INTEGRATED REPORT 2024

A NEW HORIZON – EMPOWERING RESPONSIBILITY IN THE FUTURE OF ENERGY

CONTENTS

1 ABOUT THIS REPORT

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

WHAT TO EXPECT FROM THIS REPORT

This Integrated Report provides an overview of NMDC Energy's 2024 performance, highlighting financial achievements and targeted sustainability efforts. It reflects how we integrate responsible practices into our business model, focusing on key Environmental, Social, and Governance (ESG) initiatives that align with our operational goals. We aim to give stakeholders a balanced perspective on our progress, showcasing both financial results and our evolving approach to sustainability.

REPORTING SCOPE AND BOUNDARY

The scope of data reporting includes financial and ESG data for NMDC Energy, otherwise referred to as "the company". In 2024, NMDC Group initiated an Initial Public Offering (IPO) of a portion of its NMDC Energy shares. Given its updated status as a publicly listed entity, NMDC Energy established an independent Board of Directors and began reporting on its financial and sustainability performance independently of the Group as of 2024. This report reflects NMDC Energy's practices as well as, where specified, practices of NMDC Group corporate functions that extend management support to all subsidiaries including NMDC Energy. ESG disclosures in this report focus on our primary operations within the UAE. As such, all ESG KPIs included in this report refer specifically to our UAE operations unless specified otherwise.

This report also incorporates the audited financial statements and corporate governance report for the fiscal year 2024.

The covered timeframe extends from January 1 to December 31 of the fiscal year 2024, unless specified otherwise.

REPORTING FRAMEWORKS AND STANDARDS

This report is prepared in accordance with the International Integrated Reporting Framework (IIRF) and the corresponding Integrated Reporting principles. The International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation are incorporating the principles of the framework to support the alignment between the reporting required by the IASB and that required by the ISSB. This approach ensures that our stakeholders receive consistent, comparable, and holistic information on NMDC Energy's financial and non-financial activities. This report has also been developed in accordance with the Global Reporting Initiative (GRI) Standards and in alignment with the Abu Dhabi Securities Exchange (ADX) ESG disclosure metrics, the Sustainable Development Goals (SDGs), and Abu Dhabi Vision 2030. By adhering to these international and local standards and frameworks, we seek to ensure our disclosures are relevant, meaningful, and actionable.

ASSURANCE

Our financial statements for the fiscal year 2024 have been independently audited by Deloitte & Touche – M.E., while the sustainability content has undergone internal control processes and reviews by the relevant departments to ensure accuracy and credibility.

BOARD RESPONSIBILITY

The NMDC Energy Board of Directors recognizes its duty to uphold the integrity of this report and affirms that the disclosed information faithfully reflects NMDC Energy's status and performance and accurately references both the IIRF and the GRI Standards within the report.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding our strategy, expectations, and outlook which inherently entail uncertainty due to the multitude of external factors that may influence the company's operating environment. NMDC Energy undertakes no obligation to publicly update these statements throughout the upcoming fiscal year, except as required by applicable laws and regulations.

COMMUNICATION AND FEEDBACK

The creation of this report is a collaborative process that engages various internal stakeholders across the company. We value and encourage all feedback and suggestions that could contribute to enhancing future reports. For feedback submission or any inquiries, please feel free to reach out to us at: integrated_report@nmdc.ae.

2 KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Capital Expenditure AED 0.61 billion	NMDC Energy Initial Public Offering (IPO) oversubscribed 31.3 times with AED 3.2 billion generated for the NMDC Group (AED 2.8bn in cash and AED 0.4bn in kind)
Revenue AED 14.44 billion	Net Profit Margin 9.74%
Net Profit AED 1.41 billion	Total Assets AED 16.53 billion
EBITDA AED 1.78 billion	Net Assets AED 5.22 billion
Earnings per share AED 0.62	

SUSTAINABILITY HIGHLIGHTS

MSCI Provisional ESG RATINGS (p) AA As of Aug 2024 Achieved an AA MSCI provisional ESG rating – NMDC Group, inclusive of NMDC Energy, a Leader in ESG risk management[1]	Sustainability Strategy with 8 core objectives across 5 key pillars: 1. Environmentally Conscious Operations 2. Energy Transition Enablement 3. Community & Stakeholder Engagement 4. Health & Safety Ownership 5. Transparency and Accountability
Built NMDC Energy's first comprehensive GHG Inventory for 2023 (baseline) and 2024 including Scopes 1, 2 & 3 in accordance with the GHG protocol	100% of suppliers screened in accordance with the Business Partner Code of Conduct
69 Nationalities 33.77% Women Employee Hiring Rate 13.6% Emiratization Rate 9.34% Employee turnover rate	71.17 Million Total Hours Worked 292,722 HSE in-house and external training hours

1 IMPORTANT NOTICE AND DISCLAIMER: The MSCI Provisional ESG Rating and related research (1) were prepared by MSCI ESG Research for compensation; (2) are not a credit rating or equity research report; (3) are made available for informational purposes without any warranty or guaranty of accuracy, quality, completeness or usefulness; (4) are current only as of the date first issued and are subject to modification and withdrawal; (5) do not, and are not intended to, constitute investment promotion, or an offer or recommendation to purchase or sell any securities; (6) are based in whole or in part on information provided to MSCI ESG Research by or on behalf of the rated company (which MSCI does not validate for reliability, truthfulness, accuracy, completeness or otherwise and some of which may be non-public); and (7) may not be copied or redistributed without the express written permission of MSCI ESG Research. MSCI ESG Research shall have no liability with respect to the rating and related research or any use thereof, which are subject to each of the additional provisions of the disclaimer located at: msci.com/legal/provisional rating.

AWARDS

Best modernized yard of the year in the Middle East

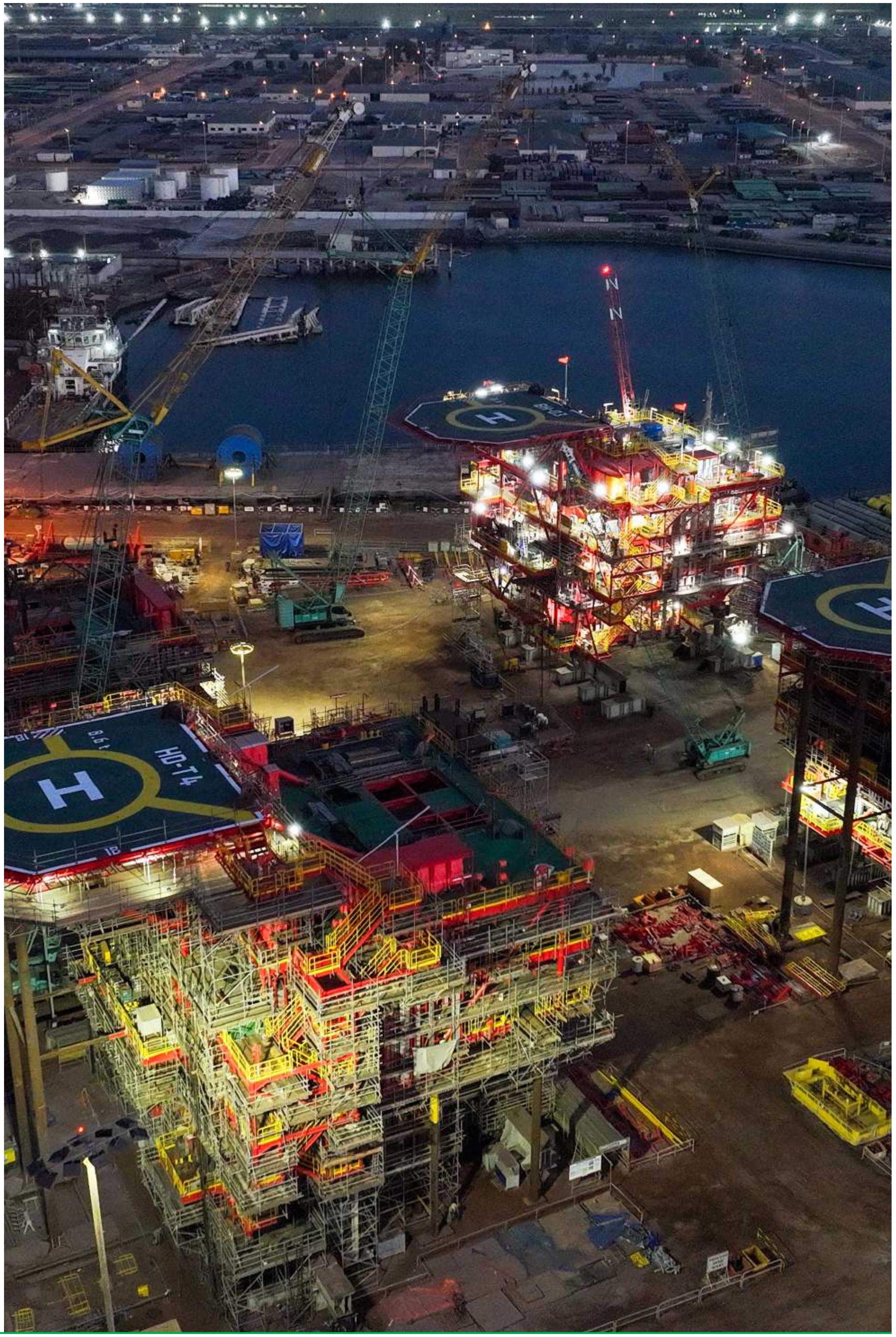
Recognized as the leading EPC contractor among 25 companies by Oil & Gas Middle East 2024 for the third consecutive year

Royal Society for Prevention of Accidents (ROSPA) award for excellent HSE performance during the year 2024

International Safety Award with distinction from British Safety Council for its commitment towards health & safety during the year 2024

Awarded MIITE Quality Standards Award for prioritizing quality in products and services, with exceptional compliance to industry standards and a commitment to safety

Officially recognized and certified as an Industry 4.0 Digital Leader by the MoIAT



3 MESSAGE FROM THE ESTEEMED CHAIRMAN

(GRI 2-2)

I am pleased to share NMDC Energy's inaugural Integrated Report as a listed company, one that reflects our commitment to delivering value across financial, environmental, and social dimensions.

