more than one shareholder of a value that exceeds 5% of the share capital of the Company.

Any change in the dates above will be announced through the local newspapers following receipt of approval from the UAE Securities and Commodities Authority.

All persons attending the Constitutive General Assembly in person will be required to present proof of identification (i.e., Emirates ID or passport). If Shareholders are attending through an authorised representative, the respective authorised representative will be required to present: (i) the original allocation letter or SMS confirming the allocation of shares in the Company; (ii) a certified copy of their respective Shareholder's passport (if a natural person); (iii) their original passport; and (iv) the notarised power of attorney authorising the representative to attend and vote on the Shareholders' behalf.

Further, please note that no other separate invitation for attending Constitutive General Assembly will be issued.

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11.3 Form of Proxy

Proxy for Attending and Voting at the Constitutive General Assembly meeting of NMDC Energy – P.J.S.C. (unlisted)

We/I, the undersigned ...., hereby appoint and authorize pursuant to this proxy, Mr./Mrs./Ms .... (the "**Proxy**"), to attend the Constitutive General Assembly of NMDC Energy – P.J.S.C. (unlisted) on my/our behalf. The Proxy shall have the right to vote on all matters discussed in the meeting whether the meeting was held on its original date or postponed to any other date. The Proxy shall also have the right to make all decisions and sign all documents in this regard.

Signature:

Name:

Date:

12. KEY DETAILS OF THE COMPANY

12.1 Overview of the company

Name of the Company:	NMDC Energy – P.J.S.C.
Primary objects of the Company:	The primary object of the Company is to perform 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. In addition, the Company's industrial license and the Articles of Association allows it to engage in the following activities: • manufacturing, assembling, transporting, installing, repairing and maintaining offshore platforms and oil and gas exploration, extraction and transport facilities; • manufacturing, assembling, transporting, installing, repairing and maintaining any installations, pipelines or facilities related to or supplementing offshore platforms; • manufacturing, installing and operating of ferries and ships transporting offshore platforms, associated facilities and facilities used for their installation, removal or maintenance; • supplying, preparing, installing and maintaining of oil and gas facilities and pipelines; and • carrying out the business and the activity of engineering, installation, procurement, construction, contracting, and building of all kinds including but not limited to design work, civil, mechanical and electrical works and engineering in all sectors including the energy sector, onshore and offshore gas and oil fields; and general maintenance works, management of projects and facilities.
Head office:	P.O. Box 2058 Mussafah, Abu Dhabi, U.A.E.
Subsidiaries:	Wholly owned operating subsidiaries include:

- National Petroleum Construction Co. (Saudi) Ltd; and
- NPCC Engineering Private Limited

Other subsidiaries of the Company are set out in section 12.4 ("Details of Company's subsidiaries").

Details of license and date of commencing carrying out the activity:	Registered Number IN-1001041 issued on 23 June 2023
Term of the Company:	99 years
Financial year:	1 January – 31 December
Major banks dealing with the Company:	First Abu Dhabi Bank, Abu Dhabi Commercial Bank and Abu Dhabi Islamic Bank

12.2 Board of directors

As the Company is currently wholly owned by the Selling Shareholder, the Company had been granted an exemption to Article (143) of the CCL which requires public joint stock companies to form a board of directors to manage the Company. Pursuant to the existing Articles of Association, the Company is currently managed by Eng. Yasser Zaghloul in his capacity as the representative of the Selling Shareholder.

Upon completion of this Offer, the Selling Shareholder proposes to form a board of directors to manage the Company. The Selling Shareholder intends to propose the following persons for appointment to the Company's board of directors at the Constitutive General Assembly:

Name	Nationality	Capacity
H.E Mohamed Hamad Ghanem Hamad Almehairi	United Arab Emirates	Chairman
Yasser Zaghloul	Malta	Vice Chairman
Talal Shaffique Abdullah Al Dhiyebi	United Arab Emirates	Board member
Nasser Mohamed Omeir Yousef Almheiri	United Arab Emirates	Board member
Marwa Ahmed Ali Abdalla Almarzooqi	United Arab Emirates	Board member

No bankruptcy ruling or a bankruptcy arrangement was issued against Eng. Yasser Zaghloul or any member of the proposed Board or members of the Senior Management of the Company.

12.3 Remuneration of Senior Management

The Company did not pay any fees to Eng. Yasser Zaghloul for his role in managing the Company for the years ended 31 December 2022 and 31 December 2023 or for the period ended 30 June 2024.

The total aggregate compensation of Senior Management personnel incurred by the Company for the year ended 31 December 2022 was AED 9,156,989 (nine million, one hundred fifty six thousand, nine hundred and eighty-nine Dirhams), for the year ended 31 December 2023 was AED 11,271,965 (eleven million, two hundred seventy one thousand nine hundred and sixty five Dirhams) and for the period ended 30 June 2024 was AED 8,971,699 (eight million nine hundred seventy one thousand six hundred and ninety nine Dirhams), respectively. Bonuses are paid in the first half of each year for the immediately preceding financial year, and there are no outstanding amounts as at the date of this Prospectus.

12.4 Details of Company's subsidiaries

The Company had six Subsidiaries as of 30 June 2024 and since 30 June 2024 has not acquired any new entity prior to the date of this Prospectus. Set out below are the Subsidiaries which are directly or indirectly owned by the Company as of the date of this Prospectus.

Subsidiary	Shareholder	Share Capital (AED)	Ownership	Place of incorporation	Status
National Petroleum Construction Co. (Saudi) Ltd	NMDC Energy – P.J.S.C.	2,448,463	100%	Kingdom of Saudi Arabia	Active
NPCC Engineering Private Limited	NMDC Energy – P.J.S.C.	24,410,400	100%	India	Active
ANEWA Engineering Private Limited	NPCC Engineering Private Limited	7,920,496	80%	India	Active
NPCC Services Malaysia SDN. BHD.	NMDC Energy – P.J.S.C.	-	100%	Malaysia	Dormant
Al Dhabi Construction Project LLC	NMDC Energy – P.J.S.C.	-	100%	Iraq	Dormant

Subsidiary	Shareholder	Share Capital (AED)	Ownership	Place of incorporation	Status
NMDC Marine Services L.L.C. – S.P.C.	NMDC Energy – P.J.S.C.	300,000	100%	United Arab Emirates	Dormant

12.5 Business Description

Investors should read this section 12.5 ("Business Description") in conjunction with the more detailed information contained elsewhere in this Prospectus including the financial and other information. Where stated, financial information in this section 12.5 ("Business Description") has been extracted from the Financial Statements.

12.5.1 Company introduction

The Company, formerly known as the National Petroleum Construction Company, was established in 1973. The Company, together with its subsidiaries, provide engineering, procurement, and construction services to both offshore and onshore clients in the energy industry. The Company's main clients include industry leaders such as Abu Dhabi National Oil Company ("**ADNOC**") and Aramco Saudi Arabia Oil Company (**"ARAMCO"**).

The Company has historically executed over 1,200+ projects which comprise approximately 1,360 installed structures, approximately 8,000 km of laid pipelines both onshore and offshore, and approximately 2,000 km of marine cables.

The Company primarily operates in the UAE, Saudi Arabia, Kuwait, and Taiwan. Additionally, it owns a 33% stake in Principia SAS, France, 100% in NPCC Engineering Private Limited, India and 80% in ANEWA Engineering Private Limited, India which provide core engineering services. The Company also has procurement and client interface offices in Spain, Italy, China and Malaysia.

The Company operates four (4) fabrication yards namely: Mussafah Yard, ICAD4 Yard, Modular Fabrication Yard and KSA Yard. Mussafah Yard is amongst the largest fabrication yards in the UAE.

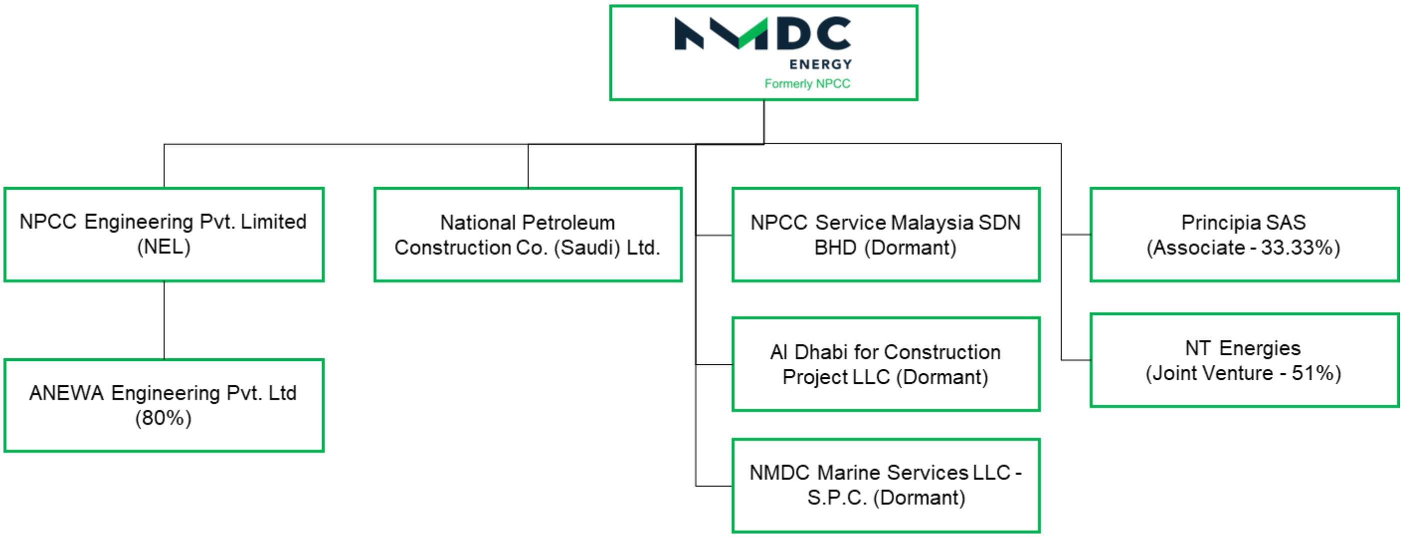
The Company has eighteen (18) offshore vessels comprising of heavy lift and pipelay vessels, pipelay barges, jack up barges, cable laying barges, anchor handling tugs, and transportation cargo barges.

The Company currently has a project backlog that underpins its future performance and growth prospects. As of 30 June 2024, the Company has a secured backlog of approximately AED 54 billion (fifty-four billion Dirhams), reflecting its strong market position and the sustained demand for its services. This backlog encompasses a diverse portfolio of high-value onshore and offshore projects in the market it operates.

Key milestones of the Company's History:

Year	Milestone
1973	- NPCC Founded by Decree from His Highness Sheikh Zayed Bin Sultan Al Nahyan, Ruler of Abu Dhabi
1974	- Establishment of: - Saadiyat Fabrication Yard - Offshore Construction Division
1978	- Launching of Offshore Operations - Establishment of Pipe Coating Yard
1986	- Establishment of Onshore Construction - Setup of Engineering Division
1994	- Commissioning of Fusion Bonded Epoxy / Polyethylene / Polypropylene Coating Plant
1995	- Commissioning of Musaffah Fabrication Yard
2001	- First Major EPC Contract
2007	- Establishment of engineering subsidiary NEL in India
2015	- Acquisition of ANEWA by NEL
2016	- Acquisition of certain equity stake in Principia Engineering, France
2019	- Guinness world record for heaviest topside module of Umm Lulu Super Complex - Sheikh Khalifa Excellence Award (SKEA) Gold Category
2020	- Ranked 1st in Oil & Gas Middle East
2021	- Acquisition by National Marine Dredging Company PJSC (now known as NMDC Group PJSC) of the Company
2022	- Ranked 1st in Oil & Gas Middle East - One of the highest ICV score in the UAE amongst industry peers
2023	- IPLOCA Award - NPCC rebranded as NMDC Energy - Ranked 1st in Oil & Gas Middle East

12.5.2 Corporate structure



NMDC Energy - P.J.S.C.: The primary legal entity of the corporate structure, NMDC Energy, serves as the cornerstone of the current operations. Established in 1973, and headquartered in Mussafah, Abu Dhabi, this entity oversees the strategic direction, governance, and operational management of the Company's global portfolio of projects. NMDC Energy holds controlling interests in a number of subsidiaries and affiliates that focus on specific regions or specialized services within the energy sector. These entities operate under the strategic guidance of the primary legal entity, leveraging shared resources and expertise to optimize project outcomes and enhance value creation.

NPCC Engineering Private Limited ("**NEL**")**:** NEL was established in February 2007 to offer design and engineering services to the energy sector. NEL, headquartered in Mumbai, is a wholly owned subsidiary of NMDC Energy. Over the past 16 years, NEL has experienced significant growth and gained substantial recognition in the onshore and offshore energy industry in India and GCC as a capable and professional engineering company. NEL has a strong engineering team of approximately 500 employees.

As part of its expansion plan, NEL acquired the majority shares in ANEWA Engineering Private Limited, based in Hyderabad, in August 2015. NEL and ANEWA currently have a combined engineering capacity of 1,200+ employees, and with its combined strength, NEL can take up medium and large complex onshore and offshore projects. Clients include, amongst others, NMDC Energy, Larsen & Toubro, AFCONS Infrastrucutre Limited, and ADNOC.

ANEWA Engineering Private Limited ("**ANEWA**"): ANEWA, established in 2007, specializes in design and engineering services for energy onshore and offshore projects using various software and innovative technologies. ANEWA also provides engineering services to various other industries.

National Petroleum Construction Co. (Saudi) Ltd: This entity was established in 1981 and is crucial for NMDC Energy to tender and execute projects in the KSA. It provides direct market access and enhances the Company's competitiveness in the KSA by meeting local requirements. It strengthens client relationships, particularly with key players like ARAMCO and allows for more efficient project execution through better coordination with local suppliers and workforce in the KSA. This entity also has a construction yard of 400,000 (four hundred thousand) square metres in the KSA, which is primarily used for fabrication and construction activities on projects in the KSA.

NT Energies JV: Headquartered in Abu Dhabi, NT Energies is committed to advancing the energy transition in the UAE, the broader Middle East, and North Africa. NT Energies provides value-added services in blue and green hydrogen, decarbonization projects, and carbon capture, alongside industrial initiatives in waste-to-energy, biorefining, and biochemistry. NT Energies is a joint venture established by NMDC Energy and Technip Energies.

Principia SAS: Principia, an entity owned by NMDC Energy, Artelia Global and Naval Company S.A, is a renowned name in engineering expertise for the offshore, maritime, and nuclear industries. Based in La Ciotat and Nantes (France), with a subsidiary in Kuala Lumpur, Principia is a highly innovative value engineering firm with approximately 100 employees that also develops and distributes its own design software.

12.5.3 Key management

Operating in the dynamic and challenging energy sector, the leadership team has demonstrated exceptional capability in steering the Company towards growth and innovation. Each member of the management team possesses deep industry knowledge, a proven track record of successful project execution, and a commitment to operational excellence. Their collective expertise ensures that the Company is well-equipped to navigate the complexities of the market, deliver value to its stakeholders, and achieve its long-term objectives. The positions and profiles for each Senior Management member is set out in section 15.2.2.

12.5.4 Achievements and awards

NMDC Energy secured a Guinness World Record for construction of the heaviest offshore platform, showcasing its remarkable engineering expertise. As a three-time consecutive EPC Contractor of the Year, the company established itself as an industry leader in EPC services in the energy sector.

Safety has been paramount for NMDC Energy, receiving the prestigious British Safety Council Sword of Honour and achieving a remarkable 10 Years Consecutive Winner status of the RoSPA Safety Award.

NMDC Energy’s impact on global energy infrastructure is substantial, with over 1,200 projects executed, approximately 1,360 structures installed, approximately 8,000 kilometers of pipelines laid, and approximately 2,000 kilometers of marine cables strategically positioned beneath the ocean depths.

#1 EPC Contractor in the Middle East

Oil&Gas

2020, 2022, 2023

Quality Award Winner 2024

MAKE IT IN THE EMIRATES

Sheikh Khalifa Excellence Award – Gold 2019

Guinness World Record in 2019 for:

Heaviest Single Module Topside - 2019

One of the Largest Fabrication Yards

In MENA region 1 Mn SQM

Award of **one of The Largest Offshore Wind Farm Project**

Taiwan Wind Project

3 time Winner of British Safety Council Sword of Honour

BRITISH SAFETY COUNCIL

Highest ICV Score amongst industry peers in 2022 and 2023

10 Years Consecutive winner of **RoSPA Safety Award Gold**

RoSPA

Award of Hail & Ghasha Project:

The World's Largest Offshore Sour Gas Project

AED 30 Bn - 2023

Construction Fleet of 18 vessels

Ministry of Industry & Advanced Technology:

Industry 4.0 Digital Leader

12.5.5 Core service offerings

Engineering:

- Comprising a combined team of approximately 1,900 skilled engineering personnel based in four (4) centers in Abu Dhabi, Mumbai, Hyderabad, and France, the engineering division provides innovative onshore and offshore engineering solutions, supported by the most advanced design software.
- The engineering service offering operates from four operating centers: NMDC Energy, NEL, ANEWA, and Principia. The engineering manpower is largely based in UAE (~700) and India (~1,200).
- The key engineering capabilities consist of:

  - *Process*
  - *Safety*
  - *Materials and Corrosion*
  - *Mechanical*
  - *Structural*
  - *Electrical*
  - *Instrumentation and Control*
  - *Telecommunication*
  - *Pipelines*
  - *Naval Architecture & Installation*
  - *Piping*
  - *Civil*
  - *Architectural*
- To ensure a stable inflow of future engineering talent NMDC Energy has developed a comprehensive UAE graduate development program.

Procurement:

- Highly qualified procurement professionals, controlled out of Abu Dhabi using a Hub and Spoke model. The procurement team is supported by a global network of offices (Europe, India, and China), expeditors and inspectors, handling a wide range of procurement requests to deliver for NMDC Energy and its clients.
- Managed by a strong team of 300+ highly qualified professionals, the tendering cycle is clear and transparent, operating with integrity and in full compliance with local and international regulations and client requirements.
- State-of-the-art technology enables access to a global market, issue tenders, update databases, monitor progress, inspections, material movement and inventory, and share information with stakeholders.

Construction:

- With a total area of over 1 million square meters in Abu Dhabi, the fabrication yards have a capacity of 100,000 metric tons and the ability to load out topsides weighing up to 32,000 metric tons, the yards ensure efficient and precise production, including the production of certified pressure vessels with a wall thickness of 200 millimeters and a production capacity of 9,000 tonnes.
- With highly specialized teams capable of performing all electrical, instrumentation and commissioning activities, NMDC Energy delivers leading fabrication services to energy production and processing facilities.
- NMDC Energy's fabrication yards are tailored to both offshore and onshore energy projects, and boast modern facilities capable of handling a wide range of EPC construction tasks, from wellheads to process platforms. NMDC Energy also has the facilities and expertise to deliver complex sour gas projects, employing cutting-edge technologies to fabricate anti-corrosive facilities and meet regional onshore and offshore pipeline coating requirements.

Offshore:

- With over five decades of experience in the energy sector, the Company specializes in delivering comprehensive, innovative, and sustainable EPC solutions tailored to the unique needs of offshore greenfield and brownfield projects for leading global energy companies alongside a proven track record in wind foundation installation.
- The Company's expertise includes a wide array of offshore activities, including beach pulling, pipe laying, subsea works, risers, above water tie-ins, transpooling, and installation of low and high voltage cables and umbilicals, jackets, bridges, and topsides using lifting and float over techniques apart from pre-commissioning, hook up and commissioning, and decommissioning services. Equipped with state-of-the-art mission and marine equipment, the Company's fleet operates efficiently in both shallow and deep-water environments, ensuring the successful execution of projects at every depth.
- The key offshore capabilities consist of:
  - *Transport & Installation*
  - *Pipe laying*
  - *Cable Umbilical and flexible laying*
  - *Lifting*
  - *Offshore wind installation*
  - *Hook up*
  - *Float-Over*
  - *Survey*
  - *Diving*
  - *Monopiles Installation*

Onshore:

- The Company has considerable experience in large brownfield and greenfield onshore projects and can provide the full range of services from engineering to turn-key EPC solutions. With capabilities covering the design and construction of process facilities, pipelines, storage facilities, the Company provide consistent quality and efficiency, delivering complex infrastructure on time and within budget.
- The Company has a wide array of capabilities to execute complex onshore projects involving downstream EPC such refinery, liquification, pipelines, storage, and liquefied natural gas.
- As part of its expansion strategy, the Company plans to work with proprietary technology solutions providers as well as experienced EPC companies in target markets which it plans to focus on for future growth.

Construction yards: The Company operates from a total of four (4) construction yards, of which three (3) are in the UAE and one (1) in the KSA. Pipe coating and pressure vessel manufacturing are two of the many capabilities that the combined yards can currently undertake.

UAE

Mussafah Yard
- **Area:** 1,000,000 M^2
- **Capabilities:** Major structures (platforms, decks, pancakes)
- **Capacity:** 100,000 MT/Yr
- **Manpower:** 15,000

UAE
ICAD4 Yard:
- **Area:** 312,000 M^2
- **Capabilities:** Pipe coating
- **Coating capacity:** 2 layer and 3 layer coating 600 KM/Yr. CWC: 300 KM/Yr
- **Manpower:** 350

UAE

Modular Fabr. Yard:
- **Area:** 183,000 M^2
- **Capabilities:** Modular fabrication
- **Manpower:** 3,000

KSA

KSA Yard
- **Area:** 400,000 M^2
- Capabilities: PDMs, Jackets
- **Capacity:** 25,000 MT/Yr
- **Manpower:** 5,000

Pipe coating: Occupying an area of 140,000 square meters, the state-of-the-art pipe coating facility in Mussafah enables the Company to offer a wide range of specialist pipe coating services. NMDC Energy was the first company in the region to acquire advanced technology for onshore pipeline coating. In 1994, the Company installed the first plant for three-layer coating with outer diameters ranging from 3" to 52". Responding to growing demand for three-layer PE/PP coating, the Company established a second coating plant in 2014 for pipes with diameters from 3" to 48". In 2023, this plant was upgraded to coat pipes up to 64" in diameter. Both plants can apply single FBE layer, dual FBE layer, and three-layer PE/PP coatings. The yard is capable of coating 900 kilometers of pipeline every year as proven in 2023. NMDC Energy also undertakes pipe coating services using fusion bonded epoxy, polyethylene, polypropylene, and reinforced iron ore-concrete mixture coatings.

Pressure vessels: With a deep understanding of the specificities of pressure vessel manufacturing, the fabrication yard can build vessels of carbon steel or corrosion resistant steel with a wall thickness of up to 200 millimeters.

12.5.6 Workforce

The Company's dedicated workforce is the driving force behind its success, embodying a commitment to excellence and collaboration that fuels innovation and propels the business forward.

Workforce

3,191

12,426

Total workforce: 15,617

Emiratization

175

224

Development programs: NMDC Energy has multiple development programs with the objective to improve the skills and knowledge of the workforce, which leads to better performance and productivity. These programs also boost employee satisfaction and retention by demonstrating a commitment to their professional growth. Furthermore, by doing so NMDC Energy can adapt more effectively to changing market conditions, contributing to the company's long-term success. A total of 10,542 employees were trained over the past five (5) years. The key development programs focused around upskilling the Company's work force include the following:

Name of program		Attendees (as at 30 June 2024)
Learning Circles	Share your knowledge	491
mahara	Fresh Graduate program	624
tumooh	Online Learning	2,600
riyada	Leaders Development	63
mahara	Saudi Nationals Development	147
the hive TOASTMASTERS CLUB	Toastmasters	44

12.5.7 Global presence

Current markets: Besides its home market (UAE) NMDC Energy is increasingly executing projects on a global scale. This includes KSA, India, Taiwan, and Kuwait.

- **UAE:** Location of the main office and the home of three (3) construction yards with an area of approximately 1,480,000 square metres. Today NMDC Energy is executing 29 projects in UAE with a total value of approximately AED 44,300,000,000 (forty-four billion and three hundred million Dirhams).
- **KSA:** Established a new yard with an area of 400,000 square metres and an offshore support base with an investment of AED 200,000,000 (two hundred million Dirhams). Today NMDC Energy is executing 12 projects in KSA with a total value of approximately AED 14,400,000,000 (fourteen billion and four hundred million Dirhams).
- **India:** Two engineering offices in India (NEL and ANEWA) with strong detailed engineering capabilities in the energy sector.
- **Taiwan:** Executing one of the largest offshore wind farm project in Taiwan securing a revenue of more than AED 1,133,000,000 (one billion, one hundred and thirty-three million Dirhams) in 2022, 2023 and H1 2024.
- **Kuwait:** Executing a project worth of approximately AED 850,000,000 (eight hundred and fifty million Dirhams) for new desalination containers, close to completion.

International Offices:

- **France:** Principia Engineering office
- **Spain:** Procurement office
- **Italy:** Procurement office
- **China:** Procurement office
- **Malaysia:** Client Interface office

12.5.8 Offshore assets

As at the date of this Prospect, the Company fleet comprises over eighteen (18) offshore vessels, each outfitted with the latest technology and facilities to enable shallow and deep-water operations. The DLS 4200 vessel alone offers a 10-point mooring system and a derrick crane capable of lifting structures weighing up to 4,200 tonnes, as well as equipment to lay subsea pipes of up to 66 inches in diameter in water depths ranging from 10 to 2,000 meters.

	Vessel	Type	Built	Accommodation
Floating construction vessel	DLS 4200	Derrick Barges	2013	350
	Delma 2000	Derrick Barges	2007	308
	Shujaa 2000	Heavy Lift and Cable Lay	2009	620
	DLB 1000	Conventional Flat Bottom Barge	1983	269
	DLB 750	Conventional Flat Bottom Barge	1985	269
	PLB 648	Conventional Flat Bottom Barge	1979	244
	Umm Shaif	Offshore Support and Cable Lay	2009	620
Tugs & Transportation Cargo Barge	Yas	Anchor Handling Tug Supply	2011	28
	Saadiyat	Anchor Handling Tug Supply	2011	28
	B 42	Launch and Cargo Barges	2016	-
	LB 2	Launch and Cargo Barges	2003	-
	CB 6	Cargo Barges	2001	-
	CB 7	Cargo Barges	2014	-
	CB 8	Cargo Barges	2014	-
Jack up Barges	SEP 450	Jack-up Barges	2012	219
	SEP 550	Jack-up Barges	2014	314
	SEP 650	Jack-up Barges	2016	314
	SEP 750	Jack-up Barges	2016	314

12.5.9 Key projects

NMDC Energy is a key player in the energy EPC sector, committed to delivering projects of unparalleled quality with integrity. The Company's history of exceptional project work reflects its boundless ambition and constant innovation. Whether addressing evolving challenges in oil and gas or spearheading the energy transition, the Company has consistently achieved outstanding results for a variety of major clients. Selected projects include the following:

- **2023**

UAE

Projects:
- Hail & Ghasha development
- ESITDAMA Package 3
- MERAM Project

KSA

Projects:
- Zuluf Trunkline – Z1
- Zuluf Package – 3
- Zuluf Package – 4

Global

Projects:
- T&I work of Monopiles in Yunlin Wind Farm, Taiwan

- **H1-2024**

Client: ADNOC

Projects:
- Lower Zakum HURLK + 20 Project – EPC Project

Client: ADNOC

Projects:
- LZ LTDP-1 – EPC Work for EPS-2 & PDP

Client: ADNOC

Projects:
- Ruwais LNG Facilities Projects (EPC)

12.5.10 Sustainability

The Company is a leader in the energy EPC industry, playing a crucial role in the transition to clean energy. By forming strategic partnerships and developing innovative clean energy and carbon capture and storage projects, the Company has contributed to the UAE's Sustainable Development Goals and global decarbonization efforts. Sustainability which is an integral to its operations is pursued through opportunities in the clean energy sector, optimizing efficiency, protecting wildlife affected by its projects, and support numerous environmental initiatives.

Energy transition: The Company has strategically expanded into renewable energy by partnering with Masdar to accelerate green technology adoption and create new opportunities for clean energy integration. Its diverse portfolio includes projects such as the UAE's first green hydrogen facility and an offshore wind farm in Taiwan, underscoring its commitment to large-scale renewable energy infrastructure development.

Energy efficiency: Implementing an Energy Savings Action Plan has optimized energy performance across all the facilities. By upgrading infrastructure, integrating renewable energy sources, and conserving water, the Company strives to operate with maximum efficiency.

Environment & Biodiversity: The Company is dedicated to protecting local biodiversity through essential initiatives, such as providing 135 strategic nesting platforms for ospreys and other birds, which support perching, hunting, and nesting behaviors. Additionally, the Company takes proactive measures during turtle nesting and hatching seasons to minimize disturbance to sensitive habitats.

Community engagement: Promoting a harmonious balance between urban development and nature conservation is essential for achieving the UAE's Sustainable Development Goals. The Company actively participates in community-driven environmental initiatives, taking the lead in promoting biodiversity.

The Company is dedicated to embedding Environmental, Social, and Governance ("**ESG**") principles throughout its operations. As a prominent player in the energy sector, the Company understands the importance of adopting sustainable practices that minimize environmental impact, support community development, and maintain strong governance standards. The Company's ESG initiatives aim to tackle key issues like climate change and ethical practices, aiming to contribute positively to the global energy shift while delivering value to its stakeholders. This section outlines the core ESG efforts carried out by the Company and how it is working to drive the industry toward a more sustainable future.

ESG initiative	Description
Yard Electrification	- Substantial investments in yard upgrades and electrification enable NMDC Energy to operate more efficiently while advancing towards a greener future.
Circularity in projects	- Strategic move to double its revenue from wind projects by acquiring a dynamic positioning vessel is poised to be a transformative step, propelling the company towards an annual revenue exceeding AED 1,000,000,000 (one billion Dirhams) and solidifying its position as a key player in the rapidly expanding renewable energy sector.
Value Engineering	- Value engineering is a key principle within the Company's engineering department, focused on achieving more with less material and delivering projects in a smarter way.
Digitalization	- NMDC applies digitized tools like digital twin which increase efficiency, reduce travel and enable artificial intelligence solutions.
Energy management system	- NMDC Energy has an energy management system in place to reduce energy consumption in the offices and on the yard.
Waste management & reduction program	- NMDC Energy has a waste management and resource recovery system in place to collect and segregate operational waste. In addition, NMDC Energy undertakes renovation, repurposing, or decommissioning of offshore platforms to extend their lifecycle or ensure proper dismantling, facilitating recycling of waste materials back into the value chain.
NT Energies	- NMDC Energy has established a joint venture with Technip Energies, NT Energies, which specializes in blue and green hydrogen production, decarbonization projects, advanced carbon capture technologies, and a range of industrial initiatives, including waste-to-energy, biorefining, and biochemistry.
Environmental conservation activities	- NMDC Energy plans to launch the initiative to conduct beach cleaning through advanced equipment along the Abu Dhabi's coast to tackle plastic pollution and safeguard its marine ecosystems. - The Company has contributed towards more than 30 beach clean-up campaigns across project sites. In addition, the Company initiated a campaign to plant more than 20,000 mangrove seedlings in 2023.

12.5.11 Market outlook

Global energy demand growth is driven by population expansion, with an expected increase of 2 billion people by 2050, alongside rising prosperity in rapidly urbanizing emerging economies that are improving their access to energy. Various scenarios, reflecting the combined perspectives of the International Energy Agency ("**IEA**"), Organization of the Petroleum Exporting Countries ("**OPEC**"), and other experts, forecast future energy demand. These scenarios depend on factors such as government policies, geopolitical stability, and environmental targets. Despite these variables, all scenarios project an increase in absolute energy demand by 2050. While renewables are anticipated to grow the fastest, all forms of energy will be necessary for the foreseeable future. Oil and gas are expected to continue comprising a significant portion of the total energy supply in all projected scenarios.

Energy investment in the Middle East is projected to reach approximately USD 175 billion in 2024, with clean energy comprising around 15% of this total. By 2030, clean energy investment is expected by the IEA to more than double compared to 2024 levels. Global upstream oil and gas capex is expected to grow by USD 24 billion in 2024, surpassing USD 600 billion. The International Energy Forum forecasts global annual investment will need to grow by another USD 135 billion, or 22 percent, to USD 738 billion by 2030 to ensure adequate supply.

Five of the twelve countries in the Middle East region have set net-zero emission targets. The UAE and Oman aim to achieve net-zero emissions by 2050, while Saudi Arabia, Bahrain, and Kuwait have set a target for 2060. Additionally, the UAE has committed to reducing emissions by 19% by 2030 from 2019 levels and has pledged USD 30 billion in catalytic capital to launch a climate-focused investment initiative at COP28 (Source IEA).

Market analysts forecasts that floater demand is expected to increase to 133 rig years in 2024 from 119 rig years in 2023. Globally, committed utilization for floaters stands at 82%, while marketed utilization stands at 74%. Jackup demand is expected to increase to 371 rig years in 2024 from 347 rig years in 2023 driven by Saudi Arabia, the UAE and India. Globally, committed utilization for jackups stands at 87%, while marketed utilization stands at 82%. The overall global jackup demand for 2024 to 2030 has been lifted by on average 7% driven by increased exploration and brownfield activity in most regions.

Based on market analysts, the following key trends are noted for the global energy service market:

- Reservoir and stimulation purchases to hit USD 147 billion in 2035
- Equipment and materials purchases could peak around 2027
- Demand for operations and maintenance increases
- More logistics and vessels needed
- Vessel demand to grow towards 2030, supported by offshore wind
- Offshore rig demand set to increase over time

12.5.12 Business Strategy

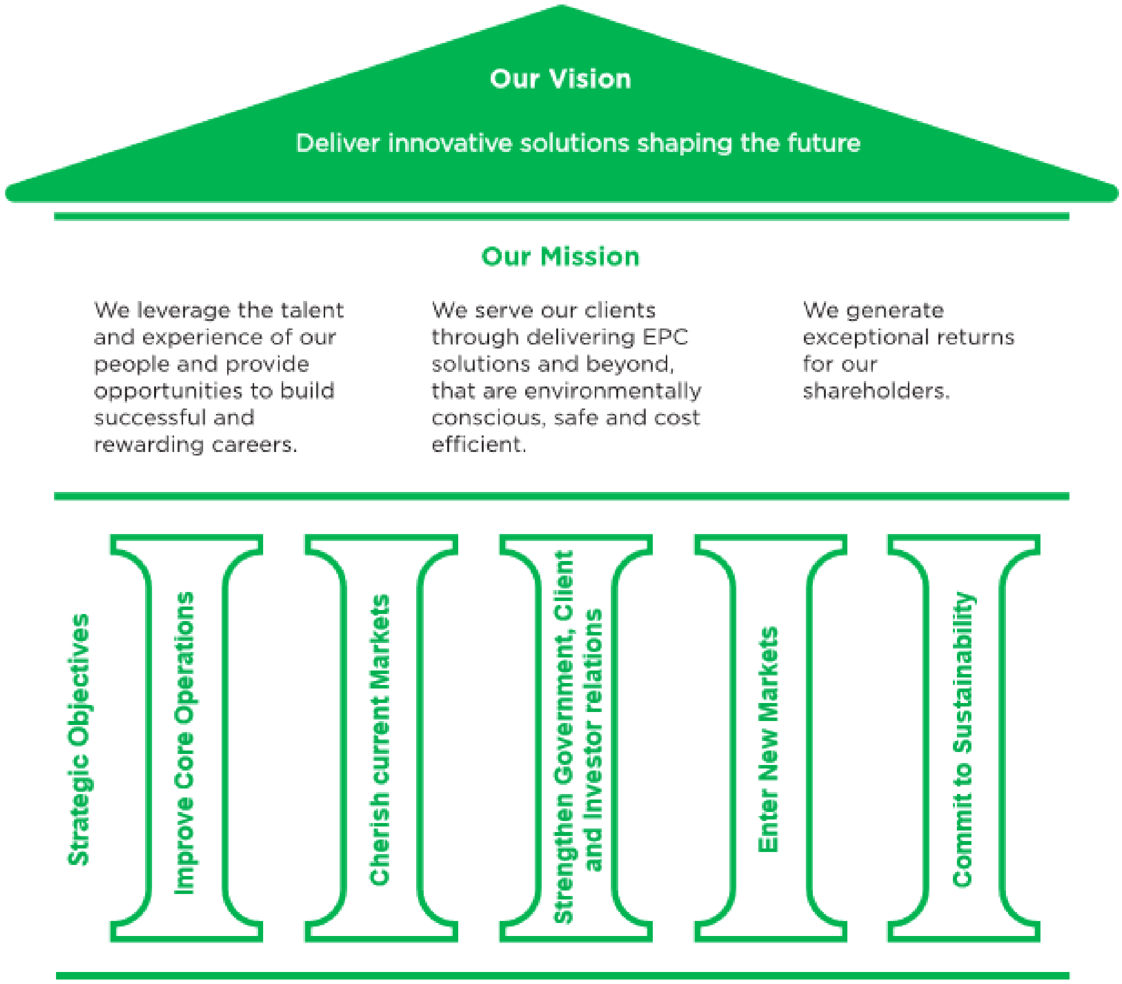
a) Vision, Mission and Strategic Pillars

The Company's strategy focuses on resilience and sustainable growth in the dynamic energy landscape. In particular:

- Targeting revenues to grow at CAGR of between 10-12% until 2028. The Company's strategic roadmap involves a robust organic growth plan, a dynamic acquisition strategy, and creating synergies that drive growth and innovation.

- Expanding into Africa, India, and South East Asia to open new avenues for business, fostering a truly global presence. As part of its commitment to sustainability, the Company intends to venture into renewable energy in collaboration with NT Energies and its long-term wind project in Taiwan.

- Optimising the strategic advantage provided by the new yard in KSA and the recently acquired yard in the UAE for modular fabrication to enhance the Company's operational efficiency and capacity, with the aim of solidifying Company's position as a leading force in the industry.



b) Strategic growth areas and initiatives

The Company is committed to continually seeking avenues for growth and expansion. The Company invests in new areas for growth to diversify revenue streams and mitigate market volatility, align with global sustainability trends, and comply with increasing environmental regulations. The Company pursues a diverse range of strategic initiatives that foster innovation, enhances competitiveness and opens up long-term growth opportunities in existing markets, renewable energy, digital solutions and carbon capture. By identifying and responding to these demands the Company can attract new clients whilst retaining existing ones, ensuring its relevance and profitability in the evolving energy landscape. As at the date of this Prospectus, the Company's strategic initiatives include:

Strategic initiative	Description

Energy transition: **NT Energies**	- The joint venture is poised to bolster the Company's financial outlook, particularly in light of the abundant market opportunities in the GCC, estimated to exceed AED 50 billion (fifty billion Dirhams) over the next five years.
Renewables: **Taiwan Wind**	- Strategic move to increase its revenue from wind projects by acquiring a DP vessel is poised to be a transformative step, propelling the company towards an annual revenue exceeding AED 1 billion (one billion Dirhams) and solidifying its position as a key player in the rapidly expanding renewable energy sector.
International expansion **KSA**	- The establishment of the Company's new yard in KSA with an investment exceeding AED 200 million (two hundred million Dirhams) reflects a significant commitment to enhancing the Company's capabilities, enabling it to handle a greater volume of projects and ultimately leading to increased revenues.
International expansion **Southeast Asia**	- The Company's strategic entry into the Southeast Asian market through potential partnerships with a number of existing players heralds a new era, unlocking promising avenues for projects in that dynamic region and broadening the Company's global footprint.
International expansion **Africa**	- The Company's strategic move to enter the African oil market signals a pivotal expansion, with the continent offering immense potential with total project values in the African market estimated to surpass more than AED 100 billion (eight hundred and fifty billion Dirhams) in the next five years.
Sector expansion **Decommissioning**	- The Company is aiming to enter the decommissioning sector either through building its own in-house capabilities or inorganically through acquisitions. Total expected global decommissioning expenditure out to 2050 is around USD 500 billion of which USD 128 billion between 2022 and 2030.
Sector expansion **Onshore**	- Five ongoing onshore projects with a value of approximately AED 25.360 billion (twenty-five billion and three hundred and sixty million Dirhams) o Belbazem – Onshore o Estidama o EPC for Hail & Ghasha o MERAM project o KOC- installation of new Desalter Train o Alruwais LNG gas project
Sector expansion **O&M**	- The Company is exploring opportunities to expand its coverage along the upstream oil and gas value chain and diversify revenue streams into Operations and Maintenance activities (O&M) which are typically more consistent and predictable in nature and performed via long-term contracts. The Company aims to target potential suitable businesses to expand its coverage into O&M services within the energy sector.
M&A **Strategic acquisitions**	- The Company's strategic plan for the acquisition of companies signifies enhancement of the Company's capabilities, unlocking additional project capacity and paving the way for increased revenue.

Enhancing capabilities **Module fabrication**	- An additional yard has been identified in Musaffah with an area of 220,000 squares metres to focus on module fabrication.
Enhancing capabilities **India**	- The Company is currently expanding the capabilities of its engineering office in India to undertake small and medium-sized EPC projects, ensuring a diversified portfolio and guaranteeing additional revenue streams for the Company.

c) Values

The Company is defined by a strong and cohesive company culture. The Company strives to cultivate a working environment where everyone can thrive. From maintaining a zero tolerance approach to discrimination to providing boundless training and development opportunities, the Company aims to take care of its people, assets and the environment. The Company also endeavors to engage its employees in its core values, ensuring sustainability and responsibility is embedded into the day to day. Whether on-site, in the office, or in the boardroom, the Company aims to live its purpose at every moment.

- **Knowledge:** The Company's approach to knowledge is deep and ever evolving. The Company works at the forefront of the industry, always striving to know more.
- **Accountability:** The Company is accountable, reflecting its bond of trust and commitment to excellence. The focus is being the best at what it does.
- **Morality:** The Company follows its moral compass, ensuring clarity and virtue in all its endeavors. This backbone of morality guides every decision.
- **Alliance:** The Company takes pride in forming strong partnerships with others, a testament to its belief in collaboration, partnerships, and unity.
- **Leadership:** The ethos with which the Company guides, sets standards, and inspires, its leadership ensures it elevates the industry wherever it goes.

d) Partnerships and alliances

NMDC Energy plays a leadership role with international organization through joint ventures and consortiums, to deliver excellence in executing world-class projects. These partnerships and alliances provide access to specialized expertise and technologies, mitigates risks, and enables further cost efficiencies through shared resources. These collaborations facilitate market expansion, enhance capabilities for tackling even larger projects, and improve overall customer value by delivering enhanced solutions and services.