The highlight of the year was undoubtedly NMDC Energy's debut on the Abu Dhabi Securities Exchange (ADX) as shares began trading on 11 September following an Initial Public Offering (IPO) that was oversubscribed by 31.3 times. Strong investor appetite for the IPO, despite the current uncertain outlook for global oil demand, underscores the market's trust in NMDC Energy's long-term growth prospects as well as the strength of its current financial position.

This was underlined by a stellar set of annual financial results. NMDC Energy reported a net profit of AED 1.41 billion in 2024, a record 80% increase compared to 2023, while revenue almost doubled to an all-time high of AED 14.44 billion. At the end of the year, NMDC Energy's project backlog stood at AED 50.4 billion, with a diverse portfolio that includes a strong presence in the UAE, Saudi Arabia, Kuwait, India and Taiwan.

These impressive results reflect how the company has deftly navigated the market in recent years while progressing its ambitious strategic expansion plans. The success of the IPO and NMDC Energy's strong balance sheet provides a perfect platform for continued growth and expansion, in both the short- and long-term. NMDC Energy is intent on capitalizing on this momentum and will continue to work closely with its partners to seize and create new opportunities to meet the future demands of the energy sector. Recognizing the critical importance of the energy transition and the growing need for clean energy solutions, NMDC Energy is actively positioning itself as a key contributor to a sustainable energy future. We are exploring a variety of opportunities to expand geographically, in regions such as Southeast Asia, and India, as well as vertically, into related areas including offshore wind, module fabrication, energy transition, and decommissioning.

This year's report showcases how NMDC Energy is at the heart of the UAE's sustainable economic development, creating wealth, supporting livelihoods across the value chain, and contributing to energy security while playing a pivotal role in delivering on the UAE's sustainability promise. We underscored our commitment to national economic growth at ADIPEC 2024 in November where we revealed how we are reinjecting AED 17 billion back into the economy through enhanced opportunities for UAE-based Small and Medium-sized Enterprises.

On the sustainability front, the UAE has set the most ambitious climate goals of any country in the region, and the country's oil sector is at the forefront of meeting this challenge. Abu Dhabi National Oil Company (ADNOC) is working to achieve a 25% reduction in greenhouse gas intensity by 2030 and be operationally net zero by 2045. As a long-standing partner of ADNOC, and a provider of integrated Engineering, Procurement, and Construction (EPC) solutions to the UAE energy sector for more than half a century, NMDC Energy is ready to bring our experience and expertise to the table when it comes to implementing the complex solutions required to achieve these ambitious objectives.

As a further reflection of our commitment to sustainability, this report details how NMDC Energy has aligned with the majority shareholder NMDC Group to implement a comprehensive sustainability strategy built on five pillars and accompanied by a number of focused initiatives designed to achieve the strategy's overarching objectives.

This approach to sustainability was recognized in October when NMDC Group received an AA 'leader' provisional rating from MSCI, a leading global provider of ESG ratings. Inspired by this milestone, NMDC Energy will continue striving for excellence with a view to helping the Group achieve an AAA rating, the highest bestowed by MSCI.

Finally, to help achieve its strategic goals NMDC Energy is harnessing the power of advanced technology and fostering a culture of innovation across the company. At ADIPEC 2024, NMDC Energy unveiled a strategic partnership with e&, the global technology and investment group, to introduce 5G and AI capabilities to upstream operating environments. These technologies will be applied to advance cost efficiency, increase worker safety, and enhance sustainability.

We are extremely proud that our efforts to leverage state-of-the-art technologies to enhance operational efficiency, promote sustainable growth, and increase competitiveness within the UAE's industrial sector were recognized in 2024 by the UAE Ministry of Industry and Advanced Technology (MoIAT), which officially certified us as an Industry 4.0 Digital Leader.

While there will no doubt be challenges ahead for the oil sector as a whole, we believe that NMDC Energy's transformational year in 2024 has laid the foundations for continued growth and value creation. Our company stands at the forefront of innovation and resilience in the energy sector.

We will maintain a steadfast focus on balancing growing energy needs with our responsibility to minimize environmental impact, foster sustainable growth, and create shared value for our stakeholders.

MOHAMED HAMAD ALMEHAIRI
Chairman

4 THE CEO REVIEW

I am delighted to present our 2024 Integrated Report, which highlights NMDC Energy's strategic approach to navigating change in the energy sector, advancing technological solutions, and meeting the evolving expectations of our investors, clients, employees, and communities.

NMDC Energy can reflect on a landmark year following the completion, in September, of the Initial Public Offering (IPO) of shares on the Abu Dhabi Securities Exchange (ADX). The resounding success of the IPO demonstrates the confidence that investors have in NMDC Energy's business and the wider shift that the company has made to position itself as a major stakeholder in the energy sector of the future. This is further reflected in our strong financial performance in 2024, with net profit of AED 1.41 billion on record revenue of AED 14.44 billion, respectively up by 80% and 82% compared to the previous year.

Amid the IPO, NMDC Energy continued to see considerable operational successes in 2024, securing contracts worth AED 15.8 billion, taking the project backlog at the end of the year to AED 50.4 billion. This includes AED 2.4 billion for EPC works at Lower Zakum HURLK, an additional AED 8.8 billion for Lower Zakum EPS2, and AED 4 billion at lower-carbon Ruwais LNG project. The company also secured AED 0.6 billion for EPC works related to gas pipeline network and infrastructure enhancement under the Estidama project.

Bolstered by the success of the IPO and financial results, NMDC Energy is now looking to make strategic acquisitions, particularly outside our current core markets in the Gulf Cooperation Council (GCC). Further geographical diversification into regions including Southeast Asia and Europe will build on NMDC Energy establishing a footprint in core energy transition markets such as Taiwan where we are involved in offshore wind. We have identified offshore wind as a sector that holds significant potential for NMDC Energy and are evaluating further opportunities, particularly in Europe.

While we continue to establish our global footprint, efforts to expand our operations will not come at the expense of traditional markets in the UAE and the wider Gulf region which is seeing a surge in upstream investment. Our established reputation means NMDC Energy is well placed to take advantage of this buoyant market and continue the momentum of major contract wins secured in 2024.

In line with the strategic approach laid down by the majority shareholder NMDC Group, NMDC Energy continues to optimize our sustainability performance. We have adopted the Group-level sustainability strategy which introduces 25 initiatives across five core pillars: Environmentally Conscious Operations, Energy Transition Enablement, Community & Stakeholder Engagement, Health & Safety Ownership, and Transparency & Accountability.

As a further milestone, we have updated our Greenhouse Gas (GHG) emissions inventory to identify the sources of our emissions and enhance the accuracy of our reporting. Insights gathered through this process will enable us to set clear targets and introduce initiatives focused on minimizing emissions across our operations (Scope 1 and 2) and our value chain, including those from our suppliers (Scope 3).

As an EPC company, maintaining the highest standards of health and safety and environmental protection is a key priority for NMDC Energy and an essential pillar of the sustainability strategy. Our efforts in this area are reflected by a number of recent milestones and achievements.

We are proud to have been named the winner of the 2024 IPLOCA Environmental Award for Blue Carbon Initiative sponsored by Shell in recognition of our initiative to plant 20,001 mangrove seedlings capable of capturing 246 tons of CO2 annually.

Among other examples, we are piloting the installation of temporary solar panels on our o-grid project sites to provide a renewable energy source and reduce our reliance on diesel generators, and the emissions they generate, during project execution. We have also initiated the electrification of our construction yard.

Such actions will enable NMDC Energy to build upon the MSCI AA provisional ESG rating that NMDC Group achieved in 2024, which positions NMDC Group as a leader in the sector. Our contribution to the rating underscores NMDC Energy's role as an integral part of the Group, and the company remains committed to strengthening its sustainability performance.

With more than half a century of experience, NMDC Energy is firmly established as a world-class EPC company. Thanks to our synergies with NMDC Group, and following the recent IPO, we believe the company is now primed to take further advantage of opportunities to expand our horizons into new geographies and sectors while maintaining a focus on our core business and markets.

ENG. AHMED AL DHAHERI
Chief Executive Officer

5 NMDC ENERGY AT A GLANCE

(GRI 2-1, GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

5.1 Overview

Founded in 1973, NMDC Energy (formerly National Petroleum Construction Company), has evolved into a leading provider of Engineering, Procurement, and Construction (EPC) solutions for both onshore and offshore oil and gas sectors. The company has expanded its capabilities over the years, starting with the establishment of a large fabrication yard and launching offshore operations in 1978, followed by the development of an onshore construction division in 1986. NMDC Energy would go on to win major contracts and mega projects and prove an unwavering commitment to meeting industry challenges. In 2021, NMDC Energy merged with NMDC Group, creating one of the leading integrated oil & gas and marine services EPC players, with an established footprint across MENA and South Asia. This further positioned NMDC Energy as a key player in delivering complex projects across the UAE and globally. NMDC Energy continues to ramp up its efforts to support the energy transition through its renewable energy and infrastructure projects as well as ventures and collaborations with global and regional industry partners.

NMDC Energy's unique capabilities are underpinned by a workforce of over 18,000 employees[2] and its state-of-the-art assets and modern fleet of 19 offshore vessels. Equipped with advanced technology, these vessels are capable of shallow and deepwater operations, enabling the company to meet exacting client demands. Notable among them is the DLS 4200, which features a 10-point mooring system and a powerful derrick crane, supporting large-scale operations such as lifting structures of up to 4,200 tons and laying subsea pipes.

NMDC Energy's engineering division comprises approximately 2,160 skilled personnel across centers in Abu Dhabi, Mumbai, and Hyderabad. These teams provide innovative onshore and offshore engineering solutions, utilizing advanced design software to deliver high-quality results. Additionally, NMDC Energy's procurement operations are supported by a global network of offices, expeditors, and inspectors, ensuring timely and efficient delivery of materials and services to meet project requirements, thereby enabling seamless execution across all project phases.

Operating 2.1 million square meters of fabrication yards, NMDC Energy's specialized teams handle all electrical, instrumentation, and commissioning activities, delivering leading fabrication services for oil and gas production and processing facilities, including the production of certified pressure vessels. The UAE currently hosts three of NMDC Energy's construction yards covering an area of 1.5 million m². Additionally, a newly established yard in KSA with an area of 400,000 m², along with an offshore support base, further supports NMDC Energy's operations in the region.

NMDC Energy specializes in both onshore and offshore construction, providing comprehensive EPC solutions. NMDC Energy's onshore capabilities include major greenfield and brownfield projects such as process facilities, pipelines, tank farms, and spheres, consistently delivering complex infrastructure on time and within budget. Offshore, the company provides a full range of EPC services for greenfield and brownfield projects, including transportation, installation, pipe laying, topsides, jackets, bridge installations, and pre-commissioning and commissioning activities.

NMDC Energy also offers complete project management, ensuring high-quality, cost-effective, and on-schedule project delivery across onshore and offshore construction projects. The company's reputation for handling complex and fast-track projects in challenging environments, with a single point of accountability, underscores NMDC Energy's industry leadership.

By leveraging cutting edge technologies, employing a highly skilled workforce, and fostering strategic partnerships, NMDC Energy continues to innovate and set industry benchmarks for quality, safety, and performance. Building on a successful track record of over five decades, the company's continued investment in technology, such as advanced fabrication facilities and equipment for sour gas projects and pipeline coatings, reinforces its ability to take on challenging EPC projects and adapt to the industry's dynamic requirements.

2 This figure reflects all NMCD Energy employees across all subsidiaries and countries of operations.

OUR BUSINESS PRINCIPLES

OUR VISION

To deliver innovative solutions shaping the future

OUR MISSION

We leverage the talent and experience of our people and provide opportunities to build successful and rewarding careers.

We serve our clients through delivering EPC solutions and beyond, that are environmentally conscious, safe and cost efficient.

We generate exceptional returns for our shareholders.

OUR VALUES

NMDC Energy endeavors to reflect the aspirations and culture of the Group in everything we do. We understand our responsibilities as one of the region's leading EPC companies, and are committed to operating according to our core values:

KNOWLEDGE

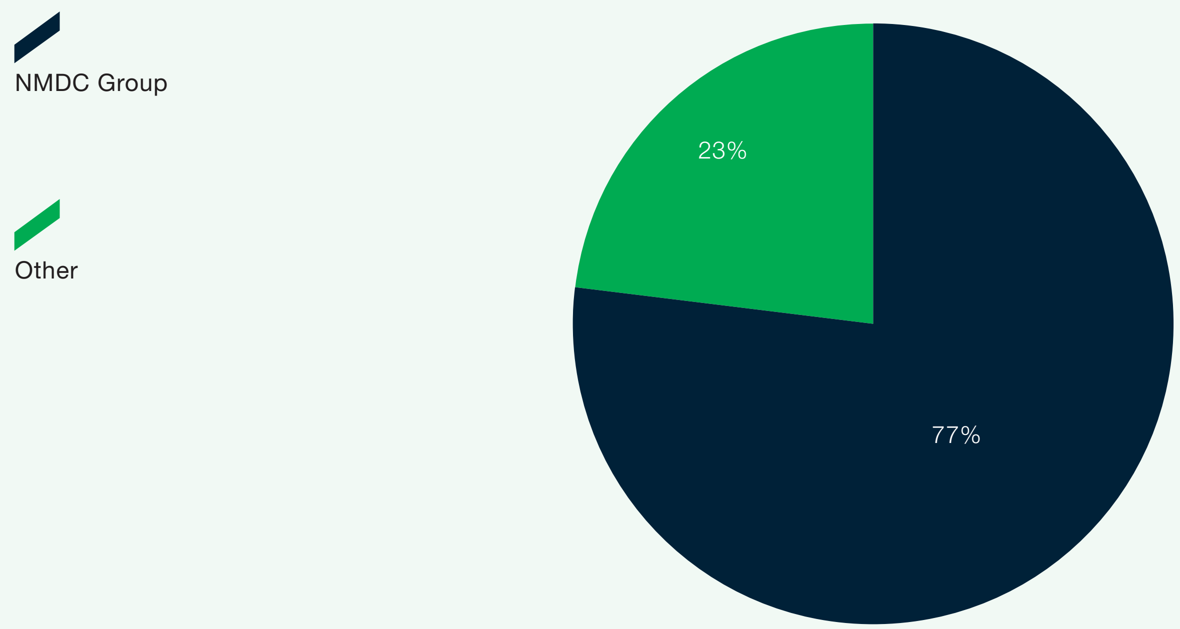
ACCOUNTABILITY

MORALITY

ALLIANCE

LEADERSHIP

OUR OWNERSHIP STRUCTURE

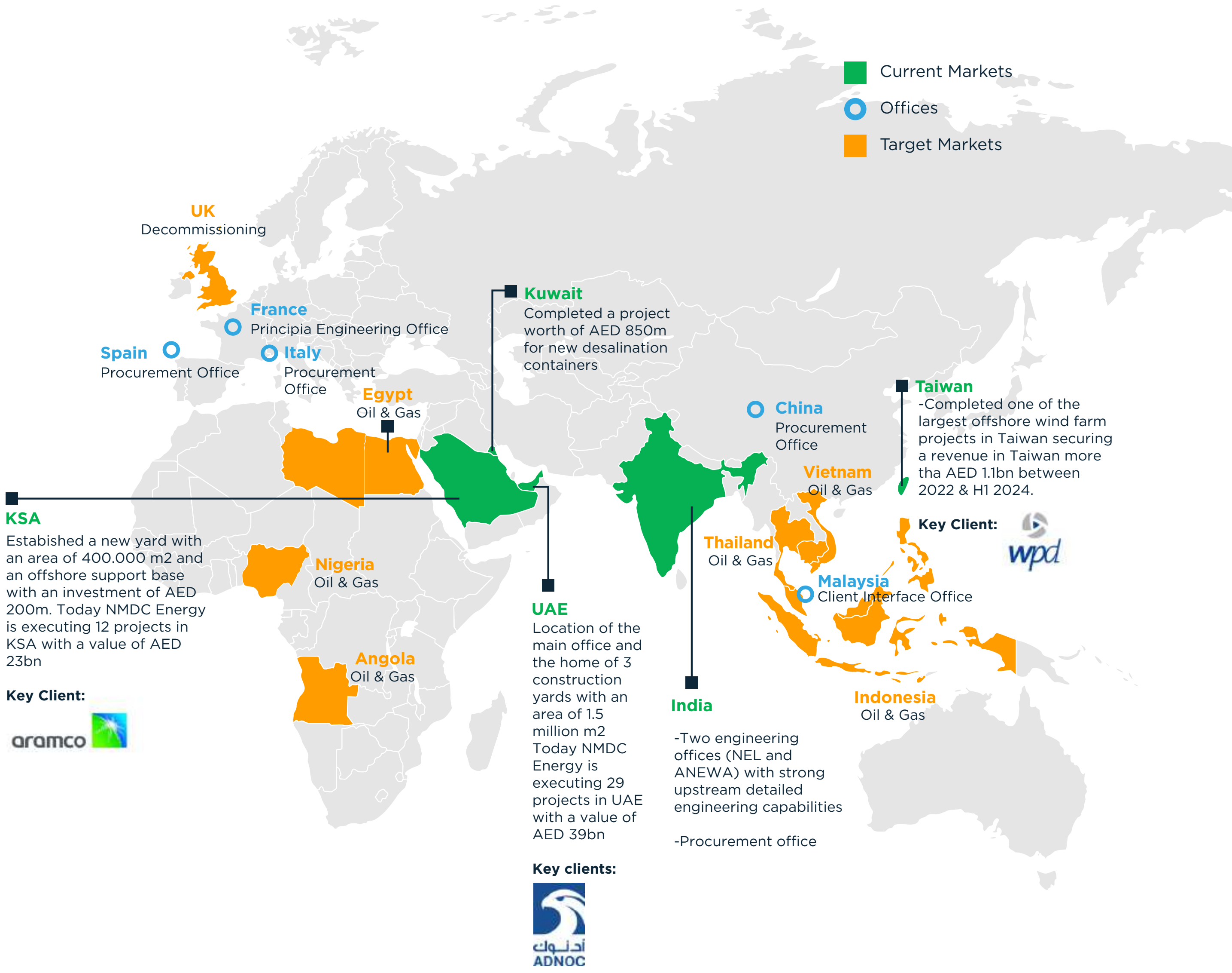


5.2 Global Footprint

NMDC Energy's global footprint reflects our strategic operations and growth within key energy markets worldwide. We have established a strong presence across the Middle East, including the UAE, KSA, Kuwait, India, and Taiwan as current markets. Additionally, we are targeting emerging markets and new geographies to expand our reach not only in terms of project execution but also in terms of strategic partnerships to enhance energy solutions across diverse regions.

In Europe, our engineering capabilities are supported by our Principia Engineering Office in France, with procurement offices in Spain and Italy, which ensure streamlined sourcing and project support. We also maintain procurement and client interface offices in China and Malaysia respectively, reinforcing our integrated project delivery.

Our footprint highlights both our established markets and those targeted for future growth, demonstrating our commitment to becoming a leader in the global energy landscape.



5.3 Fleet

NMDC Energy operates a fleet of 19 vessels and support equipment including Floating Construction Vessels, Jack-up Barges, and Tugs & Transportation Cargo Barges:

TOTAL OF 19 VESSELS
Floating Construction Vessels (8)
Jack-up Barges (4)
Tugs & Transportation Cargo Barges (7)

Moving forward and following the inception of NMDC LTS, marine equipment and vessels may be consolidated under NMDC LTS's resource pool and will be disclosed accordingly in coming years.