Year	Milestone

2016	- NMDC Energy forged a pivotal partnership with ARAMCO, culminating in a long-term agreement aimed at executing world- class offshore development projects. Since the inception of this strategic alliance, 22 projects have been awarded with a cumulative value surpassing AED 28 billion.
2022	- MOU between NMDC Energy and Masdar marks a strategic collaboration to explore the development of renewable energy projects, promising to significantly enhance the company's revenue through sustainable initiatives.
2022	- NMDC Energy & Technip Energies formed a JV called NT Energies to support energy transition by providing value-added services in the blue and green hydrogen sector, related decarbonization projects and the capture of carbon dioxide. - NMDC Energy led a consortium with Technip Energies winning a front end engineering design (FEED) contract for a Carbon Capture and Storage (CCS) project at the Kasawari gas field in Malaysia. This was expected to be one of the world's largest offshore CCS projects in 2022.
2023	- NMDC Energy and Borouge signed a memorandum of understanding to supply critical materials for key energy projects in UAE, valued at nearly AED 60 million.
2023	- Establishment of a MOU between NMDC Energy and ADNOC for steel fabrication structure works to yield substantial financial benefits, positioning both entities for increased profitability and operational efficiency.
2023	- NMDC Energy leads a consortium with Saipem for the development of Hail & Ghasha natural gas field project with a total value of more than AED 30 billion.
2023	- NMDC Energy leads a consortium with Tecnicas Reunidas for the Ethane Recovery and Maximization (MERAM) project from ADNOC Gas with a total value of more than AED 13 billion.
2023	- NMDC Energy leads a consortium with C.A.T for Estidama package 3 project with a total value exceeding AED 1.3 billion.
2024	- NMDC Energy has a partnership with Technip Energies and JGC (TJN Ruwais JV), for the Ruwais low-carbon LNG project (RLNG) from ADNOC with a total value of more than AED 20 billion.

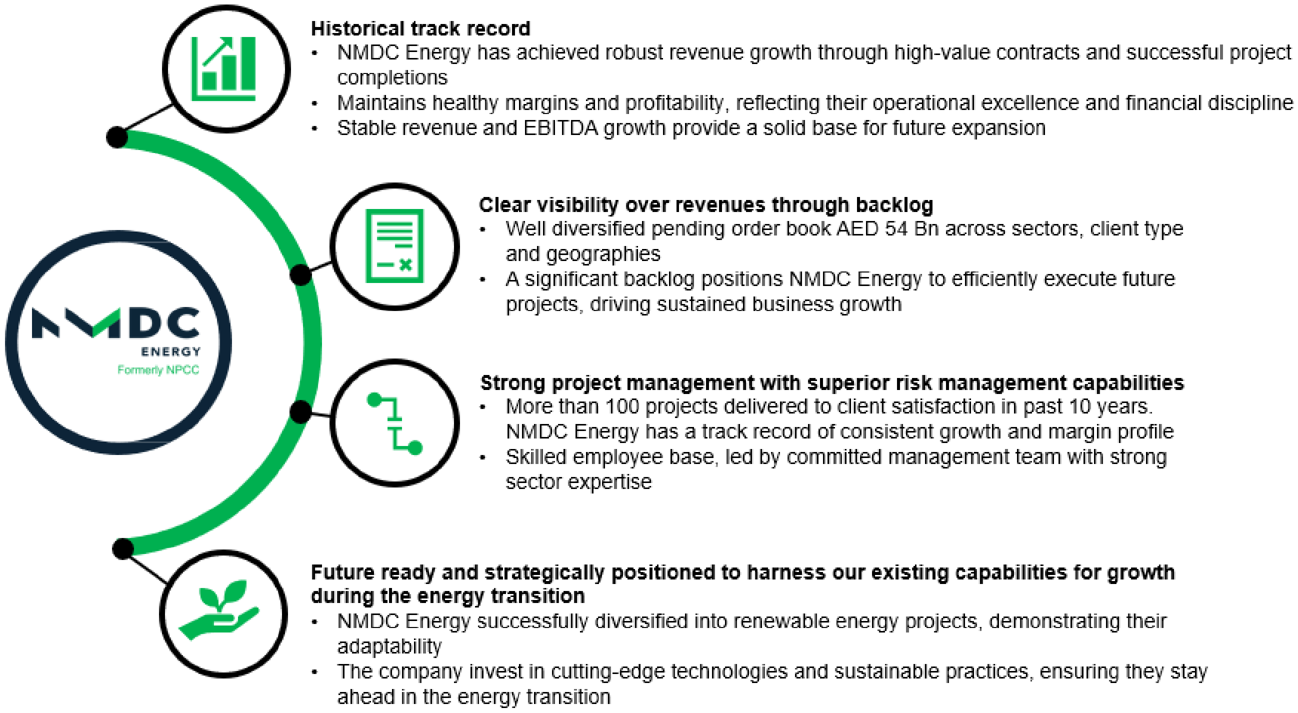
e) Technology transformation and innovation:

Technology transformation and innovation is one of the key focus areas for the Company. It further enhances the Company's operational efficiency, reduces costs, and ensures project timelines are met. The continuous investments in latest technologies and innovation optimize its resource use, enables to rapidly adapt to market changes and attract top talent. Some of the key technology transformation and innovation initiatives include the following:

Initiative	Description
Digital Twin	- Integrated Design, Procurement, Construction & Commissioning Systems - Virtual and Augmented Reality - e-Review 4D & 5D Schedule & Progress
Connected Worker	- NMDC Energy revolutionizes tracking and workplace efficiency through its innovative Connected Worker Technology, empowering its workforce for unparalleled productivity and seamless collaboration.
Challenge Me 2023	- Initiated in 2023, the Challenge Me Initiative is a dynamic program that empowers employees to submit their innovative solutions to address various challenges.
HSE Site Safety Analyzer	- An AI-enabled system designed to enhance Health, Safety, and Environmental (HSE) compliance within the NMDC Energy. It provides continuous monitoring of workplace conditions, identifies potential hazards in real-time, and alerts staff to prevent accidents, ensuring a safer and more compliant work environment.
Predictive maintenance	- This system utilizes advanced analytics to predict equipment failures before they occur, enabling proactive maintenance. It optimizes equipment uptime, reduces maintenance costs, and enhances operational efficiency by monitoring equipment health and alerting maintenance teams about potential issues in advance.
3D Printing Capabilities	- Harnessing the innovative power of 3D printing technology, the Company is set to revolutionize the construction and manufacturing processes. The Company integrates 3D printing to not only speed up production but also to create more complex geometries, reduce waste, and drive cost efficiency in the Company's operations.

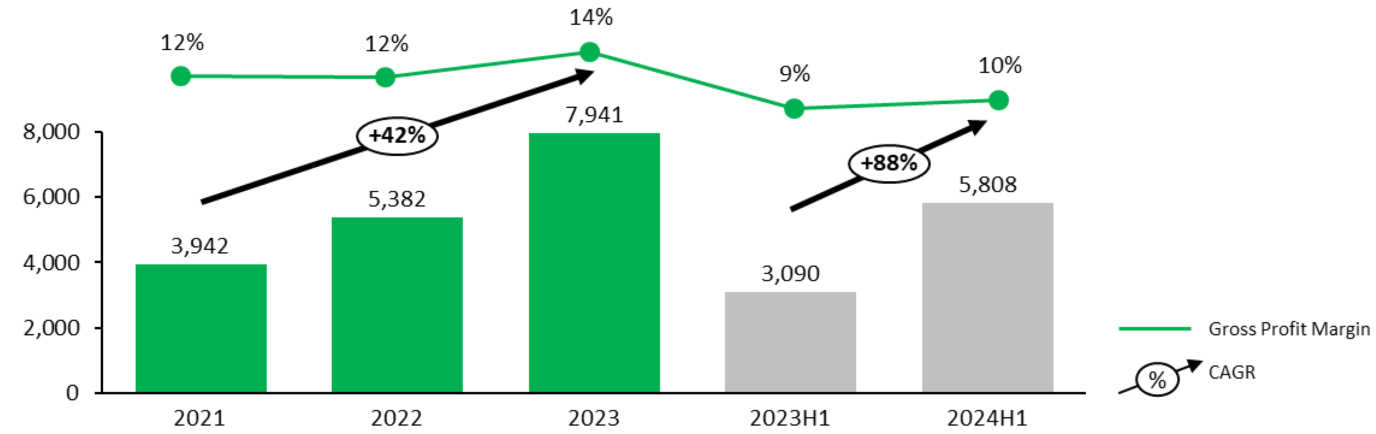
f) Key investment considerations:

As a market leader in the energy EPC sector, the Company's strong historical performance, robust project backlog, and strategic positioning for the energy transition highlight the potential for sustained growth and profitability. These key considerations demonstrate the ability to deliver long-term value to the Company's investors amidst a dynamic and evolving energy landscape.



12.5.13 Business performance and outlook

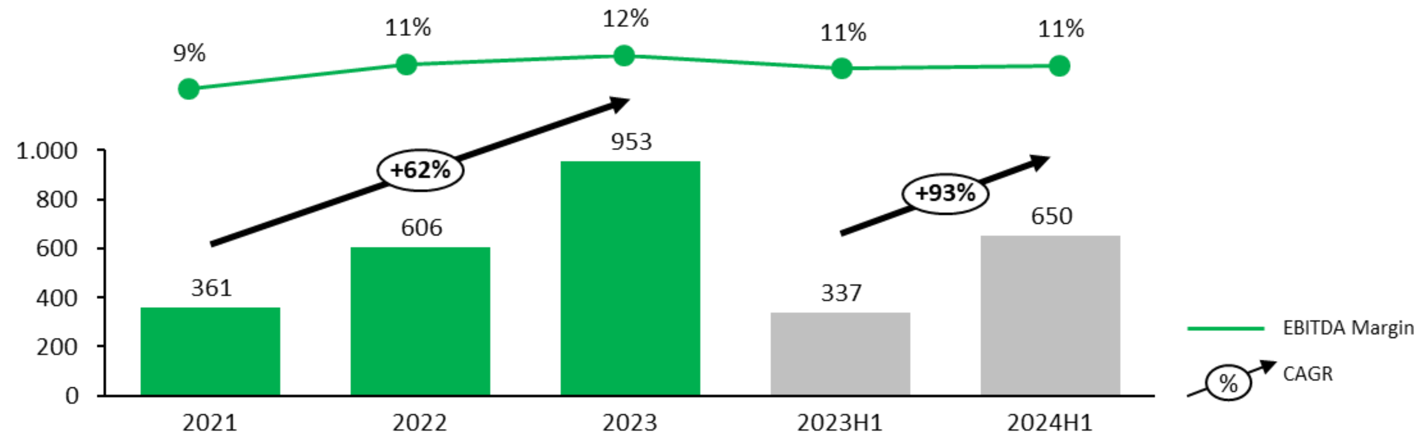
Revenue (AEDm)



- The Company has demonstrated a robust revenue growth trajectory in the recent past. Revenue grew at a compound annual growth rate (CAGR) of 42% between 2021 and 2023 on the back of an uptick in its backlog position.
- Key contributors for the significant increase in revenues were as follows:
  - Offshore Projects - Zuluf with award amount of approximately AED 8.3 billion, Umm Shaif project with value of approximately AED 3.5 billion, and Dalma project with value of approximately AED 1.9 billion and NMGL Project with value of approximately AED 1.9 billion.
  - Onshore Projects - Hail & Gasha, ESTIDAMA Package 3 and MERAM for a value of approximately AED 22.3 billion.
- The growth trend continued during the first half of 2024 whereby revenue grew by 88% as compared to the first half of 2023.

- The historical growth trend provides a stable platform for the Company's ambition to increase revenues further at a CAGR of between 10% - 12% until 2028.
- The gross margin of the business has remained broadly stable during the historical period. Whilst there is a decline in margins during the first half of both H1 2023 and H1 2024 (largely as a result of offshore projects being impacted by unprecedented weather conditions), the margins typically have been higher during the second half of the year. In addition, margins are also influenced by the respective stage of projects which are currently being executed.

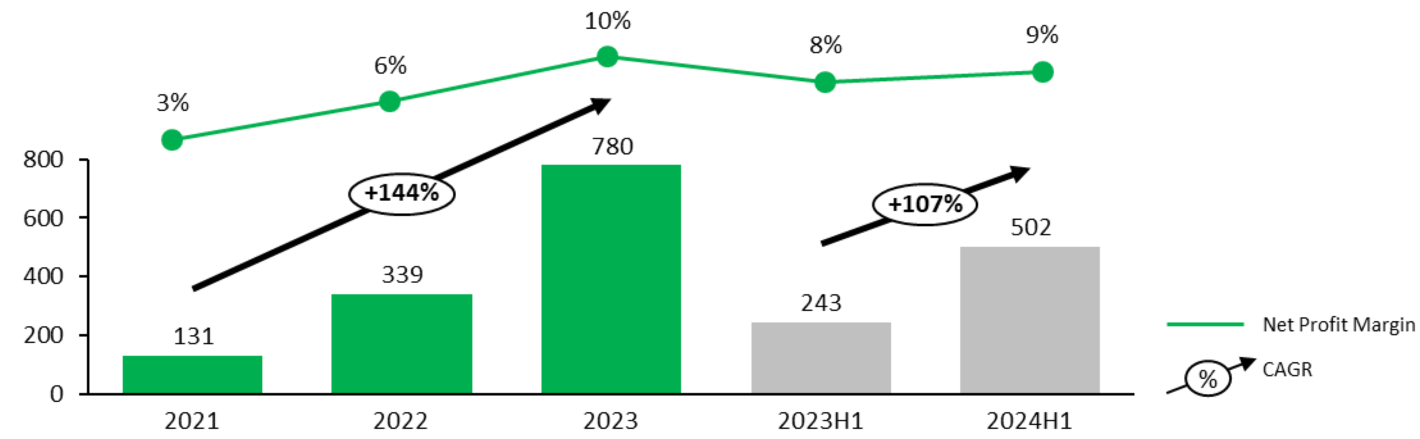
EBITDA (AEDm)[1]



[1]Excludes gain on partial disposal of a division in 2022 amounting to approximately AED 238 million

- The Company has demonstrated significant EBITDA growth, achieving a compound annual growth rate (CAGR) of 62% from 2021 to 2023, followed by a CAGR of 93% between the first half of 2023 compared to the first half of 2024. This performance underscores the Company's operational efficiency and ability to capitalize on the increasing backlog.
- Despite the dynamic nature of the energy industry, the company has historically maintained a stable EBITDA margin of approximately 11% reflecting its disciplined cost management, project controls, and risk management approach, ensuring consistent profitability.

Net Profit (AEDm)[1]:

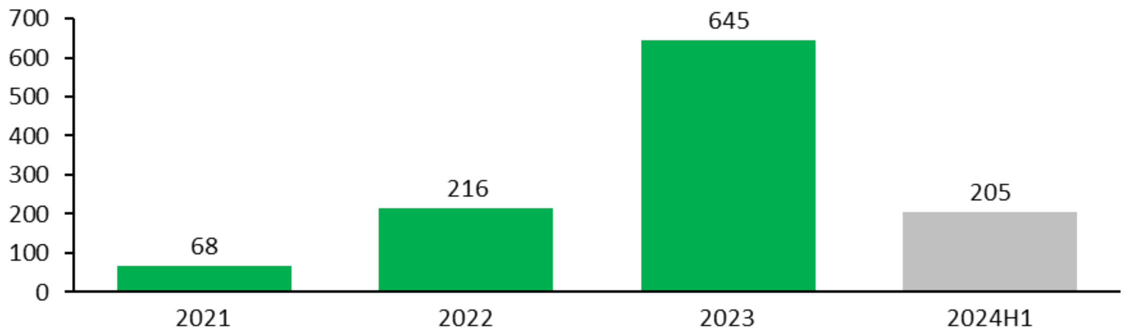


[1] Excludes gain on partial disposal of a division in 2022 amounting to approximately AED 238 million.

- The growth in the Company's historical net profit performance is higher than the revenue and EBITDA growth. This underlines the Company's ability to grow whilst simultaneously improving profitability.

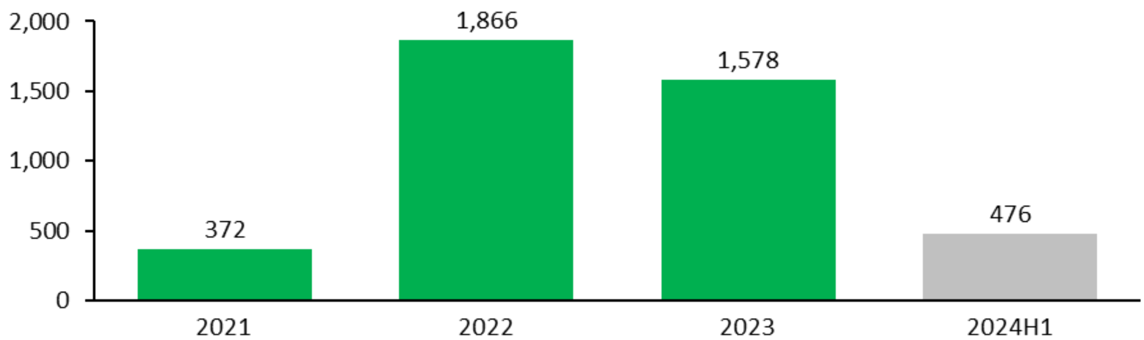
- The Company has launched a number of cost optimization initiatives which have contributed directly towards improvement in net profit. In specific, the Company carried out an extensive review of its overhead base to optimize functional overheads and achieve cost savings through higher allocation of cost towards projects. Additionally, the Company has also strengthened its project control capabilities by adding performance scorecards by individual projects and portfolio levels which are reviewed by senior management team on a weekly basis.
- Consequently, net profit margins of the Company led to significant improvement in 2023, which is in the top quartile of the industry average for major EPC contractors in the Middle East (Source: Oil and Gas Middle East).

Capital Expenditures (AEDm)[1]:



- In line with its backlog growth and expansion strategy, the Company embarked on a Capex program in 2022 and 2023. Some of the key highlights representing the Capex program include the following:
  - Modernization of the yard in Musaffah to cutting edge industrial standards and expansion of yard capabilities in KSA.
  - Acquisition of specialized equipment and upgrading of existing assets to support large ongoing and future projects.
  - Upgrading of existing marine fleet with a view to improve efficiency, productivity, and expansion of economic life.

Free Cash Flow (AEDm)[1]:



Free Cash Flows computed as Operating cash flows minus Capex

- Free Cash Flows have mirrored the growth in EBITDA and Net Profit, reflecting a nearly fivefold increase between 2021 and 2022.
- The Company has taken a number of measures to efficiently manage its working capital including negotiating better procurement terms with suppliers and subcontractors as well as advances from clients
- Free Cash Flows to EBITDA continued to remain healthy between FY2021 and FY2023, ranging between 103% and 308% respectively. The decline in H12024 to 73% from the corresponding period was largely a result of significant increase in the level of procurement on large ongoing projects.

Forward looking guidance

The forward-looking guidance provides insights into the Company's strategic outlook and anticipated future performance. It is important to note that while the Company strives to provide accurate and informed projections, no statement or projection contained in this Prospectus should be interpreted as a guarantee that earnings for the current or future financial periods will necessarily match or exceed the Company's historical earnings or achieve the targets outlined herein. The forward looking guidance is based on current expectations, assumptions, and business conditions, which are subject to change. Consequently, actual results may differ materially from those projected, and investors should exercise caution and consider the inherent uncertainties associated with forward-looking statements. See section 5 ("Forward-Looking Statements"), section 13 ("Investment Risks") and specifically section 13.1.21 in relation to the Company may not be able to achieve its business strategy or meet its targets.

<table>
<tr><td>Backlog</td><td>Approximately AED 54 billion as at 30 June 2024</td><td>Historical bid success rate of 39% over the last 3 years</td><td>Projects in pipeline (under various stages of competitive tender process) AED 53billion as at 30 June 2024</td></tr>
<tr><td>Revenue</td><td>AED 13 to 14 billion (expected in FY 2024)</td><td>Revenue expected at a CAGR between 10% and 12% until FY 2028</td><td>Expected phasing of backlog into revenue as depicted in section 12.5.14</td></tr>
<tr><td>Gross Margin</td><td>14% gross margin for FY2023</td><td colspan="2">Estimated gross margin between 12% to 14% between 2024 and 2028</td></tr>
<tr><td>EBITDA</td><td>12% EBITDA margin for FY2023</td><td colspan="2">Estimated EBITDA margin between 10% to 12% between 2024 and 2028</td></tr>
<tr><td>Capex</td><td>Major Capex expansion program starting FY2023 to support significant business growth in FY2023 and FY2024 between AED 1 billion to AED 1.2 billion</td><td>Expected completion of major Capex expansion program by FY2026 amounting to approximately AED 500 million</td><td>Estimated annual run rate maintenance Capex of AED 250 million to AED 300 million</td></tr>
</table>

Working Capital	Estimated Net Working Capital[1] to gradually increase to 20% of revenues by FY2028	
Net Profit	10% Net Profit margin for FY2023	Estimated Net Profit margin between 7% to 10% between 2024 and 2028

[1] *Net Working Capital defined to include inventory, trade and other receivables, and contract assets minus trade payables and accruals*, advances received from customers*, lease liabilities, contract liabilities, and income tax payable.*

12.5.14 Backlog

The Company's project backlog represents the total value of contracted projects that are yet to be completed. This backlog is a key indicator of the future revenue potential and operational workload. As of 30 June 2024, the secured backlog stood at approximately AED 54 billion (fifty-four billion Dirhams), reflecting the robust pipeline of upcoming projects, the extent to which revenues are contractually secured and the continued confidence from clients on the Company's capabilities.

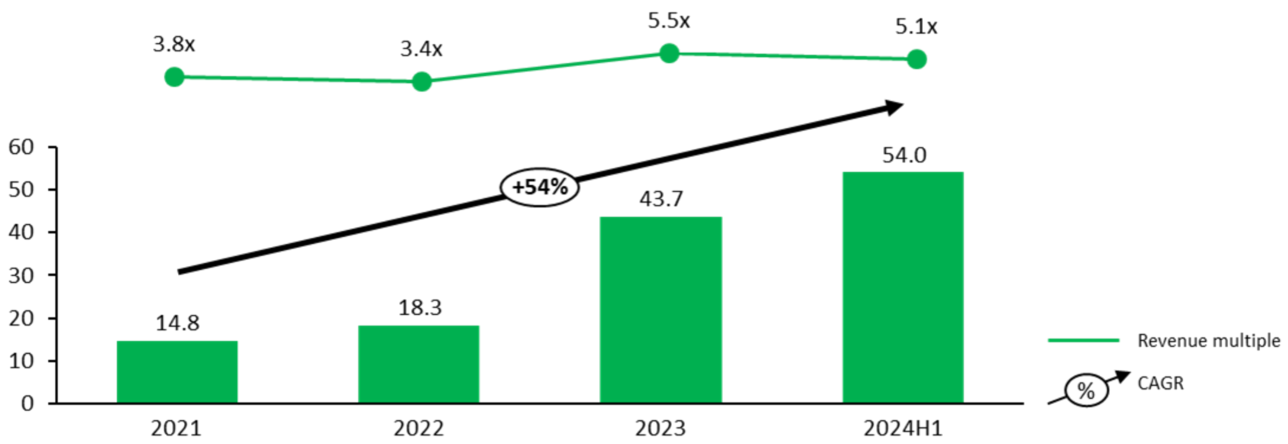
The backlog comprises a diverse range of projects, spread across various geographies including UAE, KSA, Kuwait, and Taiwan. This diversity not only mitigates risk by reducing dependency on any single projects or region but also demonstrates the Company's global reach and adaptability to different market conditions.

Key projects:

As of 30 June 2024, the Company had a secured backlog representing 4.6 times of its annualized last twelve month revenue. Some of the key projects contributing to the Company's backlog include:

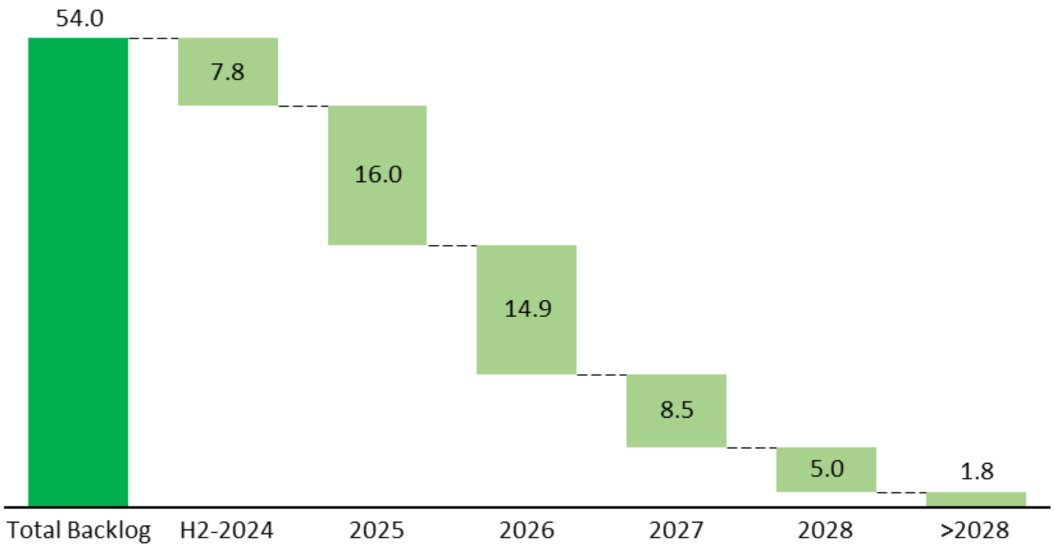
- **Hail & Gasha Project**: Offshore drilling centers, subsea pipelines, umbilicals, power cable connections, seawater intake structure, bridges, risers, flare, and facilities at Ghasha Offshore Processing with a value of approximately AED 15 billion (fifteen billion Dirhams) and an expected completion date of Q3-2028.
- **MERAM Project**: New facilities to recover the ethane from residue gas from various existing NGL Recovery Units with a value of approximately AED 6.4 billion (six billion and four hundred million Dirhams) and an expected completion date of Q3-2027.
- **ZULUF Project**: New ZULUF AH West/East Oil Facilities and associated subsea works with a value of approximately AED 8 billion (eight billion Dirhams) and an expected completion date of Q2-2026.
- **HURLK Project**: Lower Zakum HURLK EPC project with a total value of approximately AED 2.3 billion (two billion and three hundred million Dirhams) and expected completion date of Q3 2026.
- **Lower Zakum LTDP 1**: EPC works with a value of approximately AED 8.8 billion (eight billion and eight hundred million Dirhams) and expected completion date of Q2 2028.

Historical Backlog evolution



Note: Revenue multiple as of 30 June 2024 based on 30 June 2024 LTM revenues

Expected phasing of backlog into revenue in AED billions



12.5.15 Key clients

The Company has built strong relationships with its key clients over the past decades. These esteemed clients represent influential players in the global energy sector, with whom the Company has established long-standing partnerships built on a foundation of excellence, reliability, and innovation. The relationships with these key clients showcase the capability to deliver complex projects, its commitment to maintaining the highest standards of quality and safety, and its dedication to driving mutual growth and value creation in the dynamic energy sector landscape.

Client	Key information
ADNOC	**Description:** Founded in 1971, ADNOC is a leading diversified energy group, wholly owned by the Abu Dhabi Government. ADNOC network of fully integrated businesses operates across the energy value chain. **Key facts:** • ~4.86 million barrels capacity of oil per day

- ~10 billion standard cubic feet of gas per day
- ~96 rigs are used for a large number of well drilling operations across Abu Dhabi, its surrounding seas and on artificial islands.

Understanding of ADNOC's strategy:

- Energy Transition investments up to AED 18 billion to reach Net Zero by 2045 ambition
- AED 50 billion decarbonization investment to grow its lower carbon solutions.

Benefit for NMDC Energy: NMDC Energy is working with ADNOC over the past five (5) decades. NMDC Energy has continued work from ADNOC due to its consistent high quality in delivery, competitiveness and local integrated solutions.

Expected opportunities:

- Onshore – in excess of AED 20 billion
- Offshore – in excess of AED 30 billion
- Gas – in excess of AED 20 billion.

ARAMCO

Description: Founded in 1933, ARAMCO is the world's largest integrated energy and chemicals companies, creating value across the hydrocarbon chain.

Key facts:

- ~12 million barrels capacity of oil per day
- Major fields include: Fadhili, Marjan, Jafurah, Wasit, Shaybah, Zuluf, Safaniya and Manifa
- ARAMCO has taken 70% stake on SABIC (world's largest petrochemicals manufacturer).

Understanding of ARAMCO's long term Strategy:

- Upstream pre-eminence
- Downstream integration
- Development of lower-carbon products and solutions across the energy, chemicals, and materials sectors.

Benefit for NMDC Energy:

- ARAMCO has awarded NMDC Energy in excess of AED 26 billion over the past five (5) years.
- The regional presence in KSA gives additional advantage in terms of operational flexibility and economies of scale.

Expected opportunities:

- Tenders summitted – in excess of AED 20 billion
- Tenders under preparation – in excess of AED 25 billion
- Onshore tenders expected– in excess of AED 15 billion.

12.5.16 Risk management

Risk management is one of the essential and critical features of project management for the Company that provides insight into risks that needs to be addressed in support of reaching the project objectives. As risks are pervasive throughout portfolio, program and project management activities, a systematic approach for managing risks is adopted within the organization to achieve its strategic objectives. In this context of risk management the key considerations include, but are not limited to the following:

- events or the circumstances that may occur while execution of projects (their variability and ambiguity);
- events that could have a positive or negative impact on one or more objectives of the portfolio, program or project;
- probability of the risk event occurring;
- impact of the risk event should its occurrence influence favorable outcomes or minimize negative consequences; and
- well defined, fit for purpose risk management and effective implementation enable project management team in decision making towards achieving the project objectives.

Risk Management at Enterprise and Portfolio Levels:

Portfolio risk manager is assigned with the responsibility to establish and implement policies and procedures for Project Risk Management ("**PRM**") practices and to facilitate projects risk management process, workshops and ensure risk management consistency across all projects within the Company. The PRM is part of the risk committee chaired by the CEO and presents the risk and opportunities of the various projects to the committee on a periodic basis.

A dedicated Risk & Opportunity Register ("**R&O Register"**) is established at the proposal phase of any project and is further passed to the project execution team once the project gets awarded and on a regular basis risk and opportunity workshops are conducted and as a result a dedicated R&O Register is maintained by each project. The R&O Register is part of the monthly CEO reports and is discussed in detail on a monthly basis during operational reviews.

To further enhance the effectiveness of Risk & Opportunity management a dedicated Project Opportunity Index has been established and is part of the key performance indicators reporting on a periodic basis.

12.6 Licensed Activities

The licensed activities of the Company are:

- Onshore and Offshore Oil and Gas Fields and Facilities Services;
- Prefabricated Structural Components;
- Manufacturing Construction Metal Framework and Skeletons and Parts thereof Manufacturing;
- Metal Reservoirs, Tanks and Similar Containers Installed as Fixtures Manufacturing;
- Non-metallic Coating of Metals;
- Oil and Gas fields Equipment Manufacturing;
- Building of Commercial Vessels;
- Construction of Drilling Platforms, Floating or Submersible;
- Importing; and
- Exporting.

The principal activities of the Subsidiaries are set out in Annex 5 attached to this Prospectus.

12.7 Property / Leases

Leased properties

Lessor	Lessee	Lease from	Lease term
Zones Corp	NMDC Energy PJSC	22 March 2015	30 years
Department of Municipalities and Transport – Abu Dhabi Municipality	NMDC Energy PJSC	09 January 2023	30 years
Emarat Aloula Industries – Sole Proprietorship LLC	NMDC Energy PJSC	01 September 2023	02 years
Mawani – Saudi Port Authority	National Petroleum Construction Co. (Saudi) LTD.	20 March 2022	10 years
M/s. Jollyboard Ltd	NPCC Engineering Private Limited	01 April 2022	05 years
M/s. Jollyboard Ltd	NPCC Engineering Private Limited	15 April 2022	05 years

Lessor	Lessee	Lease from	Lease term
M/s. Jollyboard Ltd	NPCC Engineering Private Limited	01 December 2023	04 years
Vinod Lalwani, Prerna Lalwani and Preetam B Lalwani	Anewa Engineering Private Limited	17 July 2017	09 years
Megha Goyal, Nandita Goyal, Narendra Kumar Goyal and Leela Devi Goyal	Anewa Engineering Private Limited	17 July 2017	09 years
Sanka Srinivas and Sanka Nagasri	Anewa Engineering Private Limited	15 June 2022	03 years

12.8 Insurance

The Company and its Subsidiaries maintain insurance policies that are customary in the UAE and cover certain risks. The principal risks covered by the insurance policies are all property risks, specific project related insurances, medical insurance for its work force, workers compensation and other risks insurance.

12.9 Statement of Capital Development

- Upon incorporation of the Company on 2 April 1973, the Company's share capital was set at BD 500,000 (five hundred thousand Bahraini Dinars) divided into 50,000 (fifty thousand) shares of BD 10 (ten Bahraini Dinars) each.

- By virtue of Abu Dhabi Law No. 2 of 1987 on the Incorporation of the National Petroleum Construction Company, the share capital has been fixed at AED 100,000,000 (one hundred million Dirhams) divided into 100,000 (one hundred thousand) shares of AED 1,000 (one thousand) nominal value per share.

- By virtue of the articles of association adopted on 28 September 2020, the Company's share capital was set at AED 100,000,000 (one hundred million Dirhams) divided into 100,000,000 (one hundred million) shares of AED 1 (one Dirham) nominal value per share.

- On 24 July 2024, the Company's capital was increased from AED 100,000,000 (one hundred million Dirhams) to AED 2,500,000,000 (two billion and five hundred million Dirhams) divided into 5,000,000,000 (five billion) shares of AED 0.5 (fifty Fils) nominal value per share.

12.9.1 The Company's current share capital structure before the commencement of the Offering

S. No.	Name	Number of Shares owned in the company	Ownership Percent %

1	**NMDC Group P.J.S.C.**	5,000,000,000	100%
	TOTAL:	**5,000,000,000**	**100%**

12.9.2 The Company's share capital structure immediately following the Offering (provided that the Offer Shares are subscribed in full)

S. No.	Name	Number of Shares owned in the company	Ownership Percent %
1	**NMDC Group PJSC**	3,850,000,000	77%
2	**Successful Subscribers**	1,150,000,000	23%
	TOTAL:	**5,000,000,000**	100%

Upon the completion of the Offering, the Company's paid-up share capital shall be AED 2,500,000,000 (two billion and five hundred million Dirhams) divided into 5,000,000,000 (five billion) Shares with a nominal value of AED 0.50 (fifty Fils) per Share.

12.10 Status of Litigation Actions and Disputes with the Company over the Past Three Years

The Company has an ongoing tax litigation relating to whether a Permanent Establishment existed in India for works performed substantially for the fiscal years 2006/07 until 2021/22, which is currently being disputed by the tax authorities in India. The Company has already received several decisions supporting its position including at the Delhi High Court where the action of the Indian tax authorities was quashed. However, the tax authorities have escalated the case to the highest appellate forum in India i.e. Supreme Court of India, where it is pending adjudication.

In the opinion of the Company's tax advisors in India, the chances of the Company winning the litigation in the Supreme Court of India is more likely than not. The tax advisors have also estimated the Company's tax liability for this matter, in the probable scenario, to be approximately AED 43 million including a 12% per annum interest up to July 2024. On this basis, and the tax advisors' best estimate of the probable exposure, the Company has recorded a total provision with respect to this litigation at an amount of AED 43 million for the years covering 2006/07 until 2021/22.

Other than the above, the Company has not been involved in any other material legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) as on the date of this Prospectus which may have, or have had, a significant effect on its financial position or profitability.

12.11 Number of employees in the Company

As of 30 June 2024, the Company employed 15,617 employees in total.

12.12 Accounting policies adopted by the Company

The Company prepares its accounts in accordance with IFRS as issued by the International Accounting Standards Board and applicable requirements of UAE laws.

12.13 Statement of the Company's loans, credit facilities and indebtedness and the most significant conditions thereof as of the date of this Prospectus

Purpose of Loan	Type	Loan Limit (million)	Installment	Outstanding as at 30 June 2024 (million)	Bank
Financing of capital expenses (Vessels)	Secured Loan	AED 1,836.25	28 Quarterly Installments	AED 712.50	Syndicated loan from First Abu Dhabi Bank, Abu Dhabi Commercial Bank and Abu Dhabi Islamic Bank

12.14 Current pledges and encumbrances over the Company's assets

Five vessels with the net book value of AED 1,431,477,000 (one billion, four hundred and thirty one million four hundred and seventy seven thousand Dirhams) have been mortgaged against the borrowings from a syndicated loan from First Abu Dhabi Bank, Abu Dhabi Commercial Bank and Abu Dhabi Islamic Bank.

13. INVESTMENT RISKS

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Company's business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out in this section 13 ("Investment Risks") are not exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Shares.

13.1 Risks Related to the Company's Business

13.1.1 Competition and certain other risks could adversely impact the Company's business

The Company provides Engineering, Procurement and Construction (EPC) services in the energy sector, which is a highly competitive business. The Company may face increasing competition in this industry as a result of new market entrants and from existing players in the market. Furthermore, the Company may face a potential shift in its competitive landscape as its peers and competitors look to, or are in the process of, consolidating through mergers and acquisitions to improve their competitive positioning and broaden their current service offering.

Any failure by the Company to maintain its competitive position could adversely impact the Company's ability to secure new contracts, expand into new areas of EPC business which could, if sustained, materially and adversely affect the business, prospects, results of operation and financial condition of the Company. The Company's businesses require substantial capital investment and the Company may not have sufficient capital to make future capital expenditures and other investments.

The Company operates in a capital intensive sector that requires a substantial amount of capital and other long-term expenditure. The Company's strategy also envisages that it will grow through joint ventures in the future and capital expenditure plans which may also require significant financing. The Company expects to utilise a combination of internally generated cash and external borrowings, including banking and capital markets transactions, to meet its financing requirements. If the Company is unable to generate or obtain funds sufficient to make, or is otherwise restricted from making, necessary or desirable capital expenditure and other investments, it may be unable to grow its business, which may have a material adverse effect on the Company's business, prospects, results or operation and financial condition.

13.1.2 The Company has not operated with a publicly listed company corporate governance structure prior to the Offer

Prior to the Offering, the Company operated as a wholly owned subsidiary of the Selling Shareholder. Upon completion of the Offering, the Selling Shareholder intends to form a board of directors, as well as an Audit Committee and a Nomination and Remuneration Committee. The Company will adopt governance manuals and procedures which apply to a publicly listed company in the UAE. The effectiveness of the Board's supervision of the Company's business through the Audit Committee and the Nomination and Remuneration Committee, as well as the Company's corporate governance policies and procedures, cannot be ensured. A failure of the Board to effectively oversee the management of the Company and the adoption of the Company's corporate governance policies could have an adverse effect on the Company's business, prospects, financial condition and results of operations.

13.1.3 The Company's future business performance depends on the award of new contracts

The Company's future business performance depends on the award of new contracts for large-scale projects in the energy sector. The Company submits a number of bids each year and failure to win such bids may have a material adverse effect on its business, financial position and results of operations, financial condition and cash flows. The costs associated with bidding for a new contract can also be significant, and may not result in the award of a new contract or in the extension of an existing contract. It is generally difficult to predict whether the Company will be successful in being awarded a contract for projects that it bids for as the bidding and selection process is often lengthy and complex. The process is also affected by a number of factors, such as market conditions, competition, availability of customer financing, and governmental approvals. In addition, as contract awards are in most cases also affected by pricing terms, the Company's ability to win new contracts is highly dependent on its ability to operate efficiently, including its ability to continue executing projects on a profitable and efficient basis.

The Company has several long-standing relationships with its clients, and any deterioration of these relationships, from performance-related issues or otherwise, could result either in a failure to secure new contracts or in a client's decision to restructure or terminate its existing contracts. The loss of any one major client or group of clients could have an adverse impact on the Company's financial performance.

13.1.4 Failure to vary contracts entered into by the Company on the expectation that the original scope of work would be increased may result in the Company's expected financial performance not being met or losses incurred

A number of the contracts which the Company enters into are executed on the basis that the Company anticipates the contract could be later varied to increase or descrease the scope of work to be completed by the Company and, in turn, the revenue generated under that contract. If the Company is unsuccessful in negotiating variations to existing agreements, the Company's financial results may not meet expectations. In addition, there could be instances whereby clients may also seek to reduce the scope of work which could adversely impact the expected financial performance of the Company on those contracts.

13.1.5 Failure to secure and maintain appropriate security arrangements may affect the Company's ability to secure new and existing contracts

The Company's ability to secure new contracts, and continue existing contracts, is dependent on the Company's ability to procure bonds, letters of credit and guarantees in connection with the services that it provides to its clients. These arrangements, which the Company enters into in the normal course of business, are often contractually required by clients to secure performance, advance payment or in lieu of retentions being withheld. Any difficulty in obtaining such arrangements, or any material changes in the cost of doing so, could negatively impact the Company's ability to secure new contracts or continue existing contracts. There is also a risk that providers of letters of credit may request for the Company to provide cash collateral in certain circumstances, which could affect the Company's working capital. If the Company is not able to secure adequate arrangements on commercially acceptable terms, or at all, this could limit the Company's ability to effectively bid on new and upcoming contracts, and to continue with existing contracts.

13.1.6 Failure to successfully execute projects, including as a result of delay or cost overrun, may result in substantial penalties or losses

The Company is subject to a number of commercial risks in relation to the execution of its projects. These can range from failing to estimate costs accurately or execute within budget, to failures in completing projects in a timely manner or bringing contracts to a successful conclusion, any of which can give rise to significant penalties or losses, which could have a negative impact on the Company's business.

The Company generally provides products and services in its EPC business, under fixed-price contracts, under which cost overruns are generally not recoverable from the client. Actual expenses incurred in executing these fixed-price contracts can vary substantially from those originally anticipated for reasons including, but not limited to:

- technical challenges and equipment/material failures;
- additional works that do not constitute variations;
- unforeseen costs related to the procurement;
- unforeseen delays in delivery of equipment and materials;
- labour shortages in the markets where the contracts are performed;
- unexpected costs accruing during commissioning and start-up of the project;
- delays caused by local weather conditions, health issues and/or natural disasters; and
- a failure of suppliers, subcontractors or joint venture partners to perform their contractual obligations.

If the Company's cost estimate for a fixed price contract is inaccurate for any of these reasons, the project may incur losses which could be significant.

Delays in completion of a project or failure to meet certain key performance indicators may also cause reputational damage, and could also expose the Company to claims and liquidated damages payable to its clients, which could be significant.

13.1.7 The Company's revenues are recognized using percentage of completion method of accounting which involves significant judgements and estimates

Revenue from the Company's fixed-price contracts are recognised using the percentage-of-completion method of accounting. This involves recognising an increasing proportion of contract revenues and profits as the contract progresses towards completion. The Company's revenues and profits (or losses) are largely based on estimates of contract revenue, costs and profitability at completion and may not reflect actual revenues, profits or losses to date on the contract. Although such revenue and profits may be recognised for accounting purposes, these amounts do not represent actual cash received by the Company. Cancellations of projects, delays in completion of contracts or delay or failure of clients to pay in a timely manner could affect the revenue and profits actually received from contracts and, in certain circumstances, may result in a reduction, reversal or elimination of previously reported revenue or profits.

In addition, given the nature of its business, the Company is subject to significant fluctuations in liquidity and working capital on a month-to-month basis.

Any of the factors above could have a material adverse impact on the Company's business, financial position and results of operations.