5.4 Primary 2024 Client

NMDC Energy maintains a portfolio of clients featuring prominent national and international energy companies:

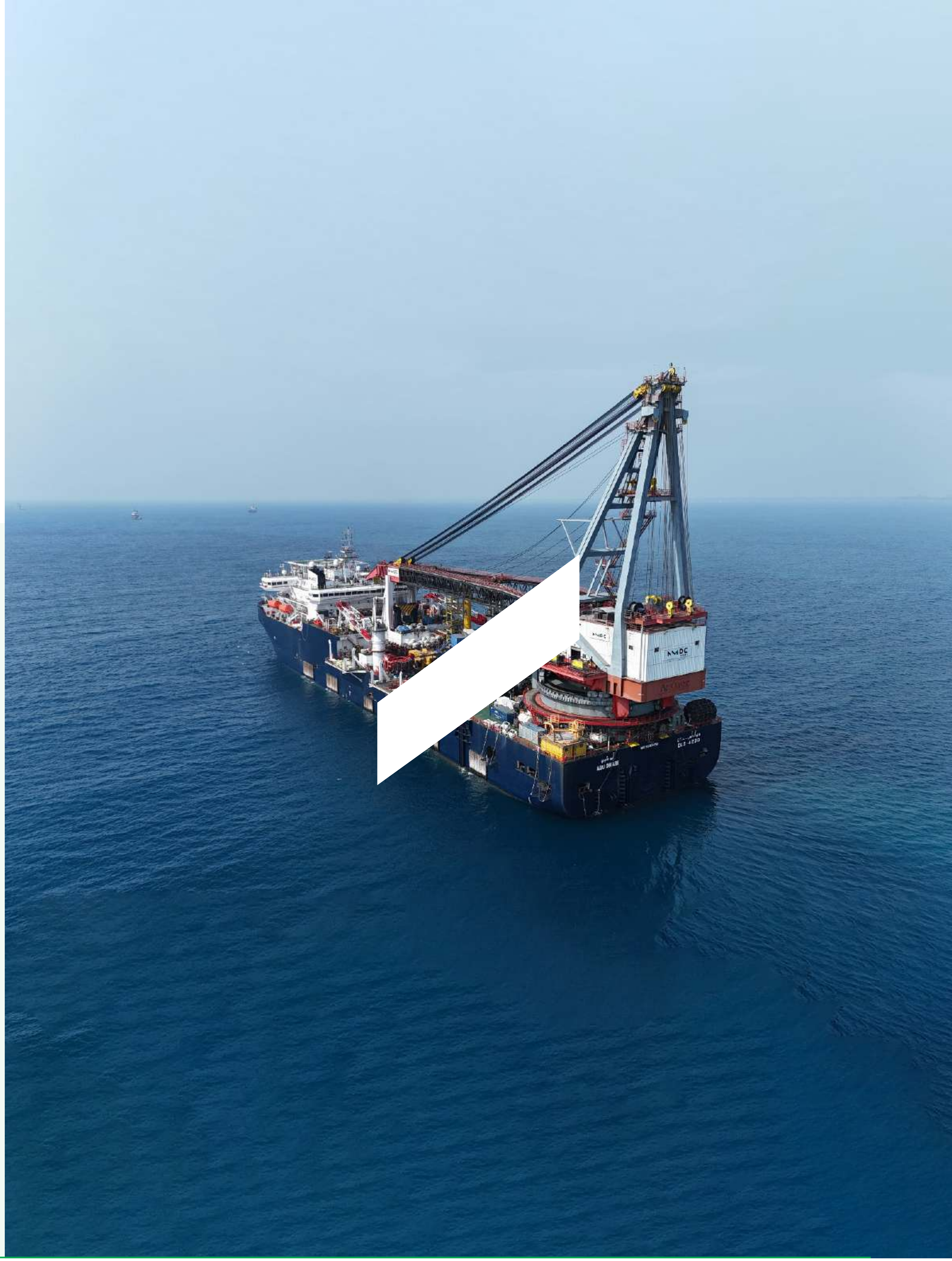
ADNOC

ARAMCO

WPD OFFSHORE

OIL AND NATURAL GAS CORPORATION (ONGC)

KUWAIT OIL COMPANY (KOC)



6 VALUE CREATION

(GRI 2-2)

6.1 Our Value Creation Model

INPUT	BUSINESS MODEL	OUTPUT & OUTCOME	SDG ALIGNMENT

INPUT

FINANCIAL CAPITAL

- NMDC Energy Initial Public Offering (IPO) oversubscribed 31.3 times
- AED 0.61 billion in capital expenditure
- Company assets increased by 27% compared to 2023 reaching AED 16.53 billion

HUMAN CAPITAL

- A working environment based on a shared commitment to safety, wellbeing, human rights, mutual respect, and collective development.
- A workforce of over 18,000 employees
- A total of 42,261 training hours conducted
- Formalization of DEI and Human Rights policies

SOCIAL & RELATIONSHIP CAPITAL

- Strong presence in industry and community events to promote collaboration and socioeconomic development
- Increased attention to supply chain sustainability practices

INTELLECTUAL CAPITAL

- Employee and institutional empowerment with a strategic focus on digitization, clean technology and innovation, and adaptive learning

NATURAL CAPITAL

- Increased focus on leveraging company expertise to contribute to climate efforts and clean energy transition
- Operational GHG emissions and energy management under the spotlight
- Continued efforts to preserve biodiversity and optimize resource use

BUSINESS MODEL

VISION

To deliver innovative solutions shaping the future

MISSION

We leverage the talent and experience of our people and provide opportunities to build successful and rewarding careers.
We serve our clients through delivering EPC solutions and beyond, that are environmentally conscious, safe and cost efficient.
We generate exceptional returns for our shareholders.

VALUES

KNOWLEDGE
ACCOUNTABILITY
MORALITY
ALLIANCE
LEADERSHIP

SUSTAINABILITY STRATEGY

Statement: Driven by our vision, mission, and values, NMDC Group is committed to facilitating the energy transition, prioritizing safety and social responsibility and ensuring responsible business practices, supported by AI

Pillars:

- Environmentally Conscious Operations
- Energy Transition Enablement
- Community & Stakeholder Engagement
- Health & Safety Ownership
- Transparency and Accountability

OUTPUT & OUTCOME

FINANCIAL CAPITAL

- NMDC Energy IPO generated AED 3.2 billion for the Group (AED 2.8bn in cash and AED 0.4bn in kind)
- Revenue: AED 14.44 billion
- Net Profits: AED 1.41 billion
- Earnings Per Share: AED 0.62

SDG alignment: 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure

HUMAN CAPITAL

- Turnover rate: 9.34%
- Women employee hiring rate: 33.77%
- Emiratization Rate: 13.06%
- HSE training hours target exceeded by 17.5%
- Increase in HSE observation reporting by 42% compared to the previous year
- British Safety Council and Royal Society for Prevention of Accidents (ROSPA) recognition award

SDG alignment: 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 5 Gender Equality; 10 Reduced Inequalities

SOCIAL & RELATIONSHIP CAPITAL

- AED 39.3 million in various community projects over the past 5 years
- 100% of suppliers screened in accordance with NMDC Energy's Business Partner Code of Conduct

SDG alignment: 8 Decent Work and Economic Growth; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 16 Peace, Justice and Strong Institutions

INTELLECTUAL CAPITAL

- In-house development of Connected Worker and Equipment Performance Tracking system to support safety and efficiency in yard operations
- Demonstrated success of in-house developed Energy Management Plan to be scaled across NMDC Group

SDG alignment: 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure

NATURAL CAPITAL

- Expansion plans into renewable energy and offshore wind projects
- NMDC Energy's first comprehensive GHG inventory for 2023 and 2024 with a clearer understanding of emission hotspots
- Zero environmental incidents

SDG alignment: 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land

6.2 Strategy

NMDC Energy's strategy builds on the vision of NMDC Group but is distinctly tailored to the evolving needs of the energy sector. As a core subsidiary of NMDC Group, NMDC Energy leverages the foundational strengths of People, Processes, Systems, Assets, and Culture to align its activities with the Group's strategic objectives while pursuing specific goals within the energy sector. Focused on seizing opportunities in both traditional and renewable energy landscapes, NMDC Energy is charting a strategic path that emphasizes future-ready initiatives and targeted growth.

STRATEGIC FOCUS AND AMBITION

NMDC Energy aims to establish itself as a dynamic leader in the energy sector by pursuing opportunities that align with both immediate market demands and long-term energy trends. The company's strategy is grounded in two overarching pillars: **Geographical Market Expansion** and **Capability Expansion**.

Geographical Market Expansion

NMDC Energy is actively expanding its geographic presence. This expansion involves more than just establishing an operational footprint; it focuses on building strategic partnerships, deploying local expertise, and offering comprehensive EPC services that meet regional needs. Growth is driven by rising demand for energy infrastructure, particularly in regions emphasizing energy security and self-sufficiency and the integration of renewable energy into power grids.

NMDC Energy continues to leverage its established presence markets like the Kingdom of Saudi Arabia (KSA), where NMDC Energy has invested in a new yard and offshore support base, executing 12 major projects with key clients. NMDC Energy continues to build on its capabilities in India with two engineering offices and has completed significant desalination projects in Kuwait. The company has also undertaken major offshore wind project in Taiwan, generating substantial revenues, and is also targeting opportunities in other geographies in Southeast Asia, including Vietnam, Thailand, and Indonesia. Additionally, NMDC Energy is pursuing oil and gas opportunities in Angola, Nigeria, and Libya and decommissioning projects in the UK. NMDC Energy's market expansion strategy involves forming alliances with regional governments and industry leaders, positioning itself as a key player in delivering sustainable energy solutions.

Capability Expansion

In addition to geographic growth, NMDC Energy is broadening its vertical capabilities to address the evolving energy landscape. This includes building NMDC Energy's presence in core energy transition markets by expanding capabilities in offshore wind, solar energy integration, and energy storage solutions. The joint venture with Technip through NT Energies enhances NMDC Energy's role in energy transition, carbon capture, and clean energy projects, enabling entry into new markets and offering innovative solutions to meet future energy needs. Furthermore, NMDC Energy is investing in developing specialized services, including decommissioning, enhancing offshore capabilities, and expanding fabrication capabilities. These efforts are bolstered by leveraging digital tools such as AI-driven project planning and predictive maintenance, ensuring efficiency and safety while maximizing value in both traditional and renewable energy sectors.

FOSTERING A CULTURE OF INNOVATION AND COLLABORATION

NMDC Energy is fostering a culture of agility and innovation that will drive the company to achieve its strategic goals and ambitions of vertical and geographical expansion.

- Strategic Collaborations and Local Partnerships: NMDC Energy actively seeks partnerships that align with its strategic objectives. Collaborations with local governments, technology providers, and industry peers support sustainable energy development, infrastructure resilience, and regional energy security. A key example is the joint venture with Technip through NT Energies, which significantly enhances NMDC Energy's capabilities. By combining Technip's strengths with NMDC Energy's expertise, NT Energies is well-positioned to tap into new opportunities and address the growing demand for renewable projects and energy transition initiatives. These partnerships are particularly crucial when entering new markets, where understanding the regulatory landscape and building trust are essential.
- Empowering Talent for Tomorrow's Challenges: NMDC Energy's talent strategy prepares its workforce for the evolving demands of both traditional energy projects and renewable ventures. Investments in training, health and safety programs, and leadership development are crucial to creating a motivated and adaptable team capable of meeting emerging industry needs. The Innovation Campaign program actively sources proposals for innovative solutions directly from employees, providing a structured framework to pilot and potentially implement these ideas across the organization, fostering creativity and proactive problem-solving.
- Leveraging Technology for a Competitive Edge: NMDC Energy is committed to operational excellence through adopting digital tools that optimize project execution and asset utilization. Investments in AI and machine learning enhance decision-making, predictive maintenance, and process efficiencies. An integrated Enterprise Resource Planning (ERP) system supports cross-functional visibility and coordination, allowing NMDC Energy to adapt swiftly to market changes.

POSITIONING FOR THE FUTURE

Looking ahead, NMDC Energy's strategy emphasizes balanced expansion with strategic diversification into clean energy. The company remains committed to exploring growth areas to support the energy transition, bolster energy security, and drive clean energy adoption through landmark projects such as the first green hydrogen facility in the UAE and an offshore wind farm in Taiwan. NMDC Energy's initiatives are also closely tied to the broader NMDC Group Sustainability Strategy, ensuring that NMDC Energy continues to embed ESG aspects across its operations. This includes integrating sustainability principles to manage environmental impacts, increase operational resilience, and proactively addressing climate-related risks.

By adopting a balanced approach, investing in both traditional strengths and emerging opportunities, NMDC Energy aims to stay at the forefront of the evolving energy sector. This forward-looking approach ensures that NMDC Energy remains a trusted partner, delivering high-impact energy solutions with a commitment to climate action effort and market leadership as part of its larger business and sustainability strategies.

6.3 Key Risks & Opportunities

NMDC Energy operates within a complex and dynamic environment, facing a range of risks and opportunities that can impact its strategic ambitions. By effectively managing these risks and leveraging opportunities, NMDC Energy aims to sustain growth, enhance operational resilience, and reinforce its position as a leader in both traditional and renewable energy markets.

Key Risks

1. **Market Volatility and Demand Fluctuations:** The energy sector is highly susceptible to fluctuations in market demand and global economic conditions. Changes in oil and gas prices, regulatory shifts, and geopolitical uncertainties pose a risk to NMDC Energy's financial stability and growth prospects. To mitigate this, NMDC Energy diversifies its service offerings and markets, reducing reliance on any single revenue stream.
2. **Regulatory and Compliance Risks:** Increasingly stringent environmental regulations and shifting compliance standards across different regions represent a significant risk to NMDC Energy's operations. Non-compliance can lead to penalties, project delays, or restrictions on operations. NMDC Energy addresses this by ensuring robust compliance frameworks and maintaining close collaboration with regulatory bodies in key markets to stay ahead of emerging requirements. This approach also aligns with the broader NMDC Group Sustainability Strategy, emphasizing proactive environmental and social governance practices.
3. **Project Execution and Cost Overrun Risks**: EPC projects are complex and often subject to unexpected challenges such as design changes, supply chain disruptions, labour shortages, and technical difficulties. These can result in delays, cost overruns, and margin erosion. To manage these risks, NMDC Energy implements extensive project controls, optimizes procurement processes, enhances supply chain efficiency, and forms strategic partnerships to share risks and resources. Additionally, careful bid evaluations are conducted to ensure projects align with strategic goals and offer favourable risk-return balances.
4. **Competition and Margin Pressure:** The market for onshore and offshore projects is highly competitive, with intense pressure from established players and new entrants, leading to lower contract prices and shrinking margins. NMDC Energy mitigates this risk by optimizing project management, adopting lean procurement processes, and forming strategic alliances that enhance competitiveness. Additionally, focusing on projects with a favourable risk-return balance and avoiding aggressive pricing strategies helps maintain profitability.
5. **Uncertainty on Longer Term Fossil Fuel Demand**: The global shift towards renewable energy and decarbonization presents a dual challenge for NMDC Energy. On the one hand, the reduced demand for traditional oil and gas services could impact revenue; on the other hand, a failure to scale renewable operations quickly enough could lead to lost opportunities. NMDC Energy mitigates this by expanding its renewable energy capabilities through joint ventures like NT Energies, while maintaining a strong presence in the oil and gas sector to ensure stability during the transition.

Strategic Opportunities

1. **Expansion into New Markets**: NMDC Energy has identified significant opportunities in emerging markets where there is rising demand for energy infrastructure. Local partnerships and regional expertise are crucial for success, as such, NMDC Energy aims to capitalize on these growing markets, addressing critical needs for energy security and renewable integration.
2. **Energy Transition**: The global push towards cleaner energy solutions presents a major opportunity for NMDC Energy. By expanding capabilities in offshore wind and renewable energy, NMDC Energy is positioning itself as a key player in the energy transition. Joint ventures such as NT Energies further bolster the company's expertise, allowing NMDC Energy to lead in the carbon capture and clean energy space, while also contributing to the NMDC Group Sustainability Strategy.
3. **Digital Transformation and Innovation**: Investment in digital technologies represents a significant opportunity for NMDC Energy to enhance operational efficiency and service delivery. AI-driven project planning, predictive maintenance, and integrated ERP systems are expected to improve project outcomes, reduce costs, and increase responsiveness to market changes, positioning NMDC Energy as an agile and innovative industry leader.
4. **Diversification of Service Portfolio**: By expanding its capabilities beyond traditional oil and gas services to include decommissioning, renewable projects, and advanced engineering services, NMDC Energy is creating new revenue streams and minimizing exposure to sector-specific downturns. This diversified service offering provides resilience against market volatility and positions the company to benefit from the global shift towards more sustainable energy solutions. Additionally, diversification into offshore maintenance and operational services helps address client concentration risks by expanding the scope of offerings to both new and existing clients.

NMDC Energy's ability to identify, assess, and mitigate these key risks and opportunities is fundamental to achieving its strategic objectives of vertical and geographical expansion. By fostering a proactive risk management culture, prioritizing sustainability, and leveraging emerging opportunities, NMDC Energy aims to secure its leadership position in the energy sector while advancing its role in supporting global energy security and the energy transition.

6.4 Corporate Behaviour and Governance

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G2, G3, G5, G6)

NMDC Energy aligns with NMDC Group's principles of ethical business conduct, robust governance, and unwavering accountability, forming the cornerstone of its commitment to delivering sustained value for all stakeholders and securing long-term success. In 2024, NMDC Energy established an independent Board of Directors representing the highest governing body at the organization. The members of the Board and executive management are responsible for guiding the organization's strategic trajectory, overseeing risk management practices and compliance, and upholding the company's Articles of Association and commitments to shareholders and other stakeholders therein. The Group's 2024 Corporate Governance Report provides a detailed deep dive into the Group's governance structure and practices.

In 2024, and as part of Group-wide exercise, NMDC Energy enhanced its governance practices with a focus on reinforcing structural frameworks implementing proactive policy enhancements that align NMDC Energy's actions with its core values and strategic goals. In alignment with best practices and to further enhance transparency and stakeholder confidence, NMDC Energy ensured that policy statements and codes of conduct are publicly accessible. More details on corporate governance and business ethics policies can be found at the end of this section.

For further information on our governance structure and practices, please refer to the Corporate Governance Report included in this report in section 13.

BOARD COMPOSITION

NMDC Energy's approach to corporate governance prioritizes alignment with both regulatory requirements and international benchmarks. By embedding governance into our values and culture, we create a foundation for accountability and resilience, regularly adapting our practices to remain effective in a dynamic environment.

Previously under the governance of the NMDC Group Board of Directors, NMDC Energy established an independent Board of Directors in 2024 with a three calendar years term and constituting of five members, 80% of whom are non-executive members, bringing a wealth of industry expertise and diversity of perspectives with 20% women representation. For more information on the Board of Directors and committee memberships, please refer to the NMDC Energy's 2024 Corporate Governance Report.

BOARD COMMITTEES

Board Committees are central to upholding strong governance standards. To enhance the Board's effectiveness, NMDC Energy has formed specialized Board-level committees aligned with corporate best practices. These committees focus on key areas of oversight and advisory responsibilities, ensuring comprehensive governance across the organization. The following outlines NMDC Energy's committees and their mandates:

- Audit Committee: Reviews the Company's financial and accounting policies and procedures, monitors the integrity of the Company's reports and financial information, implements policy for the selection of Company auditor and provides recommendations to the Board of Directors, reviews and assesses internal control and risk management systems, sets up rules to enable confidentially reporting of violations and ensures implementation of Code of Business Conduct.
- Nomination & Rewards Committee: Responsible for developing policies and regulations related to the nomination process for the Board of Directors and executive management. The committee also determines the criteria for awarding bonuses, privileges, incentives, and salaries to Board members and employees, along with overseeing other relevant human resources policies..

For more information on NMDC Energy's Board committees please refer to the Corporate Governance Report 2024 in Section 13 of this report.