13.1.8 Ethical misconduct or breaches of applicable laws by the Company's employees or those acting on its behalf could be damaging to its reputation or result in substantial fines or penalties

The Company is subject to risks arising from non-compliance by the Company, its employees and agents and other parties acting on its behalf with applicable laws and regulations, as well as ethical business practices and standards in the countries where the Company operates. Any failure by these parties to meet these requirements, including the Company's internal standards to ensure good practices and compliance, could expose the Company to substantial regulatory fines or penalties or to reputational damage.

The Company maintains a number of policies and programs that aim to ensure compliance with these laws and good practices. For example, the Company's code of conduct defines its commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviors and actions that the Company expects of its businesses and people wherever it operates, and it has been made available in electronic and printed formats.

Despite these initiatives and policies, the Company faces risks that non-compliance by Company employees could create legal or other exposure. Incidents, or alleged incidents, of ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery and anti-corruption laws and regulations, could result in the Company being subject to significant fines and result in damage to its reputation.

Any alleged misconduct or finding that the Company or its employees or agents have breached applicable laws or regulations may have a material adverse effect on the Company's business, financial position and results of operations.

13.1.9 The Company is exposed to concentration risks from its dependence on a limited number of significant clients at any given time

Due to the nature of Company's business, the Company may have multiple projects for the same client and therefore one client may comprise a significant percentage of the Company's Backlog or its revenue for any given period. For example, for the twelve months ended 31 December 2023, the Company's top five clients accounted for approximately 98% of its revenue. Although the Company has long-standing relationships with many of its significant clients, clients may unilaterally reduce the scope, delay or cancel their contracts at any time. A loss or deferral of business from a significant client could have a material adverse effect on the Company's business, results of operations and financial condition.

13.1.10 The Company relies on third-party equipment manufacturers and subcontractors and may be exposed to liability for their act and/or omissions

The Company relies on third-party equipment manufacturers and subcontractors in the execution and performance of its contracts and in the ordinary course of business. To the extent that it cannot engage subcontractors or acquire equipment or materials according to its plans and budgets, the Company's ability to complete a project in a timely fashion or at a profit may be impaired. If the amount the Company is required to pay for these goods and services exceeds the amount estimated in bidding for fixed-price work, the Company could experience losses under the relevant projects. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms or on time, the Company may be required to purchase such services, equipment or materials from another source at a higher price. Where a subcontractor fails to meet quality standards or to deliver its services or equipment according to negotiated terms or on time, the Company may be subject to claims. The resulting additional costs or claims may be substantial, and the Company may be required to compensate the project client. The Company may not be able to recover these costs, in whole or in part, in all circumstances, which may result in a loss on a project for which services, equipment or materials were needed. Such events may have a material adverse effect on the Company's reputation, business, financial position and results of operations.

13.1.11 Certain major projects and operations are conducted using consortium or joint venture partners and associates thereby reducing the degree of control it may exercise

A number of projects executed by the Company are conducted through joint venture, joint operation or consortium arrangements. These arrangements often involve complex risk allocation and decision-making processes and indemnification arrangements. In certain cases, the Company may have less control over such activities than it would have if it had full operational control. In these circumstances, the Company's ability to maximise the profitability of any contract awarded to it may be adversely affected by the performance of its joint venture, joint operation or consortium partners. In addition, the Company may be dependent on the expertise of partners in assessing certain costs of the contract. To the extent that such costs are inaccurately calculated in relation to the fixed price contracts, the Company may be exposed to its share of any cost overruns of the joint venture, joint operation or consortium, which may have a material adverse effect on its business, financial position and results of operations.

Furthermore, joint venture, joint operation or consortium partners may have economic or business interests or objectives that are inconsistent with, or opposed to, the Company's interests or objectives and may exercise veto rights to block certain key decisions or actions or approve such matters without its consent. Further, cash in joint venture or joint operation bank accounts may be restricted in being made available to the Company for its general corporate use without the agreement of the joint operation or joint venture partner(s) (as applicable).

The Company may be jointly and severally liable for the acts or omissions of its joint venture, joint operation or consortium partners. This typically arises under the terms of the contract with the Company's client, or may also arise under the terms of the joint venture, joint operation or consortium arrangement or because the Company is exposed to the losses of any joint venture, joint operation or consortium vehicle, including through bonding or other guarantee arrangements that may be required by the client on specific projects where the Company may have accepted primary liability for the overall performance of the underlying contract even if it only provides part of the goods or services to the client. If a client were to pursue claims against the Company or against a joint venture, joint operation or consortium vehicle as a result of the acts or omissions of the Company's partners, the Company's ability to obtain compensation from such partners may be limited, which may have a material adverse effect on the Company's business, financial position and results of operations.

13.1.12 The Company's operating and financial performance could be adversely affected if it is unable to attract and retain sufficient skilled personnel across its operations

The Company relies on skilled personnel across its operations to provide services to its clients. As a result, the Company's future growth and its operating performance depend to a large extent on its continued ability to attract and retain appropriately qualified personnel in the jurisdictions where it operates in a variety of roles. Its ability to meet operational requirements and its future growth and profitability may be affected by the scarcity of engineers, production operations personnel and other technical and management personnel or by potential increases in compensation costs associated with attracting and retaining these employees. In addition, long term relationships with the Company's strategic clients and partners depend, to a certain extent, on the relationship that its key employees have with these clients. If the Company is unable to attract and retain sufficient numbers of skilled employees, or if the compensation costs associated with attracting and retaining employees increase significantly, this may have a material adverse effect on its business, financial position and results of operations.

13.1.13 The Company's businesses may be subject to claims based on contractual liabilities, including equipment warranties, that may not be covered or may be beyond its insurance coverage

The Company's services involve the risk of contractual non-compliance and professional errors and omissions and other liability claims being made against it, as well as negative publicity that may adversely affect its financial position and results of operations. Furthermore, the Company provides performance warranties as to the services it provides and as to the proper operation and adherence to specifications of the plants and equipment it designs, modifies or constructs. Failure of this equipment to operate properly or to meet specifications may give rise to claims against the Company and may increase its costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a client and these failures may be significant and costly. The Company may not be able to maintain or obtain adequate insurance coverage to cover such litigation, warranty or other claims at rates it considers reasonable or it may take the decision not to insure such risks. Even where coverage is obtained, claims may be denied or exceed such insurance coverage and may harm its reputation. To the extent that such claims are not covered by insurance or exceed its insurance coverage, the Company's business, financial position and results of operations may be adversely affected.

13.1.14 The Company may be involved in disputes and legal proceedings

In the ordinary course of business, the Company is subject to risks relating to legal and regulatory proceedings. Although the Company is currently not involved in any material legal proceedings other than as disclosed in this Prospectus in section 12.10, the Company may be involved in material disputes, in the future, including those initiated by regulatory, competition and tax authorities as well as proceedings with competitors, suppliers, clients, employees and other parties. The Company's involvement in litigation and/or regulatory proceedings may result in the imposition of fines or penalties. If the disputes relate to key operational matters, such as the Company's permits, and is determined adversely, it could have a material adverse effect on the Company's business. Any such disputes or legal proceedings, whether with or without merit, could be expensive and time consuming, could divert the attention of the Company's management and, if resolved adversely to the Company, could harm the Company's reputation, result in the payment of monetary damages, injunctive relief and/or increase the Company's costs, all of which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

13.1.15 A failure of the Company's information technology infrastructure, including as a result of cyber-attacks, could adversely impact its business and results of operations

The Company relies upon the capacity, reliability, and security of its information technology ("**IT**") hardware and software infrastructure and its ability to expand and update this infrastructure in response to changing needs. The Company has been subject to cyber-attacks in the past, including phishing, malware, and ransomware. No such attack to date has had a material adverse effect on the Company's business; however, this may not be the case with future attacks. The Company's systems may be vulnerable to damage from such attacks, as well as from natural disasters, failures in hardware or software, power fluctuations, unauthorised access to data and systems, loss or destruction of data (including confidential client information), human error, and other similar disruptions, and the Company cannot give assurance that any security measures it has implemented or may in the future implement will be sufficient to identify and prevent or mitigate such disruptions.

The Company relies on third parties to support the operation of its IT hardware, software infrastructure, and cloud services, and in certain instances, utilises web-based and software-as-a-service applications. The security and privacy measures implemented by such third parties, as well as the measures implemented by any entities the Company acquires or with whom it does business, may not be sufficient to identify or prevent cyber-attacks, and any such attacks may have a material adverse effect on its business.

Threats to the Company's IT systems arise from numerous sources, not all of which are within its control, including fraud or malice on the part of third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to its property or assets, outbreaks of hostilities, or terrorist acts. The failure of the Company's IT systems or those of its vendors to perform as anticipated for any reason or any significant breach of security could disrupt the Company's business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, reputational harm, increased overhead costs and loss of important information, which could have a material adverse effect on the Company's business and results of operations.

13.1.16 Limitations on the Company's ability to protect its intellectual property rights, including trade secrets, could cause a loss in revenue and reduce any competitive advantage that it holds

In providing its services, the Company uses both know-how which it regards as proprietary and certain intellectual property which it licenses from third parties. Where the Company has not protected its proprietary know-how by patents or other registered form of intellectual property right protection (or if its patents or other protections are inadequate), it is possible that third parties may access and utilise this know-how to its detriment. The Company's business may be adversely affected if it infringes patents or other intellectual property rights held by third parties or if certain licenses are withdrawn or not renewed. Failure to protect adequately its intellectual property rights, including trade secrets may have a material adverse effect on its business, financial position and results of operations.

13.1.17 Demand for the majority of the Company's services is linked to the level of expenditure by the energy industry and fluctuating prices of, and supply and demand for, crude oil, natural gas, oil products and petrochemicals, any of which may decline

Demand for the majority of the Company's services is dependent on expenditure and activity by and in the energy sector for the exploration and development of, and production from, crude oil and natural gas reserves. The level of expenditure and activity is in turn driven largely by current and expected market prices, as well as supply, demand and price, for energy, among other factors, which have been volatile at times in recent years and contribute to determinations about the capital and operating expenditure budgets of the Company's principal clients, including upstream and downstream infrastructure investment, refinery capacity and integrated chemicals capacity. As a result, the Company's bidding opportunities and operating activities continue to depend to a very large extent on fundamentals of the global energy market that influence energy companies: (i) level of exploration, development, and production activity; (ii) capital spending; and (iii) processing of oil and natural gas in refining units, petrochemical sites, and natural gas liquefaction plants. Any substantial or extended decline in the discovery and development of new reserves of energy and the reduced exploitation of existing wells could adversely affect demand for the Company's services, which historically have been volatile and are likely to continue to be volatile in the future.

The level of exploration, development and production activity is directly affected by price trends for oil, natural gas, oil products and petrochemicals, which are affected by supply and demand, both globally and regionally. There can be no assurance that projections for the size and shape of the global energy market or for energy demand will be realised, including long-term industry estimates which aim to model the global energy market, including the level of expenditure on industry investment in upstream energy in the coming decades. If levels of investment are significantly below these expectations, for any reason, it could negatively affect demand for the Company's services.

Other factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, economic conditions and growth rates; the rate of decline of existing reserves; costs of exploring for, producing and delivering oil and natural gas; demands for and availability of alternative fuel sources (for example, hydro, wind or other "green" forms of energy); environmental regulations; oil refining and transportation capacity; technological advances affecting energy consumption; and actions by major oil exporting countries (including excess production) and other countries.

Accordingly lower expenditure by the energy sector may result in lower demand for the Company's services, which may have a material adverse effect on its business, financial position and results of operations.

13.1.18 The Company conducts its business within a strict environmental regime and may be exposed to potential liabilities and additional regulatory measures that may result in project delays and higher costs

The Company is subject to extensive and increasingly stringent laws and regulations relating to environmental protection in conducting the majority of its operations, including laws and regulations governing emissions into the air, discharge into waterways, and the generation, storage, handling, treatment and disposal of waste materials. The Company incurs capital and operating costs to comply with environmental laws and regulations. The technical requirements of compliance with environmental laws and regulations are becoming increasingly expensive, complex and stringent.

The Company's business often involves working around and with volatile, toxic and hazardous substances and other highly regulated materials, the improper characterisation, handling or disposal of which could constitute violations of applicable legislation and result in criminal and civil liabilities. Environmental laws and regulations generally impose limitations and standards for certain pollutants or waste materials and require the Company to obtain permits and comply with various other requirements. Governmental authorities may seek to impose fines or penalties on the Company, or revoke or deny issuance or renewal of operating permits for failure to comply with applicable laws and regulations. Any such fine, penalty or liabilities relating to environmental accidents may have a material adverse effect on the Company's business, financial position and results of operations.

In addition, certain of the Company's contracts subject it to possible claims if the Company fails to meet certain environmental standards, which may be more stringent than those imposed under the regulatory regime in force in the relevant country of operation or execution, and the Company may be required to indemnify the asset owner for any losses arising out of an environmental incident or regulatory breach. Stricter enforcement of existing laws and regulations, the introduction of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements may require the Company to incur additional costs, halt or delay its operations, or become the basis of new or increased liabilities that may materially reduce earnings and cash available for operations, may harm its reputation and have a material adverse effect on its business, financial position and results of operations.

13.1.19 The Company conducts its operations within a strict health and safety regime. Failure to comply with the relevant regulations could adversely affect its reputation and future revenue

The Company is subject to strict health and safety regimes governing the full spectrum of its operations, across the jurisdictions where it operates. The Company may be exposed to fines, penalties or prosecutions by governmental authorities in respect of any non-compliance with applicable regulations, which may adversely affect the Company's reputation and the Company's ability to operate and to generate new business.

In addition, many of the Company's services are carried out in hazardous environments, such as development and production installations, and it both designs and constructs large facilities in which a systems failure could be catastrophic. The health, safety and security risks to which the Company is potentially exposed cover a wide spectrum, given the geographic range, operational diversity and technical complexity of its operations. The Company has operations that include onshore and offshore energy services, construction of drilling platforms and other energy related services in difficult geographies or climate zones, as well as environmentally sensitive regions, such as maritime environments. This exposes the Company to the risk, amongst others, of major process safety incidents. If a major risk materialises, such as an explosion or hydrocarbon spill, this could result in injuries, loss of life, environmental harm, loss of operating licenses, disruption to business activities and, depending on their cause and severity, material damage to its reputation. The Company may also be liable for acts and omissions of sub-contractors or joint venture or joint operation or consortium partners which cause such loss or damage. The Company's insurance and its contractual limitations on liability may not adequately protect it against liability for such events, including events involving pollution, or against losses resulting from business interruption. In addition, indemnities which the Company receives from third parties may not be easily enforced if the relevant counterparties do not have adequate resources or otherwise put their resources out of reach. Moreover, the Company's insurance may not be able to address any such claims. The Company may not be able to ensure that every contract contains adequate limitations on liabilities and any claims made under its insurance policies are likely to cause its premiums to increase. Any future damage caused by the Company's products or services that are not covered by insurance, are in excess of policy limits, are subject to substantial deductibles or are not limited by contractual limitations of liability may have a material adverse effect on its business, financial position and results of operations.

13.1.20 The Company's operations are susceptible to unforeseen catastrophic events and natural disasters

Certain of the Company's operations are located in areas at risk from the effects of natural disasters and other potentially catastrophic events, such as earthquakes, floods, hurricanes, riots, typhoons and wars. Severe weather conditions or climatic changes, resulting in conditions such as hurricanes, typhoons, dense fog, low visibility, heavy rains, wind and waves, may force the Company to temporarily suspend operations. Natural disasters may result in significant delays in project execution or major damage to key infrastructure facilities or cause significant disruption to operations, all of which may have a material adverse effect on its business, financial position and results of operations.

13.1.21 The Company may not be able to achieve its business strategy or meet its targets

Although the Company enjoys a significant backlog position for projects which are currently being executed, there can be no assurance that the Company's growth will be sustainable. The Company is subject to risks associated with its expansion and business strategy, along with failure to execute its backlog projects profitably. Any failure of the Company to effectively manage its growth plans or improve capacity utilization of its assets could have a material adverse effect on its business, prospects, financial condition and results of operations. The Company's strategic vision is based on expanding its service offerings to a more diversified client base across new geographies. Executing along these dimensions requires a high level of strategic planning and operational excellence, both at the organizational and individual levels. Despite significant historical growth in the past three years, there can be no assurances that the Company's revenues and profitability will continue to grow or remain at current levels.

13.1.22 Changes in tax laws, exemptions and concessions, or the interpretation or application thereof

The Company operates in jurisdictions where the tax legislation may not be well developed, there are varied or unclear interpretations of the tax legislation or the contractual arrangements under which it operates which may result in Company's tax treatments being challenged at a later date by the relevant authorities, and whereby entities owned or controlled by the Company are routinely subject to tax audits and assessment. This is an area which requires management to exercise significant judgement as to the likelihood and impact of an adverse outcome for the Company. There can be no assurance that the tax assumptions taken by the Company will be accepted by the taxation authorities.

The Company's profitability may be impacted by the levels of direct and indirect taxation levied on its profits and services and on the profits and services of its clients in the locations in which it operates. Changes in tax laws or increases in the direct or indirect tax rates can adversely affect the returns that can be achieved by the Company and may result in a decline in profits. In addition, the interpretation of guidelines, rules and legislation by governmental tax authorities in the countries in which the Company operates may change from time to time. The Company's conduct of operations may not be held to be consistent with such changes in interpretation, which could require it to change aspects of its operations which may correspondingly lead to a decline in revenue and profits. Moreover, changes in tax rules or guidance or in their interpretation may have retrospective effect. Any of the above may have a material adverse effect on the Company's business, financial position and results of operations.

13.1.23 Changes in or challenges to the application or interpretation of international treaties

The Company's international allocation of revenue and profits, and hence its global tax profile, depend on various international tax treaties. A change in the application or interpretation of any relevant tax treaties, a challenge by the authorities to such application or interpretation, or a change in the international allocation of revenue and profits and hence the Company's global tax profile, could have material adverse tax implications for the Company or may otherwise have a material adverse effect on the Company's business, financial position and results of operations.

13.2 Risk Relating to Geographical, Political and Economic Conditions

13.2.1 The Company generates significant revenue in the GCC region

The GCC region accounted for approximately 92% of the Company's consolidated revenue for the twelve month ended 31 December 2023. In addition, the GCC countries accounted for nearly 100% of the Company's Backlog as at 30 June 2024. Economies of many GCC countries are heavily dependent on exports of oil, gas and oil products. Therefore, decreases in global prices for hydrocarbons in the future may have, adverse effects on the economic environment in the GCC. As a result, there may be greater pressure on GCC governments to find alternative means of raising revenues which may negatively impact government spend on the exploration and extraction of hydrocarbons and/or the production of oil products and petrochemicals, which may have a material adverse effect on the Company's business, financial position and results of operations. In addition, most of the Company's GCC clients are state-controlled national oil companies and should its relationship with a national oil company client deteriorate, this may have a material adverse effect on the Company's business in such country and/or the entire GCC region.

13.2.2 The Company is subject to fluctuations in foreign currency exchange rates

The Company's reporting currency is the Arab Emirate Dirham (AED). From time to time, the Company enters into contracts or incurs costs denominated in currencies other than US dollars or AED and the Company may not always be able to match revenue with costs denominated in the same currency. While the Company plans to minimise its exposure to such foreign exchange risks through available currency risk management measures, there can be no assurance that the Company will be able to successfully hedge and mitigate its foreign currency exchange risks in whole or in part. If the Company fails to successfully hedge or mitigate its foreign currency exchange risks, it may have a material adverse effect on its business, financial position and results of operations.

13.2.3 The Company may be affected by general economic, market and political conditions, and the economic impact of pandemics and other local or global crises

The performance of the Company's business is subject to general economic, market and political conditions. A slowdown of, or persistent weakness in, economic activity caused by a deterioration of global market and economic conditions resulting from pandemics or other causes could adversely affect the Company's business.

13.2.4 Increases in interest/profit rates may adversely affect the Company's financial condition

Interest/profit rates are highly sensitive to many factors beyond the Company's control, including the interest/profit rate and other monetary policies of governments and central banks in the jurisdictions in which the Company operates. Any increase in interest/profit rates will result in an increase in the Company's variable interest/profit rate expense, to the extent that the increase is not effectively hedged and may have a material adverse effect on the Company's financial condition and results of operations.

13.3 Risks Relating to the Offering and to the Shares

13.3.1 Dilution

It is possible that the Company may decide to offer Shares or securities convertible into Shares in the future, including in the form of stock-based compensation. Future issuances could dilute the holdings of shareholders, adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities.

13.3.2 May be no active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline

The Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

Prior to the Offering, there has been no public trading market for the Shares. The Company cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in the UAE.

These factors could decrease the liquidity and increase the volatility of share prices on the ADX, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX in the desired amount and at the price and time achievable in more liquid markets.

13.3.3 Price fluctuations

Following the Offering, the price of the Shares on the ADX may differ from the Offer Price and could be adversely affected by several factors.

The Offer Price may not be indicative of the price at which the Shares will be traded on the ADX following completion of the Offering. Investors may not be able to resell the Offer Shares at or above the Offer Price or may not be able to sell them at all. The price of shares on the ADX following the Offering may be adversely affected by several factors, including, but not limited to, the following:

- negative fluctuations in the Company's operating performance and improved performance of its competitors;
- actual or anticipated fluctuations in quarterly or annual operating results;
- securities analysts publishing research reports about the Company or its competitors;
- the public reaction to the Company's press statements and other public announcements;
- the Company or its competitors being contrary to analysts' expectations;
- resignation of key employees;
- the Company or its competitors taking important and strategic decisions or existence of changes in the business strategy;
- regulatory environment changes affecting the Company; and
- changes in accounting regulations and policies adopted.

13.3.4 The Company may not pay any cash dividends on the Shares

While the board of directors of the Company intend to pay a dividend of AED 0.14 (fourteen Fils) per Share (representing an annual yield of 5% of the Offer Price) in respect of the Shares for the financial years ending 31 December 2024, 2025 and 2026, there can be no assurance that the Company will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's board of directors and will depend on, among other things, applicable laws and regulations, the Company's results of operations, financial condition, cash requirements, restrictions, the Company's future projects and plans and other factors that the Company's board of director may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them.

14. FINANCIAL DISCLOSURES

Summary of Company's Financial Statements and a Summary of Key Notes and Key Financial Indicators as of and for the years ended 31 December 2022 and 31 December 2023 and the consolidated interim financial statements for the six (6) months period ended 30 June 2024.

The following discussion and analysis should be read in conjunction with the Financial Statements as set out in Annex 1, including the notes thereto, included in this Prospectus as of and for the years ended 31 December 2023 and 31 December 2022 as well as the consolidated interim financial statements for the six (6) months period ended 30 June 2024. Investors should also read certain risks associated with the purchase of Offer Shares in section 13 ("Investment Risks").

EBITDA is a non-IFRS measure and was calculated by the Company based on data derived from the Company's Financial Statements.

The selected financial information set forth below shows the Company's historical financial information and other operating information as at and for the years ended 31 December 2023 and 31 December 2022. The financial information set forth below under the captions ''Statement of Comprehensive Income Data", ''Statement of Financial Position Data" and ''Statement of Cash Flows Data" has been derived from, and should be read in conjunction with, the Financial Statements included elsewhere in this Prospectus.

14.1 Statement of Comprehensive Income

Particulars (AED m)	12 months ending 31 Dec 2022	12 months ending 31 Dec 2023	6 months ending 30 June 2024
Sales Revenue	**5,382**	**7,941**	**5,808**
Direct Cost (Note 1)	(4,739)	(6,795)	(5,106)
Gross Profit	**643**	**1,145**	**702**
Gross Profit (%)	12%	14%	12%
Other Operating Expenses	(251)	(200)	(135)
General & Admin Exp.	(33)	(134)	(70)
Other Income, net	272	(22)	20
Finance (Cost) Income , net	(31)	15	20
Income Tax Expenses	(23)	(25)	(35)
Net Income before OCI	577	780	502
EBITDA Computation:			
Add: Depreciation and Amortisation	213	162	132
Add: Finance (Cost) Income, net	31	(15)	(20)
Add: Income Tax Expenses	23	25	35
EBITDA	844	952	650
EBITDA Margin (%)	16%	12%	11%

Note 1: Direct Costs for the six-month period ending June 30, 2024, has been reclassified to align with the presentation used in the audited financial statements for the years ended December 31, 2022, and 2023.

14.2 Statement of Financial Position

Particulars (AED m)	12 months ending 31 Dec 2022	12 months ending 31 Dec 2023	6 months ending 30 June 2024
ASSETS			
Non-current Assets			
Property Plant & Equipment	2,547	3,041	3,148
Investments at fair value through other comprehensive income	-	-	-
Intangible Assets & Goodwill	5	5	5
Other non-current assets	318	311	446
Total non-current assets	**2,870**	**3,357**	**3,598**
Current Assets			
Investments at fair value through profit or loss	-	-	-
Trade & other receivable	2,978	3,199	5,766
Cash and Cash Equivalent	1,682	3,004	2,578
Deposit and other balances	-	-	-
Other current assets	2,044	3,460	4,528
Total current assets	**6,704**	**9,663**	**12,872**
Total assets	**9,574**	**13,020**	**16,470**
EQUITY			
Share capital	100	100	100
Share premium	-	-	-
Statutory & Legal Reserve	50	50	50
Merger Reserve	-	-	-
Contributed Capital	-	-	-
Fair value and hedge reserve	(18)	1	19
Retained Earnings	3,663	4,443	4,194
Equity attributable to owners	**3,795**	**4,594**	**4,363**
Non-controlling interests (Minority)	**3**	**4**	**5**
Total Equity	**3,798**	**4,598**	**4,368**
LIABILITIES			
Non-current liabilities			
Lease liability – long term	304	298	363
Borrowings	845	580	448
Other non-current Liabilities	239	260	284
Total non-current liabilities	**1,388**	**1,138**	**1,094**
Current liabilities			
Trade & other payables	3,785	6,795	10,332
Lease liability – short term	7	10	64
Loans & borrowings – short term	264	264	264
Other current liabilities	332	215	347
Total current liabilities	**4,388**	**7,284**	**11,008**
Total liabilities	**5,776**	**8,422**	**12,102**
Total equity and liabilities	**9,574**	**13,020**	**16,470**

14.3 Statement of Cash Flows

Particulars (AED m)	12 months ending 31 Dec 2022	12 months ending 31 Dec 2023	6 months ending 30 June 2024
Profit before Tax	**600**	**805**	**538**
Depreciation of property and equipment	202	150	99
Depreciation of investment property	-	-	-
Depreciation of right-of-use assets	11	12	34
Amortisation of intangible assets	-	-	-
Allowance for expected credit losses of trade receivable, contract assets and other receivables	(1)	2	1
Allowance for expected credit losses of bank balances	-	-	-
Allowance for expected credit losses of contract assets	-	-	-
Fair value loss / (gain) on investment carried at FVTPL	-	-	-
(Reversal)/ Allowance for slow moving inventories	3	2	1
Share of profit of equity accounted investees	(1)	(2)	-
Loss/(Gain) on disposal of property and equipment	18	(1)	(1)
Provision for employees' end of service benefits	32	41	26
Finance Income (costs), net	31	(15)	(17)
Dividend Income	-	-	-
Finance costs	-	-	-
Loss of write off on intangible assets	-	-	-
Gain on bargain purchase	-	-	-
Grant Income	-	-	-
Investments carried at fair value through profit & loss	-	-	-
Share of results from Joint venture	-	-	-
Impairment of intangible assets	-	-	-
Gain on disposal of a division	(238)	-	-
Operating cash flows before changes in working capital	**657**	**994**	**681**
Working capital changes			
Inventories	(100)	4	49
Due from related parties	(65)	(230)	(202)
Trade and other receivables	(1,085)	(240)	(2,571)
Contract assets	482	(1,191)	(917)
Restricted Cash	-	-	-
Due to related parties	-	-	-
Trade and other payables	1,976	3,047	3,546
Reinsurance contract assets	-	-	-
Other Liabilities	247	(141)	98
Insurance contract liabilities	-	-	-
Cash generated from Operations	**2,112**	**2,243**	**684**
EOSB	(30)	(19)	(3)
Cash generated from Operating activities	**2,082**	**2,224**	**681**
Proceed from sales of PPE	40	2	1
Purchase of property and equipment	(216)	(645)	(205)
Purchase of intangible assets	-	-	-
Investment in associates and joint ventures	-	(0)	-
Purchase of investments	-	-	-
Proceeds from sale of investments	-	-	-

Dividend Income	1	1	-
Interest income	-	-	-
Sub Lease receivables	-	-	-
Movement in term deposit	-	(506)	297
Net Cashflow from CFI	**(175)**	**(1,148)**	**93**
Repayment of borrowings	(264)	(264)	(132)
Grant funding from the government	-	-	-
Lease liabilities payments	(19)	(21)	(59)
Finance cost paid	(19)	27	26
Dividends paid	-	-	(750)
Repayment of related party loan (net)	(500)	-	-
Net Cashflow from (CFF)	**(802)**	**(258)**	**(915)**
Decrease) / increase in cash and cash during period	1,105	818	(141)
Cash and cash equivalents at beginning of the year	579	1,682	2,498
Net foreign exchange difference	(2)	(2)	12
Cash and cash equivalents at end of the year/period	**1,682**	**2,498**	**2,369**

15. OTHER DETAILS

15.1 Mechanism for adopting a governance system in the Company

The Selling Shareholder is committed to implementing standards of corporate governance that are in line with international best practice. The Company intends to comply with the corporate governance requirements of the ADX listing and disclosure rules upon listing on the ADX.

15.2 The Company's management structure

15.2.1 Company's board structure

The Company is currently managed by Eng. Yasser Zaghloul in his capacity as the representative of the Selling Shareholder.

Upon completion of this Offer, the Selling Shareholder proposes to form a board of directors to manage the Company. The Selling Shareholder intends to propose the following persons for appointment to the Company's board of directors at the Constitutive General Assembly:

Name	Nationality	Capacity
H.E Mohamed Hamad Ghanem Hamad Almehairi	United Arab Emirates	Chairman
Yasser Zaghloul	Malta	Vice Chairman
Talal Shaffique Abdullah Al Dhiyebi	United Arab Emirates	Board member
Nasser Mohamed Omeir Yousef Almheiri	United Arab Emirates	Board member
Marwa Ahmed Ali Abdalla Almarzooqi	United Arab Emirates	Board member

The management expertise and experience of each of the proposed directors is set out below.

H.E Mohamed Hamad Ghanem Hamad Almehairi

H.E Mohamed Almehairi is a seasoned executive with over 25 years of experience in investment and business sectors. Throughout his distinguished career, he has demonstrated a strong track record of success, rising to leadership positions at prominent organizations in the UAE. His career trajectory showcases a remarkable progression, starting with a foundation in market analysis and sales at ADNOC. He steadily climbed the ranks, demonstrating exceptional leadership and strategic thinking. His expertise lies in investment management, having held director and CEO positions at prominent organizations like IPIC, Aabar Investments, and Mubadala. He has a proven track record of managing and growing investment portfolios across various industries.

Currently, he serves as the Chief Executive Officer of the Emirates Investment Authority (EIA), leveraging his extensive experience to lead the management and investment of the UAE's strategic assets. Prior to his current role, H.E Mohamed Almehairi was the Executive Director of Strategic Assets at EIA. In addition, he has previously held leadership positions such as CEO at Aabar Investments, Executive Director - Financial Institutions at Mubadala, and Director of Investments at IPIC.

H.E Mohamed Almehairi has served as a Board member of Emarat Petroleum, Borealis, Nova Chemicals, Al Hilal Bank, Cosmo Oil and Etihad Airways.

H.E Mohamed Almehairi holds a Bachelor in Science and Business Administration degree from Suffolk University, Boston, USA.

Eng. Yasser Zaghloul

Eng. Yasser Zaghloul is the Group CEO of NMDC Group, leading the Company to significant achievements in the marine and energy sectors globally, particularly in the Middle East and North Africa region and South Asia. His strategic leadership has propelled NMDC's expansion and success, with the vision to further expand NMDC's global influence while promoting sustainable practices. Prior to his CEO role, he was the head of operations at NMDC, enhancing operational efficiencies from 2006 to 2009. His career at NMDC started in 1998 in various managerial roles. Before joining NMDC, Eng. Yasser Zaghloul worked at the Suez Canal Authority in Egypt and began his professional journey at the Higher Institute of Technology in Egypt, focusing on engineering research and development.

Eng. Yasser Zaghloul was recognized among the Top 100 CEOs in the Middle East by Forbes Middle East in 2022, 2023 and 2024, and as Best CEO in 2021 by ME Magazine. Additionally, he was named "Personality of the Year" at the 19th ShipTek International Awards 2024, further highlighting his influential presence in the maritime sector.

Eng. Yasser Zaghloul recently concluded his tenure as a board member of the Abu Dhabi Chamber of Commerce and Industry (ADCCI), a prestigious role assigned by His Highness UAE President Sheikh Mohammed bin Zayed Al Nahyan. He also serves as the Chairman of The Challenge – the Egyptian Emirates Marine Dredging Company, further demonstrating his significant role in the industry.

Currently pursuing his PhD, Eng. Yasser Zaghloul holds two master's degrees in management, including a specialized degree in Strategic Management from Cambridge College Global, and an MBA from Swiss Business School. He also holds a bachelor's degree in engineering at the University of Helwan in Egypt.

Talal Shaffique Abdullah Al Dhiyebi

Mr. Talal Al Dhiyebi is the Group Chief Executive Officer at Aldar Properties, the UAE's leading real estate developer, investor, and manager.

Under his leadership, Aldar has expanded its geographic footprint outside of Abu Dhabi to the neighbouring emirates of Dubai and Ras Al Khaimah, and internationally to Egypt and Europe. The company currently holds a diversified recurring income portfolio worth over USD 10 billion, an ongoing development backlog of over USD 20 billion between owned and managed projects, in addition to a 69 million sqm strategic landbank.

Aldar is a regional leader when it comes to sustainability, having launched its comprehensive Net Zero Action Plan by committing to becoming net zero in Scope 1, 2, and 3 emissions by 2050. The company has set high standards across various ESG metrics, including Governance, Diversity & Inclusion, Women Empowerment, Youth Development, Emiratisation, Worker Welfare & CSR.

Mr. Talal Al Dhiyebi chairs the boards of a number of Aldar businesses, including Aldar Estates, SODIC, and London Square, and is Vice-Chairman of Aldar Education.

Mr. Talal Al Dhiyebi also serves on the boards of numerous companies, including Abu Dhabi Transport Company, Ethara, Miral Asset Management, National Projects Office, Sandooq Al Watan, the UAE's national fund focused on social contribution, Edamah, the real estate arm of Bahrain Mumtalakat Holding Company, Abu Dhabi Hospitality Academy – Les Roches and is a member of the executive committee of Sorbonne University Abu Dhabi.

Mr. Talal Al Dhiyebi is a graduate of Electrical Engineering from the University of Melbourne, Australia.

Nasser Mohamed Omeir Yousef Almheiri

Mr. Nasser Almheiri currently serves as the Senior Vice President, Business Transformation, Excellence and Performance at ADNOC. He has over 15 years of experience in strategy and transformation.

Prior to his role as Senior Vice President, he held various leadership positions across the organization overseeing the company's long-term growth strategy.

Mr. Nasser Almheiri has also several leadership roles with a number of ADNOC Group entities including ADNOC Distribution, ADNOC Gas, ADNOC Global Trading and Ta'ziz joint venture with ADQ.

Mr. Nasser Almheiri holds a Bachelors degree in Chemical Engineering from the American University of Sharjah and a Masters degree in Business Administration from Higher Colleges of Technology.

Marwa Ahmed Ali Abdalla Almarzooqi

Ms. Marwa Almarzooqi currently serves as the Vice President, Special Projects at the Executive Office of ADNOC. She has over 10 years of experience in strategic planning and transformation.

Prior to her role as VP Special projects, Ms. Marwa Almarzooqi held various leadership positions across the organization overseeing the company's long-term strategy and growth.

She previously held the following positions:

- Business Development Advisor – ADNOC (2021-2023)
- Acting Planning Manager– ADNOC Sour Gas (2021)
- Senior Corporate Planning Analyst– ADNOC Sour Gas (2019-2021)
- Contracts Engineer – ADNOC Sour Gas (2014-2018)

Ms. Marwa Almarzooqi holds a Bachelor of Science degree in Electrical Engineering from Khalifa University, Abu Dhabi.

15.2.2 Senior Management

The day-to-day management of the Company is conducted by its senior management team, as follows:

Name	Position	Year of appointment	Year of joining the Company or its affiliates
Eng. Ahmed Al Dhaheri	Chief Executive Officer	2018	2009
Eng. Hesham Awda	Chief Operating Officer – Offshore	2021	2016
Eng. Hanna Dahdah	Chief Engineering & Commercial Officer	2021	1980

Paolo Bigi	Chief Operating Officer – Offshore	2024	2024
Ashish Khandelwal	Finance Director	2024	2024

The management expertise and experience of each of the senior management team is set out below:

Eng. Ahmed Al Dhaheri
Chief Executive Officer

Eng. Ahmed Al Dhaheri is the Chief Executive Officer of NMDC Energy, a position he has held since 2018. His journey started with the Company from 2009 as a board member.

He leads the current business and transformation of the Company and oversees the growth strategy, focusing on new markets and capabilities while driving operational excellence across all levels. Eng. Ahmed Al Dhaheri has over 22 years of in-depth experience in the industrial sector.

In addition to his role at NMDC Energy, Eng. Ahmed Al Dhaheri serves as Chairman of NTS Group and as Vice Chairman of Enersol, a joint venture between Alpha Dhabi Holding and ADNOC Drilling. Eng. Ahmed Al Dhaheri also sits on the boards of Abu Dhabi Aviation and other companies

Prior to joining NMDC Energy, he was the Chief Commercial Officer of Emirates Steel, where he played a leading role in the delivery of the company's expansion strategy. In addition, he was spearheading all the projects related to expansion of the business, in his role as Projects Director and subsequently as Vice President, Projects at Emirates Steel. This unique experience with Emirates Steel has been instrumental to his role within NMDC Energy, given the projects based activities of the Company.

Eng. Ahmed Al Dhaheri holds a Bachelor of Science in Industrial Engineering from the University of Miami and a Masters Certificate in Project Management from the George Washington University, as well as an Executive MBA with honors from UAE University.

Eng. Hesham Awda
Chief Operating Officer - Offshore

Eng. Hesham Awda is the current Chief Operation Officer – Offshore at NMDC Energy, a position he has held since 2021. He is also serving as General Manager of NPCC KSA, and a board member of Safeen, NEL and ANEWA.

Eng. Hesham Awda has over 25 years of experience in project management, engineering, and technical support in the oil and gas industry. His extensive industrial experience includes managing engineering, construction and execution of major green and brown field projects, with a current portfolio of over AED 25 billion (twenty-five billion Dirhams) worth of projects in the Middle East region and other geographies.

Eng. Hesham Awda manages the business performance of offshore operations, through managing and directing overall project execution and delivery, fabrication yard operations, and offshore operations.

Eng. Hesham Awda holds a Bachelor's Degree in Mechanical Engineering from the UAE University, and a Postgraduate Certificate in Engineering Systems and Management from the American University of Sharjah.

Eng. Hanna Dahdah
Chief Engineering & Commercial Officer

Eng. Hanna Dahdah is the Chief Engineering & Commercial Officer (CECO) of NMDC Energy, a position he has held since 2021.

Eng. Hanna Dahdah has been with NMDC Energy for over four decades, dedicating his career to the growth and success of the organization. An expert in the oil & gas industry, his impressive journey combines project engineering experience, supply chain management, business acumen and strategic development expertise.

In his current role, he leads the commercial functions of business development, contracts and proposals, and supply chain for NMDC Energy. He also drives the commercial and engineering strategy within the organization. In addition, he serves in the Board of Directors for NEL and ANEWA in India.

Eng. Hanna Dahdah has over 30 years of in-depth experience in the industrial sector. He holds a Bachelor of Science Degree from the University of Manchester in the United Kingdom.

Paolo Bigi
Chief Operating Officer (Onshore)

Mr. Paolo Bigi, who has recently joined NMDC Energy, has over 35 years' experience in the onshore Energy EPC Industry having started his career in Tecnimont where he covered various Operating and Business Development roles over a period of 22 years.

He has subsequently joined Techint E&C as CEO and Petrofac as Managing Director and spent the last few years in Saudi Arabia, ultimately as Group CEO of Arkad.

Mr. Paolo Bigi has graduated with honors in Mechanical Engineering at the University of Milan and holds a master in Management from INSEAD.

Ashish Khandelwal
Finance Director

Mr. Ashish Khandelwal, who has recently joined NMDC Energy, has over 25 years' of experience in Finance and Investments. He started his career within the audit division of a big four firm and subsequently transitioned into Deal Advisory, covering an array of services including financial due diligence, M&A and restructuring advisory. He has previously held senior leadership roles with big four firms, including as Partner with both KPMG in the UAE and with PricewaterhouseCoopers in the Middle East. In his previous roles, he has worked with some of the largest corporate and investment companies in the region, advising senior management and board level executives on finance, strategy and investment related matters. Mr. Ashish Khandelwal has previously advised on some of the largest deals in the region and has significant experience of working on mandates related to the Energy sector.

Mr. Ashish Khandelwal is a qualified Chartered Accountant from India and also holds a bachelor's degree in finance and commerce.

15.2.3 Positions held by the Board members and Management of the Company on the boards of other public joint-stock companies or listed companies in the UAE

- Talal Al Dhiyebi: Chairman of the Board of Musanada PJSC
- Eng. Yasser Zaghloul: Group Chief Executive Officer of NMDC Group PJSC
- Ahmed Al Dhaheri: Board member of Abu Dhabi Aviation PJSC

15.2.4 Company's Organisation Chart

For the organisation chart, please refer to Annex 4 attached to this Prospectus.

15.2.5 Employment positions of senior executives in the Company's Subsidiaries and other public joint stock companies

The Company's senior executives are part of the executive management of the Subsidiaries.

15.2.6 Conditions of eligibility, election, removal and proposed names of the Company's first board formation

Board members will be elected by the Shareholders in a General Assembly through cumulative voting.

If a position becomes vacant, then a replacement may be appointed in accordance with the provisions of the Company's Articles of Association. Any such replacement shall serve the remaining term of the director who vacated his or her position.

15.3 Board Competencies and Responsibilities:

The principal duties of the Company's board of directors shall be to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The board of directors shall be the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The board of directors shall have final authority to decide on all issues save for those which are specifically reserved to the General Assembly by law or by the Company's Articles of Association.

The key responsibilities of the board of directors include:

- Determining the Company's strategy, budget and structure;
- Approving the fundamental policies of the Company;
- Adopting and implementing resolutions relating to the distribution of dividends in accordance with the dividend distribution policy approved by the General Assembly;
- Implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- Proposing the issuance of new ordinary shares and any restructuring of the Company;
- Appointing executive management;
- Determining the remuneration policies of the Company and ensuring the independence of directors and that potential conflicts of interest are managed; and
- Calling Shareholder meetings and ensuring appropriate communication with Shareholders.

15.4 Board Committees

Following the Company's Listing on ADX, the Board will establish two permanent committees an Audit Committee and a Nomination and Remuneration Committee. Both committees are currently under formation. Should the need arise, and subject to the Articles of Association and the applicable laws, the Board may set up additional committees, as appropriate.

Set forth below are the proposed mandates of each of the permanent committees of the Board.