MANAGEMENT COMMITTEES

The management committees of NMDC Energy are integral to shaping and implementing the company's business and sustainability strategies. These committees ensure robust management practices, foster resilient operational systems, and maintain alignment between daily operations and overarching strategic objectives. Their collective efforts are pivotal in driving efficiency, cohesion, and sustainable growth across all aspects of the organization:

- Management Committee: Ensures robust oversight and operational governance, driving the organization towards its strategic and operational goals while mitigating projects portfolio high risks. The committee is dedicated to high-level decision-making, maintaining financial stability, and closely monitoring performance metrics.
- Strategy Committee: Aims to drive sustainable growth, enhance competitive advantage, and achieve long-term organizational goals and corporate objectives. It does so through strategic alignment with the NMDC Energy vision and mission, meeting shareholder requirements, engaging stakeholders, and conducting environmental scanning and performance assessments. The committee also ensures the effective alignment and implementation of strategic initiatives, including acquisitions, mergers, capability building, geographic expansion, and diversification strategies.
- Project Tender Committee: The committee is tasked with overseeing and finalizing the tender submission process for clients. This committee ensures all tender documents in the Tender Resume meet both the client's requirements and NMDC Energy standards. Responsibilities include reviewing and approving estimates detailed in the Tender Resume, which cover uplifts and contingencies. Additionally, the Committee shall examine the prospects for bidding, put forth by the Business Development team in the prescribed Bid/NO Bid Form and decide on bidding strategy.
- Environmental, Social, Governance (ESG) Committee: Oversees and guides NMDC Energy's commitment to ESG principles and relevant risks. The committee oversees and enhances the effectiveness of ESG framework and initiatives, ensuring alignment with the company's strategic goals and regulatory requirements, including those set by Security & Commodities Authority (SCA), and ADX.
- Risk and Business Continuity & Crisis Management Committee (R&BCCM): Oversees and guides NMDC Energy's Risk Management framework. The committee ensures the organization systematically and comprehensively identifies, assesses, and mitigates a wide range of risks as part of its Enterprise Risk Management (ERM) framework. The committee also oversees business continuity risk plans to eliminate disturbances, maintain critical operations during disruptions, and select strategies that address continuity before, during, and after disruptions. Additionally, the committee ensures these plans are resilient and compliant with relevant ADX requirements and other mandates from UAE government authorities.
- Innovation & Technology Committee (I&T): Steers NMDC Energy towards excellence by leveraging Innovation, Digital Transformation, Artificial Intelligence and Knowledge Management. The committee ensures the organization remains at the forefront of technological advancements and best practices related to these themes.
- Asset Write-Off Committee (AWO): Reviews and ensures proper disposal or preparation for storage and reuse of all scrap, valuable waste, salvage materials, and equipment associated with construction, fabrication, or maintenance. This must comply with all applicable regulations and company policies. In line with the Delegation of Authority, the committee will endorse asset write-off proposals.
- Tender Opening Committee (TOC): Upholds the principles of fairness, transparency, integrity, and efficiency throughout the tender opening process. By maintaining these core values, the TOC ensures that all procedures are conducted with the highest standards, promoting trust and accountability within the organization. This includes establishing a central corporate independent authority responsible for independently receiving, opening, and registering all Technical and Commercial bids solicited for the supply of materials, subcontracting, and services with an estimated value exceeding AED 1,000,000 (including late technical & Commercial bids), This authority will operate in accordance with the Delegation of Authority, superseding this Terms of Reference (ToR). Furthermore, the TOC will follow up on resolutions and actions regarding non-conforming rejected bids and observations made during the opening session to maintain the integrity and fairness of the process.
- Tender Board Committee (TBC): Reviews recommendations raised by end users and the commercial department for financial commitments that meet or exceed the threshold of three million AED. The TBC is dedicated to promoting NMDC Energy's interests by ensuring that supplier or subcontractor selections are made based on the

right price, quality, and timeframe. This process ensures that the award recommendation and the awarding process of subcontracts or Purchase Orders strictly adhere to NMDC energy policies and procedures, including Delegation of Authority policy.

- Insider Trading Supervision Committee: Responsible for the register of insiders including monitoring, following up, supervising and managing dealings of all insiders, registering their dealings and ownership in the Register as well as reporting all such matters to the Abu Dhabi Securities Exchange (ADX).

For more information on NMDC Energy's management committees please refer to the Corporate Governance Report 2024 in Section 13 of this report.

CORPORATE BEHAVIOUR

In 2024, NMDC Energy strengthened its policies on accountability, transparency, and compliance to reinforce the company's dedication to corporate governance and ethical business conduct. This exercise was an NMDC Group-wide exercise aimed at unifying corporate behaviour and governance standards across all business units.

Key Policies and Ethical Standards

- Conflict of Interest Policy: NMDC Energy proactively addresses potential conflicts of interest through a clear disclosure framework. Upon onboarding, employees complete a declaration form to acknowledge the Code of Conduct and disclose any conflicts, ensuring transparency and alignment with the Group's ethical standards from the outset.
- Anti-Bribery and Corruption Policy: With a strict zero-tolerance stance, NMDC Energy enforces its Ethics and Compliance Program to combat bribery and corruption. Aligned with UAE laws and global standards such as the the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act, this policy defines prohibited practices, prevention strategies, and corrective measures. Key provisions include bans on facilitation payments, unauthorized donations, and political contributions, supported by training, oversight, and a culture of accountability.
- Speak Up Policy: The Speak Up Policy ensures a secure and confidential channel for employees, partners, and stakeholders to report unethical behavior, including bribery, fraud, or human rights violations. Reports can be made anonymously, with strong protection against retaliation. Ethics & Compliance oversees a structured process to investigate and address concerns.
- Fraud Control Policy: This policy establishes a proactive framework to identify, mitigate, and address fraud risks, with clearly assigned responsibilities for maintaining robust internal controls. By safeguarding financial integrity and fostering a culture of vigilance, NMDC Energy reported no material fraud incidents in 2024, underscoring its effectiveness.
- Business Code of Conduct: Anchored in NMDC Energy's core values, this code enforces zero tolerance for unethical practices, including bribery, fraud, and misconduct. It also outlines protocols for data protection, equitable treatment, and workplace safety, ensuring adherence to the highest ethical and professional standards.
- Business Partner Code of Conduct: This code sets rigorous ethical and compliance standards for all NMDC Energy partners, emphasizing respect for human rights, fair labor practices, environmental responsibility, and anti-bribery laws. Enhanced due diligence processes ensure integrity and accountability across the supply chain.
- Executive Compensation Policy: Balancing performance incentives with responsibility, this policy ties executive rewards to long-term value creation, operational success, and ESG outcomes. Shareholders are actively engaged through "say-on-pay" provisions, while clawback mechanisms enforce accountability for breaches.

Compliance Program and Risk Management Framework

NMDC Energy is supported by NMDC Group's Ethics & Compliance function which administers a comprehensive Compliance Program based on prevention, detection, and remediation. This framework ensures that anti-corruption and ethical practices are ingrained in every level of NMDC Energy's operations:

- Prevention: Integrity begins with a strong "Tone at the Top," where Directors and Senior Executives exemplify compliance through their actions. NMDC Group reinforces this through a robust training program, equipping employees with practical skills to identify and prevent corrupt practices. Specialized, scenario-based training is provided for higher-risk roles, while onboarding sessions for new hires and joint venture partners emphasize the Business Partner Code of Conduct and anti-bribery principles.
- Detection: NMDC Group fosters a culture of accountability through accessible Speak Up channels, offering confidentiality and anonymity for whistleblowers. Proactive measures, including compliance audits, risk assessments, and continuous monitoring, enhance the Group's ability to identify and mitigate risks. Internal controls and compliance clauses embedded in contracts further strengthen the detection of unethical practices.
- Remediation: Breaches are addressed decisively through strict disciplinary measures and customized mitigation plans, ensuring unwavering adherence to compliance standards. Transparent record-keeping supports these efforts, with transaction records meticulously maintained and regularly reviewed by the Ethics & Compliance team.

Anti-Corruption Training and Awareness

In 2024, NMDC Energy provided targeted business ethics training workshops to 291 employees. Joint venture business partners also received training to ensure alignment with NMDC Energy's Code of Conduct and anti-bribery principles. Training sessions included practical scenarios and real-world examples to strengthen participants' ability to identify and report potential corruption risks effectively.

Incidents of Corruption

NMDC Energy tracks and reports anti-corruption incidents across all operations as part of its commitment to transparency and accountability. The following tables summarize the quantitative outcomes of our anti-corruption program:

Confirmed Incidents of Corruption

Year	Number of Confirmed Incidents of Corruption
2021	0
2022	0
2024	0

Employee Dismissals or Disciplinary Actions for Corruption

Year	Total Number of Confirmed Incidents
2021	0
2022	0
2024	0

Business Partner Contracts Terminated or Not Renewed Due to Corruption Violations

Year	Total Number of Confirmed Incidents
2021	0
2022	0
2024	0

Key Anti-Corruption Procedures

1. Internal Controls: NMDC Energy enforces rigorous internal controls to uphold compliance standards, embedding compliance clauses in all contracts. Preventive measures, including partner due diligence and robust auditing mechanisms, ensure a transparent and secure operational framework.
2. Due Diligence and Risk Assessments: Due diligence on business partners and external entities forms the cornerstone of NMDC Energy's corruption risk management. Regular risk assessments, targeted evaluations for high-risk engagements, and continuous monitoring enhance the Group's ability to mitigate potential threats effectively.
3. Record-Keeping Standards: Ethics & Compliance maintains records of compliance activities, including whistleblower reports and investigations. This approach ensures transparency, facilitates swift responses to ethical concerns, and reinforces accountability across the organization.
4. Policy Review and Continuous Improvement: Ethics & Compliance periodically reviews NMDC Energy's anti-corruption policies, with updates made as required to align with evolving regulatory standards and best practices. Initiatives aiming for continuous improvement ensure the company remains compliant and ahead of industry and local best practices.

Through these measures, NMDC Energy underscores its unwavering commitment to ethical conduct, fostering a workplace free from corruption. This robust compliance framework not only ensures adherence to ethical standards but also strengthens stakeholder trust, positioning NMDC Energy as an industry leader in integrity and transparency.

7 SUSTAINABILITY ACROSS OUR CAPITALS

(GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-22, GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

7.1 Sustainability Approach

NMDC Energy aims to achieve operational excellence while driving long-term value creation that benefits stakeholders and supports sustainable development. The company's sustainability strategy focuses on two key aspects: integrating ESG principles into operations to manage risks and minimize impacts and expanding services and products to support the clean energy transition and climate-related projects. This approach is aligned with UAE Vision 2031 and supports the UAE's national Net Zero goals, demonstrating NMDC Energy's alignment and contribution to broader sustainability ambitions.

EMBEDDING ESG INTO OPERATIONS

NMDC Energy's approach to ESG is both comprehensive and integrated, aligning sustainability with our strategic priorities and operational practices. In 2024, NMDC Energy played a significant role in the Group's six-month sustainability program, which involved collaboration across all business units and extensive stakeholder engagement. This program included a thorough review of the Group's ESG materiality, ensuring that our focus on environmental, social, and governance topics, and the management of associated risks, remains both relevant and forward-thinking, driving positive and sustained impact.

As part of the program, NMDC Energy contributed to the identification of 11 material topics across environmental, social, and governance areas, ensuring these reflect the evolving challenges and opportunities within the energy sector. This led to the development of NMDC Group's sustainability framework, which NMDC Energy has fully embraced and aligned with. The framework is built upon a shared vision of sustainable growth and progress and is structured around five key pillars, eight core objectives, and 25 initiatives across the Group. These initiatives are designed to maximize ESG impact, while also complementing NMDC Energy's strategic goals and strengthening the management of both traditional and emerging ESG-related risks.