15.4.1 Audit Committee

The Audit Committee (under formation) will assist the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with our external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the ADX.

The proposed Audit Committee charter requires that the Audit Committee must comprise at least two (2) members who are Non-Executive Directors and at least two of its members must be Independent Directors. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet not less than four times per year or otherwise as required.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law.

15.4.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee (under formation) will assist the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of the Company's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles of Association, the Nomination and Remuneration Committee shall assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the remuneration policy and determining the individual remuneration and benefits package of the senior management.

The Nomination and Remuneration Committee must be comprised of at least two Non-Executive Directors, and at least two of the members must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The Nomination and Remuneration Committee will meet at least once a year, and otherwise from time to time based on the Company's requirements.

15.5 Legal matters

15.5.1 UAE Taxation

The following summary describes certain UAE tax consequences in connection with the acquisition, ownership and disposal of the Shares. This summary is based on the laws as in force in the UAE as at the date of this Prospectus and is subject to changes to those laws subsequent to such date. In the case of persons who are non-residents for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between the UAE and their country of residence. The following summary is not a comprehensive description of all of the tax considerations that may be relevant to the acquisition, ownership and disposal of the Shares and does not cover tax consequences that depend upon the shareholders' particular tax circumstances or jurisdictions outside the UAE. This summary is intended as a general guide only and should not be regarded as tax advice. The summarydoes not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

15.5.2 Taxation of Corporates and Individuals

On 31 January 2022 the UAE Ministry of Finance announced the introduction of the CT Law. The CT Law was published on 9 December 2022 and came into effect for financial years beginning on or after 1 June 2023.

15.5.3 Corporate Tax Rate

In terms of the CT Law, corporate tax is imposed on the taxable income of a taxable person at the standard rate of 9%, provided that the first AED 375,000 (three hundred and seventy-five thousand Dirhams) is subject to a tax rate 0%. Income of a revenue nature and capital gains are taxed at the same rate of 9%. Where the taxable person constitutes a qualifying free zone person, its qualifying income may be subject to corporate tax at a rate of 0%. The CT Law also provides specific relief for small businesses with an annual revenue below AED 3,000,000 (three million Dirhams), which, if applicable, would allow such taxable person to be treated as not having derived any taxable income during the relevant tax period.

15.5.4 Taxable Persons

The CT Law applies to all Taxable Persons, which includes a Resident Person and Non-Resident Person as defined in the CT Law. A Resident Person will be taxed on its worldwide income, while a Non-Resident Person will only be taxed on its UAE sourced income.

15.5.5 Taxation of natural persons

A natural person will only constitute a Taxable Person where the person conducts a Business or Business Activity in the UAE and the person's total turnover derived from such Business or Business Activities exceeds

AED 1,000,000 (one million Dirhams) within a calendar year. This is subject thereto that revenue derived from wages, personal investments and real estate investments shall not be considered as derived from Business or Business Activities, regardless of the revenue derived from such activities. Insofar as a natural person receives income from any of these three sources, such income will not be subject to Corporate Tax. These amounts can be excluded from the AED 1,000,000 (one million Dirhams) threshold contemplated above. A natural person that is not conducting a Business or Business Activity subject to Corporate Tax in accordance with the guidelines set out above shall not be required to register for Corporate Tax in the UAE.

15.5.6 Taxation of dividends

A dividend is defined in Ministerial Decision No. 116 of 2023 as:

"Any payments or distributions that are declared or paid on or in respect of shares or other rights participating in the profits of the issuer of such shares or rights which do not constitute a return on capital or a return on debt claims, whether such payments or distributions are in cash, securities, or other properties, and whether payable out of profits or retained earnings or from any account or legal reserve or from capital reserve or revenue. This will include any payment or benefit which in substance or effect constitutes a distribution of profits made in connection with the acquisition or redemption or cancellation of shares or termination of other ownership interests or rights or any transaction or arrangement with a Related Party or Connected Person which does not comply with Article (34) of the Corporate Tax Law".

Dividends as contemplated above, received from a UAE resident juridical person will be exempt from corporate income tax under the CT Law. Furthermore, UAE sourced dividends paid to a non-resident person is currently subject to withholding tax at a rate of 0%.

Shareholders who are a tax resident outside the UAE (both corporate and individual), should consult their tax advisers as to the taxation of dividend income derived from the Shares under the applicable local laws in those jurisdictions.

15.5.7 Taxation on subscription for Offer Shares

There are no taxes that arise in the UAE on the subscription for Offer Shares by the shareholders. Accordingly, the subscription for Offer Shares should not result in any UAE tax liabilities for shareholders. The shareholders will establish a cost base in relation to the Shares acquired upon subscription equal to the subscription price paid.

Shareholders who are tax resident outside the UAE should consult their tax advisers in such foreign jurisdiction as to any possible tax consequences that might result from the subscription for Offer Shares.

15.5.8 Disposal of Shares

The future disposal of Shares by a shareholder that is a Taxable Person may give rise to a gain for corporate tax purposes where the proceeds exceed the cost base in respect of such shares. As indicated above, the

UAE taxes both capital gains and revenue receipts at the same 9% rate subject to possible reliefs and exemptions as might be applicable to the particular shareholder concerned.

A Resident Taxable Person will be subject to corporate tax at 9% on gains derived from the disposal of the Shares subject to possible reliefs and exemptions that might be applicable, for example small business relief, qualifying free zone relief or the participation exemption.

A Taxable Person that is a natural person may be exempt from tax on gains derived from the future disposal of Shares where such gains constitute personal investment income of such person or falls below the AED 1 million threshold discussed earlier.

A Non-Resident Taxable Person should only be subject to corporate tax under the CT Law on gains resulting from the disposal of the Shares where such Shares are effectively connected or attributable to the permanent establishment of such person in the UAE.

Depending on the nature of the shareholder concerned, such shareholder might also be eligible for particular entity-based exemptions as contained in the CT Law, for example government entities, government controlled entities, pension funds etc. The participation exemption mentioned above would also be available to all Taxable Persons, provided the requirements in respect thereof are met.

Shareholders who are tax residents outside the UAE (both corporate and individual), should consult their tax advisers as to the taxation of gains on the future sale of the Shares under the applicable local laws in those jurisdictions.

15.5.9 Securities transfer tax

The UAE does not currently impose any stamp duty or securities transfer tax on the issuance or transfer of shares.

15.5.10 Value-added tax

From a UAE VAT perspective the issue, allotment or transfer of ownership of an equity security (which includes the Shares) will constitute a supply of financial services which is exempt in terms of article 46(1) of the VAT Lawas read with article 42(3)(b) of the Executive Regulations to the VAT Regulations. Accordingly, there would be no VAT charge on the issue or transfer of the Offer Shares.

15.6 Shareholders’ rights and responsibilities

The Shareholders’ key rights as per the Companies Law and the Articles of Association are as follows:

- the right to dividend distributions, recommend by the Board and approved by the General Assembly;
- the priority right to subscribe for new shares in case of a share capital increase of the Company (subject to the applicable exceptions in the Companies Law and the Articles of Association);
- the right to receive a share of the liquidation proceeds (if any) upon liquidation of the Company;

- the right to attend General Assembly Meetings and receive a copy of the Company's financial statements;
- the right to appoint the auditors of the Company and determine their remuneration at the annual General Assembly;
- the right to dispose of the Shares; and
- the Shareholders are liable for the Company's debts only to the extent of the value of their shareholding in the Company's share capital.

15.7 Material Contracts

The Company's material contracts are summarised as follows with the consideration of the confidentiality obligation of the Company and its subsidiaries towards their clients and suppliers:

Main material customer contracts:

No.	Name of the Project	Client	Short Description (Scope of Work)
1.	Estidama EPC Package 3	Adnoc Onshore	New gas pipelines and associated facilities.
2.	CRPO# 86 - Jafurah Development	ARAMCO	New extension platforms (jacket and topside), submarine and associated works.
3.	Dalma-Package -1 Offshore Works	Adnoc Offshore	Well Head Towers, 6 pipelines, 4 umbilicals, 1 subsea composite cable.
4.	CRPO # 128 - Replacement of Zulf 48" Trunkline ZS-1	ARAMCO	EPC for 67 kilometers of 48" Trunkline, 21 kilometers of trenching and backfilling.
5.	LZ LTDP1 - NMGL	Adnoc Offshore	New Riser Platform-2, New Bridge (B15), Bridge Support Tower, 34" pipeline.
6.	EPC of LZ Habshan Upper Recovery & Lekhwair + 20 MBD Project (HURLK)	Adnoc Offshore	Modification of 21 facilities. Major water injection topside modification and gas lift topside modification.
7.	US LTDP Phase-1	Adnoc Offshore	New Alpha/Beta Towers, New Well Head Towers and Riser Platform.
8.	CRPO# 136&137 - Upgrade AM Crude P/Fs - Zulf Pkg. 3 & 4 Subsea Cables&P/Ls	ARAMCO	Upgrade Crude Platforms Zuluf Package including subsea cables and pipelines.
9.	MERAM (Maximizing Ethane Recovery & Monetization Project)	Adnoc Onshore	Ethane Recovery and Monetization (MERAM).
10.	CRPO 82&83 - Zulf (Pkg 4&5) - Combined.	ARAMCO	ZULF Oil Facilities and associated subsea works.
11.	EPC Works For LZ LTDP-1 EPS-2 & PDP	Adnoc Offshore	Well Head Towers and Gas Processing Facilities
12.	EPC For Hail & Ghasha Development Project	Adnoc Onshore	Offshore package – EPC 01 Offshore Drilling Centers (DCs), subsea pipelines, umbilical, power cable connections, seawater Intake structure, bridges, risers, flare, and facilities at Ghasha Offshore

15.8 Related Party Transactions

For the financial years ended 31 December 2022 and 31 December 2023, and the six months period ended

30 June 2024:

- Sub-contract costs – approximately AED 1,050,288,000 (one billion, fifty million, two hundred and eighty-eight thousand Dirhams);
- Material and services purchased – approximately AED 512,090,000 (five hundred and twelve million and ninety thousand Dirhams);
- Gain on disposal of a survey and diving division – approximately AED 237,615,000 (two hundred and thirty-seven million, six hundred and fifteen thousand Dirhams); and
- Disposal of property, plant and equipment – approximately AED 48,238,000 (forty-eight million, two hundred and thirty-eight thousand Dirhams).

The Company enters into Related Party Transactions in its normal course of business. The following Related Party Transactions are material agreements entered into with Related Parties:

- Safeen Survey and Subsea Services LLC (**Safeen**): In the year 2022, the Selling Shareholder incorporated Safeen whereby, the Company transferred its survey and diving related assets (approximately AED 48 million), manpower contracts and revenue contracts to Safeen. 49% of the total shares of Safeen is owned by the Selling Shareholder, whereas 51% shares of Safeen is acquired by Abu Dhabi Ports. This transaction resulted in a gain of approximately AED 238 million. The Company has subcontracted survey and diving scope of its various EPC contracts to Safeen. The costs charged by Safeen is both on lumpsum or on fixed unit rates. The agreement with Safeen was entered in 2022. Further to above, the Company has chartered a vessel from Safeen on fixed rentals. From the FY2022 until 30 June 2024 overall subcontract costs of approximately AED 1,050 million were incurred.
- Apex Alwataniah Catering Services – Sole Proprietorship LLC (**Apex**): Apex is a related party of the Company by virtue of it being a related party of Alpha Dhabi Holding PJSC (majority shareholder of the Selling Shareholder). Apex provide catering services, housekeeping services and allied services to the Company. From FY2022 till 30 June 2024 overall costs of approximately AED 164.5 million were incurred.
- NMDC Group PJSC (**Selling Shareholder**): The Company has subcontracted certain scope of its EPC contracts to the Selling Shareholder. From FY2022 until 30 June 2024 total costs of approximately AED 137 million were incurred.
- Emarat Europe Fast Building Technology System Factory LLC (**Emarat Europe**): Emarat Europe is 100% owned by the Selling Shareholder. The Company has subcontracted certain works to Emarat Europe for which costs of approximately AED 41 million were incurred from FY2022 until 30 June 2024.
- Al Ataa Investment LLC (**Al Ataa**): Al Ataa is a related party of the Company by virtue of it being a related party of Alpha Dhabi Holding PJSC (majority shareholder of the Selling Shareholder). Subject to the approval of the general assembly of the Selling Shareholder and SCA, the Selling Shareholder intends to enter into an agreement for the acquisition of certain plots of land for commercial use ("**Land Purchase Transaction**") owned by HMR Investment SPV RSC Ltd, in exchange for 142,500,000 (one hundred and forty-two million five hundred thousand) shares in the Company being transferred from the Selling Shareholder to Al Ataa (equivalent to AED 420 million) deducted from the Offer Shares. For the avoidance of doubt, the ownership of the plots of land will be transferred to the Selling Shareholder and

such plots shall not be considered in-kind shares in the Company.

15.9 Details of Employee Ownership Schemes

The Company does not currently have any employee ownership schemes.

15.10 Auditors of the Company for the two (2) years preceding the Offering

Deloitte & Touche (M.E.)
Level 11, Al Sila Tower
Abu Dhabi Global Market Square
Al Maryah Island
P.O.Box 990
Abu Dhabi
United Arab Emirates

15.11 Prospectus

For the purposes of Article (121-1) of the CCL, this Prospectus has been approved by board of the Selling Shareholder.

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H.E Mohamed Thani Murshed Ghannam AlRumaithi
Chairman of NMDC Group PJSC

ANNEX 1- Financial Statements

Consolidated Financial Statements
for the 12 month period ended 31 December 2022

NATIONAL PETROLEUM
CONSTRUCTION COMPANY

Reports and consolidated financial
statements for the year
ended 31 December 2022

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Report and consolidated financial statements
for the year ended 31 December 2022

Directors' report
for the year ended 31 December 2022

The Directors' have the pleasure in submitting this report, together with the audited consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group") for year ended 31 December 2022.

Principal activities

The principal activities of the Company 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.

Results

Revenue for the year was AED 5,382 million (2021: AED 3,943 million). Profit for the year was AED 577 million (2021: AED 131 million).

Appropriation of profits

	AED'000
Retained earnings at 1 January 2022	3,086,392
Profit attributable to the shareholders of NPCC	576,661
Retained earnings at 31 December 2022	**3,663,053**

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2022.

Auditors

The Directors propose the re-appointment of Deloitte & Touche (M.E.) as external auditor for the year ending 31 December 2023.

On Behalf of the Board of Directors

Group Chief Executive Officer **Chief Executive Officer**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2022:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the report of the Directors is consistent with the books of account of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Company has not purchased or invested in shares during the financial year ended 31 December 2022;
- Note 19 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

Deloitte & Touche (M.E.)

Mohammad Khamees Al Tah
Registration No. 717
5 April 2023
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position
at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,547,238	2,590,875
Right-of-use assets	23	294,262	287,385
Investment in an associate	6	23,667	23,806
Goodwill	7	5,057	5,057
Total non-current assets		2,870,224	2,907,123
Current assets			
Inventories	8	241,138	143,996
Trade and other receivables	9	2,978,200	1,856,709
Due from a related party	19	785,829	-
Contract assets	10	1,017,527	1,499,557
Cash and bank balances	11	1,681,864	579,378
Total current assets		6,704,558	4,079,640
Total assets		9,574,782	6,986,763
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000	100,000
Statutory reserve	13	50,000	50,000
Restricted reserve	13	1,291	1,291
Currency translation reserve		(12,399)	(9,894)
Hedging reserve		(5,489)	764
Retained earnings		3,663,053	3,086,392
Equity attributable to the shareholders of the Company		3,796,456	3,228,553
Non-controlling interests		3,080	2,876
Total equity		3,799,536	3,231,429
Liabilities			
Non-current liabilities			
Term loans - non-current portion	14	844,721	1,109,155
Provision for employees' end of service benefits	15	239,393	254,090
Lease liabilities	23	304,304	295,335
Total non-current liabilities		1,388,418	1,658,580
Current liabilities			
Trade and other payables	16	3,785,095	1,766,953
Term loans - current portion	14	264,434	264,434
Lease liabilities	23	7,414	5,847
Contract liabilities	17	263,120	13,975
Income tax payable	18	66,765	45,545
Total current liabilities		4,386,828	2,096,754
Total liabilities		5,775,246	3,755,334
Total equity and liabilities		9,574,782	6,986,763

Mr. Yasser Zaghloul	Mr. Ahmed Al Dhaheri	Mr. Sreemont Prasad Barua
Group Chief Executive Officer	Chief Executive Officer	Group Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Contract revenue	20	5,381,605	3,942,527
Direct costs		(4,738,584)	(3,466,119)
Gross profit		643,021	476,408
Other operating expenses		(250,971)	(310,601)
General and administrative expenses		(22,398)	(43,087)
Other income, net		34,429	35,494
Finance cost, net	21	(30,840)	(32,642)
Depreciation of right-of-use assets	23	(10,612)	(10,612)
Profit before tax from continuing operations		362,629	114,960
Income tax (expense)/credit, net	18	(23,379)	16,426
Profit for the year from continuing operations		339,250	131,386
Discontinued operations			
Gain on partial disposal of a division	19	237,615	-
Profit for the year	22	576,865	131,386
Non-controlling interests		(204)	(155)
Profit for the year – attributable to the Shareholders of NPCC		576,661	131,231

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2022

	2022 AED'000	2021 AED'000
Profit for the year	**576,865**	131,386
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (gain)/loss arising on hedging instruments during the year	**(6,253)**	5,125
Foreign exchange difference on translation of foreign operations	**(2,505)**	(496)
Total comprehensive income for the year	**568,107**	136,015
Non-controlling interests	**(204)**	(155)
Total comprehensive income for the year - attributable to the Shareholders of NPCC	**567,903**	135,860

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2022

	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 shareholders of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2021	100,000	50,000	1,291	(9,398)	(4,361)	2,955,161	3,092,693	2,746	3,095,439
Profit for the year	-	-	-	-	-	131,231	131,231	155	131,386
Other comprehensive (loss)/income for the year	-	-	-	(496)	5,125	-	4,629	-	4,629
Total comprehensive (loss)/income for the year	-	-	-	(496)	5,125	131,231	135,860	155	136,015
Dividend paid	-	-	-	-	-	-	-	(25)	(25)
Balance at 1 January 2022	100,000	50,000	1,291	(9,894)	764	3,086,392	3,228,553	2,876	3,231,429
Profit for the year	-	-	-	-	-	576,661	576,661	204	576,865
Other comprehensive loss for the year	-	-	-	(2,505)	(6,253)	-	(8,758)	-	(8,758)
Total comprehensive (loss)/income for the year	-	-	-	(2,505)	(6,253)	576,661	567,903	204	568,107
Balance at 31 December 2022	**100,000**	**50,000**	**1,291**	**(12,399)**	**(5,489)**	**3,663,053**	**3,796,456**	**3,080**	**3,799,536**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from operating activities			
Profit before tax from continuing operations		**362,629**	114,960
Profit before tax from discontinuing operations		**237,615**	-
Adjustments for:			
Depreciation of property and equipment	5	**202,496**	229,155
Depreciation of right-of-use assets, net of other movement	23	**10,612**	10,612
Loss on disposal of property, plant and equipment		**17,523**	25
Gain on disposal of a division		**(237,615)**	-
(Reversal)/Allowance for expected credit loss on trade receivables	9	**(683)**	971
Allowance for expected credit loss on contract assets	10	**55**	428
Allowance for slow moving and obsolete inventories	8	**3,237**	2,311
Interest expenses, net		**19,458**	21,015
Finance cost on lease liabilities	23	**11,382**	11,627
Employees' end of service benefit charge	15	**31,577**	32,741
Share of profit of investment in associate	6	**(1,091)**	(1,257)
Operating cash flows before movements in working capital changes		**657,195**	422,588
(Increase)/decrease in inventories		**(100,379)**	6,366
Decrease/(increase) in contract assets		**481,975**	(104,457)
(Increase)/decrease in trade and other receivables		**(1,085,464)**	403,322
Increase in due from a related party		**(64,845)**	-
Increase/(decrease) in trade and other payables		**1,976,545**	(118,194)
Increase/(decrease) in contract liabilities		**249,145**	(57,109)
Cash generated from operating activities		**2,114,172**	552,516
Employees' end of service benefit paid	15	**(29,667)**	(87,427)
Income tax paid	18	**(29,153)**	(24,635)
Income tax refund	18	**26,994**	-
Net cash generated from operating activities		**2,082,346**	440,454
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(216,019)**	(68,006)
Proceeds on disposal of property, plant and equipment		**39,475**	-
Dividend received from investment in an associate	6	**1,230**	1,464
Net cash used in investing activities		**(175,314)**	(66,542)
Cash flows from financing activities			
Dividend paid to non-controlling interest		-	(25)
Interest paid		**(19,458)**	(21,015)
Repayment of lease liabilities		**(6,953)**	(5,659)
Interest paid on lease liabilities	21	**(11,382)**	(11,627)
Repayments of term loans	14	**(264,434)**	(264,435)
Funds transferred to a related party		**(499,976)**	-
Net cash used in financing activities		**(802,203)**	(302,761)
Net increase in cash and cash equivalents		**1,104,829**	71,151
Cash and cash equivalents at the beginning of the year		**579,378**	508,692
Net foreign exchange difference		**(2,343)**	(465)
Cash and cash equivalents at the end of the year	11	**1,681,864**	579,378
Non-cash transactions			
Transfer of end of service benefits		**16,607**	-

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2022

1 General information

National Petroleum Construction Company (NPCC) (the "Company") 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") acquired all the share of NPCC 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.

These consolidated 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.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2022.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Reference to the Conceptual Framework	The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use	The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use (continued)	The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards. *IFRS 1 First-time Adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a). *IFRS 9 Financial Instruments* The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle (continued)	*IAS 41 Agriculture* The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 17 *Insurance Contracts*	1 January 2023

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.

The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 17 *Insurance Contracts (continued)*	1 January 2023

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
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
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.	
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively.	

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error; • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	1 January 2023

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

  - Right-of-use assets and lease liabilities;
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 January 2023
The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	

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

3 Summary of significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable provision of the UAE Federal Decree Law no. (32) of 2021.

The UAE Federal Decree Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law"). The Company has applied the requirements New Companies Law during the year ended 31 December 2022.

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The principal accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Company has these subsidiaries over which it exercises effective control:

Name of subsidiaries	Country of incorporation and operations	Beneficial ownership interest (%)		Principal activity
		2022	2021	
National Petroleum Construction Co. (Saudi) LTD.	Kingdom of Saudi Arabia	100	100	Engineering Procurement Construction
NPCC Engineering Limited	India	100	100	Engineering
ANEWA Engineering Pvt. Ltd	India	80	80	Engineering
NPCC Service Malaysia SDN. BHD *	Malaysia	100	100	Engineering Procurement Construction
Al Dhabi For Construction Project LLC *	Iraq	100	100	Engineering Procurement Construction

*dormant entities

3 Summary of significant accounting policies (continued)

3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3.5 Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.6 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply Engineering, Procurement & Construction (EPC) revenues from fixed-price lump sum contracts are recognised using the percentage-of-completion method, by reference to the progress towards completion method, based on entity's efforts or inputs to the satisfaction of performance obligation (e.g. resources consumed, labour hours expended, cost incurred, time elapsed or machine hours used) relative to the total expected inputs required in order to satisfy the performance obligation. In the early stages of contract completion, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Provision is made for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Incentive payments are included in revenue when the contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and the amount of the incentive payments can be measured reliably.

3 Summary of significant accounting policies (continued)

3.7 Revenue recognition (continued)

Revenue recognition on construction contracts

The Group provides lump-sum engineering, procurement and construction project services to the oil and gas production and processing industry.

Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation. The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customized for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Contract modifications, e.g. approved variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue.

Liquidated damages, penalties and similar payments, price concession (discounts) or deductions are accounted for as variable considerations. When management concludes on the existence of variable consideration, the Group estimates the amount of variable consideration at contract inception by using either (i) the expected value approach or (ii) the most likely amount. The Group use the method that best predicts the amount of consideration to which it will be entitled based on the terms of the contract. This would also apply to contractual incentive payments or early completion bonuses, if any.

Variable consideration is recognised to the extent it is 'highly probable' that a significant revenue reversal will not occur in future periods, when the related uncertainty associated with the variable consideration is subsequently resolved.

If there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income.

3 Summary of significant accounting policies (continued)

3.7 Revenue recognition (continued)

Warranty Obligations
The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.7.1 Other income

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

3.8 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the ssdates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

3.9 Employees' benefits

Accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of each reporting period.

A provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of each reporting period. An accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Agency in accordance with the Abu Dhabi Retirement Pensions and the Benefit Funds and covered by Pension and Leaving Benefits Law No. 2/2000 for Pension and Social Security. Such contributions are charged to the statement of financial performance during the employees' period of service.

3.10 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3 Summary of significant accounting policies (continued)

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment is their purchase cost, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates used for this purpose are as follows:

	Years
Buildings	25
Plant, barges and vehicles	4-40
Furniture and office equipment	3-5

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3 Summary of significant accounting policies (continued)

3.11 Property, plant and equipment (continued)

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.12 Impairment of tangible excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving weighted average method.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions 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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Hedge accounting (continue)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

3 Summary of significant accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges (continued)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3 Summary of significant accounting policies (continued)

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 15. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash

3.17 Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

3 Summary of significant accounting policies (continued)

3.17 Leases (continued)

The Group as lessee (continued)

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has not recognised any loss allowance against all receivables.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Key sources cf estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed.

Percentage-of-completion

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts. The Group uses its commercial teams together with project managers to estimate the costs to complete of construction contracts. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Taxation provisions

The Group's current tax provision of AED 67 million (2021: AED 46 million) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with Central Board of Direct Taxes, India and General Authority of Zakat and Tax, Saudi Arabia.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Impairment of trade and other receivables and contract assets at 31 December 2022 are AED 288 thousand (2021: AED 971 thousand) and AED 483 thousand (2021: AED 428 thousand), respectively.

Allowance for inventory obsolescence

Management has estimated the recoverability of inventory balances and has considered the allowance required for inventory obsolescence based on the current economic environment. Accordingly, allowance for inventory obsolescence as at 31 December 2022 is AED 52 million (2021: AED 49 million).

Useful lives and residual values of property and equipment

The useful lives and residual values of the property and equipment are based on management's judgement of the historical pattern of useful live and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property and equipment in accordance with IAS 16 *Property, Plant and Equipment* and has determined that current year expectations do not differ from previous estimates based on its review.

Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment. In determining whether an impairment loss should be recorded in profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows attributable to property, plant and equipment.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Warranty provision

Management has estimated contract warranty costs expected to arise on projects, based on management's best estimates, past experience and expected future maintenance costs.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Legal claims and contingencies

When assessing the possible outcomes of legal claims and contingencies, the Group rely on the opinions of the legal counsel. The opinions of the Group's legal counsel are based on their professional judgment and take into consideration the current stage of proceedings and legal experience accumulated with respect to various matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from such estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Management is satisfied that there is no impairment on goodwill as at 31 December 2022 and 31 December 2021.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

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
Cost					
1 January 2021	537,705	5,791,855	113,017	18,526	6,461,103
Additions	1,319	18,879	1,876	45,932	68,006
Transfers	4,261	2,409	48	(6,718)	-
Disposal/write-offs	-	(45,208)	(18)	-	(45,226)
Exchange difference	-	-	(195)	-	(195)
1 January 2022	543,285	5,767,935	114,728	57,740	6,483,688
Additions	-	7,024	4,124	204,871	216,019
Transfers	4,181	34,120	-	(38,301)	-
Disposal/write-offs	-	(466,737)	(737)	-	(467,474)
Transfer to a related party	(4,701)	(170,502)	(483)	-	(175,686)
Exchange difference	-	-	(1,275)	-	(1,275)
31 December 2022	**542,765**	**5,171,840**	**116,357**	**224,310**	**6,055,272**
Accumulated depreciation					
1 January 2021	356,564	3,262,292	90,167	-	3,709,023
Charge for the year	12,306	209,621	7,228	-	229,155
Disposal/write-offs	-	(45,188)	(13)	-	(45,201)
Exchange difference	-	-	(164)	-	(164)
1 January 2022	368,870	3,426,725	97,218	-	3,892,813
Charge for the year	12,189	183,340	6,967	-	202,496
Disposal/write-offs	-	(457,996)	(719)	-	(458,715)
Transfer to a related party	(2,540)	(124,527)	(380)	-	(127,447)
Exchange difference	-	-	(1,113)	-	(1,113)
31 December 2022	**378,519**	**3,027,542**	**101,973**	-	**3,508,034**
Carrying amount					
At 31 December 2022	**164,246**	**2,144,298**	**14,384**	**224,310**	**2,547,238**
At 31 December 2021	174,415	2,341,210	17,510	57,740	2,590,875

As at 31 December 2022, property, plant and equipment include fully depreciated assets amounting to AED 2,074 million (2021: AED 2,431 million).
Certain property, plant and equipment (five barges) have been pledged as security against a borrowing facility (Note 14).
The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 22).

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

6 Investment in an associate

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 GRENERGY 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.

The following table summarises the financial information of Principia as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Principia.

Movements in investment in associate is as follows:

	2022	2021
	AED'000	AED'000
Balance at 1 January	**23,806**	24,013
Share of profit for the year	**1,091**	1,257
Dividend received during the year (note 19)	**(1,230)**	(1,464)
Balance at 31 December	**23,667**	23,806

Summarised financial information in respect of the Group's associates is set out below:

	2022	2021
	AED'000	AED'000
Total assets	**49,657**	55,157
Total liabilities	**(26,682)**	(29,478)
Net assets	**22,975**	25,679
Group's share of net assets of associate	**7,658**	8,560
Total revenue	**41,637**	53,888
Total profit for the year	**3,274**	3,772
Group's share in profit	**1,091**	1,257

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

7 Goodwill

Acquisition of subsidiaries

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

Acquisition date fair values of the identifiable assets and liabilities of the subsidiaries were determined as follows:

	AED'000
Fair value of net assets acquired	**12,749**
Goodwill arising on acquisition	**5,057**
Consideration	**7,692**

Impairment testing of goodwill

Goodwill acquired through business combination of AED 5,057 thousand is allocated to individual cash generating units for impairment testing.

The recoverable amount for impairment testing has been determined based on a value in use calculation using discounted cash flows projections based on financial budgets approved by management covering a period of 5 years. The weighted average capital cost rate applied to cash flow projections is 15.38%.

8 Inventories

	2022 AED'000	2021 AED'000
Materials, fuel and spare parts	**293,103**	192,724
Less: allowance for slow and obsolete inventories	**(51,965)**	(48,728)
	241,138	143,996

Movement in the allowance for slow moving inventories

At 1 January	**48,728**	46,417
Charge for the year	**3,237**	2,311
	51,965	48,728

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

9 Trade and other receivables

	2022 AED'000	2021 AED'000
Trade receivables	**1,605,747**	1,293,261
Less: allowance for expected credit losses	**(288)**	(971)
	1,605,459	1,292,290
Advances paid to foreign supplier	**645,919**	328,631
Prepayments and advances	**441,332**	110,513
Contract retentions	**123,708**	9,024
Derivative financial asset	**41,747**	6,403
VAT and GST receivables	**34,687**	37,760
Advances paid to employees	**18,369**	16,279
Other receivables	**66,979**	55,809
	2,978,200	1,856,709

Included in trade receivables is an amount of AED nil million (2021: AED 240 million) due from parties disclosed in note 19 to the consolidated financial statements. Revenue generated from those related parties during the year amounting to AED 19 million (2021: AED 197 million).

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.

Movement in the allowance for expected credit losses

	2022 AED'000	2021 AED'000
At 1 January	**971**	-
(Reversal)/charge for the year	**(683)**	971
At 31 December	**288**	971

9 Trade and other receivables (continued)

Ageing of trade receivables

	2022 AED'000	2021 AED'000
1 to 90 days	**1,557,383**	1,068,684
More than 91 days	**48,364**	224,577
	1,605,747	1,293,261

10 Contract assets

	2022 AED'000	2021 AED'000
Construction contracts	**1,018,010**	1,499,985
Less: allowance for expected credit losses	**(483)**	(428)
	1,017,527	1,499,557

Significant changes in contract assets balance during the year:

	2022 AED'000	2021 AED'000
As at 1 January	**1,499,985**	1,395,528
Add: Revenue recognised during the year from contract	**5,381,605**	3,942,527
Less: Transfer of contract assets recognised to trade receivables	**(5,863,580)**	(3,838,070)
As at 31 December	**1,018,010**	1,499,985

Included in contract assets is an amount of AED nil million (2021: AED 280 million) due from parties disclosed in note 19 to the consolidated financial statements.

Invoicing to the client for fixed-price contracts is based on milestones defined in the contracts and therefore, the timing of revenue recognition is different from the timing of invoicing of the contract. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

10 Contract assets (continued)

Contract assets are analysed as follows:

	31 December 2022 AED'000	31 December 2021 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**367,923**	299,830
Other entities	**650,087**	1,200,155
Contract assets	**1,018,010**	1,499,985

11 Cash and bank balances

	2022 AED'000	2021 AED'000
Cash in hand	**592**	636
Cash at banks	**505,917**	578,742
Term deposits	**1,175,355**	-
Cash and cash equivalents	**1,681,864**	579,378

Term deposits represent deposits placed at local banks and have effective interest rates between 3.7% to 4.2% per annum (31 December 2021: AED Nil). Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period is not material to the overall consolidated financial statements.

12 Share capital

The capital of the Company as of 31 December was made up of 100,000 shares of AED 1,000 each and was distributed as follows:

	2022 AED'000	2021 AED'000
National Marine Dredging Company PJSC	**100,000**	100,000

During the year 2021, National Marine Dredging Company ("NMDC") acquired all the share of National Petroleum Construction Company (NPCC) and became the sole shareholder in the Company.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

13 Statutory reserve and restricted reserve

In accordance with the provisions of the UAE Federal 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.

14 Term loans

	2022 **AED'000**	2021 AED'000
Non-current portion	**844,721**	1,109,155
Current portion	**264,434**	264,434
	1,109,155	1,373,589

On Feb 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of LIBOR 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 31 December 2022 is USD 302 million which is equivalent to AED 1,109 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.

The contractual repayment schedule of the term loan is as follow:

	2022 **AED'000**	2021 AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**528,869**	528,869
3 to 5 years	**315,852**	528,869
5 years and above	**-**	51,417
	1,109,155	1,373,589

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

14 Term loans (continued)

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

	2022 AED'000	2021 AED'000
Balance at 1 January	**1,373,589**	1,638,024
Loan repayment	**(264,434)**	(264,435)
Balance at 31 December	**1,109,155**	1,373,589

15 Provision for employees' end of service benefits

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

	2022 AED'000	2021 AED'000
At 1 January	**254,090**	308,776
Charge for the year	**31,577**	32,741
Paid during the year	**(29,667)**	(87,427)
Transferred to a related party (note 19)	**(16,607)**	-
At 31 December	**239,393**	254,090

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

16 Trade and other payables

	2022 AED'000	2021 AED'000
Job and other accruals	**2,119,511**	1,176,808
Advances received on contracts	**1,011,789**	142,352
Trade payables	**373,360**	297,949
VAT payables	**106,736**	25,781
Derivative financial liability	**47,235**	5,638
Provision for employees leave salary	**38,017**	30,247
Provision for board remuneration and employee bonus	**30,000**	35,143
Provision for air fare	**25,325**	15,990
Warranty provision	**10,364**	16,046
Retentions payable	**8,612**	4,389
Other accruals	**6,777**	6,908
Provision for future losses	**2,280**	733
Other payables	**5,089**	8,969
	3,785,095	1,766,953

The average credit period on purchase of goods is 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit terms. Included in advances received on contracts is an amount of AED nil million (2021: AED 36 million) received from entities disclosed in note 19 to the consolidated financial statements.

Included in trade and other payables are amounts of AED 99.2 million (2021: AED 38.5 million) due to entities disclosed in note 19 to the consolidated financial statements.

17 Contract liabilities

	2022 AED'000	2021 AED'000
Construction contracts	**263,120**	13,975

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

18 Income tax

	2022 AED'000	2021 AED'000
Opening balance	**45,545**	86,606
Charge for the year	**33,296**	23,574
Reversals during the year	**(9,917)**	(40,000)
Refund during the year	**26,994**	-
Payments during the year	**(29,153)**	(24,635)
	66,765	45,545

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

As of year-end, the Group is liable to pay tax in India, Kuwait and Saudi Arabia. The income tax assessments for certain periods are pending finalisation in some countries in which the Group operates. The Group had no significant deferred tax assets or liabilities at the end of the year.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

19 Related parties

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 Shareholders, 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 balances and transactions are disclosed in note 5, 6, 9, 10, 15, 16 and 17 to the consolidated financial statements.

	2022 AED'000	2021 AED'000
Other related party transactions		
Contract revenues	**19,000**	197,000
Material and services purchased	**222,864**	7,869

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

19 Related parties (continued)

	2022 AED'000	2021 AED'000
Gain on partial disposal of a division*	**237,615**	-
Disposal of property, plant and equipment-net*	**48,238**	-
Transfer of end of service benefits*	**16,607**	-
Dividend received from an associate	**1,230**	1,464

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

Due from related parties

	2022 AED'000	2021 AED'000
National Marine Dredging Company PJSC (NMDC) **	**785,829**	-
Trade receivables (note 9)	-	240,000
Contract assets (note 10)	-	280,000

*During the year, the Company's parent company incorporated an entity, Safeen Survey and Subsea Services LLC (Safeen), where, as part of the agreement, the Company made an in-kind contribution to Safeen by transferring its Division and Subsea division's property, plant and equipment, employees and revenue contracts, resulting in a gain of AED 237,615 thousand.

** The balance due from a related party represents an amount of AED 285,731 thousand pertaining to the sale of Safeen Survey and Subsea Services to the parent Company and the remaining amount of AED 500,000 thousand resulted from its cash pooling arrangement with its parent company.

Due to related parties

	2022 AED'000	2021 AED'000
Trade payables and other payables (note 16)	**99,200**	38,500
Advances received on contracts (note 16)	-	36,000

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

20 Contracts revenue

	2022 AED'000	2021 AED'000
Revenue by project type		
Energy	**5,381,605**	3,942,527
Revenue by activity		
Engineering, procurement and construction	**5,381,605**	3,942,527
Timing of revenue recognition		
Revenue recognised over the period	**5,381,605**	3,942,527
Revenue by customer segments		
Governmental companies	**4,707,338**	2,557,465
Non-Governmental companies	**674,267**	1,385,062
	5,381,605	3,942,527

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2022 AED'000	2021 AED'000
Engineering, procurement and construction		
Customer 1	**2,387,209**	2,569,437
Customer 2	**2,184,681**	776,882

21 Finance costs, net

	2022 AED'000	2021 AED'000
Interest expense on term loans – net	**19,458**	21,015
Interest expense on lease liabilities (note 23)	**11,382**	11,627
	30,840	32,642

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

22 Profit for the year

	2022 AED'000	2021 AED'000
Profit for the year is stated after:		
Staff costs	**1,061,854**	903,560
Depreciation of property, plant and equipment	**202,496**	229,155

23 Group as a Lessee

The Group leases several assets including land, premises, vessels, equipment. The average lease term is 1 to 26 years. Interest rate on the leases ranges from 4% - 5.6%.

Right-of-use assets

	2022 AED'000	2021 AED'000
1 January	**287,385**	297,997
Additions during the year	**17,489**	-
Depreciation expense	**(10,612)**	(10,612)
31 December	**294,262**	287,385

Lease liabilities

	2022 AED'000	2021 AED'000
1 January	**301,182**	306,841
Additions during the year	**17,489**	-
Interest expense (note 21)	**11,382**	11,627
Payments	**(18,335)**	(17,286)
31 December	**311,718**	301,182

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

23 Group as a Lessee (continued)

	2022 AED'000	2021 AED'000
Maturity analysis		
Not later than 1 year	**7,414**	5,847
Later than 1 year and not later than 5 years	**35,538**	35,835
Later than 5 years	**268,766**	259,500
	311,718	301,182

24 Interest in joint operations

The Group has share of assets, liabilities and results of operations of the following joint operations:

	Percentage of share	
	2022	2021
Joint operations		
Technip – NPCC – Satah Full Field	**50%**	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	**40%**	40%
NPCC – TECHNIP UL-2	**50%**	50%
NPCC – TECHNIP AGFA	**50%**	50%
NPCC - Technip JV - US GAS CAP Feed	**50%**	50%

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

	2022 AED'000	2021 AED'000
Total assets	**60,008**	118,198
Total liabilities	**(48,316)**	(25,852)
Net assets	**11,692**	92,346
Total revenue	**11,033**	2,225
Profit for the year	**11,693**	45,461

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

25 Contingent liabilities and commitments

	2022 AED'000	2021 AED'000
Letters of guarantee	**6,415,076**	5,350,537
Letters of credit	**345,003**	89,494
Capital commitments	**58,602**	31,608
Purchase commitments	**4,537,862**	1,672,312

26 Capital management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes long term debts, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The gearing ratio, determined as net debt to equity, at the yearend was as follows:

	2022 AED'000	2021 AED'000
Debt (note 14)	**1,109,155**	1,373,589
Cash and cash at bank (note 11)	**(1,681,864)**	(579,378)
Net debt	**(572,709)**	794,211
Equity	**3,799,536**	3,231,429
Net debt to equity ratio	**-**	25%

27 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes significant number of transactions denominated in foreign currencies including US Dollar, Sterling Pound, Euro, Indian Rupees and Saudi Riyal. Hence, exposures to exchange rate fluctuations arise.

The Group is primarily exposed to exchange rate fluctuations related to the Euro and Sterling Pound denominated as assets and liabilities. Other currencies are pegged to AED, and hence no currency fluctuation risks exist for them.

The carrying amounts of the Group's Euro and Sterling Pound denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2022	2021	**2022**	2021
	AED'000	AED'000	**AED'000**	AED'000
Euro	**5,663**	11,298	**71,528**	2,677
Sterling pound	**749**	1,315	**13,888**	26

Based on the sensitivity analysis to a 5% increase/decrease in the AED against the relevant foreign currencies (assumed outstanding for the full year):

(a) there is AED 3,293 thousand (2021: AED 431 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 657 thousand (2021: AED 64 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates on loans had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would decrease/increase by AED 5.5 million (2021: decrease/increase by AED 6.8 million).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable interest-bearing deposits and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months USD LIBOR rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate swap contracts (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year of AED 554,578 thousand (31 December 2021: AED 686,795 thousand):

2022			**USD'000**	**AED'000**
Instrument I: outstanding pay floating pay fixed	USD LIBOR 3M	0.8%	**11,367**	**41,747**
2021				
Instrument I: outstanding pay floating pay fixed	USD LIBOR 3M	0.8%	1,665	6,115

Fair value represents the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book value under the historical cost method and fair value estimates.

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) the carrying amounts approximate to their fair value. This applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Forward foreign exchange contracts

The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	Notional value AED'000	Fair value AED'000	Fair value changes AED'000
2022				
Forward contract	**USD**	**171,002**	**158,141**	**12,861**
2021				
Forward contract	USD	72,422	67,071	5,351

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks and financial institutions and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 9.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimates of incurred losses in respect of trade and other receivables.

Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on contractual repayment arrangements were as follows:

	Less than 1 year AED'000	1 – 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2022				
Trade and other payables*	**2,653,926**	-	-	**2,653,926**
Term loans	**264,434**	**844,721**	-	**1,109,155**
	2,918,360	**844,721**	-	**3,763,081**
At 31 December 2021				
Trade and other payables*	1,582,041	-	-	1,582,041
Term loans	264,434	1,057,738	51,417	1,373,589
	1,846,475	1,057,738	51,417	2,955,630

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

Fair value of financial instruments

Management considers that the fair values of financial assets and financial liabilities in the consolidated financial statements approximate their carrying amounts.

28 Financial instruments by category

	2022 AED'000	2021 AED'000
Financial assets		
Cash and bank balances	**1,681,864**	579,378
Contract assets	**1,017,527**	1,499,557
Trade and other receivables (excluding prepaid expenses)	**2,846,274**	1,807,107
	5,545,665	3,886,042
Financial liabilities		
Trade and other payables*	**2,653,926**	1,582,041
Term loans	**1,109,155**	1,373,589
	3,763,081	2,955,630

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

29 Subsequent events.

Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

The Company 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 Company for the financial year beginning 1 January 2024.

30 Approval of the consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 5 April 2023.

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Reports and consolidated financial statements for the year ended 31 December 2023

NATIONAL PETROLEUM CONSTRUCTION COMPANY

Report and consolidated financial statements
for the year ended 31 December 2023

NMDC ENERGY
Formerly NPCC

Directors' report
for the year ended 31 December 2023

The Directors' have the pleasure in submitting this report, together with the audited consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group") for year ended 31 December 2023.

Principal activities

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.

Results

Revenue for the year was AED 7,941 million (2022: AED 5,382 million). Profit for the year was AED 780 million (2022: AED 577 million).

Appropriation of profits

	AED'000
Retained earnings at 1 January 2023	3,663,053
Profit attributable to the shareholder of NPCC	779,589
Retained earnings at 31 December 2023	**4,442,642**

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2023.

Auditors

The Directors propose the re-appointment of Deloitte & Touche (M.E.) as external auditor for the year ending 31 December 2024.

On Behalf of the Board of Directors

Group Chief Executive Officer

Chief Executive Officer

Deloitte.

Deloitte & Touche (M.E.)
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of National Petroleum Construction Company ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and their preparation in compliance with the applicable provisions of the articles of association of the Company and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

- Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NATIONAL PETROLEUM CONSTRUCTION COMPANY (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the report of the Directors is consistent with the books of account of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Company has made investments during the financial year ended 31 December 2023;
- Note 19 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023.

Deloitte & Touche (M.E.)

F. Sohawon

Faeza Sohawon
Registration No. 5508
28 March 2024
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position
at 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,041,366	2,547,238
Right-of-use assets	23	286,599	294,262
Investment in equity accounted investees	6	24,134	23,667
Goodwill	7	5,057	5,057
Total non-current assets		3,357,156	2,870,224
Current assets			
Inventories	8	235,889	241,138
Trade and other receivables	9	3,199,319	2,978,200
Due from a related party	19	1,015,829	785,829
Contract assets	10	2,208,519	1,017,527
Cash and bank balances	11	3,003,586	1,681,864
Total current assets		9,663,142	6,704,558
Total assets		13,020,298	9,574,782
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000	100,000
Statutory reserve	13	50,000	50,000
Restricted reserve	13	1,291	1,291
Currency translation reserve		(14,059)	(12,399)
Hedging reserve		14,812	(5,489)
Retained earnings		4,442,642	3,663,053
Equity attributable to the shareholder of the Company		4,594,686	3,796,456
Non-controlling interest		3,915	3,080
Total equity		4,598,601	3,799,536
Liabilities			
Non-current liabilities			
Term loans - non-current portion	14	580,287	844,721
Provision for employees' end of service benefits	15	260,343	239,393
Lease liabilities	23	297,866	304,304
Total non-current liabilities		1,138,496	1,388,418
Current liabilities			
Trade and other payables	16	6,795,129	3,785,095
Term loans - current portion	14	264,434	264,434
Lease liabilities	23	9,733	7,414
Contract liabilities	17	141,287	263,120
Income tax payable	18	72,618	66,765
Total current liabilities		7,283,201	4,386,828
Total liabilities		8,421,697	5,775,246
Total equity and liabilities		13,020,298	9,574,782

Mr. Yasser Zaghloul	**Mr. Ahmed Al Dhaheri**	**Mr. Sreemont Prasad Barua**
Group Chief Executive Officer	Chief Executive Officer	Group Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Continuing operations			
Contract revenue	20	7,940,568	5,381,605
Direct costs		(6,795,192)	(4,738,584)
Gross profit		1,145,376	643,021
Other operating expenses		(199,876)	(250,971)
General and administrative expenses		(121,408)	(22,398)
Other income, net		(21,624)	34,429
Finance cost, net	21	15,042	(30,840)
Depreciation of right-of-use assets	23	(12,305)	(10,612)
Profit before tax from continuing operations		805,205	362,629
Income tax expense, net	18	(24,781)	(23,379)
Profit for the year from continuing operations		780,424	339,250
Discontinued operations			
Gain on partial disposal of a division	19	-	237,615
Profit for the year	22	780,424	576,865
Non-controlling interests		(835)	(204)
Profit for the year - attributable to the Shareholder of the Company		779,589	576,661

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2023

	2023 AED'000	2022 AED'000
Profit for the year	**780,424**	576,865
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) arising on hedging instruments during the year	**20,301**	(6,253)
Foreign exchange difference on translation of foreign operations	**(1,660)**	(2,505)
Total comprehensive income for the year	**799,065**	568,107
Non-controlling interests	**(835)**	(204)
Total comprehensive income for the year - attributable to the Shareholder of the Company	**798,230**	567,903

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2023

	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 2022	100,000	50,000	1,291	(9,894)	764	3,086,392	3,228,553	2,876	3,231,429
Profit for the year	-	-	-	-	-	576,661	576,661	204	576,865
Other comprehensive loss for the year	-	-	-	(2,505)	(6,253)	-	(8,758)	-	(8,758)
Total comprehensive (loss)/income for the year	-	-	-	(2,505)	(6,253)	576,661	567,903	204	568,107
Balance at 1 January 2023	100,000	50,000	1,291	(12,399)	(5,489)	3,663,053	3,796,456	3,080	3,799,536
Profit for the year	-	-	-	-	-	779,589	779,589	835	780,424
Other comprehensive (loss)/income for the year	-	-	-	(1,660)	20,301	-	18,641	-	18,641
Total comprehensive (loss)/income for the year	-	-	-	(1,660)	20,301	779,589	798,230	835	799,065
Balance at 31 December 2023	**100,000**	**50,000**	**1,291**	**(14,059)**	**14,812**	**4,442,642**	**4,594,686**	**3,915**	**4,598,601**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Cash flows from operating activities			
Profit before tax from continuing operations		**805,205**	362,629
Profit before tax from discontinuing operations		-	237,615
Adjustments for:			
Depreciation of property and equipment	**5**	**150,087**	202,496
Depreciation of right-of-use assets, net of other movement	**23**	**12,305**	10,612
Loss on disposal of property, plant and equipment		**(958)**	17,523
Gain on disposal of a division		-	(237,615)
Allowance /(reversal) for expected credit loss on trade receivables	**9**	**2,000**	(683)
Allowance for expected credit loss on contract assets	**10**	**208**	55
Allowance for slow moving and obsolete inventories	**8**	**1,439**	3,237
Interest expenses, net	**21**	**(27,444)**	19,458
Finance cost on lease liabilities	**23**	**12,402**	11,382
Employees' end of service benefit charge	**15**	**40,490**	31,577
Share of profit of investment in associate	**6**	**(1,727)**	(1,091)
Operating cash flows before movements in working capital changes		**994,007**	657,195
Decrease/(increase) in inventories		**3,810**	(100,379)
(Increase)/decrease in contract assets		**(1,191,200)**	481,975
Increase in trade and other receivables		**(240,269)**	(1,085,464)
Increase in due from a related party		**(230,000)**	(64,845)
Increase in trade and other payables		**3,047,481**	1,976,545
(Decrease) / increase in contract liabilities		**(121,833)**	249,145
Cash generated from operating activities		**2,261,996**	2,114,172
Employees' end of service benefit paid	**15**	**(19,540)**	(29,667)
Income tax paid	**18**	**(30,767)**	(29,153)
Income tax refund	**18**	**11,839**	26,994
Net cash generated from operating activities		**2,223,528**	2,082,346
Cash flows from investing activities			
Purchase of property, plant and equipment	**5**	**(644,849)**	(216,019)
Proceeds on disposal of property, plant and equipment		**1,568**	39,475
Investment in equity accounted investee	**6**	**(77)**	-
Short-term deposits placed with bank	**11**	**(505,517)**	-
Dividend received from equity accounted investee	**6**	**1,337**	1,230
Net cash used in investing activities		**(1,147,538)**	(175,314)
Cash flows from financing activities			
Interest received/(paid)	**21**	**27,444**	(19,458)
Repayment of lease liabilities		**(8,756)**	(6,953)
Interest paid on lease liabilities	**21**	**(12,402)**	(11,382)
Repayments of term loans	**14**	**(264,434)**	(264,434)
Funds transferred to a related party		-	(499,976)
Net cash used in financing activities		**(258,148)**	(802,203)
Net increase in cash and cash equivalents		**817,842**	1,104,829
Cash and cash equivalents at the beginning of the year		**1,681,864**	579,378
Net foreign exchange difference		**(1,637)**	(2,343)
Cash and cash equivalents at the end of the year	**11**	**2,498,069**	1,681,864
Non-cash transaction			
Transfer of end of service benefits		-	16,607

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2023

1 General information

National Petroleum Construction Company (NPCC) (the "Company") 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") acquired all the share of NPCC 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.

These consolidated 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.

The Group has made investments as disclosed in note 6 and note 24 as of the reporting period 31 December 2023.

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these consolidated financial statements. The application of these revised IFRS Accounting Standards 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.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.1 New and revised IFRS Accounting Standards applied with no material effect on the financial statements (continued)

Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
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
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	
Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current	1 January 2024
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.	
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	1 January 2024
The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).	
The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.	

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	1 January 2024
The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.	
The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.	
As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024, subject to adoption by the jurisdiction
IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

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

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRS Accounting Standards	**Effective for annual periods beginning on or after**
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024, subject to adoption by the jurisdiction
Amendment to IAS 21— Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025

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

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and applicable provision of the UAE Federal Decree Law no. (32) of 2021.

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The principal accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Company has these subsidiaries over which it exercises effective control:

Name of subsidiaries	**Country of incorporation and operations**	**Beneficial ownership interest (%)**		**Principal activity**
		2023	2022	
National Petroleum Construction Co. (Saudi) LTD.	Kingdom of Saudi Arabia	100	100	Engineering Procurement Construction
NPCC Engineering Limited	India	100	100	Engineering
ANEWA Engineering Pvt. Ltd	India	80	80	Engineering
NPCC Service Malaysia SDN. BHD *	Malaysia	100	100	Engineering Procurement Construction
Al Dhabi For Construction Project LLC *	Iraq	100	100	Engineering Procurement Construction

*dormant entities

3 Material accounting policy information (continued)

3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit or loss in the period in which the investment is acquired.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.5 Investments in associates and joint ventures (continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in consolidated statement of comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in consolidated statement of comprehensive income by that associate or joint venture would be reclassified to consolidated statement of profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to consolidated statement of profit or loss the proportion of the gain or loss that had previously been recognised in consolidated statement of comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to consolidated statement of profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee.

Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.6 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply Engineering, Procurement & Construction (EPC) revenues from fixed-price lump sum contracts are recognised using the percentage-of-completion method, by reference to the progress towards completion method, based on entity's efforts or inputs to the satisfaction of performance obligation (e.g. resources consumed, labour hours expended, cost incurred, time elapsed or machine hours used) relative to the total expected inputs required in order to satisfy the performance obligation. In the early stages of contract completion, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Provision is made for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Incentive payments are included in revenue when the contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and the amount of the incentive payments can be measured reliably.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

Revenue recognition on construction contracts

The Group provides lump-sum engineering, procurement and construction project services to the oil and gas production and processing industry.

Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation. The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customized for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Contract modifications, e.g. approved variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue.

Liquidated damages, penalties and similar payments, price concession (discounts) or deductions are accounted for as variable considerations. When management concludes on the existence of variable consideration, the Group estimates the amount of variable consideration at contract inception by using either (i) the expected value approach or (ii) the most likely amount. The Group use the method that best predicts the amount of consideration to which it will be entitled based on the terms of the contract. This would also apply to contractual incentive payments or early completion bonuses, if any.

Variable consideration is recognised to the extent it is 'highly probable' that a significant revenue reversal will not occur in future periods, when the related uncertainty associated with the variable consideration is subsequently resolved.

If there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income.

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

Warranty Obligations
The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.7.1 Other income

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

3.8 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the ssdates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

3 Material accounting policy information (continued)

3.9 Employees' benefits

Accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of each reporting period.

A provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of each reporting period. An accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Agency in accordance with the Abu Dhabi Retirement Pensions and the Benefit Funds and covered by Pension and Leaving Benefits Law No. 2/2000 for Pension and Social Security. Such contributions are charged to the statement of financial performance during the employees' period of service.

3.10 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment is their purchase cost, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates used for this purpose are as follows:

	Years
Buildings	25
Plant, barges and vehicles	4-40
Furniture and office equipment	3-5

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. Management has reviewed the estimated useful lives of property, plant and equipment in accordance with IAS 16 Property, and has adjusted the useful lives of certain plant, barges and vehicles based on the expected usage / future economic benefit (effective from 1 January, 2023).

This reassessment has resulted in reduction of depreciation charge for the current year by AED 39.2 million and an increase in the carrying amount of property, plant and equipment by the same amount.

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.11 Property, plant and equipment (continued)

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.12 Impairment of tangible excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving weighted average method.

3 Material accounting policy information (continued)

3.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions 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.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Hedge accounting (continue)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges (continuea)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3 Material accounting policy information (continued)

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 14. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash.

3.17 Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

3 Material accounting policy information (continued)

3.17 Leases (continued)

The Group as lessee (continued)

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Contract variations

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgement.

Contract claims

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has not recognised any loss allowance against all receivables.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed.

Percentage-of-completion

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Percentage-of-completion (continued)

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts. The Group uses its commercial teams together with project managers to estimate the costs to complete of construction contracts. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

Taxation provisions

The Group's current tax provision of AED 73 million (2022: AED 67 million) relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with Central Board of Direct Taxes, India and General Authority of Zakat and Tax, Saudi Arabia.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Impairment of trade and other receivables and contract assets at 31 December 2023 are AED 2,288 thousand (2022: AED 288 thousand) and AED 691 thousand (2022: AED 483 thousand), respectively.

Allowance for inventory obsolescence

Management has estimated the recoverability of inventory balances and has considered the allowance required for inventory obsolescence based on the current economic environment. Accordingly, allowance for inventory obsolescence as at 31 December 2023 is AED 53 million (2022: AED 52 million).

Useful lives and residual values of property and equipment

The useful lives and residual values of the property and equipment are based on management's judgement of the historical pattern of useful live and the general standards in the industry. Management has reviewed the estimated useful lives of property and equipment in accordance with IAS 16 Property, and has adjusted the useful lives of certain Plant, barges and vehicles based on the expected usage / future economic benefit (effective from 1 January, 2023).

This reassessment has resulted in reduction of depreciation charge for the current year by AED 39.2 million and an increase in the net book value of property, plant and equipment by the same amount.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Impairment of property, plant and equipment

The Group tests annually whether property, plant and equipment have suffered any impairment. In determining whether an impairment loss should be recorded in profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows attributable to property, plant and equipment.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Warranty provision

Management has estimated contract warranty costs expected to arise on projects, based on management's best estimates, past experience and expected future maintenance costs.

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Legal claims and contingencies

When assessing the possible outcomes of legal claims and contingencies, the Group rely on the opinions of the legal counsel. The opinions of the Group's legal counsel are based on their professional judgment and take into consideration the current stage of proceedings and legal experience accumulated with respect to various matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from such estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Management is satisfied that there is no impairment on goodwill as at 31 December 2023 and 31 December 2022.

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
Cost					
1 January 2022	543,285	5,767,935	114,728	57,740	6,483,688
Additions	-	7,024	4,124	204,871	216,019
Transfers	4,181	34,120	-	(38,301)	-
Disposal/write-offs	-	(466,737)	(737)	-	(467,474)
Transfer to a related party	(4,701)	(170,502)	(483)	-	(175,686)
Exchange difference	-	-	(1,275)	-	(1,275)
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)
31 December 2023	**577,094**	**5,750,829**	**127,336**	**234,370**	**6,689,629**
Accumulated depreciation					
1 January 2022	368,870	3,426,725	97,218	-	3,892,813
Charge for the year	12,189	183,340	6,967	-	202,496
Disposal/write-offs	-	(457,996)	(719)	-	(458,715)
Transfer to a related party	(2,540)	(124,527)	(380)	-	(127,447)
Exchange difference	-	-	(1,113)		(1,113)
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)
31 December 2023	**391,383**	**3,147,216**	**109,664**	-	**3,648,263**
Carrying amount					
At 31 December 2023	**185,711**	**2,603,613**	**17,672**	**234,370**	**3,041,366**
At 31 December 2022	164,246	2,144,298	14,384	224,310	2,547,238

As at 31 December 2023, property, plant and equipment include fully depreciated assets amounting to AED 2,169 million (2022: AED 2,074 million).
Certain property, plant and equipment (five barges) have been pledged as security against a borrowing facility (Note 14).
The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 23).

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

6 Investment in equity accounted investees

The carrying amounts of the Group's investments in equity accounted investees at 31 December are as follows:

	2023 AED'000	2022 AED'000
NT Energies*	**77**	-
Principia SAS	**24,057**	23,667
	24,134	23,667

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

	2023 AED'000	2022 AED'000
Balance at 1 January	**23,667**	23,806
Acquisition during the year	**77**	-
Share of profit for the year	**1,727**	1,091
Dividend received during the year	**(1,337)**	(1,230)
Balance at 31 December	**24,134**	23,667

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 GRENERGY 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.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

6 Investment in equity accounted investees (continued)

Summarised financial information in respect of the Group's equity accounted investees is set out below:

	2023 AED'000	2022 AED'000
Total assets	**50,424**	49,657
Total liabilities	**(28,310)**	(26,682)
Net assets	**22,114**	22,975
Group's share of net assets of associate	**7,371**	7,658
Total revenue	**63,272**	41,637
Total profit for the year	**5,442**	3,274
Group's share in profit	**1,727**	1,091

* **NT Energies**: The entity was incorporated in the current year and operations have not yet commenced.

** **Principia SAS**: the revenue and the profit shown in above table are related to the latest available financial information.

7 Goodwill

Acquisition of subsidiaries

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

7 Goodwill (continued)

Acquisition date fair values of the identifiable assets and liabilities of the subsidiaries were determined as follows:

	AED'000
Fair value of net assets acquired	**12,749**
Goodwill arising on acquisition	**5,057**
Consideration	**7,692**

Impairment testing of goodwill

Goodwill acquired through business combination of AED 5,057 thousand is allocated to individual cash generating units for impairment testing.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. During the year no impairment was noted and recorded on Goodwill.

8 Inventories

	2023 AED'000	2022 AED'000
Materials, fuel and spare parts	**289,295**	293,103
Less: allowance for slow and obsolete inventories	**(53,404)**	(51,965)
	235,889	241,138

Movement in the allowance for slow moving inventories

	2023 AED'000	2022 AED'000
At 1 January	**51,965**	48,728
Charge for the year	**1,439**	3,237
At 31 December	**53,404**	51,965

9 Trade and other receivables

	2023 AED'000	2022 AED'000
Trade receivables	**1,201,880**	1,605,747
Less: allowance for expected credit losses	**(2,288)**	(288)
	1,199,592	1,605,459
Prepayments and advances	**949,179**	441,332
Advances paid to foreign supplier	**621,844**	645,919
Contract retentions	**263,288**	123,708
VAT and GST receivables, net	**31,689**	34,687
Derivative financial asset	**24,602**	41,747
Advances paid to employees	**15,067**	18,369
Other receivables	**94,058**	66,979
	3,199,319	2,978,200

Included in trade and other receivables are amounts of AED 354.3 million (2022: AED 146.3 million) due from entities disclosed in note 19 to the consolidated financial statements.

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.

Movement in the allowance for expected credit losses

	2023 AED'000	2022 AED'000
At 1 January	**288**	971
Charge / (reversal) for the year	**2,000**	(683)
At 31 December	**2,288**	288

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

9 Trade and other receivables (continued)

Ageing of trade receivables

	2023 AED'000	2022 AED'000
1 to 90 days	**1,178,338**	1,557,383
More than 91 days	**23,542**	48,364
	1,201,880	1,605,747

10 Contract assets

	2023 AED'000	2022 AED'000
Construction contracts	**2,209,210**	1,018,010
Less: allowance for expected credit losses	**(691)**	(483)
	2,208,519	1,017,527

Significant changes in contract assets balance during the year:

	2023 AED'000	2022 AED'000
As at 1 January	**1,018,010**	1,499,985
Add: Revenue recognised during the year from contract	**7,940,568**	5,381,605
Less: Transfer of contract assets recognised to trade receivables	**(6,749,368)**	(5,863,580)
As at 31 December	**2,209,210**	1,018,010

Invoicing to the client for fixed-price contracts is based on milestones defined in the contracts and therefore, the timing of revenue recognition is different from the timing of invoicing of the contract. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

10 Contract assets (continued)

Contract assets are analysed as follows:

	2023 AED'000	2022 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**1,161,422**	367,923
Other entities	**1,047,788**	650,087
	2,209,210	1,018,010

11 Cash and bank balances

	2023 AED'000	2022 AED'000
Cash in hand	**691**	592
Cash at banks	**427,783**	505,917
Short-term deposits	**2,575,112**	1,175,355
Cash and bank balances	**3,003,586**	1,681,864
Less: short-term deposits with maturity more than three months	**(505,517)**	-
Cash and cash equivalents	**2,498,069**	1,681,864

Cash and cash equivalents comprise of short-term deposits having original maturities of three months or less. The deposits, carry interest in the range of 3.15%-6.20% per annum (31 December 2022: 3.7% to 4.2%). Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of United Arab Emirates. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

12 Share capital

The capital of the Company as of 31 December was made up of 100,000 thousand shares of AED 1 each and was distributed as follows:

	2023 AED'000	2022 AED'000
National Marine Dredging Company PJSC	**100,000**	100,000

During the year 2021, National Marine Dredging Company ("NMDC") acquired all the share of National Petroleum Construction Company (NPCC) and became the sole shareholder in the Company.

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

13 Statutory reserve and restricted reserve

In accordance with the provisions of the UAE Federal 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.

14 Term loans

	2023 AED'000	2022 AED'000
Non-current portion	**580,287**	844,721
Current portion	**264,434**	264,434
	844,721	1,109,155

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% (2022: LIBOR 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 31 December 2023 is USD 230 million which is equivalent to AED 845 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.

The contractual repayment schedule of the term loan is as follow:

	2023 AED'000	2022 AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**528,870**	528,869
3 to 5 years	**51,417**	315,852
	844,721	1,109,155

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

14 Term loans (continued)

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

	2023 AED'000	2022 AED'000
Balance at 1 January	**1,109,155**	1,373,589
Loan repayment	**(264,434)**	(264,434)
Balance at 31 December	**844,721**	1,109,155

15 Provision for employees' end of service benefits

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

	2023 AED'000	2022 AED'000
At 1 January	**239,393**	254,090
Charge for the year	**40,490**	31,577
Paid during the year	**(19,540)**	(29,667)
Transferred to a related party (note 19)	-	(16,607)
At 31 December	**260,343**	239,393

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

16 Trade and other payables

	2023 AED'000	2022 AED'000
Job and other accruals	**3,151,971**	2,119,511
Advances received on contracts	**2,451,068**	1,011,789
Trade payables	**873,921**	373,360
VAT payables	**96,542**	106,736
Provision for employees leave salary	**64,722**	38,017
Provision for board remuneration and employee bonus	**52,850**	30,000
Provision for air fare	**37,319**	25,325
Retentions payable	**20,537**	8,612
Warranty provision	**14,093**	10,364
Derivative financial liabilities	**9,790**	47,235
Provision for future losses	**686**	2,280
Other payables	**13,723**	5,089
Other accruals	**7,907**	6,777
	6,795,129	3,785,095

The average credit period on purchase of goods is 45 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit terms.

Included in trade and other payables are amounts of AED 1,217 million (2022: AED 346.8 million) due to entities disclosed in note 19 to the consolidated financial statements.

17 Contract liabilities

	2023 AED'000	2022 AED'000
Construction contracts	**141,287**	263,120

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

18 Income tax payable

	2023 AED'000	2022 AED'000
At 1 January	**66,765**	45,545
Charge for the year	**36,178**	33,296
Reversals during the year	**(11,397)**	(9,917)
Refund during the year	**11,839**	26,994
Payments during the year	**(30,767)**	(29,153)
At 31 December	**72,618**	66,765

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

As of year-end, the Group is liable to pay tax in India, Kuwait and Saudi Arabia. The income tax assessments for certain periods are pending finalisation in some countries in which the Group operates. The Group had no significant deferred tax assets or liabilities at the end of the year.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

19 Related parties

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 balances and transactions are disclosed in note 6, 9, 10, 11, 15, 16 and 17 to the consolidated financial statements.

	2023 AED'000	2022 AED'000
Related party transactions		
Contract revenues	**10,103**	19,000
Material and services purchased	**161,394**	222,864
Back-charge of costs	**354,361**	146,364
Sub-contract costs	**429,900**	247,650

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

19 Related parties (continued)

	2023 AED'000	2022 AED'000
Interest income	**33,365**	-
Gain on partial disposal of a division*	-	237,615
Disposal of property, plant and equipment-net*	-	48,238
Transfer of end of service benefits*	-	16,607
Dividend received from an associate	**1,337**	1,230

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

	2023 AED'000	2022 AED'000
Due from related parties		
National Marine Dredging Company PJSC (NMDC) **	**1,015,829**	785,829

* In the prior year, the Company's parent company incorporated an entity, Safeen Survey and Subsea Services LLC (Safeen), where, as part of the agreement, the Company made an in-kind contribution to Safeen by transferring its Division and Subsea division's property, plant and equipment, employees and revenue contracts, resulting in a gain of AED 237,615 thousand.

** The balance due from a related party principally represents an amount of AED 285,731 thousand (2022: AED 285,731) pertaining to the sale of Safeen Survey and Subsea Services to the parent Company and an amount of AED 729,976 thousand (2022: AED 500,000) resulted from its cash pooling arrangement with its parent company.

20 Contracts revenue

	2023 AED'000	2022 AED'000
Revenue by project type		
Energy	**7,940,568**	5,381,605
Revenue by activity		
Engineering, procurement and construction	**7,940,568**	5,381,605
Timing of revenue recognition		
Revenue recognised over the period	**7,940,568**	5,381,605
Revenue by customer segments		
Governmental companies	**7,079,835**	4,707,338
Non-Governmental companies	**860,733**	674,267
	7,940,568	5,381,605

Unsatisfied performance obligation

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2023 and 31 December 2022 are as set out below:

	2023 AED'000	2022 AED'000
Within one year	**13,706,313**	8,667,000
More than one year	**29,973,114**	9,655,000
	43,679,427	18,322,000

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2023 AED'000	2022 AED'000
Engineering, procurement and construction		
Customer 1	**3,208,864**	2,387,209
Customer 2	**3,979,917**	2,184,681

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

21 Finance income (costs), net

	2023 AED'000	2022 AED'000
Interest income on deposits/(expense on term loans) – net	**27,444**	(19,458)
Interest expense on lease liabilities (note 23)	**(12,402)**	(11,382)
	15,042	(30,840)

22 Profit for the year

	2023 AED'000	2022 AED'000
Profit for the year is stated after:		
Staff costs	**1,342,321**	1,061,854
Depreciation of property, plant and equipment	**150,087**	202,496

23 Group as a Lessee

The Group leases several assets including land, premises, vessels, equipment. The average lease term is 1 to 26 years. Interest rate on the leases ranges from 4% - 5.6%.

Right-of-use assets

	2023 AED'000	2022 AED'000
1 January	**294,262**	287,385
Additions during the year	**4,642**	17,489
Depreciation expense	**(12,305)**	(10,612)
31 December	**286,599**	294,262

Lease liabilities

	2023 AED'000	2022 AED'000
1 January	**311,718**	301,182
Additions during the year	**4,637**	17,489
Interest expense (note 21)	**12,402**	11,382
Payments	**(21,158)**	(18,335)
31 December	**307,599**	311,718

23 Group as a Lessee (continued)

	2023 AED'000	2022 AED'000
Lease liability – classification		
Current	**9,733**	7,414
Non-current	**297,866**	304,304
	307,599	311,718

	2023 AED'000	2022 AED'000
Maturity analysis		
Not later than 1 year	**21,744**	20,544
Later than 1 year and not later than 5 years	**78,575**	80,975
Later than 5 years	**380,013**	399,356
	480,332	500,875
Less: unearned interest	**(172,733)**	(189,157)
	307,599	311,718

24 Interest in joint operations

During the year, the Group has invested in two new joint operations. The Group has share of assets, liabilities and results of operations of the following joint operations:

	Percentage of share	
	2023	2022
Joint operations		
NPCC- Saipem – Hail and Ghasha	**50%**	-
NPCC- Tecnicas-MEERAM	**50%**	-
Technip – NPCC – Satah Full Field	**50%**	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	**40%**	40%
NPCC – TECHNIP UL-2	**50%**	50%
NPCC – TECHNIP AGFA	**50%**	50%
NPCC - Technip JV - US GAS CAP Feed	**50%**	50%

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

24 Interest in joint operations (continued)

	2023 AED'000	2022 AED'000
Total assets	**1,577,073**	60,008
Total liabilities	**(1,540,694)**	(48,316)
Net assets	**36,379**	11,692
Total revenue	**71,049**	11,033
Profit for the year	**36,475**	11,693

25 Contingent liabilities and commitments

	2023 AED'000	2022 AED'000
Letters of guarantee	**11,703,758**	6,415,076
Letters of credit	**147,319**	345,003
Capital commitments	**145,058**	58,602
Purchase commitments	**5,378,558**	4,537,862

26 Capital management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes long term debts, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The gearing ratio, determined as net debt to equity, at the yearend was as follows:

	2023	2022
	AED'000	AED'000
Debt (note 14)	**844,721**	1,109,155
Cash and bank balances (note 11)	**(3,003,586)**	(1,681,864)
Net debt	**(2,158,865)**	(572,709)
Equity	**4,598,601**	3,799,536
Net debt to equity ratio	**-**	-

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes significant number of transactions denominated in foreign currencies including US Dollar, Sterling Pound, Euro, Indian Rupees and Saudi Riyal. Hence, exposures to exchange rate fluctuations arise.

The Group is primarily exposed to exchange rate fluctuations related to the Euro and Sterling Pound denominated as assets and liabilities. Other currencies are pegged to AED, and hence no currency fluctuation risks exist for them.

The carrying amounts of the Group's Euro and Sterling Pound denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2023	2022	**2023**	2022
	AED'000	AED'000	**AED'000**	AED'000
Euro	**19,560**	5,663	**212,539**	71,528
Sterling pound	**4,826**	749	**37,962**	13,888

Based on the sensitivity analysis to a 5% increase/decrease in the AED against the relevant foreign currencies (assumed outstanding for the full year):

(a) there is AED 9,649 thousand (2022: AED 3,293 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 1,657 thousand (2022: AED 657 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates on loans had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2023 would decrease/increase by AED 4.2 million (2022: decrease/increase by AED 5.5 million).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable interest-bearing deposits and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months Term SOFR (2022: 3 months USD LIBOR) rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate swap contracts (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year of AED 422,361 thousand (31 December 2022: AED 554,578 thousand):

2023			**USD'000**	**AED'000**
Instrument I: outstanding receive				
Floating, pay fixed	USD SOFR 3M	0.8%	**6,700**	**24,602**
2022				
Instrument I: outstanding receive				
Floating, pay fixed	USD LIBOR 3M	0.8%	11,367	41,747

Fair value represents the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book value under the historical cost method and fair value estimates.

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) the carrying amounts approximate to their fair value. This applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Forward foreign exchange contracts

The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	Notional value AED'000	Fair value AED'000	Fair value changes AED'000
2023				
Forward contract	**USD**	**46,878**	**44,213**	**2,666**
2022				
Forward contract	USD	171,002	158,141	12,861

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks, financial institutions, and its Parent Company and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 9.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of probability of default in respect of trade and other receivables.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

27 Financial instruments (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on contractual repayment arrangements were as follows:

	Less than 1 year AED'000	1 – 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2023				
Trade and other payables*	**4,232,740**	-	-	**4,232,740**
Lease liabilities	**21,744**	**78,575**	**380,013**	**480,332**
Term loans	**264,434**	**580,287**	-	**844,721**
	4,518,918	**658,862**	**380,013**	**5,557,793**
At 31 December 2022				
Trade and other payables*	2,653,926	-	-	2,653,926
Lease liabilities	20,544	80,975	399,356	500,875
Term loans	264,434	844,721	-	1,109,155
	2,938,904	925,696	399,356	4,263,956

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

Fair value of financial instruments

Management considers that the fair values of financial assets and financial liabilities in the consolidated financial statements approximate their carrying amounts.

Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)

28 Financial instruments by category

	2023 AED'000	2022 AED'000
Financial assets		
Cash and bank balances	**3,003,586**	1,681,864
Contract assets	**2,208,519**	1,017,527
Trade and other receivables (excluding prepaid expenses)	**2,596,009**	2,846,274
	7,808,114	5,545,665
Financial liabilities		
Trade and other payables*	**4,232,740**	2,653,926
Term loans	**844,721**	1,109,155
	5,077,461	3,763,081

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

29 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 September 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.

During the period, the Group has assessed the impact of deferred tax assets or liabilities as per the requirement of IAS 12 "Income Taxes" and concluded that based on their assessment there are no identifiable temporary differences and therefore no Deferred Tax Assets (DTA) / Deferred Tax Liabilities (DTL) required to be recognised for the year ended 31 December 2023.

30 Subsequent events

Subsequent to the year end, the name of the Company was changed from National Petroleum Construction Company to NMDC Energy P.J.S.C. This change of name was registered with the concerned authority on 6 February 2024.

The shareholders, in their meeting held on 12 February 2024, approved a dividend of AED 750 million for the prior years.

31 Approval of the consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 28 March 2024.

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

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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.)

F. Sohawon

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

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.

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 Zaghloul
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.

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	*2023*	***2024***	*2023*
		AED'000	*AED'000*	***AED'000***	*AED'000*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(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.

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

	3 month ended 30 June		*6 months ended 30 June*	
	2024	*2024*	**2024**	2023
	AED'000	*AED'000*	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Profit for the period	**328,457**	156,839	**502,425**	243,076
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
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.

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
Adjustments for:			
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)
		680,768	355,300
Income tax paid, net	**16**	**(25,943)**	(8,731)
Employees' end of service benefit paid	**14**	**(2,575)**	(8,238)
		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
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
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)
Net cash used in financing activities		**(969,240)**	(185,509)
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)
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.

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.

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

New and revised IFRSs	Effective for annual periods beginning on or after
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.

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.

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)
30 June 2024	**577,094**	**5,788,269**	**131,720**	**393,569**	**6,890,652**
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)
30 June 2024	**399,132**	**3,230,407**	**113,452**	-	**3,742,991**
Carrying amount					
At 30 June 2024	**177,962**	**2,557,862**	**18,268**	**393,569**	**3,147,661**
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)
31 December 2023	577,094	5,750,829	127,336	234,370	6,689,629
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)
31 December 2023	391,383	3,147,216	109,664	-	3,648,263
Carrying amount					
At 31 December 2023	185,711	2,603,613	17,672	234,370	3,041,366

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

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 INVESTEES

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 GRENERGY 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.

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)
	2,758,715	1,199,592
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
	5,745,529	3,174,717

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.

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
At end of the period/year	**2,356**	2,288

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)
	3,124,682	2,208,519

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
At end of the period/year	**1,732**	691

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
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)
Cash and cash equivalents	**2,368,851**	2,498,069	1,474,722

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

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.

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

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)
Balance at the end of the period/year	**283,734**	260,343

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
	10,331,647	6,785,339

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.

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)
Balance at the end of the period/year	**82,108**	72,618

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.

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)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Related party transactions				
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 2024	31 December 2023
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
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.

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).

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 2024	31 December 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

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.

ANNEX 2 – Articles of Association

SENSITIVE

Articles of Association of
NMDC Energy – P.J.S.C.
A Public Joint-Stock Company

النظام الأساسي
إن إم دي سي إنيرجي - ش.م.ع.
شركة مساهمة عامة

Preamble

تمهيد

(a) NMDC Energy – P.J.S.C. ("**Company**") (then known as National Petroleum Construction Company P.J.S.C.) was established by virtue of its memorandum of association as a public joint stock on 2 April 1973 in the Emirate of Abu Dhabi, United Arab Emirates ("**UAE**").

(أ) تأسست شركة إن إم دي سي إنيرجي - ش.م.ع ("**الشركة**") (المعروفة آنذاك/سابقاً بشركة الإنشاءات البترولية الوطنية ش.م.ع.) بموجب عقد تأسيسها كشركة مساهمة عامة بتاريخ 2 أبريل 1973 في إمارة أبو ظبي، الإمارات العربية المتحدة ("**دولة الإمارات**").

(b) In 1987, the Company was reorganised pursuant to Law No. (2) of 1987 Concerning the Incorporation of National Petroleum Construction Company.

(ب) وفي عام 1987 تم إعادة تنظيم الشركة بموجب القانون رقم (2) لسنة 1987 في شأن تأسيس شركة الإنشاءات البترولية الوطنية.

(c) In 2004, the Company was transferred to the General Holding Corporation P.J.S.C. ("**SENAAT**") pursuant to Law No. (9) of 2004 Concerning the Transfer of National Petroleum Construction Company to the General Holding Corporation P.J.S.C..

(ج) وفي عام 2004, تم نقل الشركة إلى الشركة القابضة العامة ش.م.ع ("**صناعات**") وذلك بموجب أحكام القانون رقم (9) لسنة 2004 بشأن نقل شركة الانشاءات البترولية الوطنية إلى الشركة القابضة العامة ش.م.ع.

(d) The shareholders of the Company issued on 3 October 2016 articles of association for the Company and registered these articles at the Securities and Commodities Authority.

(د) وحيث أصدر المساهمون في الشركة نظاماً أساسياً للشركة بتاريخ 3 أكتوبر 2016 وتم قيده لدى هيئة الأوراق المالية.

(e) Pursuant to Law No. (02) of 2018 and Executive Council Resolution No. (33) of 2020 issued on 2 March 2020, the SENAAT became wholly owned by the Abu Dhabi Developmental Holding Company P.J.S.C. and pursuant to a share purchase agreement dated 30 April 2020, SENAAT became on that date the sole shareholder in the Company.

(ه) واستناداً للقانون رقم (2) لسنة 2018 وقرار المجلس التنفيذي رقم (33) لسنة 2020 الصادر بتاريخ 2 مارس 2020، أصبحت صناعات مملوكة بالكامل من شركة أبوظبي التنموية القابضة ش.م.ع. وبموجب اتفاقية شراء أسهم في 30 أبريل 2020، أصبحت صناعات في ذلك التاريخ المساهم الوحيد في الشركة.

(f) SENAAT sold 30% of its shares in the Company to Chimera Investments LLC. The two shareholders issued a new set of articles of association on 28 September 2020.

(و) وحيث قامت صناعات ببيع نسبة 30% من أسهمها في الشركة لشركة شيميرا للاستثمارات ذ.م.م. أصدرت الشركتان نظاماً أساسياً جديداً للشركة في 28 سبتمبر 2020.

(g) Following this, National Marine Dredging Company P.J.S.C. acquired the entire share capital of the Company and consequently amended its articles of association.

(ز) ولاحقاً لذلك استحوذت شركة الجرافات البحرية الوطنية ش.م.ع على كامل رأس مال الشركة وقامت بتعديل نظامها الأساسي تبعاً لذلك.

(h) The Federal Law by Decree No. (32) of 2021 concerning Commercial Companies ("**CCL**"), which repealed Law No. (2) of 2015, required public joint stock companies to conform with the provisions of the CCL.

(ح) ولما كان المرسوم بقانون اتحادي رقم (32) لسنة 2021 بشأن الشركات التجارية (**"قانون الشركات التجارية"**) قد نص على إلغاء القانون الاتحادي رقم (2) لسنة 2015 بشأن الشركات التجارية والقوانين المعدلة له، وأوجب على الشركات المساهمة العامة القائمة توفيق أوضاعها بما يتوافق مع أحكامه.

(i) On 19 October 2023, National Marine Dredging Company P.J.S.C., in its capacity as the sole shareholder of the Company, resolved to amend the name of the Company to "**NMDC Energy – P.J.S.C**", and to amend the Company's articles of association in line with the CCL.

(ط) وقررت شركة الجرافات البحرية الوطنية ش.م.ع، بعد ذلك بصفتها المساهم الوحيد في الشركة، بتاريخ 19 أكتوبر 2023 تغيير اسم الشركة ليصبح **"إن إم دي سي إنيرجي – ش.م.ع"**، وتعديل أحكام النظام الأساسي للشركة ليتوافق مع قانون الشركات التجارية.

(j) On 23 August 2024, the Board of Directors of the sole shareholder, resolved to (i) replace the Company's current Articles of Association with these Articles and (ii) approve an initial public offering of the sole shareholder's shares and listing of the Company's shares on the Abu Dhabi Securities Exchange.

(ي) بتاريخ 23 أغسطس 2024 قرر مجلس إدارة المساهم الوحيد في الشركة (1) استبدال النظام الأساسي للشركة بالنظام الماثل؛ و(2) الموافقة على طرح جزء من أسهم المساهم الوحيد في اكتتاب عام وإدراج أسهم الشركة في سوق أبوظبي للأوراق المالية.