Driven by our vision, mission, and values,
NMDC Group is committed to facilitating the energy transition,
prioritizing safety and social responsibility and ensuring responsible business practices,
supported by AI

Environmental		Social		Governance
Environmentally Conscious Operations	Energy Transition Enablement	Community & Stakeholder Engagement	Health & Safety Ownership	Transparency and Accountability

With an ongoing focus on improvement, NMDC Energy contributes to the Group's overall sustainability achievements, reflected in the MSCI AA provisional ESG rating. MSCI ESG Ratings measure a company's resilience to long-term, financially relevant ESG risks, positioning NMDC Group as a leader in the sector. This rating underscores NMDC Energy's role as an integral part of the Group, and the company remains committed to strengthening its sustainability performance.

Minimizing Adverse Impacts

NMDC Energy is focused on mitigating environmental impact and associated risks by promoting the protection of biodiversity through community-driven initiatives and proactive management of the company's operations to minimize pollution and disturbances to natural habitats. NMDC Energy has undertaken environmental preservation projects and mangrove rehabilitation, contributing to the Group's goal of mitigating biodiversity impacts across the regions where it operates. This includes setting up strategic measures to support local wildlife, such as installing nesting platforms for birds and ensuring minimal disruption to sensitive ecosystems like turtle nesting areas. NMDC Energy has also updated its emissions inventory in line with the GHG Protocol to enhance the accuracy of emissions assessments. These insights help the company focus on minimizing emissions within its operations (Scope 1 – direct emissions from owned or controlled sources, and Scope 2 – indirect emissions from purchased electricity and cooling) and across its supply chain (Scope 3 – all other indirect emissions from upstream and downstream activities).

Optimization and Resource Efficiency

NMDC Energy is committed to optimizing resource use such as enhancing energy efficiency and electrifying its operations as part of its sustainability approach. To support these goals, the company has initiated the electrification of its construction yards, transitioning from traditional fuel-based power sources to cleaner electricity. These actions are guided by the company's Energy Savings Action Plan, which aims to achieve a 25-30% energy savings by 2027, with a target investment of AED 8,125,000. Approximately 75% of this budget has already been deployed in infrastructure upgrades aimed at optimizing energy performance across facilities. These measures not only reduce greenhouse gas emissions but also support NMDC Energy's alignment with broader sustainability objectives and operational cost reductions. NMDC Energy is also collaborating with other NMDC Group subsidiaries to promote similar initiatives, given the demonstrated benefits in efficiency and cost savings.

Promoting Wellbeing and Socioeconomic Development

NMDC Energy is committed to fostering a culture of health and safety that aligns with international standards. The company safeguards the well-being of employees and contractors through rigorous Quality, Health, Safety, and Environment (QHSE) protocols and proactive training to continually enhance safety measures and create a secure working environment. Additionally, NMDC Energy is committed to local procurement in its home markets as part of its contribution to local economic development. By sourcing materials and services locally whenever possible, the company not only supports regional suppliers but also strengthens local economies, aligning with the UAE's sustainable development. This approach reflects NMDC Energy's dedication to socially responsible operations and positive regional impact.

STRATEGIC EXPANSION

NMDC Energy's strategic expansion is driven by an approach to capitalize on emerging opportunities in the global energy landscape. Recognizing the increasing importance of the energy transition and sustainable infrastructure management, the company aims to diversify its portfolio to address market needs while aligning with global sustainability goals.

Renewable Energy and Offshore Wind

Recognizing the growing importance of renewable energy, NMDC Energy has diversified its operations to develop capabilities in renewable projects, including partnerships with organizations like Masdar to accelerate the adoption of green technologies and create new opportunities for clean energy integration. This includes offshore wind projects, such as the successful completion of one of the largest offshore wind farms in Taiwan. NMDC Energy remains focused on expanding its presence in international markets, targeting subsea infrastructure work, including rock installations for wind farms.

Energy Transition and NT Energies

NMDC Energy's involvement in NT Energies, the joint venture with Technip Energies, plays a critical role in advancing the energy transition within the region. This partnership is designed to capitalize on emerging opportunities across the GCC, where investment in clean energy and energy transition projects is expected to grow significantly over the coming years. By leveraging this collaboration, NMDC Energy strengthens its financial outlook while making meaningful contributions to clean energy developments in the region.

Decommissioning and Lifecycle Management

As part of its strategic expansion, NMDC Energy is also exploring opportunities in the decommissioning sector. By developing capabilities organically or alternatively acquiring this expertise, the company aims to support responsible lifecycle management of assets. This includes safe dismantling practices, which align with NMDC Energy's commitment to environmental considerations and reducing the long-term impact of decommissioned infrastructure.

SUSTAINABILITY GOVERNANCE

Sustainability governance remains a cornerstone of our approach at NMDC Energy. We have established a strong governance framework to ensure the seamless integration of ESG principles across our operations. The Group-wide Sustainability & ESG Committee, which plays a central role in guiding our sustainability strategy and performance, works closely with a dedicated Sustainability Task Force to oversee the implementation of the governance framework throughout NMDC Energy. To reinforce this approach, Sustainability Champions are appointed across departments, serving as essential conduits between strategy and execution.

Looking ahead, NMDC Energy is focused on strengthening its sustainability governance further by refining our structure and defining roles and responsibilities at all levels—ranging from top executives to our employees. As part of our ongoing commitment, we are exploring the creation of a dedicated Sustainability Team to ensure the continued advancement of impactful ESG performance across the company.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is at the core of NMDC Energy's sustainability strategy. By maintaining open dialogue and integrating stakeholder input into our decisions, we adapt to changing needs and strengthen our role as a reliable partner and a core contributing subsidiary to the larger NMDC Group ecosystem. This collaborative approach enables us to address key challenges, uncover shared opportunities, and deliver long-term value for all involved.

OUR STAKEHOLDER ENGAGEMENT MATRIX:

KEY STAKEHOLDER	METHODS OF ENGAGEMENT	KEY TOPICS OF DISCUSSION
CLIENTS	• Performance evaluation surveys • Day-to-day interactions & meetings • Website • Marketing material (e.g., annual reports, sustainability reports, social media, etc.) • Exhibitions and conferences • Business Development efforts • Networking events	• Client wellbeing • Privacy & security • Responsiveness to their requirements • Quality, safety, and cost • Business ethics • Company impact on the environment
SHAREHOLDERS	• Annual general meeting • Periodic meetings • Corporate regulatory disclosures	• Economic performance • Capital allocation • Successful strategy implementation • Business ethics • National employment • ESG issues • Environmental impact • Regulatory issues
BOD MEMBERS	• BOD & related committees' meetings • Periodic meetings • Company events • Press releases	• Economic performance • Business ethics • ESG performance • Emiratization • Successful strategy implementation • Capital allocation • Digital transformation
EMPLOYEES	• Employee engagement surveys • Performance reviews • Internal communication • Company events • Succession planning & development • Policies & procedures • Exit interviews	• Employee wellbeing • Business ethics • Diversity & inclusion • Health & safety • Training & development • Sustainable workplace • Compensation • Succession planning
COMMUNITY	• Local initiatives and volunteering activities • Society surveys • Donations and sponsorship	• Environmental impact • Community Wellbeing • Industry practices
GOVERNMENT ENTITIES	• Direct engagement through on site licensing department • National development plans and programs • Audits • Press releases • Local forums	• Environmental compliance • Alignment with national development plans & programs • Regulatory compliance • Labor practices • Transparency • Community wellbeing • National employment
SUPPLIERS & BUSINESS PARTNERS	• Supplier code of conduct • Supplier assessment and audit • Regular meetings with key suppliers and subcontractors • In-Country Value Score • Supplier satisfaction survey	• Procurement practices • Fair practice • Business ethics • Environmental impact • Terms and conditions • Cost negotiation
ESG RATING AGENCIES	• Meetings • Indirect engagements through third party consultants • Website • Marketing material (e.g., annual reports, sustainability reports, social media, etc.)	• Material ESG issues for construction & engineering companies

OUR MATERIAL TOPICS

Recognizing the significant impact that specific ESG issues hold for both our stakeholders and our business operations, we have refined our approach to identifying and reporting on topics of material importance as part of a larger NMDC Group exercise. This year, our materiality assessment has undergone a comprehensive update, aligning with best practices and industry standards from renowned frameworks like MSCI and the Sustainability Accounting Standards Board (SASB) part of the IFRS Foundation. These standards are tailored to the unique needs of the construction and engineering sectors, in accordance with the Global Industry Classification Standard (GICS) and the Sustainable Industry Classification System (SICS).

To ensure our material topics are both relevant and impactful, we have further refined our alignment through close collaboration with internal stakeholders and key industry players. Our engagement process, guided by the IIRF, GRI, and the AA1000 Stakeholder Engagement Standard, helps us stay attuned to our stakeholders' evolving priorities. By adhering to these industry-leading practices, we've identified a well-defined set of material topics that reflect the issues most critical to our stakeholders and our business. This approach enhances our ability to manage, report, and respond effectively to key economic and ESG factors, reinforcing NMDC Energy's commitment to sustainable, stakeholder-focused business practices.

	MATERIAL TOPICS	GRI STANDARDS	ADX DISCLOSURES
Environmental	GHG Emissions & Energy	GRI 302 – Energy GRI 305 – Emissions GRI 307 - Environmental Compliance	E1: GHG Emissions E2: Emissions Intensity E3: Energy Usage E4: Energy Intensity E5: Energy Mix E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight
	Biodiversity & Land-Use	GRI 304 - Biodiversity	
	Circularity & Waste Management	GRI 306 - Waste	E7: Environmental Operations
	Opportunities in Clean Technology	GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts	E10: Climate Risk Mitigation
	Water Stress	GRI 303- Water and Effluents	E6: Water Usage
Social	Health & Safety	GRI 403 - Occupational Health & Safety	S7: Injury Rate S8: Global Health & Safety
	Community Welfare	GRI 413 - Local Communities	S12: Community Investment
	Human Capital Management & Development	GRI 202 - Market Presence GRI 401 – Employment GRI 404 - Training and Education GRI 405 - Diversity and Equal Opportunity GRI 406 - Non-discrimination	S2: Gender Pay Ratio S4: Gender Diversity S6: Non-Discrimination S9: Child & Forced Labor S10: Human Rights S11: Nationalization G1: Board Diversity
	Quality Management	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	
Governance	Corporate Behavior and Governance	GRI 205 - Anti-Corruption	S1: CEO Pay Ratio S2: Gender Pay Ratio G2: Board Independence G3: Incentivized Pay G5: Ethics & Prevention of Corruption G6: Data Privacy
	Supply Chain Management	GRI 204 - Procurement Practices GRI 308- Supplier Environmental Assessment GRI 414- Supplier Social Assessment	G4: Supplier Code of Conduct E7: Environmental Operations

NMDC ENERGY

8 OUR FINANCIAL CAPITAL

Our Alignment

Material Topics

- Opportunities in Clean Technology

GRI Standards

- GRI 201 - Economic Performance
- GRI 203 - Indirect Economic Impacts

Abu Dhabi رؤية 2030 Vision

- Establishing a resilient monetary and financial market environment with manageable levels of inflation
- Enabling financial markets to become the key financiers of economic sectors and projects

SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

FINANCIAL PERFORMANCE

NMDC Energy experienced substantial growth in net profit and revenue during 2024, driven by the expansion of its operations and strong project execution.