It has been agreed as follows:

تم الاتفاق على ما يلي:

CHAPTER ONE

الباب الأول

Article (1)

المادة (1)

Definitions

التعاريف

1.1 In these articles of association, the following expressions shall have the meanings opposite thereto, unless nothing in the context indicates otherwise:

1- 1 في هذا النظام الأساسي، يكون للتعابير التالية، المعاني المحددة قرين كل منها ما لم يوجد في سياق النص ما يدل على غير ذلك:

- "**Authority**" means the UAE Securities and Commodities Authority;
- **"الهيئة"** هيئة الأوراق المالية والسلع بدولة الإمارات العربيّة المتحدة؛
- "**Board or Board of Directors**" means the Board of Directors of the Company;
- **"المجلس أو مجلس الإدارة"** مجلس إدارة الشركة؛
- "**Chairman**" means the chairman of the Board of Directors;
- **"رئيس المجلس"** يعني رئيس مجلس الإدارة؛
- "**Commercial Register**" means the Commercial Register of Companies retained with the Competent Authority;
- **"السجل التجاري"** السجل التجاري للشركات المحفوظ لدى السلطة المختصة؛
- "**Companies Law**" means the Federal Decree Law No. (32) of (2021) concerning Commercial Companies, as amended, supplemented, substituted or wholly re-enacted by subsequent laws and any other law amending or subrogating thereto in the future;
- **"قانون الشركات"** المرسوم بقانون اتحادي رقم (32) لسنة 2021 بشأن الشركات التجارية وأي تعديل يطرأ عليه وأي قانون آخر يكون معدلاً له أو يحل محله في المستقبل؛
- "**Company**" means NMDC Energy PJSC;
- **الشركة** تعني إن إم دي سي إنيرجي ش.م.ع؛
- "**Competent Authority**" means the Department of Economic Development in the emirate of Abu Dhabi;
- **"السلطة المختصة"** دائرة التنمية الاقتصادية في إمارة أبوظبي؛
- "**General Assembly**" means a meeting of the shareholders of the Company duly convened and held in accordance with the Companies Law and these Articles of
- **"الجمعيّة العموميّة"** تعني اجتماع المساهمين في الشركة الذي تتم الدعوة إليه ويعقد أصولاً بموجب قانون الشركات التجارية وهذا

Association;

النظام؛

- "**Governance Controls**" means the other set of controls and rules which achieve the corporate discipline of the Company's relations and management in accordance with the international standards and manners through the identification of duties and responsibilities of the members of the Board of Directors and the senior executive management, taking into account protecting the rights of the shareholders and stakeholders as issued by the Authority from time to time;

- "**ضوابط الحوكمة**" مجموعة الضوابط والقواعد الأخرى التي تحقق الانضباط المؤسسي في العلاقات والإدارة في الشركة وفقاً للمعايير والأساليب العالمية وذلك من خلال تحديد مسؤوليات وواجبات أعضاء مجلس الإدارة والإدارة التنفيذية العليا للشركة وتأخذ في الاعتبار حماية حقوق المساهمين وأصحاب المصالح حسبما تصدره الهيئة من حين لآخر؛

- "**Market**" means the Abu Dhabi Securities Exchange licensed in the UAE by the Authority, in which the name of the Company has been listed therein;

- "**السوق**" سوق أبوظبي للأوراق المالية والمرخص في الدولة من قبل الهيئة والتي تم إدراج أسهم الشركة به؛

- "**Special Resolution**" means the resolution issued by a majority of votes of shareholders who own at least not less than three quarters (3/4) of the shares represented in the meeting of the General Assembly;

- "**القرار الخاص**" القرار الصادر بأغلبية أصوات المساهمين الذين يملكون ما لا يقل عن ثلاثة أرباع الأسهم الممثلة في اجتماع الجمعيّة العموميّة للشركة؛

- "**Related Parties**" means the entities and persons classified as such pursuant to the resolutions or regulations issued by the Authority; and
- "**UAE**" means United Arab Emirates.

- "**الأطراف ذات العلاقة**" الأشخاص والجهات التي يتم تحديدها كأطراف ذات علاقة وفقاً للقرارات أو الأنظمة الصادرة عن الهيئة؛
- "**الدولة**" تعني الإمارات العربية المتحدة.

1.2 Capitalised terms shall have the meaning given to them in these articles of association, and if they are not stated herein shall have the meaning given to them in the governance regulations issued by the Authority (as amended or replaced from time to time).

1 -2 يكون للمصطلحات المعرفة المعاني الواردة في هذا النظام الأساسي وإن لم ترد به يكون لها المعاني الواردة في ضوابط الحوكمة الصادرة عن الهيئة (كما يتم تعديلها أو استبدالها من وقت لآخر).

Article (2)

<u>Name of the Company</u>

The name of the Company is "**NMDC Energy – P.J.S.C**", a public joint-stock company.

المادة (2)

<u>اسم الشركة</u>

اسم الشركة هو "**إن إم دي سي إنيرجي ش.م.ع**"، وهي شركة مساهمة عامّة.

Article (3)

<u>Head Office</u>

The Company's head office and its legal seat shall be in the Emirate of Abu Dhabi, and the Board of Directors may constitute branches and offices thereto inside and outside the UAE.

المادة (3)

<u>المركز الرئيس</u>

مركز الشركة الرئيس ومحلها القانوني في إمارة أبوظبي، ويجوز لمجلس الإدارة أن ينشئ لها فروعاً ومكاتب داخل الدولة وخارجها.

Article (4)

<u>Term of the Company</u>

The term determined for the Company is (99) ninety nine Gregorian years, started from the date of its registration at the Commercial Register with the Competent Authority, and thereafter this term shall be renewed automatically for similar and successive periods, unless a Special Resolution by the General Assembly is issued for amending or terminating the Company's term.

المادة (4)

<u>مدة الشركة</u>

المدة المحددة لهذه الشركة هي (99) تسعة وتسعون سنة ميلادية بدأت من تاريخ قيدها بالسجل التجاري لدى السلطة المختصة، وتجدد هذه المدة بعد ذلك تلقائيا لمدد متعاقبة ومماثلة ما لم يصدر قرار خاص من الجمعيّة العموميّة بتعديل مدة الشركة أو إنهائها.

Article (5)

<u>Objects of the Company</u>

5.1 The objectives of the Company shall be consistent with the laws and regulation in force within the UAE.

5.2 The Company's objects are:

(a) manufacturing, assembling, transporting, installing, repairing and maintaining offshore platforms and oil and gas exploration, extraction and transport facilities;

المادة (5)

<u>أغراض الشركة</u>

5 -1 تكون أغراض الشركة متفقة مع أحكام القوانين والقرارات المعمول بها داخل الدولة.

5 -2 أغراض الشركة هي:-

(أ) تصنيع وتجميع ونقل وتركيب وإصلاح وصيانة المنصات البحرية ومنشآت تنقيب واستكشاف واستخراج النفط والغاز.

(b) manufacturing, assembling, transporting, installing, repairing and maintaining any installations, pipelines or facilities related to or supplementing offshore platforms;

(ب) تصنيع وتجميع ونقل وتركيب وإصلاح وصيانة أي منشآت أو خطوط نقل أو مرافق مرتبطة بالمنصات البحرية أو مكملة لها.

(c) manufacturing, installing and operating of ferries and ships transporting offshore platforms, associated facilities and facilities used for their installation, removal or maintenance;

(ج) تصنيع وتركيب وتشغيل العبارات والبوارج والسفن الناقلة للمنصات البحرية والمنشآت والمرافق المرتبطة بها أو المستعملة في تركيبها أو تثبيتها أو إزالتها أو صيانتها.

(d) supplying, preparing, installing and maintaining of oil and gas facilities and pipelines; and

(د) أعمال توريد وتجهيز وتركيب وصيانة مرافق وأنابيب النفط والغاز.

(e) carrying out the business and the activity of engineering, installation, procurement, construction, contracting, and building of all kinds including but not limited to design work, civil, mechanical and electrical works and engineering in all sectors including the energy sector, onshore and offshore gas and oil fields; and general maintenance works, management of projects and facilities.

(ه) ممارسة وتوفير أعمال الهندسة والمقاولات والبناء والتركيب والانشاءات بكافة أنواعها بما في ذلك دون الحصر أعمال التصميم والمقاولات المدنية والميكانيكية والكهربائية في قطاع الطاقة والنفط والغاز البري والبحري وجميع القطاعات الأخرى وأعمال الصيانة العامة وإدارة المشاريع والمنشآت.

5.3 The Company may, seeking to achieve its abovementioned objectives, take up the following activities, whether inside the UAE or abroad:

5-3 يجوز للشركة في سبيل تحقيق أغراضها الرئيسة المذكورة أعلاه القيام بالنشاطات التالية سواء داخل أو خارج الدولة:

(a) acquire, subscribe or own other shares, interests or rights in companies, or projects operating in a field pertaining to the Company's objects or to any expansion to the Company or its other business; or engage in business similar to the one it undertakes, or those which help the

(أ) اكتساب، أو الاشتراك في، أو امتلاك أسهم، أو حصص أو حقوق أخرى في شركات أو مشاريع تعمل في مجال يرتبط بأغراض الشركة، أو بأي توسعة لها أو بأعمالها الأخرى؛ أو تزاول أعمالاً مماثلة للأعمال التي تقوم بها الشركة، أو

Company, and to finance those companies, or projects;	التي قد تساعد الشركة، وتمويل تلك الشركات والمشروعات؛
(b) establish Affiliated Companies inside and outside the UAE and authorize thereto the powers and authorities that the Company deems appropriate or necessary for any purposes in connection with its objects or any expansion or business thereof;	(ب)تأسيس شركات تابعة داخل وخارج الدولة وتخويلها السلطة والصلاحيّة التي تعتبرها الشركة مناسبة أو ضروريّة لأيّة أغراض تتعلق بأغراض الشركة أو بأيّة توسعة لها أو لأعمال الشركة؛
(c) participate with others in establishing other companies, partnerships or entities;	(ج) الاشتراك مع الغير في تأسيس شركات أو شراكات أو كيانات أخرى؛
(d) engage in any business or activity, or take up anything of whatsoever nature which may connect or relate to any of the Company's objects or enhance directly or indirectly the value of all or any of the Company's projects, properties or assets, or otherwise increase its profitability or promote its interests;	(د) مزاولة أيّ عمل أو نشاط، أو القيام بأيّ شيء مهما كانت طبيعته، من شأنه أن يتصل أو يتبع أيّ من أغراض الشركة، أو يعزز بصورة مباشرة أو غير مباشرة قيمة كافة أو أيّ من مشاريع الشركة، أو ممتلكاتها، أو أصولها، أو يزيد على نحو آخر من ربحيّة الشركة، أو يعزز مصالحها؛
(e) enter into agreements with banks, financial institutions and credit agencies in connection with financing the Company's business and activities, including, without limitation, issuing guarantees and granting collaterals on its assets, including its shares or stock, or the shares, interests or assets of its affiliate companies, and concluding contracts in favour of third parties in connection with the Company's objects or any expansion thereto, including, without limitation, issuing guarantees or granting indemnity bonds, or working as a guarantor, or other than what is stated above, to guarantee the obligations of the Company's Subsidiaries, with or without a charge, mortgage or otherwise, create a lien over the whole or any part of the Company, its assets, or the shares, interests, or assets of its Affiliated	(ه) إبرام اتفاقيّات مع بنوك ومؤسسات ماليّة ووكالات ائتمان فيما يتعلق بتمويل نشاطات وأعمال الشركة، بما في ذلك دونما حصر، إصدار الضمانات ومنح الضمانات على أصولها، بما فيها أسهمها أو أصولها، أو حصص أو أسهم أو أصول شركاتها التابعة، وإبرام اتفاقيّات لصالح الغير فيما يتعلق بأغراض الشركة أو بأيّ توسعة لها، بما في ذلك، دونما حصر، إصدار ضمانات أو منح ضمانات عوض، أو العمل بصفة كفيل أو بخلاف ما جاء أعلاه ضمان التزامات أيّ من الشركات التابعة للشركة، مع أو بدون مقابل، ورهن أو بخلاف ذلك إنشاء رهن على كامل أو أيّ جزء من الشركة أو أصولها أو حصص أو

Companies for the purpose of guaranteeing its obligations or the obligations of its Affiliated Companies in any way;	أسهم أو أصول الشركات التابعة لها بغرض ضمان التزاماتها أو التزامات الشركات التابعة لها بأيّ طريقة كانت؛
(f) conclude any contracts or agreements required to implement the objectives of the Company, including the conclusion of construction, operation, management, maintenance, purchase and sale contracts (including contracts to buy and sell shares and interests), or agreements related to the management of companies involved in the creation, development, operation, or maintenance of any of the Company's facilities, or in the field of any associated dependency services, or agreements related to the establishment, development, operation, and maintenance of facilities owned by those companies in addition to the money borrowing agreements;	(و) إبرام أيّ عقود أو اتفاقيّات مطلوبة لتنفيذ أغراض الشركة، بما في ذلك إبرام عقود الإنشاء والتشغيل والإدارة والصيانة والشراء والبيع (بما في ذلك عقود بيع وشراء الأسهم والحصص)، أو الاتفاقيات المتعلقة بإدارة شركات تعمل في مجال إنشاء أو تطوير أو تشغيل أو صيانة أيّ من مرافق الشركة، أو في مجال أيّ خدمات تبعية ترتبط بذلك، أو الاتفاقيّات المتعلقة بإنشاء وتطوير وتشغيل وصيانة المرافق التي تمتلكها تلك الشركات بالإضافة إلى اتفاقيّات اقتراض الأموال؛
(g) issue and sale of new shares in the Company or any shares or in interests in any Subsidiary or Affiliated Company;	(ز) إصدار وبيع أسهم جديدة في الشركة أو حصص أو أسهم في أي شركة تابعة أو حليفة؛
(h) appoint any attorney or attorneys, in any part of the world, at the Company's expense and payment of their fees, whether they are lawyers, bankers, accountants, consultants, engineers, managers or otherwise, to do any act or work required to be made or done to achieve the Company's objects, including the receipt and payment of any amount or signing any documents; and	(ح) استخدام أيّ وكيل أو وكلاء في أيّ جزء من العالم على نفقة الشركة ودفع أتعابهم، سواءً محامين أو مصرفيين أو محاسبين أو استشاريين أو مهندسين أو مديرين، أو غيرهم، وذلك للقيام بأيّ تصرف أو عمل مطلوب إجراؤه أو القيام به تحقيقاً لأغراض الشركة، بما في ذلك استلام ودفع أيّ مبلغ وتوقيع المستندات؛ و
(i) engage in any business or activity, or take up anything of whatsoever nature which the Board may find achievable and may connect or relate to any of the Company's business	(ط) مزاولة أيّ عمل أو نشاط أو القيام بأيّ شيء من أيّ طبيعة مما يراه المجلس قابلاً للإنجاز ومن شأنه أن يكون متصلا بأيّ من أعمال الشركة أو تابعاً لتلك الأعمال، أو يعزز بصورة مباشرة أو

or enhance directly or indirectly the value of all or any of the Company's projects, properties or assets, or otherwise increase its profitability or promote its interests or the interests of its shareholders.

غير مباشرة قيمة كافة أو أيٍّ من مشاريع الشركة أو ممتلكاتها أو أصولها أو غيرها، أو يزيد بطريقة أخرى من ربحيّة الشركة، أو يعزز مصالح الشركة أو مصالح المساهمين فيها.

5.4 In addition to the powers described hereinabove, the Company shall have absolute and total authority to take all the suitable and required procedures to achieve and implement its objects, and to contribute or cooperate, in any way to, with other companies, organizations or authorities as long as they are engaged in similar business, in the UAE or abroad.

5 -4 بالإضافة إلى صلاحيات الشركة الموضحة أعلاه، يكون للشركة صلاحية تامة وسلطة مطلقة في اتخاذ كافة الإجراءات الضرورية والملائمة لتحقيق وتنفيذ أغراضها وأن تشترك أو أن تتعاون بأي وجه مع غيرها من الشركات والمؤسسات والجهات داخل الدولة أو خارجها مادامت تزاول أعمالا شبيهة بأعمالها.

5.5 The Company may not practice its activities except through its affiliate companies, nor is it permitted to perform any activity for which a license is required from the supervisory authority overseeing the activity inside or outside the UAE except after obtaining the license from that authority.

5 -5 ولا يجوز للشركة أن تمارس أنشطتها إلا من خلال شركاتها التابعة كما لا يجوز لها القيام بأية نشاط يُشترط لمزاولته صدور ترخيص من الجهة الرقابية المشرفة على النشاط بالدولة أو خارج الدولة إلا بعد الحصول على الترخيص من تلك الجهة.

Chapter Two
Company's Capital
Article (6)
Issued Capital

الباب الثاني
رأسمال الشركة
المادة (6)
رأس المال المصدر

6.1 The issued capital of the Company was determined at the amount of two billion and five hundred million (2,500,000,000) UAE Dirhams, divided into five billion (5,000,000,000) shares of nominal value of fifty (50) UAE Fils for each fully paid share, and all the Company's shares shall be of equal ranking to one another in the rights and obligations.

6 -1 حدد رأس مال الشركة المصدر بمبلغ مليارين وخمسمائة مليون (2,500,000,000) درهم إماراتي موزعين على خمسة مليارات (5,000,000,000) سهم بقيمة اسميّة قدرها خمسون (50) فلس إماراتي لكل سهم مدفوع بالكامل، وجميع أسهم الشركة من ذات الفئة متساوية مع بعضها البعض في الحقوق والالتزامات.

Article (7)

Shareholding Percentage

All of the Company's shares shall be nominal and, there is no constraint or cap on the percentage of shareholding by non-UAE nationals.

المادة (7)

نسبة الملكية

جميـع أسـهم الشـركة اسـميّة، ولا يوجـد أي قيـد أو حـد أعلـى علـى نسـبة المسـاهمة مـن غير مواطني الدولة.

Article (8)

Shareholders Obligation Towards the Company

The Shareholders are not bound by any obligations or losses on the Company except within the limits of their shareholding in the Company.

المادة (8)

التزام المساهم من قبل الشركة

لا يلتـزم المسـاهمون بأيـة التزامـات أو خسـائر علـى الشـركة إلا فـي حـدد مساهمتهم في رأس مال الشركة.

Article (9)

Commitment to Articles of Association and the Resolutions of the General Assembly

Shareholding shall require acceptance by the Shareholder of the Company's Articles of Association and the resolutions of its General Assembly, and he may not request to recover back his shareholding in the capital.

المادة (9)

الالتزام بالنظام الأساسي وقرارات الجمعيّة العموميّة

يترتـب علـى ملكيـة السـهم قبـول المسـاهم النظـام الأساسـي للشـركة وقـرارات جمعياتهـا العموميّـة ولا يجـوز للمسـاهم أن يطلـب اسـترداد مسـاهمته فـي رأس المال.

Article (10)

Shares are Indivisible

10.1 A share shall be indivisible (except for the nominal dividing), however, should the share ownership descend to a number of heirs, or became owned by several persons, they must choose from amongst themselves someone who will represent them towards the Company, and those persons shall be jointly responsible for the obligations arising from the share ownership. In case of non-agreement to

المادة (10)

عدم تجزئة السهم

10 -1 السـهم غيـر قابـل للتجزئـة (عـدا تجزئـة القيمـة الاسـمية للسـهم) ومـع ذلـك إذا آلـت ملكيـة السـهم إلـى عـدة ورثـة أو تملكـه أشـخاص متعـددون وجـب أن يختـاروا مـن بيـنهم مـن سـينوب عـنهم تجـاه الشـركة، ويكـون هـؤلاء الأشـخاص مسـؤولين بالتضـامن عـن الالتزامـات الناشـئة عـن ملكيـة السـهم، وفـي حـال عـدم اتفـاقهم

choose a representative, anyone of them may resort to the competent court to appoint him, and the Company and the Market will be notified with the court decision in this regard.	علـــى اختيــار مـــن ينـــوب عـــنهم يجـــوز لأي مـــنهم اللجـــوء للمحكمـــة المختصـــة لتعيينـــه ويـــتم إخطـــار الشـــركة والســـوق بقـــرار المحكمـــة بهذا الشأن.
10.2 The Company may, by a Special Resolution, divide the nominal value of the share, after obtaining the Authority's approval.	10 -2 يجوز للشركة الحق بموجب قرار خاص في تجزئة القيمة الاسمية للسهم على أن تكون تجزئة القيمة الاسمية بعد الحصول على موافقة الهيئة.

Article (11)
Share ownership

المادة (11)
ملكية السهم

Each share grants its owner the right to a share equal to the share of others without discrimination in the ownership of the Company's assets upon liquidation and in the profit distribution, attending the General Assembly sessions and voting on its resolutions.	كـل سـهم يخـول مالكـه الحـق فـي حصـة معادلـة لحصـة غيـره بـلا تمييـز فـي ملكيـة موجـودات الشـركة عنـد تصـفيتها وفـي الحصـول علـى توزيعـات الأربـاح وحضـور جلسـات الجمعيـات العموميّـة والتصويت على قراراتها.

Article (12)
Disposition of shares

المادة (12)
التصرف بالأسهم

The Company shall follow the laws, regulations, and decisions in force in the Market regarding the Company's shares issuing, registering, trading, transferring their ownership and mortgaging, and arranging any rights thereon. No assignment, disposal, or mortgaging of the Company's shares may in any way be registered, if the assignment, disposal, or mortgage would violate the provisions of this Articles of Association.	تتبـع الشـركة القـوانين والأنظمـة والقـرارات المعمـول بهـا فـي السـوق بشـأن إصـدار وتسـجيل أسـهم الشـركة وتـداولها ونقـل ملكيتهـا ورهنهـا وترتيـب أي حقـوق عليهـا، ولا يجـوز تسـجيل أي تنـازل عـن أسـهم الشـركة أو التصـرف فيهـا أو رهنهـا علـى أي وجـه، إذا كـان مـن شـأن التنـازل أو التصـرف او الـرهن مخالفـة أحكـام هـذا النظام الأساسي.

Article (13)
Heirs or Creditors to the Shareholder

المادة (13)
ورثة أو دائني المساهم

13.1 In the event of death of a natural **shareholder**, his heir shall be the only person who the Company agrees for him to	13 -1 فـي حالـة وفـاة أحـد المسـاهمين الطبيعيـين يكـون وريثـه هـو الشـخص الوحيـد الـذي توافـق

have property rights or interest in the shares of the deceased, and he has the right to profits and other privileges which the deceased had a right therein. The heir, after registering him in the Company in accordance with the provisions of this Articles of Association, shall have the same rights that the deceased enjoyed with respect to these shares. The estate of the deceased shareholder shall not be exempt from any obligation in respect of any share he possessed at the time of death.	الشركة بأن له حقوق ملكية أو مصلحة في أسهم المتوفي ويكون له الحق في الأرباح والامتيازات الأخرى التي كان للمتوفي حق فيها. ويكون للوريث بعد تسجيله في الشركة وفقاً لأحكام هذا النظام الأساسي، ذات الحقوق التي كان يتمتع بها المتوفي فيما يخص هذه الأسهم، ولا تُعفى تركة المساهم المتوفي من أي التزام فيما يختص بأي سهم كان يملكه وقت الوفاة.
13.2 Any person who becomes entitled to any shares in the Company, as a result of the death or bankruptcy of any shareholder, or by a seizure order issued by any competent court, must, within (30) thirty days:	13 -2 يجب على أي شخص يصبح له الحق في أية أسهم في الشركة نتيجة لوفاة أو إفلاس أي مساهم أو بمقتضى أمر حجز صادر عن أية محكمة مختصة أن يقوم خلال (30) ثلاثين يوماً:
(a) provide the Board of Directors with the evidence of such right; and	(أ) بتقديم البينة على هذا الحق إلى مجلس الإدارة؛ و
(b) choose whether to be registered as a shareholder, or to nominate a person to be registered as a shareholder with regards to that share, without prejudice to the regulation in force at the Market at the time of death, bankruptcy or issuance of the seizure order.	(ب) أن يختار إما أن يتم تسجيله كمساهم أو أن يسمي شخصاً ليتم تسجيله كمساهم فيما يختص بذلك السهم، وذلك دون إخلال بأحكام الأنظمة المرعية لدى السوق وقت الوفاة أو الإفلاس أو صدور قرار الحجز.
13.3 The heirs of the shareholder or his creditors may not, in any pretext, request that the seals be placed on the books of the Company or its properties, nor to require them to be divided or sold altogether due to the inability to divide, nor to interfere in any way whatsoever in the management of the Company, and when using their rights, they must rely on the Company's inventory lists, its final accounts and the resolutions of its	13 -3 لا يجوز لورثة المساهم أو لدائنيه بأية حجة كانت أن يطلبوا وضع الأختام على دفاتر الشركة أو ممتلكاتها ولا أن يطلبوا قسمتها أو بيعها جملة لعدم إمكان القسمة ولا أن يتدخلوا بأية طريقة كانت في إدارة الشركة ويجب عليهم لدى استعمال حقوقهم التعويل على قوائم جرد الشركة وحساباتها الختامية وعلى قرارات

General Assemblies. | جمعياتها العمومية.

Article (14) | **المادة (14)**

Capital Increase or Reduction | **زيادة أو تخفيض رأس المال**

14.1 The Company may, after having its issued share capital fully paid, by a Special Resolution increase its issued share capital. The Board must implement the resolution of capital increase within (3) three years from the date on which the resolution is passed otherwise such resolution shall be deemed null and void in respect of the amount of increase that has not been completed within such period. The resolution to increase the issued share capital shall determine the amount of capital increase and the price at which new shares are issued. In the event that the issued share capital is increased by way of in-kind contribution, the valuation of such in-kind contribution must be in line with the provisions of the Companies Law and the requirements issued by the Authority in respect of the valuation.

14 -1 يجوز للشركة بعد استيفاء كامل رأس مالها المصدر أن تقرر بموجب قرار خاص زيادة رأس مالها المصدر. ويجب على مجلس الإدارة تنفيذ قرار زيادة رأس المال خلال (3) ثلاث سنوات من تاريخ صدوره وإلا اعتبر القرار كأن لم يكن بالنسبة لمقدار الزيادة التي لم يتم تنفيذها خلال تلك المدة. ويبين قرار زيادة رأس المال المصدر مقدار الزيادة في رأس المال وسعر إصدار الأسهم الجديدة. إذا كانت زيادة رأس المال المصدر تتضمن حصصاً عينية فيجب أن يتبع بشأنها الأحكام الواردة في قانون الشركات والضوابط الصادرة عن الهيئة فيما يتعلق بالتقييم.

14.2 Capital increase shares shall be issued at nominal value of the existing shares. However, the Company may, by Special Resolution and after obtaining the approval of the Authority, resolve to:

14 -2 تصدر أسهم زيادة رأس مال الشركة بقيمة اسمية معادلة للقيمة الاسمية للأسهم الأصلية، ومع ذلك يجوز للشركة بقرار خاص وبعد الحصول على موافقة الهيئة أن تقرر ما يلي:

(a) add a premium to the nominal value of the shares and determine such in the event where the market value of the shares is more than the nominal value. The premium will be added to the legal reserve even if such addition results in the legal reserve amount exceeding half of the amount of shares capital;

(أ) إضافة علاوة إصدار إلى القيمة الاسمية للسهم وأن تحدد مقدارها وذلك في حالة زيادة القيمة السوقية عن القيمة الاسمية للسهم وتضاف علاوة الإصدار إلى الاحتياطي القانوني ولو جاوز بذلك نصف رأس المال.

(b) grant a discount to the nominal value of shares and determine the amount of such discount in the event that the market value of the shares is less than the nominal value. In such event, there shall be a negative reserve recorded on the equity in the financial statements and such negative reserve shall be financed through deductions from the future profits of the Company and such deductions shall be made before approving any payment of dividends.

(ب)منح خصم إصدار على القيمة الاسمية للسهم وأن تحدد مقداره وذلك في حالة انخفاض القيمة السوقية عن القيمة الاسمية للسهم، وينشأ مقابل خصم الإصدار احتياطي سالب في حقوق الملكية بالميزانية ويسدد خصماً من الأرباح المستقبلية للشركة قبل إقرار أي توزيعات للأرباح.

14.3 The Company must provide the Authority with a report issued by an independent financial advisor approved by the Authority wherein such advisor determines the methods of calculation of the premium or discount as the case may be.

14 -3 ويجب على الشركة موافاة الهيئة بتقرير صادر من مستشار مالي مستقل معتمد لدى الهيئة يحدد فيه كيفية احتساب علاوة أو خصم الإصدار.

14.4 The shareholders shall have the priority right to subscribe to the new shares, and the rules for subscription to the original shares shall apply to subscribing to these shares. The following shall be excluded from the priority right to subscribe to the new shares subject to the provisions of the Companies Law and the regulation issued by the Authority:

14 -4 يكون للمساهمين حق الأولوية في الاكتتاب بالأسهم الجديدة ويسري على الاكتتاب في هذه الأسهم القواعد الخاصة بالاكتتاب في الأسهم الأصلية. يُستثنى من حق الأولوية في الاكتتاب بالأسهم الجديدة الحالات التالية مع مراعاة أحكام قانون الشركات والضوابط الصادرة عن الهيئة:

(a) the entering of a strategic partner;

(أ) مساهمة الشريك الاستراتيجي.

(b) the converting of bonds or Sukok issued by the Company into shares therein;

(ب)تحويل السندات أو الصكوك المصدرة من قبل الشركة إلى أسهم فيها.

(c) issuing shares in accordance with the Company's employee motivation program;

(ج) إصدار أسهم بموجب نظام تحفيز الموظفين.

(d) converting cash debts into shares in the

Company's capital;	(د) تحويـــل الـــديون النقديـــة إلـــى أســـهم في رأس مال الشركة.
(e) merging with other company; and	(ه) حالات الاندماج مع شركة أخرى.
(f) increasing the Company's capital as a result of acquiring existing companies.	(و) زيـــادة رأس المـــال نتيجـــة الاســـتحواذ على شركات قائمة.
In all the above mentioned cases, it is necessary to:	وفـــي جميـــع الاحـــوال المـــذكورة أعـــلاه يتعين الحصول على:
(a) obtain the approval of the Authority; and	(أ) موافقة الهيئة؛ و
(b) issue a Special Resolution by the General Assembly.	(ب) استصـــدار قـــرار خـــاص مـــن الجمعية العمومية.
Article (15) **Shareholders Right to Inspect the Company's Books and Documents**	**المادة (15)** **حق المساهم في الاطلاع على دفاتر ومستندات الشركة**
The **shareholder** has the right to view the Company's books and documents, as well as any documents or instruments related to a deal that the Company has concluded with one of the Related Parties, by permission of the Board of Directors or by a resolution of the General Assembly.	للمســـاهم الحـــق فـــي الاطـــلاع علـــى دفـــاتر الشـــركة ووثائقهـــا وكـــذلك علـــى أيـــة مســـتندات أو وثـــائق تتعلـــق بصـــفقة قامـــت الشـــركة بإبرامهـــا مـــع أحـــد الأطـــراف ذات العلاقـــة بـــإذن مـــن مجلـــس الإدارة أو بموجـــب قـــرار مـــن الجمعيّـــة العموميّة.
CHAPTER THREE **Sukuk or Bonds** **Article (16)** **Issuance of Sukuk or Bonds**	**الباب الثالث** **سندات القرض أو الصكوك** **المادة (16)** **إصدار سندات القرض أو الصكوك**
The Company may, according to a Special Resolution issued by its General Assembly, after the approval of the Authority, resolve to issue any type of bonds or Sukuk. The resolution shall indicate the value of the Sukuk or bonds, the terms of their issuance and the extent of their	يكـــون للشـــركة بموجـــب قـــرار خـــاص صـــادر مـــن جمعيتهـــا العموميّـــة بعـــد موافقـــة الهيئـــة أن تقـــرر إصـــدار ســـندات قـــرض مـــن أي نـــوع أو صـــكوك إســـلامية، ويبـــين القـــرار قيمـــة الســـندات أو الصـــكوك وشـــروط إصـــدارها ومـــدى

convertibility into shares, and it may issue a resolution authorizing the Board of Directors to determine the date of issuance of the deeds or the bonds.

قابليتها للتحويل إلى أسهم، ولها أن تصدر قرارا بتفويض مجلس الإدارة في تحديد موعد إصدار السندات أو الصكوك.

Article (17)

Bonds and Sukuk Trading

المادة (17)

تداول السندات أو الصكوك

17.1 The Company may, according to a special resolution issued by its General Assembly, after the approval of the Authority, issue negotiable Sukuk or bonds, whether or not they were convertible to shares of equal value in the Company for each issuance, and the Company may issue a resolution authorizing the Board of Directors to determine the date of issuance of the Sukuk or the bonds. Bonds or Sukuk may not be issued in the form of holder bonds.

17 -1 يجوز للشركة بموجب قرار خاص صادر من جمعيتها العمومية بعد موافقة الهيئة أن تصدر سندات أو صكوك قابلة للتداول سواء كانت قابلة أو غير قابلة للتحول إلى أسهم في الشركة بقيم متساوية لكل إصدار، ولها أن تصدر قرارا بتفويض مجلس الإدارة في تحديد موعد إصدار السندات أو الصكوك ويكون السند أو الصك إسمياً ولا يجوز إصدار السندات أو الصكوك لحاملها.

17.2 The Sukuk or bonds issued on the occasion of a single loan shall give their owners equal rights, and every condition contradictory thereof shall be null and void.

17 -2 تعطي السندات أو الصكوك التي تصدر بمناسبة قرض واحد لأصحابها حقوقاً متساوية ويقع باطلاً كل شرط يخالف ذلك.

Article (18)

Sukuk or Bonds Convertible into Shares

المادة (18)

السندات أو الصكوك القابلة للتحول لأسهم

Sukuk or bonds may not be converted into shares unless so stipulated in the agreements, documents or issuance prospectus, and if the conversion is decided, the owner of the bond or Sukuk alone has the right to accept the conversion or receive the nominal value of the bond or Sukuk unless agreements, documents or issuance prospectus contains mandatory conversion of shares. In this case, the bonds or Sukuk should be converted to shares based on the prior approval of both parties upon issuance.

لا يجوز تحويل السندات أو الصكوك إلى أسهم إلا إذا نُص على ذلك في اتفاقيات أو وثائق أو نشرة الإصدار، فإذا تقرر التحويل كان لمالك السند أو الصك وحده الحق في قبول التحويل أو قبض القيمة الاسميّة للسند أو الصك ما لم تتضمن اتفاقيات أو وثائق أو نشرة الإصدار إلزامية التحويل لأسهم ففي هذه الحالة يتعين تحويل السندات أو الصكوك لأسهم بناء على الموافقة المسبقة من الطرفين عند الإصدار.

CHAPTER FOUR

The Company Board of Directors

Article (19)

<u>Company Management</u>

الباب الرابع

مجلس إدارة الشركة

المادة (19)

<u>إدارة الشركة</u>

19.1 The Company shall be managed by a Board of Directors comprising of five (5) members to be elected by the General Assembly of the shareholders through the accumulative secret voting.

19 -1 يتولى إدارة الشركة مجلس إدارة من خمسة (5) أعضاء تنتخبهم الجمعية العمومية للمساهمين بالتصويت السري التراكمي.

Article (20)

<u>Term of Membership of the Board of Directors</u>

المادة (20)

<u>مدة العضوية بمجلس الإدارة</u>

20.1 The Term of the Board of shall be three (3) calendar years starting from the date of appointment or election. At the end of that period the Board is reconstituted, and members whose membership term has expired may be re-elected for new periods.

20 -1 تكون مدة مجلس الإدارة لمدة ثلاث (3) سنوات ميلادية تبدأ من الانتخاب او التعيين، وفي نهاية هذه المدة يعاد تشكيل المجلس، ويجوز إعادة انتخاب العضو لأكثر من مرة.

20.2 If the position becomes vacant, the Board of Directors may appoint a member to fill the vacant position within (30) thirty days, provided that it presents such appointment to the General Assembly in its first meeting to approve their appointment, or the appointment of other members and the member shall complete the term of his predecessor.

20 -2 إذا شغر مركز أحد أعضاء مجلس الإدارة يجوز لمجلس الإدارة أن يعين عضواً في المركز الشاغر خلال مدة أقصاها (30) ثلاثين يوماً على أن يعرض هذا التعيين على الجمعيّة العموميّة في أول اجتماع لها لإقرار تعيينه أو تعيين غيره ويكمل العضو الجديد مدة سلفه.

20.3 If the vacant positions equal a quarter, or more of the total number of board members, the Board must invite the General Assembly to convene within (30) thirty days from the date of vacancy of the last vacancy to elect who fill those positions, and in all cases, the new member shall complete the term of his predecessor.

20 -3 إذا بلغت المراكز الشاغرة ربع عدد أعضاء المجلس أو أكثر وجب على المجلس دعوة الجمعيّة العموميّة للاجتماع خلال ثلاثين يوماً من تاريخ شغر آخر مركز لانتخاب من يملأ المراكز الشاغرة، وفي جميع الأحوال يكمل العضو الجديد مدة سلفه.

20.4 The Company shall have a Secretary for the Board of Directors, and the Secretary may not be a board member.

20 -4 يجب أن يكون للشركة مقرر لمجلس الإدارة، ولا يجوز أن يكون مقرر المجلس من بين أعضائه.

20.5 The position of member of the Board of Directors becomes vacant in the event of the following cases:

20 -5 يشغر منصب عضو المجلس في الحالات التالية:

(a) the member dies or becomes incapacitated or if the member becomes otherwise unable to perform his duties as a member of the Board of Directors;

(أ) توفى أو أصيب العضو بعارض من عوارض الأهلية أو أصبح عاجزاً بصورة أخرى عن أداء مهامه كعضو في مجلس الإدارة.

(b) the member is convicted with a crime against honor or honesty by a final court ruling;

(ب)أدين العضو بأية جريمة مخلة بالشرف أو الأمانة بموجب حكم قضائي بات.

(c) the member declares bankruptcy or ceases payment of his commercial debts, even if this is not accompanied by declaring bankruptcy;

(ج) أعلن العضو إفلاسه أو توقف عن دفع ديونه التجارية حتى لو لم يقترن ذلك بإشهار إفلاسه.

(d) the membership is in violation of the Commercial Companies Law;

(د) كانت عضويته مخالفة لأحكام قانون الشركات.

(e) the member resigns from his position by a written notification sent to the Company in this regard;

(ه) استقال العضو من منصبه بموجب إشعار خطي أرسله للشركة بهذا المعنى.

(f) the term of his membership expires, and the member has not been re-elected; or

(و) انتهت مدة عضويته ولم يعد انتخابه.

(g) the member fails to attend three consecutive or five intermittent sessions, during the term of the Board of Directors without an excuse acceptable to the Board.

(ز) تغيب عن حضور اجتماع المجلس ثلاث جلسات متتالية أو خمس جلسات متقطعة خلال مدة مجلس الإدارة دون عذر يقبله المجلس.

20.6 If it is resolved to remove a member of the Board of Directors, it is not permissible to re-nominate him for membership in the

20 -6 إذا تقرر عزل عضو مجلس الإدارة فلا يجوز إعادة ترشيحه لعضوية المجلس قبل

Board before the lapse of three years from the date of his removal.	مضـــي ثـــلاث ســـنوات مـــن تـــاريخ عزله.
Article (21) **Board Membership Nomination Requirements**	**المادة (21)** **متطلبات الترشح لعضوية المجلس**
21.1 A nominee for the membership of the Board of Directors shall meet the requirements and submit the necessary documents in accordance with the governance controls issued by the Authority.	21 -1 يتعـــين علـــى المرشـــح لعضـــوية مجلـــس الإدارة أن يســـتوفي المتطلبـــات وأن يقـــدم المســـتندات اللازمـــة حســـب قـــرارات الحوكمـــة الصادرة عن الهيئة.
Article (22) **<u>Election of the Board Chairman and Vice-Chairman</u>**	**المادة (22)** **<u>انتخاب رئيس المجلس ونائبه</u>**
22.1 The Board of Directors shall elect from among its members a Chairman and a Vice-Chairman, and the latter takes place of Chairman in case of his absence or anything preventing him from acting.	22 -1 ينتخـــب مجلـــس الإدارة مـــن بـــين أعضـــائه رئيســـا ونائبـــا للـــرئيس ويقـــوم نائـــب الـــرئيس مقـــام الـــرئيس عنـــد غيابـــه أو قيـــام مـــانع لديه.
22.2 The Board of Directors has the right to elect from among its members a Managing Director, and the Board shall determine its powers and remunerations. It may also constitute, from among its members, one or more committees that are entrusted with monitoring the work progress of the Company and implementing the resolutions of the Board of Directors.	22 -2 يحـــق لمجلـــس الإدارة أن ينتخـــب مـــن بـــين أعضـــائه عضـــوا منتـــدباً لـــلإدارة، ويحـــدد المجلـــس اختصاصـــاته ومكافآتـــه، كمـــا يكـــون لـــه أن يشـــكل مـــن بـــين أعضـــائه لجنـــة أو أكثـــر ويعهـــد إليهـــا بمراقبـــة ســـير العمـــل بالشـــركة وتنفيـــذ قـــرارات مجلـــس الإدارة.
Article (23) **<u>Powers of the Board of Directors</u>**	**المادة (23)** **<u>صلاحيات مجلس الإدارة</u>**
23.1 The Board of Directors shall have all the powers to manage the Company and to do all acts on its behalf as authorized to be done thereby, and to exercise all powers	23 -1 لمجلـــس الإدارة كافـــة الســـلطات فـــي إدارة الشـــركة والقيـــام بكافـــة الأعمـــال والتصـــرفات نيابـــة عـــن الشـــركة حســـبما هـــو مصـــرح للشـــركة القيـــام بـــه،

requested to achieve its objects, and such powers and authorities shall only be restricted by what has been reserved by the Companies Law; the Articles of Association; or of the Governance Rules, to the General Assembly. The Board of Directors has been expressly authorized, for the purposes of Article (154) of the Companies Law, to enter into loan agreements for any period including a period in excess of 3 (three) years, to grant and obtain financial facilities and to invest in all avenues which are set forth in Article (5) of these Articles of Association and other avenues as the Board sees fit. The Board of Directors shall further be authorised to sell, lease, pledge and mortgage the Company's movable and immovable assets of the Company, to sell properties and assets to release the liability of the Company's debtors and to enter into settlements and conciliations and to agree arbitration.

وممارسة كافة الصلاحيات المطلوبة لتحقيق أغراضها، ولا يحد من هذه السلطات والصلاحيات إلا ما احتفظ به قانون الشركات أو النظام الأساسي أو ضوابط الحوكمة للجمعية العمومية. كما تم تفويض مجلس الإدارة صراحة ولأغراض المادة (154) من قانون الشركات بإبرام الاتفاقيات الخاصة بالقروض لأية مدة حتى ولو تجاوزت مُدتها الثلاث (3) سنوات ولمجلس الإدارة تقديم والحصول على التسهيلات المالية والاستثمار في جميع المجالات المبينة في أغراض الشركة والمحددة في (5) ةداملا من هذا النظام وأية مجالات أخرى يراها، ولمجلس الإدارة رهن أموال وأصول الشركة العقارية والمنقولة وبيع عقاراتها وأصولها وإبراء ذمة مديني الشركة من مسؤولياتهم وإجراء المصالحات والتسويات والموافقة على التحكيم.

23.2 The Board of Directors puts in place the regulations pertaining to financial and administrative affairs, and the policies regarding employees and their financial entitlements. It shall also set regulations for organizing its work and meetings and distribution of powers and responsibilities.

23 -2 يضع مجلس الإدارة اللوائح المتعلقة بالشؤون الإدارية والمالية وشؤون الموظفين ومستحقاتهم المالية، كما يضع المجلس لائحة خاصة بتنظيم أعماله واجتماعاته وتوزيع الاختصاصات والمسؤوليات.

Article (24)

<u>Representation of the Company</u>

المادة (24)

<u>تمثيل الشركة</u>

24.1 Each of the Chairman and any other member delegated by the Board shall have the right to solely sign on behalf of the Company.

24 -1 يملك حق التوقيع عن الشركة على انفراد كل من رئيس مجلس الإدارة أو أي عضو آخر يفوضه المجلس في حدود قرارات مجلس الإدارة.

24.2 The Chairman of the Board of Directors shall be the legal representative of the Company in front of the judiciary and in its relations with others.

24-2 يكون رئيس مجلس الإدارة الممثل القانوني للشركة أمام القضاء وفي علاقتها بالغير.

24.3 The Chairman of the Board of Directors may delegate others to some of his powers.

24-3 يجوز لرئيس مجلس الإدارة أن يفوض الغير في بعض صلاحياته.

24.4 The Board of Directors may not authorize the Chairman absolutely with all its capacities.

24-4 لا يجوز لمجلس الإدارة أن يفوض رئيس المجلس في جميع اختصاصاته بشكل مطلق.

24.5 The Board of Directors may delegate third parties other than the members of the Board of Directors, to some of its powers.

24-5 يجوز لمجلس الإدارة أن يفوض الغير من غير أعضاء مجلس الإدارة في بعض صلاحياته.

Article (25)

Venue for the Board Meetings

المادة (25)

مكان اجتماعات المجلس

The Board of Directors holds its meetings at the Company's head office or in any other venue approved by the members of the Board of Directors.

يعقد مجلس الإدارة اجتماعاته في المركز الرئيسي للشركة أو في أي مكان آخر يوافق عليه أعضاء مجلس الإدارة.

Article (26)

Quorum for the Board Meetings and Voting on its Resolutions

المادة (26)

النصاب القانوني لاجتماعات المجلس والتصويت على قراراته

26.1 A meeting of the Board of Directors shall only be valid with the attendance of the majority of its members in person. Attendance in person shall be satisfied if a Director is physically present or is present through video-conferencing or over the telephone or any other method as may be permitted by the Authority. A member of the Board of Directors may delegate another Board Member to attend and vote for him, in which case a Board Member may not be substituted by more than one member and

26-1 لا يكون اجتماع مجلس الإدارة صحيحا إلا بحضور أغلبية أعضائه شخصياً، ويكون الحضور شخصياً من خلال التواجد الفعلي أو التواجد من خلال التقنية الصوتية أو تقنية الصوت والفيديو أو أي وسيلة أخرى تسمح بها الهيئة. ويجوز لعضو مجلس الإدارة أن ينيب عنه غيره من أعضاء المجلس في الحضور والتصويت، وفي هذه الحالة لا يجوز أن ينوب عضو مجلس الإدارة عن

the number of Board Members present in person shall not be less than half the number of members of the Board and this member shall have two votes.	أكثر من عضو واحد وألا يقل عدد أعضاء مجلس الإدارة الحاضرين بأنفسهم عن نصف عدد أعضاء المجلس ويكون لهذا العضو صوتان.
26.2 It is not permissible to vote by correspondence, and the proxy member must vote for the absent member according to what was specified in the mandate.	26 -2 لا يجوز التصويت بالمراسلة، وعلى العضو النائب الإدلاء بصوتهِ عن العضو الغائب وفقاً لما تم تحديده في سند الإنابة.
26.3 The resolutions of the Board of Directors shall be issued by a majority of the votes of the present and represented members, and if the votes are equal, the side from which the Chairman or whoever replaces him shall prevail.	26 -3 تصدر قرارات مجلس الإدارة بأغلبية أصوات الأعضاء الحاضرين والممثلين وإذا تساوت الأصوات رجح الجانب الذي منه الرئيس أو من يقوم مقامه.
26.4 Details of the matters considered, and the resolutions taken, including any reservations or dissenting opinions expressed by the members, shall be recorded in the minutes of meetings of the Board of Directors or its committees. All the members attending the meeting shall sign the minutes prior to their approval by the Board. Copies of the minutes of the meeting must be sent to the members of the Board of Directors for retention after being approved, and the minutes shall be kept by the Board Secretary, and in case any of the members refrained from signing, his objection is to be fixed in the minutes, and the reasons to such objection shall be mentioned. Each of the signatories on such minutes shall be responsible for the validity of the information mentioned therein, and the Company shall commit to the controls issued by the Authority in this regard.	26 -4 تسجل في محاضر اجتماعات مجلس الإدارة أو لجانه تفاصيل المسائل التي نظر فيها والقرارات التي تم اتخاذها بما في ذلك أية تحفظات للأعضاء أو آراء مخالفة عبروا عنها، ويجب توقيع كافة الأعضاء الحاضرين على محاضر اجتماعات مجلس الإدارة قبل اعتمادها، على أن ترسل نسخ من هذه المحاضر لأعضاء مجلس الإدارة بعد الاعتماد للاحتفاظ بها، وتحفظ محاضر اجتماعات مجلس الإدارة ولجانه من قبل مقرر مجلس الإدارة وفي حالة امتناع أحد الأعضاء عن التوقيع يُثبت اعتراضه في المحضر وتُذكر أسباب الاعتراض ، ويكون الموقعون على هذه المحاضر مسؤولين عن صحة البيانات الواردة فيها، وتلتزم الشركة بالضوابط الصادرة عن الهيئة في هذا الشأن.
26.5 It is permissible to participate in the	26 -5 يجوز المشاركة في اجتماعات

meetings of the Company's Board of Directors through modern technology means in accordance with the procedures and controls issued by the Authority in this regard.

مجلس إدارة الشركة من خلال وسائل التقنية الحديثة وفقاً للإجراءات والضوابط الصادرة عن الهيئة بهذا الشأن.

Article (27)

<u>Board Meeting and the Invitation for Convening</u>

المادة (27)

<u>اجتماعات المجلس والدعوة لانعقاده</u>

27.1 The Board of Directors shall hold meetings at least four (4) times during the fiscal year.

27 -1 يعقد مجلس الإدارة ما لا يقل عن أربع (4) أربعة اجتماعات خلال السنة المالية.

27.2 The meeting shall be upon a written invitation to be sent by electronic mail or any other method of communication by the Chairman of the Board of Directors, or upon a written request submitted by at least two (2) members of the Board and the invitation is addressed at least a week before the specified date along with the agenda.

27 -2 يكون الاجتماع بناءً على دعوة خطية بواسطة البريد الالكتروني او أي وسيلة اخرى من قبل رئيس مجلس الإدارة، أو بناءً على طلب خطي يقدمه عضوين من أعضاء المجلس على الأقل وتوجه الدعوة قبل أسبوع على الأقل من الموعد المحدد مشفوعة بجدول الأعمال.

Article (28)

<u>Board Resolution by Circulation</u>

المادة (28)

<u>قرارات مجلس الادارة بالتمرير</u>

28.1 In addition to the commitment of the Board of Directors to the minimum number of its meetings mentioned in Article (27) of this Articles of Association, the Board of Directors may issue some of its resolutions by circulation in emergency cases and such resolutions shall be considered valid and effective as if they were taken in a meeting that was called for and duly held and may consist of several identical counterparts, each signed or approved by one or more of the Directors, signatures or approval may be made via fax, email, or registered mail, taking into account the following:

28 -1 بالإضافة إلى التزام مجلس الادارة بالحد الأدنى لعدد اجتماعاته الوارد في (27) ةداملا من هذا النظام، فإنه يجوز لمجلس الإدارة إصدار بعض قراراته بالتمرير في الحالات الطارئة وتُعتبر تلك القرارات صحيحة ونافذة كما لو أنها اتخذت في اجتماع تمت الدعوة اليه وعقد أصولاً ويمكن أن تتكون هذه القرارات من عدة نسخ متطابقة موقع أو موافق عليها من قبل واحد أو أكثر من أعضاء المجلس ويجوز التوقيع أو الموافقة بالفاكس أو البريد الالكتروني أو البريد المسجل مع

مراعاة ما يلي:

(a) approval of the majority of Board Members that the situation entailing the issuance of the resolution by circulation is an emergency situation;

(أ) موافقـــة أعضــــاء مجلــس الإدارة بالأغلبيـــة علـــى أن الحالـــة التـــي تســـتدعي إصـــدار القـــرار بـــالتمرير حالة طارئة.

(b) submission of the resolution in writing to all the board members for approval, accompanied with all the documents and papers necessary for reviewing hereof;

(ب) تســليم جميع أعضــاء مجلس الإدارة القرار مكتوب خطياً للموافقة عليه مصــحوباً بكافة المســتندات والوثائق اللازمة لمراجعته.

(c) written approval by a majority shall be given to any of the resolutions of the Board issued by circulation, with the necessity of presenting it at the subsequent Board meeting in order to include it in the minutes of its meeting. However, resolutions by circulation are considered effective when a majority of the board members sign them; and

(ج) يجـــب الموافقـــة الخطيـــة بالأغلبيـــة علـــى أي مـــن قـــرارات مجلـــس الإدارة الصـــادرة بـــالتمرير مـــع ضـــرورة عرضـــها فـــي الاجتمـــاع التـــالي لمجلـــس الإدارة لتضـــمينها بمحضـــــر اجتماعـــــه. وتعتبـــــر القـــرارات بـــالتمرير نافـــذة عنـــد توقيـــع أغلبيـــة أعضـــاء المجلـــس عليها.

(d) a resolution by circulation shall not be considered a meeting, and the minimum number of the Board's meetings, which is stipulated in Article (27) of these Articles of Association, shall be adhered to.

(د) لا يعتبـــر القـــرار بـــالتمرير اجتماعـــاً ويتعـــين الالتـــزام بالحـــد الأدنـــى لعـــدد اجتماعـــات مجلـــس الإدارة الـــوراد في (27) قدامل من هذا النظام.

Article (29)

Participation in a Work Competitive to the Company by a Board Member

المادة (29)

اشتراك عضو المجلس في عمل منافس للشركة

A member of the Board of Directors, without approval to be renewed annually from the General Assembly of the Company, may not participate in any work which would compete with the Company or trade for his account or for the account of others in one of the branches of activity that the Company is engaged in, and he may not disclose any information or data related

لا يجـــــوز لعضـــــو مجلـــــس الإدارة، بغيـــر موافقـــة مـــن الجمعيّـــة العموميّـــة للشـــــركة تجـــدد ســـــنويا، أن يشـــــترك فـــي أي عمـــل مـــن شـــأنه منافســـة الشـــــركة أو أن يتـــــاجر لحســـــابه أو لحســـاب غيـــره فـــي أحـــد فـــروع النشـــاط الـــذي تزاولـــه الشـــركة، ولا يجـــوز لـــه أن يفشـــي أي معلومـــات أو بيانـــات تخـــص

to the Company, otherwise it may claim compensation or to consider the lucrative operations that he practiced for his account as if it were conducted for the Company.

الشـــــركة وإلا كــــــان لهـــــا أن تطالبــــــه بـــالتعويض أو باعتبـــار العمليـــات المربحـــة التـــي زاولهـــا لحســـابه كأنهـــا أجريـــت لحساب الشركة.

Article (30)

Conflict of Interests

المادة (30)

تعارض المصالح

30.1 A member of the Board of Directors who has, or the side he represents in the Board has, a common or conflicting interest in a deal or dealing that is presented to the Board of Directors to take a resolution thereabout, he shall inform the Board about it and to evidence his declaration in the minutes of the session, and he may not participate in the special voting for the resolution issued regarding that process.

30 -1 علـى كـل عضـو فـي مجلـس إدارة الشـركة تكون لـه أو لجهـة التـي يمثلها بمجلـس الإدارة مصـلحة مشـتركة أو متعارضـــة فـــي صـــفقة أو تعامـــل تُعـرض علـى مجلـس الإدارة لاتخـاذ قـرار بشـأنها أن يبلـغ المجلـس ذلـك وأن يثبـــت إقـــراره فـــي محضـــر الجلسـة، ولا يجـوز لـه الاشـتراك فـي التصـويت الخـاص بـالقرار الصـادر في شأن هذه العملية.

30.2 If a member of the Board of Directors fails to inform the Board in accordance with the provisions of clause 30.1 of this Article, the Company, or any of its Shareholders, may apply to the competent court to annul the contract or compel the violating member to pay any profit or benefit accrued to him from the contract and return it to the Company.

30 -2 إذا تخلّـــف عضـــو مجلـــس الإدارة عـــن إبـــلاغ المجلـــس وفقـــاً لحكـــم البنـــد (1- 30) مـــن هـــذه المـــادّة جـــــاز للشـــــركة أو لأي مـــــن مســـــاهميها التقـــــدم للمحكمـــــة المختصـــة لإبطـــال العقـــد أو إلـــزام العضـــو المخـــالف بـــأداء أي ربـــح أو منفعـــة تحققـــت لـــه مـــن التعاقـــد ورده للشركة.

Article (31)

Granting Loans to the Board Members

المادة (31)

منح القروض لأعضاء مجلس الادارة

31.1 The Company may not provide loans to any of its members of the Board of Directors, hold guarantees, or provide any collaterals related to loans granted to them. and is considered a loan offered to a member of the Board of Directors in accordance with the provisions of the Companies Law, includes every loan offered to his spouse,

31 -1 لا يجـــــوز للشـــــركة تقـــــديم قـــروض لأي مـــن أعضـــاء مجلـــس إدارتهـــا أو عقـــد كفـــالات أو تقـــديم أيـــة ضـــمانات تتعلـــق بقـــروض ممنوحـــة لهـــم، ويعتبـــر قرضـــاً مقـــدماً لعضـــو مجلـــس الإدارة وفقـــاً لأحكـــام قـــانون الشـــركات، يشـــمل كـــل قـــرض مقـــدم إلـــى زوجـــه أو

children, or any of his to second degree relatives.	أبنائـــــه أو أي قريـــــب لـــــهُ حتـــــى الدرجة الثانية.
31.2 A loan may not be provided to a company in which a Member of Board of Directors, spouse, or any of his up to second degree relatives owns more than (20%) twenty percent of its capital.	31 -2 لا يجوز تقديم قرض إلى شركة يملك عضـــو مجلـــس الإدارة أو زوجـــه أو أبنـاؤه أو أي مـن أقاربـه حتـى الدرجـة الثانيـــة أكثـــر مـــن (20%) عشـــرين بالمائة من رأس مالها.
Article (32) **Dealing of Related Parties in the Company's Securities**	**المادة (32)** **تعامل الأطراف ذات العلاقة في الأوراق المالية للشركة**
It is prohibited for any of the Related Parties to utilize information they obtained by virtue of membership on the Board of Directors or a position in the Company to achieve any other interest for him or for others, whatever the result, by dealing in the Company's securities and other transactions, nor may any of them have a direct or indirect interest with any party that performs operations that are intended to make an impact on the prices of securities issued by the Company.	يحظـــر علـــى الأطـــراف ذات العلاقـــة أن يســـتغل أي مـــنهم مـــا تحصـــل عليـــه مـــن معلومـــات بحكـــم عضـــويته فـــي مجلـــس الادارة أو وظيفتـــه فـــي الشـــركة فـــي تحقيـــق مصـــلحة لـــه أو لغيـــره أيـــا كانـــت نتيجـــة التعامـــل فـــي الأوراق الماليـــة للشـــركة وغيرهـــا مـــن المعـــاملات، كمـــا لا يجـــوز أن يكـــون لأي مـــنهم مصـــلحة مباشـــرة أو غيـــر مباشـــرة مـــع أي جهـــة تقـــوم بعمليـــات يـــراد بهـــا إحـــداث تـــأثير فـــي أســـعار الأوراق المالية التي أصدرتها الشركة.
Article (33) **Deals with the Related Parties**	**المادة (33)** **الصفقات مع الأطراف ذات العلاقة**
The Company may only conclude deals with the Related Parties by approval of the Board of Directors for deals whose value does not exceed (5%) of the capital of the Company, and with the approval of the General Assembly for deals whose value exceeds such limit. Deals exceeding in its value (5%) of the issued capital may only be concluded with the Related Parties after valuating them as per the requirement set out by the Authority, The auditor of the Company shall include in his report a statement of conflicts of interest and financial dealings that took place	لا يجـــوز للشـــركة عقـــد صـــفقات مـــع الأطـــراف ذات العلاقـــة إلا بموافقـــة مجلـــس الإدارة فيمـــــا لا يجـــــاوز (5%) مـــــن رأســـمال الشـــركة، وبموافقـــة الجمعيّـــة العموميّـــة للشـــركة فيمـــا زاد علـــى ذلـــك ولا يجـــوز إبـــرام الصـــفقات مـــع الأطـــراف ذات العلاقـــة والتـــي تجـــاوز قيمتهـــا (5%) مـــن رأس المـــال المصـــدر إلا بعـــد تقييمهـــا وفقـــاً للضـــوابط التـــي تضـــعها الهيئـــة، ويتعـــين علـــى مـــدقق حســـابات الشـــركة أن يشـــتمل تقريـــره علـــى بيـــان بصـــفقات تعـــارض المصـــالح والتعـــاملات الماليـــة التـــي تمـــت

between the Company and any of the Related Parties and the measures taken in their regard.

بين الشركة وأي من الأطراف ذات العلاقة والإجراءات التي اتُّخذت بشأنها.

Article (34)

Appointment of the CEO, General Manager and Committees

المادة (34)

تعيين الرئيس التنفيذي أو المدير العام

34.1 The Board of Directors has the right to appoint a CEO or General Manager of the Company or several authorized directors or agents and determine their powers and conditions of services, salaries and bonuses, and the CEO or General Manager of the Company may not be a CEO or General Manager of another public joint-stock company.

34 -1 لمجلس الإدارة الحق في أن يعين رئيساً تنفيذياً أو مدير عام للشركة أو عدة مديرين أو وكلاء مفوضين وأن يحدد صلاحياتهم وشروط خدماتهم ورواتبهم ومكافآتهم، ولا يجوز للرئيس التنفيذي أو المدير العام للشركة أن يكون رئيساً تنفيذياً أو مديراً عاماً لشركة مساهمة عامة أخرى.

34.2 The Board may from time to time form one or more committees, from amongst the directors and third parties including an executive committee, to which the Board may delegate some of its authorities, and/or which may be entrusted with supervising the conduct of the Company's business, its financials and the execution of the resolutions of the Board.

34 -2 يكون لمجلس الإدارة أن يشكل من وقت لآخر لجنة أو أكثر من بين اعضائه و الغير بما في ذلك لجنة تنفيذية، يمنحها بعض من اختصاصاته و/أو يعهد إليها بمراقبة سير العمل بالشركة وشؤونها المالية وتنفيذ قرارات مجلس الإدارة.

Article (35)

Responsibility of Board Members for the Company's Obligations

المادة (35)

مسؤولية أعضاء المجلس عن التزامات الشركة

35.1 The members of the Board of Directors are not personally responsible in relation to the Company's obligations resulting from the performance of their duties as members of the Board of Directors, to the extent that they do not exceed the limits of their powers.

35 -1 لا يكون أعضاء مجلس الإدارة مسؤولين مسؤولية شخصية فيما يتعلق بالتزامات الشركة الناتجة عن قيامهم بواجباتهم كأعضاء مجلس إدارة وذلك بالقدر الذي لا يتجاوزون فيه حدود سلطاتهم.

35.2 The Company shall be bound by the

35 -2 تلتزم الشركة بالأعمال التي

activities carried out by the Board of Directors within the limits of its powers, and it shall also be accountable for compensation to any harm that arises from the wrongful acts that occur from the Chairman and members of the Board in the management of the Company.	يجريهـــا مجلـــس الإدارة فـــي حـــدود اختصاصـــه، كمـــا تسـأل عـن تعـــويض مـــا ينشـــأ مـــن الضـــرر عـــن الأفعـــال غيـــر المشـــروعة التـي تقـــع مـــن رئـــيس وأعضـــاء المجلـــس فـــي إدارة الشركة.
Article (36) **Responsibility of the Board Members Towards the Company, Shareholders and Third Parties**	**المادة (36)** **مسؤولية أعضاء المجلس تجاه الشركة والمساهمين والغير**
36.1 The members of the Board of Directors and the executive management are responsible towards the Company, the Shareholders, and third parties for all acts of fraud and abuse of authority, and for every violation of the Companies Law and these Articles of Association, and every condition stipulating otherwise shall be void. The Company's chief executive officer, his deputy, (if any) and everyone at the level of Senior Executive Management who were personally appointed to their positions by the Board of Directors shall represent the Senior Executive Management.	36 -1 أعضـــــــــاء مجلـــــــــس الإدارة والإدارة التنفيذيـــة مســـؤولون تجـــاه الشـــركة والمســـاهمين والغيـــر عـــن جميـــع أعمـــال الغـــش وإســـاءة اســـتعمال الســـلطة، وعـــن كـــل مخالفـــة لقـــانون الشـــركات وهـــذا النظـــام الأساســـي، ويبطـــل كـــل شـــرط يقضـــي بغيـــر ذلـــك ويمثـــل الإدارة التنفيذيـــة كـــل مـــن الـــرئيس التنفيـــذي للشـــركة ونائبـــه (إن وجـــد) وكـــل مـــن فـــي مســـتوى الإدارة التنفيذيـــة العليـــا والـــذين تـــم تعيينـــهم شخصـــيا فـــي مناصـــبهم مـــن قبل مجلس الإدارة.
36.2 The responsibility stipulated in clause 36.1 of this Article rests with all members of the Board of Directors if the error results from a resolution issued by consensus, but if the respective resolution in question is issued by a majority, the opponents are not asked thereabout when they have proven their objection in the minutes of the session, If one of the members is absent from the session in which the resolution was issued, his responsibility will not be negated unless it is proven that he is not aware of the	36 -2 تقـــع المســـؤولية المنصـــوص عليهـــا فـــي البنـــد (36 -1) مـــن هـــذه المـــادّة علـــى جميـــع أعضـــاء مجلـــس الإدارة إذا نشـــأ الخطـــأ عـــن قـــرار صـــدر بإجمـــاع الآراء، أمـــا إذا كـــان القـــرار محـــل المســـاءلة صـــادراً بالأغلبيـــة فـــلا يســـأل عنـــه المعارضـــون متـــى كـــانوا قـــد أثبتـــوا اعتراضـــهم بمحضـــر الجلســـة، فـــإذا تغيـــب أحـــد الأعضـــاء عـــن الجلســـة التـــي صـــدر فيهـــا القـــرار فـــلا تنتفـــي مســـؤوليته إلا إذا ثبـــت عـــدم علمـــه

resolution or is aware thereof and he is unable to object thereto. The liability stipulated in clause 36.1 of this Article remains with the executive management if the error results from a resolution issued by executive management.

بالقرار أو علمه به مع عدم استطاعته الاعتراض عليه. وتقع المسؤولية المنصوص عليها في البند (1- 36) أعلاه على الإدارة التنفيذية إذا نشأ الخطأ بقرار صادر عنها.

Article (37)

Remuneration of the Chairman and the Board of Directors

المادة (37)

مكافآت رئيس وأعضاء مجلس الادارة

37.1 Remuneration of the Chairman and the members of the Board of Directors shall comprise a percentage of the net profit, provided that it does not exceed 10% of such profits in a financial year after deducting the depreciations and reserves. The Company may also pay additional expenses, fees, allowances or monthly salary to the Board Members consistent to the polices proposed by the Nomination and Remuneration Committee, reviewed by the Board and approved by the General Assembly, that is where member is working in any committee, exerting special efforts, or undertaking additional works serving the Company over his regular duties as a member of the Board of Directors. No allowance shall be disbursed to the Board Chairman or members for attending the Board meetings.

37 -1 تتكون مكافأة رئيس وأعضاء مجلس الإدارة من نسبة مئوية من الربح الصافي على ان لا تتجاوز 10% من تلك الارباح للسنة المالية بعد خصم الاستهلاكات والاحتياطات، كما يجوز ان تدفع الشركة مصاريف أو أتعاباً أو مكافأة إضافية أو مرتباً شهرياً إلى أعضاء مجلس الإدارة وفقاً للسياسة التي تقترحها لجنة الترشيحات والمكافآت ويراجعها مجلس الإدارة وتعتمدها الجمعية العمومية للشركة إذا كان العضو يعمل في أي لجنة أو يبذل جهوداً خاصة أو يقوم بأعمال إضافية لخدمة الشركة فوق واجباته العادية كعضو في مجلس إدارة الشركة. لا يجوز صرف بدل حضور لرئيس او عضو مجلس الإدارة عن اجتماعات المجلس.

37.2 The fines imposed on the Company by the Authority or the Competent Authority as a result of the members of the Board of Directors' violations of the Companies Law or the Company's Articles of Association during the concluded financial year shall be deducted from the remuneration of the members of the Board of Directors. The

37 -2 تخصم من مكافأة أعضاء مجلس الإدارة الغرامات التي تكون قد وقعت على الشركة من الهيئة أو السلطة المختصة بسبب مخالفات أعضاء مجلس الإدارة لقانون الشركات أو النظام الأساسي للشركة خلال السنة المالية المنتهية ويجوز للجمعية العمومية عدم خصم

General Assembly may not deduct all or some of the fines if found that such fines were not resulted from defaults or negligence of the Board of Directors.

تلك الغرامات أو بعضها إذا تبين لها أن تلك الغرامات ليست ناتجة عن تقصير أو خطأ من مجلس الإدارة.

37.3 As an exception from the application of the provisions of clause 37.1 above and subject to the regulations issued by the Ministry in this regard, any member of the Board of Directors may be paid a lump sum fee not exceeding AED (200,000) two hundred thousand at the end of the financial year, provided that the General Assembly has approved the payment of such remuneration in the following cases:

37-3 استثناء مما ورد أعلاه في البند (37 -1) ومع مراعاة الضوابط التي تصدرها الهيئة في هذا الشأن، يجوز أن يصرف لعضو مجلس الإدارة أتعاباً في شكل مبلغ مقطوع لا يتجاوز (200,000) مائتي ألف درهم في نهاية السنة المالية على أن توافق الجمعية العمومية على صرف ذلك المبلغ وذلك في الحالتين التاليتين:

(a) If the Company does not make any profit in the expired financial year;

(أ) عدم تحقيق الشركة أرباحاً خلال السنة المالية المنتهية.

(b) If the Company makes a profit and the member's share of those profits is less than AED (200,000) two hundred thousand;

(ب) إذا حققت الشركة أرباحاً وكان نصيب العضو من تلك الأرباح أقل من (200,000) مائتي ألف درهم؛

(c) If clause 37.3 is applied, the board member may not receive both the remuneration and lump sum fee.

(ج) في حالة تطبيق البند (3- 37)، لا يجوز **لعضو المجلس** الجمع بين المكافأة والأتعاب المقطوعة.

Article (38)

Removal of the Chairman and Board Members

المادة (38)

عزل رئيس وأعضاء مجلس الادارة

The General Assembly shall have the right to remove all or some of the elected members of the Board of Directors and to open door for nomination as per the controls issued by the Authority in this regard and to elect new members to the Board of Directors instead of those who were removed. It is not permissible for a person who has been removed to re-nominate for membership in the Board before the lapse of

يكون للجمعية العمومية حق عزل كل أو بعض أعضاء مجلس الإدارة المنتخبين وفتح باب الترشح وفق الضوابط الصادرة عن الهيئة بهذا الشأن وانتخاب أعضاء جدد بدلا منهم. ولا يحق للعضو الذي تم عزله إعادة ترشيحه لعضوية مجلس الادارة إلا بعد مضي (3) ثلاث

three (3) years of his removal.

سنوات على عزله.

CHAPTER FIVE
General Assembly
Article (39)
<u>Meeting of the General Assembly</u>

الباب الخامس
الجمعيّة العموميّة
المادة (39)
<u>اجتماع الجمعيّة العموميّة</u>

39.1 The General Assembly of the Company shall convene in the Emirate of Abu Dhabi or any other location determined by the Board of Directors in the UAE. Each Shareholder shall have the right to attend the General Assembly meetings, and he shall have the number of votes equivalent to the number of his shares, and whoever has the right to attend the General Assembly may delegate for himself whoever he chooses, other than the members of the Board of Directors. For the validity of the mandate, it must be according to the proxy bond approved by the Company to attend the General Assembly meetings or by a special POA duly authenticated before the notary public. In all cases, the number of shares held by the proxy, for a number of Shareholders, in this capacity may not exceed (5%) five percent of the paid-up capital of the Company, and those who are legally incompetent and their representatives shall be legally represented. General Assembly meetings and shareholders' participation and voting within such meeting may be conducted using electronic means that allow for remote participation, in accordance with the requirements set by the Authority.

39 -1 تنعقد الجمعيّة العموميّة للشركة بإمارة أبوظبي أو أي مكان آخر يقرره مجلس الإدارة في الدولة، ويكون لكل مساهم حق حضور الجمعيّة العموميّة ويكون له من الأصوات ما يعادل عدد أسهمه، ويجوز لمن له حق حضور الجمعيّة العموميّة أن ينيب عنه من يختاره من غير أعضاء مجلس الإدارة ويشترط لصحة الوكالة أن تكون وفقاً لمسودة سند الوكالة الذي تعتمده الشركة لحضور اجتماعات الجمعية العمومية أو بمقتضى سند وكالة خاص موثق أصولاً أمام الكاتب العدل. وفي جميع الأحوال لا يجوز أن يزيد عدد الأسهم التي يحوزها الوكيل عن عدد من المساهمين بهذه الصفة عن (5%) خمسة بالمائة من أسهم رأس مال الشركة المدفوع، ويمثل ناقصي الأهلية وفاقديها النائبين عنهم قانوناً. يجوز عقد اجتماعات الجمعية العمومية واشتراك المساهم في مداولاتها والتصويت على قراراتها بواسطة وسائل التقنية الحديثة للحضور عن بعد، وفقاً للضوابط التي تضعها الهيئة في هذا الشأن.

39.2 The legal person may delegate one of his representatives or his administrators by a

39 -2 للشخص الاعتباري أن يفوض أحد ممثليه أو القائمين على

resolution issued by its Board of Directors or whoever in his place, to represent him in the Company's General Assembly meetings, and the authorized person shall have the powers determined under the mandate resolution.

إدارته بموجب قرار صادر من مجلس إدارته أو من يقوم مقامه، ليمثله في اجتماعات الجمعيّة العموميّة للشركة، ويكون للشخص المفوض الصلاحيات المقررة بموجب قرار التفويض.

Article (40)

Announcement of Invitation to the General Assembly Meeting

المادة (40)

الإعلان عن الدعوة لاجتماع الجمعيّة العموميّة

After obtaining the Authority's approval, invitation for the shareholders to attend the meetings of the General Assembly shall be announced in accordance with the decisions issued by the Authority, or by way of text and phone messages or e-mail (if any) subject to the conditions and regulations issued by the Authority in this regard at least twenty one (21) days before the date set for the meeting after obtaining the Authority approval. The invitation shall include the agenda for that meeting and a copy of the invitation papers shall be sent to the Authority and the Competent Authority on the date of sending the invitation.

توجه الدعوة إلى المساهمين لحضور اجتماعات الجمعيّة العموميّة بعد موافقة الهيئة وذلك بإعلان الدعوة وفقاً للقرارات الصادرة عن الهيئة عن طريق الرسائل النصية الهاتفية أو البريد الالكتروني (إن وجد) مع مراعاة الشروط والضوابط التي تصدرها الهيئة في هذا الشأن وذلك قبل الموعد المحدد للاجتماع بـ(21) واحد وعشرون يوماً على الأقل، ويجب أن تتضمن الدعوة جدول أعمال ذلك الاجتماع وترسل صورة من أوراق الدعوة إلى الهيئة والسلطة المختصة في تاريخ إعلان الدعوة.

Article (41)

Invitation to the General Assembly Meeting

المادة (41)

الدعوة لاجتماع الجمعيّة العموميّة

41.1 The Board of Directors shall call for the General Assembly within the four (4) months following the end of the financial year, and also whenever it sees a need thereto.

41 -1 يجب على مجلس الإدارة دعوة الجمعيّة العموميّة خلال الأشهر الأربعة التالية لنهاية السنة المالية وكذلك كلما رأى وجهاً لذلك.

41.2 The Authority, the auditor or one or more shareholders, who hold a minimum of at least (10%) of the Company's capital may submit an application to the Board of Directors to hold a General Assembly, in

41 -2 يجوز للهيئة أو لمدقق الحسابات أو لمساهم أو أكثر يملكون (10%) عشرة بالمائة من رأس مال الشركة على الأقل كحد أدنى تقديم طلب لمجلس ادارة الشركة لعقد الجمعيّة

which case, the Board of Directors must invite the General Assembly to convene within five (5) days from the date of submitting the application. The General Assembly shall be convened within thirty (30) days from the date of the meeting invite.	العموميّة ويتعين على مجلس الإدارة في هذه الحالة دعوة الجمعيّة العموميّة خلال (5) خمسة أيام من تاريخ تقديم الطلب. ويتم انعقاد الجمعية خلال مدة لا تجاوز (30) يوماً من تاريخ الدعوة للاجتماع.
Article (42) **Competence of the Annual General Assembly**	**المادة (42)** **اختصاص الجمعيّة العموميّة السنوية**
42.1 The Company's annual General Assembly shall in particular have the Authority to consider and take resolution on the following matters:	42 -1 تختص الجمعيّة العموميّة السنوية للشركة على وجه الخصوص بالنظر واتخاذ قرار في المسائل الآتية:
(a) the Board of Director's report regarding the Company's activity and its financial position during the year and report of the auditors and ratifying thereof;	(أ) تقرير مجلس الإدارة عن نشاط الشركة وعن مركزها المالي خلال السنة وتقرير مدققي الحسابات والتصديق عليهما.
(b) the Company's budget and the profit and loss account;	(ب) ميزانية الشركة وحساب الأرباح والخسائر.
(c) election of the members of the Board of Directors as appropriate;	(ج) انتخاب أعضاء مجلس الإدارة عند الاقتضاء.
(d) appointment of the Company's auditors and setting their remuneration;	(د) تعيين مدققي الحسابات وتحديد أتعابهم.
(e) the Board of Director's proposals regarding profit distributions, whether they were cash distributions or bonus shares;	(ه) مقترحات مجلس الإدارة بشأن توزيع الأرباح سواء كانت توزيعات نقدية أم أسهم منحة.
(f) the proposal of the Board of Directors regarding the board member's remuneration and determining thereof;	(و) مقترح مجلس الإدارة بشأن مكافأة أعضاء مجلس الإدارة وتحديدها.
(g) discharging the members of the Board of	(ز) إبراء ذمة أعضاء مجلس

Directors or dismissing them and filing a liability case against them, as appropriate; and

الإدارة، أو عزلهم ورفع دعوى المسؤولية عليهم حسب الأحوال؛ و

(h) discharging the auditors or dismissing them and filing a liability case against them, as appropriate.

(ح) إبراء ذمة مدققي الحسابات، أو عزلهم ورفع دعوى المسؤولية عليهم حسب الأحوال.

Article (43)

Recording the Shareholders' Attendance of the General Assembly

المادة (43)

تسجيل حضور المساهمين لاجتماع الجمعيّة العموميّة

43.1 The Shareholders who wish to attend the General Assembly shall register their names in the E-record prepared by the Company's management for this purpose at the meeting place sufficiently ahead of the time specified for that meeting, and the record must include the name of the Shareholder and the number of shares he represents and the names of their owners with the presentation of the proxy. The Shareholder or the agent is given a card to attend the meeting stating the number of votes represented by originality and by proxy.

43 -1 يسجل المساهمون الذين يرغبون في حضور الجمعيّة العموميّة أسماءهم في السجل الإلكتروني الذي تعده إدارة الشركة لهذا الغرض في مكان الاجتماع قبل الوقت المحدد لانعقاد ذلك الاجتماع بوقت كاف، ويجب أن يتضمن السجل اسم المساهم وعدد الأسهم التي يمثلها وأسماء مالكيها مع تقديم سند الوكالة. ويعطى المساهم أو النائب بطاقة لحضور الاجتماع يذكر فيها عدد الأصوات التي يمثلها أصالة ووكالة.

43.2 The Shareholders' record must include the name of the Shareholder, or the person on his behalf, the number of shares he owns and the ones he represents, and the names of their owners with the presentation of the proxy. The Shareholder or the agent is given a card to attend the meeting stating the number of votes represented by originality and by proxy.

43 -2 يجب أن يتضمن سجل المساهمين اسم المساهم أو من ينوب عنه وعدد الأسهم التي يملكها وعدد الأسهم التي يمثلها وأسماء مالكيها مع تقديم سند الوكالة، ويعطى المساهم أو النائب بطاقة لحضور الاجتماع يذكر فيها عدد الأصوات التي يمثلها أصالة أو وكالة.

43.3 A printed extract stating the number of shares represented in the meeting and the percentage of attendance shall be

43 -3 يستخرج من سجل المساهمين خلاصة مطبوعة بعدد الأسهم التي مثلت في الاجتماع ونسبة

extracted from the Shareholders' record and be signed by each of the session Secretary, the chairman of the meeting and the Company's auditor.

الحضور ويتم توقيعها من قبل كل من مقرر الجلسة ورئيس الاجتماع ومدقق حسابات الشركة.

43.4 Registration for attending the meetings of the General Assembly shall be closed when the chairman of the meeting announces that the quorum for that meeting is complete or incomplete, and it is not permissible after that to accept the registration of any Shareholder or agent on his behalf to attend that meeting, and also it is not permissible to take into account his vote or his opinion on the matters raised in that meeting.

43 -4 يغلق باب التسجيل لحضور اجتماعات الجمعيّة العموميّة عندما يعلن رئيس الاجتماع اكتمال النصاب المحدد لذلك الاجتماع أو عدم اكتماله، ولا يجوز بعد ذلك قبول تسجيل أي مساهم أو نائب عنه لحضور ذلك الاجتماع كما لا يجوز الاعتداد بصوته أو برأيه في المسائل التي تطرح في ذلك الاجتماع.

Article (44)

Shareholders Register

المادة (44)

سجل المساهمين

The Company shall have a register of Shareholders who have the right to attend the Company's General Assembly meeting and vote on its decisions in accordance with the system for trading, clearing, settlement, transfer of ownership, custody of securities and relevant rules prevailing in the Market.

يكون سجل المساهمين في الشركة الذين لهم الحق في حضور اجتماع الجمعيّة العموميّة للشركة والتصويت على قراراتها طبقا للنظام الخاص بالتداول والمقاصة والتسويات ونقل الملكية وحفظ الأوراق المالية والقواعد المعنية السائدة في السوق.

Article (45)

Quorum for the General Assembly Meeting

And Voting on the Resolution thereof

المادة (45)

النصاب القانوني لاجتماع الجمعيّة العموميّة

والتصويت على قراراتها

45.1 The General Assembly shall be competent to consider all matters related to the Company, and the quorum is achieved in a meeting of the General Assembly with the presence of Shareholders who own or represent at least fifty percent (50%) of the Company's capital, and if the quorum is not available at the first meeting, the General

45 -1 تختص الجمعيّة العموميّة بالنظر في جميع المسائل المتعلقة بالشركة، ويتحقق النصاب في اجتماع للجمعيّة العموميّة بحضور مساهمين يملكون أو يمثلون بالوكالة مالا يقل عن (50%) خمسين بالمائة من رأسمال الشركة، فإذا لم يتوافر النصاب في الاجتماع الأول، وجب دعوة

Assembly must be called for a second meeting held after a period of no less than five (5) days and not exceeding fifteen (15) days from the date of the first meeting, and the deferred meeting is be considered valid regardless of the number of those present.

الجمعيّة العموميّة إلى اجتماع ثان يعقد بعد مضي مدة لا تقل عن خمسة (5) أيام ولا تجاوز خمسة عشر (15) يوماً من تاريخ الاجتماع الأول ويُعتبر الاجتماع المؤجل صحيحاً أياً كان عدد الحاضرين.

45.2 Save for resolutions to be issued by a special resolution, in accordance with the provisions of this Articles of Association or the Companies Law, resolutions of the General Assembly shall be issued with a majority of the shares represented in the meeting, and such resolutions shall be binding on all Shareholders, whether they are present in, or absent from the meetings in which the resolutions have been issued, and whether they agree or object thereon. A copy of which shall be communicated to the Authority, the Market and the Competent Authority, in accordance with the controls issued to this regard.

45 -2 فيما عدا القرارات التي يتعين صدورها بقرار خاص وفقاً لأحكام هذا النظام الأساسي أو قانون الشركات، تصدر قرارات الجمعيّة العموميّة للشركة بأغلبية الأسهم الممثلة في الاجتماع، وتكون قرارات الجمعيّة العموميّة ملزمة لجميع المساهمين سواءً كانوا حاضرين في الاجتماع الذي صدرت فيه هذهِ القرارات أو غائبين عنه وسواءً كانوا موافقين عليها أو معارضين لها، ويتم وإبلاغ صورة منها إلى كل من الهيئة والسوق والسلطة المختصة وفقاً للضوابط الصادرة عن الهيئة بهذا الشأن.

Article (46)

Presiding over the General Assembly and Transcribing the Minutes of the Meeting

المادة (46)

رئاسة الجمعيّة العموميّة وتدوين وقائع الاجتماع

46.1 The General Assembly shall be presided by the Chairman of the Company's Board of Directors and in case of his absence, to be presided by his Vice-chairman. In the event of absence of both, it will be presided by any Board Member chosen by the Board of Directors, and in the event the Board of Directors fails to choose a member, the General Assembly shall be presided by anyone to be chosen by the General Assembly by voting by any means determined by the General Assembly, and if the General Assembly is looking into a

46 -1 يرأس الجمعيّة العموميّة رئيس مجلس إدارة الشركة وفي حالة غيابه يرأسها نائبه وفي حال غيابهما يرأسها أي عضو من أعضاء مجلس الإدارة يختاره مجلس الإدارة لذلك وفي حال عدم اختيار مجلس الإدارة لعضو يرأسها أي شخص تختاره الجمعية العمومية عن طريق التصويت بأية وسيلة تحددها الجمعيّة العموميّة، وإذا كانت الجمعيّة العمومية

matter related to the chairman of the meeting, whatever it is, the General Assembly must choose from among the Shareholders someone who will preside the meeting during the discussion of this matter, and the chairman shall appoint poll collector, provided that the General Assembly approves his appointment.

تبحث في أمر يتعلق برئيس الاجتماع أيا كان وجب أن تختار الجمعيّة العمومية من بين المساهمين من يتولى رئاسة الاجتماع خلال مناقشة هذا الأمر، ويعين الرئيس جامعاً للأصوات على أن تقر الجمعيّة العموميّة تعيينه.

46.2 Minutes of the General Assembly meeting must be executed and must include names of the attending Shareholders, or the representatives thereof, the number of shares in their possession by originality or by proxy, the number of votes determined therefor, the issued resolutions, the number of votes approved or rejected thereby, and an adequate summary of the discussions that went on in the meeting.

46 -2 يجب تحرير محضر باجتماع الجمعيّة العموميّة ويجب أن يتضمن أسماء المساهمين الحاضرين أو الممثلين وعدد الأسهم التي في حيازتهم بالأصالة أو بالوكالة وعدد الأصوات المقررة لهم والقرارات الصادرة وعدد الأصوات التي وافقت عليها أو عارضتها وخلاصة وافية للمناقشات التي دارت في الاجتماع.

46.3 Minutes of the General Assembly meetings shall be recorded regularly following every session in a special register for which the controls issued by a resolution from the Authority are to be followed, and every minutes shall be signed by the respective chairman of the meeting, its Secretary, the poll collector and the auditor. All the signatories on the meetings minutes are responsible for the correctness of the data included therein.

46 -3 تدون محاضر اجتماع الجمعيّة العموميّة بصفة منتظمة عقب كل جلسة في سجل خاص يتبع في شأنه الضوابط التي يصدر بها قرار من الهيئة ويوقع كل محضر من رئيس الاجتماع المعني ومقررها وجامع الأصوات ومدقق الحسابات، ويكون الموقعون على محاضر الاجتماعات مسؤولين عن صحة البيانات الواردة فيه.

Article (47)
Manner of Voting in the General Assembly Meeting

المادة (47)
طريقة التصويت باجتماع الجمعيّة العموميّة

Voting in the General Assembly shall be in the manner determined by the chairman of the Assembly, unless the General Assembly has decided on a certain manner for voting. Voting

يكون التصويت في الجمعيّة العموميّة بالطريقة التي يعينها رئيس الجمعيّة إلا إذا قررت الجمعيّة العموميّة طريقة معينة للتصويت، ويجب أن يكون

must be by secret ballot if it relates to the election, dismissal or impeachment of Directors. A shareholder may vote electronically at a meeting of the General Assembly in accordance with the mechanism followed by the Market and as approved by the Authority.

التصويت سرياً إذا تعلق بانتخاب مجلس الإدارة أو بعزلهم أو بمساءلتهم. ويجوز للمساهم التصويت الإلكتروني في اجتماعات الجمعية العمومية وفقاً للآلية المتبعة لدى السوق والمعتمدة من الهيئة.

Article (48)
Voting of the Board Members on the Resolutions of the General Assembly

المادة (48)
تصويت أعضاء مجلس الإدارة على قرارات الجمعيّة العموميّة

48.1 Members of the Board of Directors are not allowed to participate in voting on the General Assembly resolutions that discharge them from responsibility for their management, or that which is relevant to a special benefit thereto, or connected with conflict of interests existing between them and the Company.

48 -1 لا يجوز لأعضاء مجلس الإدارة الاشتراك في التصويت على قرارات الجمعيّة العموميّة الخاصة بإبراء ذمتهم من المسؤولية عن إدارتهم أو التي تتعلق بمنفعة خاصة لهم أو المتعلقة بتعارض المصالح أو بخلاف قائم بينهم وبين الشركة.

48.2 One who has the right to attend the meetings of the General Assembly may not participate in voting for himself or for whoever he represents in matters related to a special benefit or a disagreement existing between him and the Company.

48 -2 لا يجوز لمن له حق حضور اجتماعات الجمعيّة العموميّة أن يشترك في التصويت عن نفسه أو عمن يمثله في المسائل التي تتعلق بمنفعة خاصة أو بخلاف قائم بينه وبين الشركة.

Article (49)
Issuance of the Special Resolution

المادة (49)
إصدار القرار الخاص

49.1 The General Assembly must issue a Special Resolution by the Shareholders who own no less than three quarters of the shares represented in the meeting of the General Assembly of the Company, in the following cases:

49 -1 يتعين على الجمعيّة العموميّة إصدار قرار خاص بأصوات المساهمين الذين يملكون ما لا يقل عن ثلاثة أرباع الأسهم الممثلة في اجتماع الجمعيّة العموميّة للشركة في الحالات التالية: -

(a) increase or reduction of the capital of the Company;

(أ) زيادة رأس المال أو تخفيضه.

(b) changing the name of the Company;	(ب) تغيير اسم الشركة.
(c) issuing bonds or Sukuk;	(ج) إصدار سندات قرض أو صكوك.
(d) provision of voluntary contributions for community service purposes;	(د) تقديم مساهمات طوعية في أغراض خدمة المجتمع.
(e) Company dissolution or merger with another company;	(ه) حل الشركة أو إدماجها في شركة أخرى.
(f) selling the assets and stock for which the Company was created, or those that constitute an integral part of the Company's objects, or otherwise disposal thereof;	(و) بيع الأصول والموجودات التي قامت من أجلها الشركة أو تلك التي تعد جزء لا يتجزأ من أغراض الشركة أو التصرف فيها بأي وجه آخر.
(g) extending or shortening the term of the Company;	(ز) إطالة مدة الشركة أو إنقاصها.
(h) amendment of the memorandum or Articles of Association;	(ح) تعديل عقد التأسيس أو النظام الاساسي.
(i) in all cases where the Companies Law requires issuing a special resolution;	(ط) في كل الحالات التي يتطلب فيها قانون الشركات إصدار قرار خاص.
(j) where the Company desires to sell fifty one percent (51%) or more of its assets whether the sale process will be in one deal, on in several deals, within one (1) year from the date of concluding the first deal or dealing;	(ي) عند رغبة الشركة بيع نسبة واحد وخمسون في المائة (51%) أو أكثر من أصولها سواء أكانت عملية البيع ستتم بصفقة واحدة أو من خلال عدة صفقات وذلك خلال سنة من تاريخ عقد أول صفقة أو تعامل.
(k) the entry of a strategic partner;	(ك) دخول شريك استراتيجي.
(l) converting cash debts into shares in the capital;	(ل) تحويل الديون النقدية إلى أسهم في رأسمال الشركة.
(m) issuing a program motivating the Company employees by owning shares therein;	(م) إصدار برنامج تحفيز موظفي الشركة بتملك أسهم فيها.

(n) addition of any bonus to the nominal value of the share or the issuance of preference shares;

(o) incorporation of the reserve in the Company's capital;

(p) dividing the nominal value of the Company's shares;

(q) transformation of the Company;

(r) merger of the Company;

(s) extending the winding up period of the Company; or

(t) purchase by the Company of its own shares.

49.2 In any case, in accordance with the provision of Article (139) of the Companies Law, the Company's Board of Directors must obtain the prior approval from the Authority for issuance of the special resolution which will result in amendment to its memorandum or Articles of Association.

Article (50)

Inclusion of an Item on the Agenda of the General Assembly Meeting

50.1 The General Assembly may not deliberate matters not included in the agenda.

50.2 The General Assembly shall be permitted to discuss important matters revealed during the meeting, or matters requested by the Authority to be discussed or if a Shareholder(s) representing 5% of the share capital of the Company ask, at the

(ن) إضافة أي علاوة إصدار إلى القيمة الاسمية للسهم أو اصدار أسهم ممتازة.

(س) إدماج الاحتياطي في رأس مال الشركة.

(ع) تجزئة القيمة الاسمية لأسهم الشركة.

(ف) تحول الشركة.

(ص) اندماج الشركة.

(ق) إطالة مدة التصفية؛ أو

(ر) شراء الشركة لأسهمها.

49 -2 وفي جميع الأحوال وفقاً لحكم المادّة (139) من قانون الشركات يتعين على مجلس إدارة الشركة الحصول على الموافقة المسبقة من الهيئة على استصدار القرار الخاص الذي يترتب عليه تعديل في عقد تأسيسها ونظامها الأساسي.

المادة (50)

إدراج بند بجدول أعمال اجتماع الجمعيّة العموميّة

50 -1 لا يجوز للجمعية العمومية المداولة في غير المسائل المدرجة بجدول الأعمال.

50 -2 يجوز للجمعية العمومية حق المداولة في الوقائع الخطيرة التي تكتشف أثناء الاجتماع، وإذا طلبت الهيئة أو مساهم أو عدد من المساهمين يملك أو يمثل (5%) من رأس مال الشركة

start of the General Assembly, to have a specific matter included in the agenda. In such circumstances, the chairman of the meeting shall comply with the request, pursuant to controls determined by the Authority.

على الأقل وذلك قبل البدء في مناقشة جدول أعمال الجمعية العمومية إدراج مسائل معينة في جدول الأعمال وجب على رئيس الاجتماع إجابة الطلب وفقاً للضوابط الصادرة عن الهيئة في هذا الشأن.

50.3 In addition to the above, a new agenda item may be added to the General Assembly's agenda in accordance with what the Authority determines from time to time.

50 -3 بالإضافة لما ذكر أعلاه يجوز إضافة بند جديد إلى جدول أعمال الجمعية العمومية وفقاً للضوابط الصادرة عن الهيئة في هذا الشأنمن وقت لآخر.

CHAPTER SIX
The Auditor
Article (51)
<u>Appointment of an Auditor</u>

الباب السادس
مدقق الحسابات
المادة (51)
<u>تعيين مدقق الحسابات</u>

51.1 The Company shall have one or more auditors whom the General Assembly will appoint and determine his remuneration upon a nomination by the Board of Directors. The auditor shall be registered with the Authority and licensed for practicing his profession.

51 -1 يكون للشركة مدقق حسابات أو أكثر تعينه وتحدد أتعابه الجمعيّة العموميّة بناءً على ترشيح من مجلس الإدارة، ويشترط في مدقق الحسابات أن يكون مقيداً لدى الهيئة ومرخص له بمزاولة المهنة.

51.2 An auditor shall be appointed for a renewable year, and he shall monitor the accounts of the financial year for which he was appointed, provided that he shall not undertake the auditing process in the Company for a period exceeding (6) six consecutive financial years from the date of assuming his duties in the Company. In this case, the responsible Partner for auditing the Company shall be changed after the expiry of (3) three financial years.

51 -2 يُعين مدقق حسابات لمدة سنة قابلة للتجديد وعليه مراقبة حسابات السنة المالية على ألا يتولى مدقق الحسابات عملية التدقيق بالشركة لمدة تزيد على (6) ست سنوات مالية متتالية من تاريخ توليه مهام تدقيق حسابات الشركة ويتعين في هذه الحالة تغيير الشريك المسؤول لدى مدقق الحسابات عن التدقيق على الشركة بعد انتهاء (3) ثلاث سنوات مالية.

51.3 The auditor shall assume his duties from the end of the meeting of that Assembly to

51 -3 يتولى مدقق الحسابات مهامه من نهاية اجتماع تلك الجمعيّة إلى

the end of the next annual General Assembly meeting.

نهاية اجتماع الجمعيّة العموميّة السنوية التالية.

Article (52)

Obligations of the Auditor

المادة (52)

التزامات مدقق الحسابات

52.1 An auditor shall observe the following:

52 -1 يتعين على مدقق الحسابات مراعاة ما يلي:

(a) adhere to the provisions stipulated in the Companies Law, systems, decisions, and circulars implementing thereof;

(أ) الالتزام بالأحكام المنصوص عليها في قانون الشركات والانظمة والقرارات والتعاميم المنفذة له.

(b) be independent from the Company and its Board of Directors;

(ب) يكون مستقلاً عن الشركة ومجلس إدارتها.

(c) not combine the profession of an auditor with the capacity of a partner;

(ج) ألا يجمع بين مهنة مدقق الحسابات وصفة الشريك في الشركة.

(d) not hold the position of a member of the Board of Directors or any technical, administrative, or executive position therein; and

(د) ألا يشغل منصب عضو مجلس إدارة أو أي منصب فني أو إداري أو تنفيذي فيها.

(e) not be a partner or an agent of any of the Company's founders, any of its **board members**, or a **relative** of any of them up to second degree.

(ه) ألا يكون شريكاً أو وكيلاً لأي من مؤسسي الشركة أو أي من **أعضاء مجلس إدارتها** أو **قريباً** لأي منهم حتى الدرجة الثانية.

Article (53)

Powers of the Audit

المادة (53)

صلاحيات مدقق الحسابات

53.1 The auditor shall have the right at all times to have access to all the Company's books, records, documents and otherwise of the instruments and documents, and he may request explanations that he deems necessary to perform his job, and he may also verify the Company's assets and obligations, and if he is unable to use these powers, he proves that in writing with report

53 -1 يكون لمدقق الحسابات الحق في الاطلاع في كل وقت على جميع دفاتر الشركة وسجلاتها ومستنداتها وغير ذلك من وثائق ومستندات وله أن يطلب الإيضاحات التي يراها لازمة لأداء مهمته وله كذلك أن يتحقق من موجودات الشركة والتزاماتها، وإذا لم يتمكن من استعمال هذه الصلاحيات أثبت ذلك

submitted to the Board of Directors. If the Board does not enable the auditor to perform his task, the auditor must send a copy of the report to the Authority and the Competent Authority and present it to the General Assembly.

كتابة في تقرير يقدم إلى مجلس الإدارة، فإذا لم يقم المجلس بتمكين المدقق من أداء مهمته وجب على المدقق أن يرسل صورة من التقرير إلى الهيئة والسلطة المختصة وأن يعرضه على الجمعيّة العموميّة.

53.2 The auditor shall assume auditing the Company's accounts, examine the budget, profit, and loss account, review the Company's deals with the Related Parties and observe the application of the provisions of the Companies Law and this system. He must report the results of this examination to the General Assembly and send a copy thereof to the Authority and the Competent Authority, and he must, when preparing his report, make sure of the following:

53 -2 يتولى مدقق الحسابات تدقيق حسابات الشركة وفحص الميزانية وحساب الأرباح والخسائر ومراجعة صفقات الشركة مع الأطراف ذات العلاقة وملاحظة تطبيق أحكام قانون الشركات وهذا النظام، وعليه تقديم تقرير بنتيجة هذا الفحص إلى الجمعيّة العموميّة ويرسل صورة منه إلى الهيئة والسلطة المختصة، ويجب عليه عند إعداد تقريره، التأكد مما يأتي:

(a) the authenticity of the accounting records maintained by the Company; and

(أ) صحة السجلات المحاسبية التي تحتفظ بها الشركة؛ و

(b) the consistency of the Company's accounts with the accounting records.

(ب) اتفاق حسابات الشركة مع السجلات المحاسبية.

53.3 If facilities are not provided to the auditor to carry out his duties, he shall demonstrate this in a report he submits to the Board of Directors, and if the Board fails to facilitate the auditor's task, he shall send a copy of the report to the Authority.

53 -3 إذا لم يتم تقديم تسهيلات إلى مدقق الحسابات لتنفيذ مهامه، التزم بإثبات ذلك في تقرير يقدمه إلى مجلس الإدارة وإذا قصّر مجلس الإدارة في تسهيل مهمة مدقق الحسابات، تعيّن عليه إرسال نسخة من التقرير إلى الهيئة.

53.4 The Affiliate Company and its auditor shall commit to providing the information and explanations requested by the auditor of the Parent Company or Holding Company for auditing purposes.

53 -4 تلتزم الشركة التابعة ومدقق حساباتها بتقديم المعلومات والتوضيحات التي يطلبها مدقق حسابات الشركة الام او القابضة لأغراض التدقيق.

Article (54)

المادة (54)

Auditor's Annual Report

التقرير السنوى لمدقق الحسابات

54.1 The auditor shall submit to the General Assembly a report including the data and information provided for in the Companies Law, and he shall mention in his report, and also in the balance sheet of the Company, the voluntary contributions extended by the Company during the fiscal year for community service purposes (if any) and to identify the beneficiary entity of such contributions.

54 -1 يقدم مدقق الحسابات إلى الجمعيّة العموميّة تقريرا يشتمل على البيانات والمعلومات المنصوص عليها في قانون الشركات، وأن يذكر في تقريره وكذلك في الميزانية العموميّة للشركة المساهمات الطوعية التي قامت بها الشركة خلال السنة المالية لأغراض خدمة المجتمع " إن وجدت" وأن يحدد الجهة المستفيدة من هذه المساهمات الطوعية.

54.2 The auditor must attend the meeting of the General Assembly and recite his report therein, explaining any obstacles or intrusions of the Board of Directors that he faced during his performance of his job, and his report should be neutral and independent, and he should state his opinion in the meeting about all that is relevant to his job, particularly in the Company's budget and his remarks on the Company's accounts, its financial position and any violations thereat. The auditor shall be responsible for the correctness of the information contained in his report, and each Shareholder, during the General Assembly session, has the right to discuss the auditor's report and to inquire about what has been included therein.

54 -2 يجب على مدقق الحسابات أن يحضر اجتماع الجمعيّة العموميّة وأن يقرأ تقريره في الجمعيّة العموميّة، موضحاً أية معوقات أو تدخلات من مجلس الإدارة واجهته أثناء تأدية أعماله، وأن يتسم تقريره بالاستقلالية والحيادية، وأن يدلي في الاجتماع برأيه في كل ما يتعلق بعمله وبوجه خاص في ميزانية الشركة وملاحظاته على حسابات الشركة ومركزها المالي وأية مخالفات بها، ويكون المدقق مسؤولاً عن صحة البيانات الواردة في تقريره، ولكل مساهم أثناء عقد الجمعيّة العموميّة أن يناقش تقرير المدقق وأن يستوضحه عما ورد فيه.

54.3 The auditor has the right to receive all notifications and other correspondences related to any General Assembly, which every Shareholder is entitled to receive.

54 -3 يحق لمدقق الحسابات استلام كافة الإشعارات والمراسلات الأخرى المتعلقة بأية جمعية عمومية والتي يحق لكل مساهم استلامها.

CHAPTER SEVEN

Company's Finance

Article (55)

الباب السابع

مالية الشركة

المادة (55)

Company's Accounts

حسابات الشركة

55.1 The Company shall prepare regular accounts according to the international accounting standards so they reflect a true and fair picture of the Company's profits and losses for the fiscal year and about its status at the end of the financial year, and the Company shall abide by any requirements provided for in the Companies Law or the decisions issued in implementation thereof.

55 -1 تُعد الشركة حسابات منتظمة وفق المعايير والأسس المحاسبية الدولية بحيث تعكس صورة صحيحة وعادلة عن أرباح أو خسائر الشركة للسنة المالية وعن وضع الشركة في نهاية السنة المالية وأن تتقيد بأية متطلبات ينص عليها قانون الشركات أو القرارات الصادرة تنفيذاً له.

55.2 The Company shall apply the international accounting principles and standards when preparing its interim and annual accounts and determining the distributable dividends.

55 -2 تطبق الشركة المعايير والأسس المحاسبية الدولية عند إعداد حساباتها المرحلية والسنوية وتحديد الأرباح القابلة للتوزيع.

Article (56)
Company's Fiscal Year

المادة (56)
السنة المالية للشركة

The Company's fiscal year begins from January 1st and ends in December 31st of every year.

تبدأ السنة المالية للشركة من أول يناير وتنتهي في نهاية 31 ديسمبر من كل سنة.

Article (57)
The Balance Sheet for the Fiscal Year

المادة (57)
الميزانية العموميّة للسنة المالية

The balance sheet for the fiscal year must have been audited at least one (1) month before the annual meeting of the General Assembly, and the Board must prepare a report on the Company's activity and financial position at the end of the fiscal year and the method it proposes to distribute the net profits and send a copy of the budget and profit and loss account with a copy of the auditor's report, the report of the Board of Directors of the Company, and the corporate governance report to the Authority, along with attaching a draft of the annual General

يتعين أن تكون الميزانية العموميّة عن السنة المالية قد تم تدقيقها قبل الاجتماع السنوي للجمعيّة العموميّة بشهر(1) واحد على الأقل، وعلى المجلس إعداد تقرير عن نشاط الشركة ومركزها المالي في ختام السنة المالية والطريقة التي يقترحها لتوزيع الأرباح الصافية وترسل صورة من الميزانية وحساب الأرباح والخسائر مع نسخة من تقرير مدقق الحسابات وتقرير مجلس الإدارة للشركة وتقرير الحوكمة إلى الهيئة مع إرفاق مسودة من دعوة الجمعيّة

Assembly's invitation to the Company's Shareholders to agree to publish the invitation in daily newspapers well in advance of the meeting of the General Assembly meeting, taking into account the provision of Article (174) of the Companies Law regarding the publication of the General Assembly's invitation twenty one (21) days before the date of the meeting.

العموميّة السنوية لمساهمي الشركة للموافقة على نشر الدعوة في الصحف اليومية قبل موعد انعقاد اجتماع الجمعيّة العموميّة بوقت كافٍ مع مراعاة حكم المادة (174) من قانون الشركات بشأن نشر دعوة الجمعية العمومية قبل واحد وعشرون (21) يوماً من تاريخ الاجتماع.

Article (58)
Distribution of Dividends

المادة (58)
توزيع الأرباح السنوية

58.1 The annual net profits of the Company are distributed, after deducting all overheads and other expenses, as follows:

58 -1 توزع الأرباح السنويّة الصافية للشركة بعد خصم جميع المصروفات العموميّة والتكاليف الأخرى وفقاً لما يلي:

(a) ten percent (10%) of the net profits shall be deducted and allocated to a legal reserve account. This deduction shall cease once the aggregate of the reserve reaches equivalent to fifty percent (50%) of the Company's paid up capital, and if the reserve decreased from that percentage, the deduction shall be run back;

(أ) تقتطع عشرة بالمائة (10%) من الأرباح الصافية تخصص لحساب الاحتياطي القانوني. ويوقف هذا الاقتطاع متى بلغ مجموع هذا الاحتياطي قدراً يوازي خمسين بالمائة(50%) من رأس مال الشركة المدفوع، وإذا نقص الاحتياطي عن ذلك تعيّن العودة إلى الاقتطاع.

(b) the General Assembly may, upon a proposal by the Board of Directors, deduct a further percentage not exceeding ten percent (10%) allocated to constitute a statutory reserve, and such deduction may be halted by a resolution of the General Assembly according to the proposal by the Board of Directors. This reserve shall be used for purposes determined by the General Assembly according to a proposal by the Board of Directors;

(ب) يجوز للجمعية العموميّة بناءً على اقتراح مجلس الإدارة اقتطاع ما لا يزيد على نسبة عشرة بالمائة (10%) أخرى تُخصص لتكوين احتياطي نظامي، ويجوز وقف هذا الاقتطاع بقرار من الجمعيّة العموميّة بناءً على اقتراح مجلس الإدارة. ويستخدم هذا الاحتياطي في الأغراض التي تقررها الجمعيّة العموميّة بناءً على اقتراح مجلس الإدارة.

(c) the General Assembly identifies the percentage of the net profits to be distributed to the Shareholders, after

(ج) تحدد الجمعية العمومية النسبة التي يجب توزيعها على المساهمين من الأرباح الصافية

deducting the legal reserve, provided that where the net profits of a certain year does make place for dividends distribution, no claim may be made therefor from the profits of subsequent years;

بعد خصم الاحتياطي القانوني، على أنه إذا لم تسمح الأرباح الصافية في سنة من السنين بتوزيع أرباح فلا يجوز المطالبة بها من أرباح السنين اللاحقة.

(d) a percentage not exceeding ten percent (10%) from the net profit of the ending fiscal year shall be allocated, after deducting reserves and depreciations, as a bonus for the Board Members and the Board Members suggest the bonus and present it to the General Assembly to consider it. Fines that may have been imposed on the Company by the Authority or the competent Authority due to violations by the Board of Directors or the Companies Law or the these Articles of Association during the ending fiscal year, shall be deducted from that bonus, and the General Assembly may not deduct these or some of these fines if it becomes clear to them that these fines are not the result of default or error from the Board of Directors; and

(د) تخصص نسبة لا تزيد على عشرة بالمائة (10%) من الربح الصافي للسنة المالية المنتهية بعد خصم كل من الاستهلاكات والاحتياطيات كمكافأة لأعضاء مجلس الإدارة ويقترح المجلس المكافأة وتعرض على الجمعية العمومية للنظر فيها، وتخصم من تلك المكافأة الغرامات التي تكون قد وُقعت على الشركة من الهيئة أو السلطة المختصة بسبب مخالفات مجلس الإدارة أو لقانون الشركات أو للنظام الأساسي للشركة خلال السنة المالية المنتهية، وللجمعية العمومية عدم خصم تلك الغرامات أو بعضها إذا تبين لها أن تلك الغرامات ليست ناتجة عن تقصير أو خطأ من مجلس الإدارة. و

(e) the remainder of the net profits shall then be distributed to the Shareholders or carried over to the coming year, under a suggestion by the Board of Directors, or allocated to create an optional reserve to be allocated for certain purposes and this may not be used for any other purposes unless by a resolution issued by the Company's General Assembly.]

(هـ) يوزع الباقي من صافي الأرباح بعد ذلك على المساهمين أو يرحل بناء على اقتراح مجلس الإدارة إلى السنة المقبلة أو يخصص لإنشاء احتياطي اختياري يخصص لأغراض محددة ولا يجوز استخدامه لأية أغراض أخرى إلا بموجب قرار صادر عن الجمعية العمومية للشركة.

Article (59)

Disposal of the Statutory and Optional Reserves

المادة (59)

التصرف في الاحتياطي الاختياري والقانوني

Disposal of the optional reserve is made under a resolution by the Board of Directors of the Company for aspects that achieve the Company's interests, and the legal reserve may not be distributed to the Shareholders, but it is permissible to use the increase in the legal reserve that is higher than half of the issued capital, to be distributed as dividends to the Shareholders in the years where the Company do not achieve sufficient net profits to be distributed thereon.

يتم التصرف في الاحتياطي الاختياري بناء على قرار مجلس إدارة الشركة في الأوجه التي تحقق مصالح الشركة ولا يجوز توزيع الاحتياطي القانوني على المساهمين، وإنما يجوز استعمال ما زاد منه على نصف رأس المال المصدر لتوزيعه كأرباح على المساهمين في السنوات التي لا تحقق الشركة فيها أرباحاً صافية كافية للتوزيع عليهم.

Article (60)
Shareholders Dividends

المادة (60)
أرباح المساهمين

60.1 Dividends shall be paid to the Shareholders in accordance with the regulations, decisions and circulars issued by the Authority in this regard.

60 -1 تدفع الأرباح إلى المساهمين طبقاً للأنظمة والقرارات والتعاميم الصادرة عن الهيئة بهذا الشأن.

60.2 The Company may, through a resolution of its Board of Directors, distribute quarterly and/or semi-annual dividends to the shareholders from operating profits and/or accumulated profits. The Board of Directors shall be authorized to adopt and implement resolutions relating to the distribution of dividends in accordance with the dividend distribution policy approved by the General Assembly.

60 -2 يجوز للشركة بقرار من مجلس اداراتها توزيع أرباح ربع سنوية و/أو نصف سنوية على المساهمين من الأرباح التشغيلية و/أو الأرباح المتراكمة للشركة. ويكون مجلس الإدارة مفوضاً باعتماد واتخاذ وتنفيذ القرارات المتعلقة بتوزيع الأرباح وفقاً لسياسة توزيع الأرباح المعتمدة من الجمعية العمومية.

CHAPTER EIGHT
Disputes
Article (61)
Abatement of Responsibility Cases

الباب الثامن
المنازعات
المادة (61)
سقوط دعوى المسؤولية

Any resolution by the General Assembly discharging the Board of Directors, does not result to the abatement of civil responsibility case

لا يترتب على أي قرار يصدر من الجمعيّة العموميّة بإبراء ذمة مجلس الإدارة سقوط دعوى المسؤولية المدنية ضد أعضاء مجلس

against the Board Members due to errors thereby in performing their task, and if the action causing responsibility was presented to the General Assembly and was ratified, the responsibility shall abate one (1) year after the date of convening of the General Assembly, however, if the action ascribed to the Board Members was a criminal crime, the responsibility case will only drop by the abatement of the general case.	الإدارة بسبب الأخطاء التي تقع منهم في تنفيذ مهمتهم وإذا كان الفعل الموجب للمسؤولية قد عرض على الجمعيّة العموميّة وصادقت عليه فإن دعوى المسؤولية تسقط بمضي سنة (1) واحدة من تاريخ انعقاد هذه الجمعيّة، ومع ذلك إذا كان الفعل المنسوب إلى أعضاء مجلس الإدارة يكون جريمة جنائية فلا تسقط دعوى المسؤولية إلا بسقوط الدعوى العموميّة.
CHAPTER NINE **Company Dissolution and Liquidation** **Article (62)** **<u>Company Dissolution</u>**	**الباب التاسع** **حل الشركة وتصفيتها** **المادة (62)** **<u>حل الشركة</u>**
62.1 The Company shall be dissolved for any of the following reasons:	62 -1 تنحل الشركة لأحد الأسباب التالية:
(a) expiry of the term specified in these Articles of Association, unless renewed as per the rules herein;	(أ) انتهاء المدة المحددة في هذا النظام الأساسي ما لم تجدد المدة طبقاً للقواعد الواردة بهذا النظام.
(b) fulfilment of the objectives for which the Company was established;	(ب) انتهاء الغرض الذي أسست الشركة من أجله.
(c) depreciation of all or most of the assets in the Company in a way with which the investment with the rest will not be useful;	(ج) هلاك جميع أموال الشركة أو معظمها بحيث يتعذر استثمار الباقي استثماراً مجدياً.
(d) company merger pursuant to the provisions of the Companies Law;	(د) الاندماج وفقاً لأحكام قانون الشركات.
(e) issuance of a special resolution by the General Assembly to wind-up the Company; or	(ه) صدور قرار خاص من الجمعيّة العموميّة بحل الشركة؛ أو
(f) where a court decision is rendered for the dissolution the Company.	(و) صدور حكم قضائي بحل الشركة.
Article (63) **<u>Achieving Losses Amounting to Half of the</u>**	**المادة (63)** **<u>تحقيق الشركة لخسائر بلغت نصف</u>**

Company's Capital

Where the Company's accumulated losses reach half of the issued capital, the Board of Directors must within thirty (30) thirty days from the date of disclosing to the Authority the periodic or annual financial statements, invite the General Assembly to convene to take a decision to dissolve the Company before the term specified therefor or to continue its activities.

رأسمالها

إذا بلغت الخسائر المتراكمة للشركة نصف رأسمالها المصدر وجب على مجلس الإدارة خلال (30) ثلاثين يوماً من تاريخ الإفصاح للهيئة عن القوائم المالية الدورية أو السنوية دعوة الجمعيّة العموميّة للانعقاد لاتخاذ قرار خاص بحل الشركة قبل الأجل المحدد لها أو استمرارها في مباشرة نشاطها.

Article (64)
Liquidation of the Company

Upon the expiry of the Company's term or its dissolution before the specified term, the General Assembly, upon a request from the Board of Directors, shall determine the manner of liquidation and appoint one (1) or more liquidators and define their powers, and the power of the Board of Directors shall end with the dissolution of the Company. However, the Board of Directors continues for the management of the Company and is considered with respect to others as liquidators until the liquidator is appointed, and the power of the General Assembly shall continue all through the liquidation period until all liquidation works are concluded.

المادة (64)
تصفية الشركة

عند انتهاء مدة الشركة أو حلها قبل الأجل المحدد تعين الجمعيّة العموميّة بناء على طلب مجلس الإدارة طريقة التصفية وتعين مصفيا أو أكثر وتحدد سلطتهم وتنتهي سلطة مجلس الإدارة بحل الشركة ومع ذلك يستمر مجلس الإدارة قائم على إدارة الشركة ويعتبر بالنسبة إلى الغير في حكم المصفين إلى أن يتم تعيين المصفي، وتبقى سلطة الجمعيّة العموميّة قائمة طوال مدة التصفية إلى أن يتم الانتهاء من كافة أعمال التصفية.

CHAPTER TEN
Final Provisions
Article (65)
Voluntary Contributions

After obtaining an approval from the Authority, the Company may, by a Special Resolution allocate certain percentage of its annual or accumulated profits for social service purposes. It is necessary to disclose on the Company's

الباب العاشر
الأحكام الختامية
المادة (65)
مساهمات طوعية

يجوز للشركة بعد موافقة الهيئة أن تقرر بموجب قرار خاص تخصيص نسبة من أرباحها السنوية أو الأرباح المتراكمة للمسؤولية المجتمعية. تلتزم الشركة بعد انتهاء السنة المالية بالإفصاح على موقعها الالكتروني

website at the end of the financial year whether or not it has made voluntary contributions for social purposes; and to clearly state the beneficiary(ies) of such contributions in the auditor's report and Company's balance sheet.

عن مدى قيامها بمســؤوليتها المجتمعية من عدمه ويجب أن يتضمن تقرير مدقق الحسابات والبيانات المالية الســنوية للشــركة بيان الجهة أو الجهات المســتفيدة من المســاهمات المجتمعية التي تقدمها الشركة.

Article (66)
Governance Rules

المادة (66)
ضوابط الحوكمة

The Company shall be subject to the Governance Rules, the corporate discipline standards, and the decisions implementing the provisions of the Companies Law and shall be considered an integral part of the Company's Article of Association and complementing thereof.

يســري علــى الشــركة قــرار ضــوابط الحوكمــة ومعــايير الانضــباط المؤســسي والقــرارات المنفــذة لأحكــام قــانون الشــركات، ويعتبــر جــزءاً لا يتجــزأ مــن النظــام الأساســي للشــركة ومكمــلاً له.

Article (67)
In Case of Conflict

المادة (67)
في حال التعارض

In the event of a conflict between the texts mentioned in this Articles of Association with any of the provisions mentioned in the Companies Law or the regulations, decisions, and circulars implementing thereof, those provisions shall be the ones applicable.

فــي حــال التعــارض بــين النصــوص الــواردة بهــذا النظــام مــع أيــاً مــن الأحكــام الــواردة بقــانون الشــركات أو الأنظمــة والقــرارات والتعــاميم المنفــذة لــه فــإن تلــك الأحكــام هــي التــي تكــون واجبــة التطبيق.

Article (68)
Publishing the Articles of Association

المادة (68)
نشر النظام الأساسي

These Articles of Association shall be maintained and be published pursuant to the Law.

يــودع هــذا النظــام وينشــر طبقــاً للقانون.

Signed by for and behalf of NMDC Group – P.J.S.C. by:

التوقيع بالنيابة عن
إن إم دي سي جروب ش.م.ع.

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Date:

التاريخ:

ANNEX 3 – Receiving Bank Branches – for Retail Subscribers

FAB - Lead Receiving Bank Participating Branches

No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1.	Business Park, Abu Dhabi	Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday)	8 am to 1:00 pm (Monday- Thursday)	Khalifa Park Al Qurm, PO BOX:6316
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
2.	FAB One Tower, Abu Dhabi	Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
3.	Khubeirah	Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday)	8 am to 1:00 pm (Monday- Thursday)	Near Spinneys Khalidya Street Abu Dhabi
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
4.	Al Batin	Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall;PO BOX:7644
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
5.	Salam Street	Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Salam Street, Abu Dhabi
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
6.	Al Ain New	Al Ain - Abu Dhabi	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Al Ain New PO BOX: 17822
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
7.	Bur Dubai	Dubai	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
8.	Sheikh Zayed Rd.	Dubai	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
9.	Deira Branch (ABS)	Dubai	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Abu Baker Al Siddique Rd, Deira
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
10.	Jabal Ali Branch	Dubai	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Near Gate No.5, Adjacent to Dubai Chamber Office
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
11.	Sharjah	Sharjah	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah;PO BOX:1109
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
12.	Ajman	Ajman	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Lulu Center, Al Ittihad street, Downtown, Ajman
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
13.	Fujairah	Fujairah	8:00 am to 2:00 pm (Monday- Thursday);	8 am to 1:00 pm (Monday- Thursday)	Opposite to Plaza Theatre Hamdan Bin Abdulla street;PO BOX:79
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	
14.	RAK (LNBAD)	Ras Al Khaimah	8:00 am to 2:00 pm (Monday- Thursday);	8:00 am to 1:00 pm (Monday- Thursday)	FAB RAK (LNBAD) , Corniche Al Qawasim Road , Near to NMC Royal Medical Center , RAK
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	

15.	Umm Al Quwain	Umm Al Quwain	8:00 am to 2:00 pm (Monday- Thursday);	8:00 am to 1:00 pm (Monday- Thursday)	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733
			8:00 am to 12:30 pm (Friday)	8:00 am to 12:00 pm (Friday)	
			8:00 am to 2:00 pm (Saturday)	8:00 am to 1:00 pm (Saturday)	

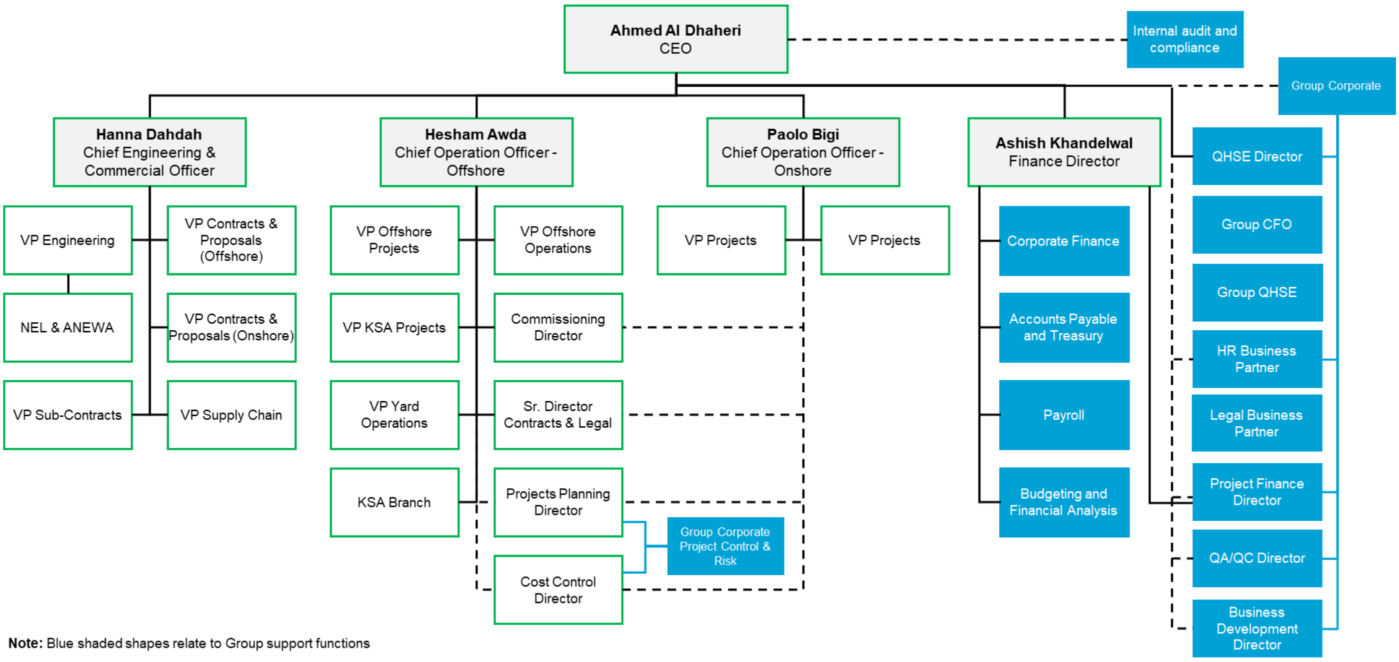
ADCB – Participating Branches

#	Branch name	Branch Type	Branch Code	Branch Location Area	Customer Timing (Monday - Thursday and Saturday)	Customer Timing (Friday)	IPO Subscription Timings (Monday - Thursday and Saturday)	IPO Subscription Timings (Friday)	Branch Address
1.	Shahama Branch	Normal Branch	001 53	Abu Dhabi	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Dubai Abu Dhabi Road, Near Bani Yas Coop , P.O.Box: 76122
2.	Hazza Bin Zayed Stadium Branch	Normal Branch	002 07	Abu Dhabi, Al Ain	8:00 am - 07:00 PM	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Hazza Bin Zayed Stadium, Al Ain
3.	Zayed Town Branch	Normal Branch	001 52	Abu Dhabi, Al Dhafra Region	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Zayed Town Main Street, Near Zayed Town Court, P.O.Box: 50013 Zayed Town
4.	Al Riggah Branch	Normal Branch	002 51	Dubai	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Al Riggah Road, Near Al Riggah Metro-Station, P.O.Box: 5550
5.	Business Bay Branch	Normal Branch	002 65	Dubai	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Business Bay, Al Khaleej Al Tejari, Dubai, Nearest landmark-Business bay metro station
6.	Ajman Branch	Normal Branch	003 21	Ajman	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Al Ittihad Street, Near Lulu centre, P.O.Box: 1843
7.	Ras Al Khaimah Branch	Normal Branch	003 41	Ras Al Khaimah	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Al Naeem Mall, New central business district, P.O.Box: 1633
8.	Fujairah Branch	Normal Branch	003 31	Fujairah	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Hamed Bin Abdulla Street, Near ADNOC P.O.Box: 770 Fujairah
9.	Ruwais Branch	Normal Branch	001 54	Abu Dhabi, Al Dhafra Region	8:00 am - 3:00 pm	8:00 am - 12:00 pm	8:00 am - 3:00 pm	8:00 am - 12:00 pm	Ruwais Housing Complex Sh. Zayed Road, Near Etisalat Office P.O.Box: 11851 Ruwais
10.	Al Zahiya City Centre Branch	Mall Branch	003 02	Sharjah	10:00 am- 9:00 pm	3:00 pm- 9:00 pm	10:00 am- 3:00 pm	No IPO Subscription on Friday	Sheikh Mohammed Bin Zayed Street, Al Zahia City Centre, Ground level, near Entrance A, P.O.Box: 23657
11.	Reem Mall Branch	Mall Branch	001 66	Abu Dhabi	10:00 am- 9:00 pm	3:00 pm- 9:00 pm	10:00 am- 3:00 pm	No IPO Subscription on Friday	Ground level, Al Reem Island, Abu Dhabi. P.O.Box: 939 Abu Dhabi

Mbank – Participating Branches

No	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address
1.	Al Maryah Community Bank, Innovation Hub	Abu Dhabi	8:00 am to 4:00 pm (Monday - Thursday)	8:00 am to 4:00 pm (Monday - Thursday) and 24x7 through Mbank app	Al Maryah Community Bank, Innovation Hub, 454 Shakbout Bin Sultan Street, Abu Dhabi, UAE
			8:00 am to 12:00 pm (Friday)	8:00 am to 12:00 pm (Friday) and 24x7 through Mbank app	
			8:00 am to 4:00 pm (Saturday)	8:00 am to 4:00 pm (Saturday) and 24x7 through Mbank app	
2.	Al Maryah Community Bank, Mall of the Emirates	Dubai	10:00 am to 10:00 pm (Monday - Thursday)	10:00 am to 10:00 pm (Monday - Thursday) and 24x7 through Mbank app	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE
			10:00 am to 10:00 pm (Friday)	10:00 am to 10:00 pm (Friday)and 24x7 through Mbank app	
			10:00 am to 10:00 pm (Saturday)	10:00 am to 10:00 pm (Saturday) and 24x7 through Mbank app	
3.	Al Maryah Community Bank, Capital Mall	Abu Dhabi	10:00 am to 10:00 pm (Monday - Thursday)	10:00 am to 10:00 pm (Monday - Thursday) and 24x7 through Mbank app	Al Maryah Community Bank, Mohammed Bin Zayed City, Mussaffah - Abu Dhabi, UAE

ANNEX 4 – Company's Organisation Chart



Note: Blue shaded shapes relate to Group support functions

ANNEX 5 – Subsidiaries

Details of the Company's subsidiaries as of 30 June 2024 and 31 December 2023 were as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2024	*2023*
National Petroleum Construction Co. (Saudi) Ltd	Kingdom of Saudi Arabia	Engineering Procurement and Construction	100%	100%
NPCC Engineering Private Limited	India	Engineering	100%	100%
ANEWA Engineering Private Limited	India	Engineering	80%	80%
NPCC Services Malaysia SDN. BHD.(i)	Malaysia	Engineering Procurement and Construction	100%	100%
Al Dhabi Construction Project LLC(i)	Iraq	Engineering Procurement and Construction	100%	100%
NMDC Marine Services L.L.C. – S.P.C. (i)	United Arab Emirates	Repair and Maintenance of Ships and Related Services	100%	100%

(i) Dormant subsidiaries with no operations during the period.