1.41 billion

Net profit for the year reached AED 1.41 billion, representing an increase of 80% compared to AED 0.78 billion in 2023. Revenue also saw a significant rise, growing by 82% to AED 14.44 billion from AED 7.94 billion in the prior year.

40%

In 2024, the company's cash and bank balance grew from previous year by 40% to AED 4.2 billion, bolstering NMDC Energy's ability to seize new opportunities in both local and international markets. Additionally, total assets increased to AED 16.53 billion in 2024, reflecting a 27% rise from AED 13.02 billion in 2023.

NMDC Energy's project backlog expanded by 15.4% to AED 50.4 billion, underscoring the company's capacity to secure and deliver large-scale future projects.

For a detailed breakdown of financial performance in 2024, please refer to the audited financial statements.

	2022	2023	2024
Total Revenues (AED bn)	5.38	7.94	14.44
Net Profits (AED bn)	0.58	0.78	1.41
Total Assets (AED bn)	9.58	13.02	16.53
Earnings per Share (AED)	0.25	0.34	0.62
Total Expenses (AED bn)	5.02	7.14	12.86
Employee Wages and Benefits (AED bn)	1.06	1.34	1.63
Payments to providers of capital (AED bn) *	0.00	0.00	0.75
Payments to government by country (VAT or tax payments) (AED bn)	0.073	0.071	0.155

* Payments to shareholders in the form of dividends or to other capital providers including payment related to issued Sukuks or other.

ECONOMIC VALUE CREATION

NMDC Energy remains committed to driving economic prosperity and enhancing community well-being through the generation and equitable distribution of economic value. The company aims to benefit all stakeholders while contributing positively to broader society.

Central to NMDC Energy's operations is a commitment to providing fair and competitive compensation for its employees, ensuring financial security and enabling them to support their families and plan for a stable future. This approach empowers the workforce, which remains the key driver of NMDC Energy's sustained success.

NMDC Energy also recognizes the importance of its tax contributions in bolstering public sector capabilities. By fulfilling its tax obligations, the company supports the development of essential public services and infrastructure, thereby strengthening the communities in which it operates.

Moreover, NMDC Energy's procurement practices prioritize sourcing from local suppliers wherever feasible, extending the economic benefits of its operations. By supporting local businesses, the company fosters resilient local economic ecosystems and contributes to the growth and prosperity of the regions it serves.

Total Amount Invested in Technology and Innovation

Year	Total Amount in AED'000	Percentage of Total Capex	Nature of the Most Significant Investments
2022	1,770	0.50%	Investment in new, upgraded machines
2023	3,800	1.50%	RFID System for Manpower tracking
2024	1,841	0.50%	Investment in new, upgraded machines

Total Savings from Innovation

Year	Total Amount in AED'000	Notes
2022	552	-
2023	1,140	Major investment in the development of KSA Yard
2024	552	As of Q3 2024

9 OUR HUMAN CAPITAL

Our Alignment

Material Topics

- Health & Safety
- Human Capital Management & Development

GRI Standards

- GRI 202 - Market Presence
- GRI 403- Occupational Health & Safety
- GRI 401 - Employment
- GRI 404 - Training and Education
- GRI 405 - Diversity and Equal Opportunity
- GRI 406 - Non-Discrimination

Abu Dhabi رؤية 2030 Vision

- Building an open, efficient, effective, and globally integrated business environment
- Driving significant improvement in the efficiency of the labor market
- Developing a highly skilled, highly productive workforce

SDGs

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

9.1 Human Capital Management & Development

UPHOLDING ONE UNIFIED CULTURE

NMDC Energy places a strong emphasis on human capital development, contributing to the broader vision of building a cohesive culture across NMDC Group. While aligning with Group-level practices, NMDC Energy also cultivates a distinct culture that reflects its unique operational context. By embracing the shared values of Knowledge, Accountability, Morality, Alliance, and Leadership, NMDC Energy reinforces these principles to promote an empowered workforce within its specific areas of expertise.

These core values serve as the foundation for trust, respect, and collaboration throughout NMDC Energy and the broader Group. Employees are encouraged to engage thoughtfully, provide honest feedback, and demonstrate leadership that breaks down silos, enhances collaboration, and drives innovation. By embedding these values into daily activities, NMDC Energy ensures alignment with its long-term goals and fosters a culture of continuous improvement.

NMDC Energy's Code of Conduct serves as a guide for ethical behaviour, ensuring consistent standards are upheld across all operations. This Code emphasizes integrity, transparency, and adherence to ethical practices. Additionally, the company has adopted clear non-discrimination and anti-harassment policies that underpin an inclusive work environment, supported by clear reporting mechanisms and targeted training designed to promote awareness and mutual respect.

NMDC Energy is dedicated to respecting human rights and upholding labor standards across its operations in accordance with international best practices. The company's policy demonstrates the company's support for human rights and labor principles outlined by the United Nations Global Compact (UN Global Compact) and the International Labor Organization (ILO). In 2024, NMDC Energy adopted a Human Rights Policy that reinforces its commitment to labor rights, including prohibiting child labor and forced labor, while ensuring equitable treatment for all employees.

Employee Breakdown by Gender (number and rate)

Year	Female	Male	Total	Female %	Male %
2022	112	9,246	9,358	1.20%	98.80%
2023	243	14,283	14,526	1.67%	98.33%
2024	308	15,973	16,281	1.89%	98.11%

Permanent Employee Breakdown by Gender (number and rate)

Year	Female	Male	Total	Female %	Male %
2022	112	9,246	9,358	1.20%	98.80%
2023	243	14,283	14,526	1.67%	98.33%
2024*	0	0	0	-	-

* As of 2024 and as per recent changes in the UAE labor law, all employee contracts are now temporary subject to renewal.

Temporary Employee Breakdown by Gender (number and rate)

Year	Female	Male	Total	Female %	Male %
2022	0	0	0	-	-
2023	0	0	0	-	-
2024*	308	15,973	16,281	1.89%	98.11%

* As of 2024 and as per recent changes in the UAE labor law, all employee contracts are now temporary subject to renewal.

Total Number of Incidents of Discrimination

Year	Number of Incidents
2022	0
2023	0
2024	0

EMPLOYEE RECRUITMENT AND RETENTION

NMDC Energy is dedicated to promoting equal opportunity, job creation, and employee welfare, fostering a culture rooted in fairness and transparency. To attract top talent, NMDC Energy follows a strategic hiring approach, offering competitive compensation, clear career progression opportunities, and a supportive work environment. The recruitment process is merit-based, utilizing structured interviews and skill-based assessments to ensure fair and equal opportunities for all candidates.

Building key capabilities is a cornerstone of NMDC Energy's growth strategy. While benefiting from NMDC Group's centralized support and strategic guidelines, NMDC Energy directs recruitment efforts to enhance existing capabilities and expand into new markets and geographies, such as offshore wind, the decommissioning sector, and module fabrication. The company also nurtures a culture of "growing from within," supported by structured succession planning that identifies and develops future leaders to ensure long-term growth and resilience.

Employee retention is a major focus for NMDC Energy, with initiatives aimed at maintaining high engagement levels. Programs like mentorship, Individual Development Plans (IDPs), career development training, competitive compensation, and employee benefits are integral to this strategy. Additionally, NMDC Energy promotes flexible work arrangements and cultivates a positive work environment that emphasizes respect, belonging, and collaboration. Leadership development is also prioritized, with targeted initiatives designed to build future leaders and maintain a robust talent pipeline. Regular feedback sessions ensure employee needs are understood, providing ample career advancement opportunities and fostering long-term engagement and satisfaction.

New Hires by Gender (number and rate)

Year	Female	Male	Female	Male
2022	35	625	31.25%	6.76%
2023	164	857	67.49%	6.00%
2024	104	3,279	33.77%	20.53%

New Hires by Age Group (number and rate)

Year	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2022	76	521	63	12.79%	7.08%	4.47%
2023	230	705	86	11.13%	6.55%	5.07%
2024	913	2,363	107	42.52%	19.64%	5.08%

Total Employees that Left by Gender (number and rate)

Year	Female	Male	Female	Male
2022	21	144	18.75%	1.56%
2023	33	197	13.58%	1.38%
2024	43	1,478	13.96%	9.25%

Total Employees that Left by Age Group (number and rate)

Year	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2022	15	129	21	2.53%	1.75%	1.49%
2023	50	158	22	2.42%	1.47%	1.30%
2024	299	1,107	115	13.93%	9.20%	5.46%

Total Hiring and Turnover Rates

Year	Total Hiring Rate	Total Turnover Rate
2022	7.05%	1.76%
2023	7.03%	1.58%
2024	20.78%	9.34%

LEARNING, DEVELOPMENT, AND SKILLS UPGRADING

At NMDC Energy, investing in people is a cornerstone of our strategy for long-term success. To maintain a highly skilled and adaptable workforce, NMDC Energy has established a comprehensive approach to training and development, supporting growth at every stage of an employee's career. This approach provides tailored learning opportunities that align with both individual career goals and the company's strategic objectives.

A Tailored Development Framework

NMDC Energy's training programs are designed to address skill gaps and align employee growth with organizational goals. Through regular Training Needs Assessments, the company identifies key learning priorities, ensuring that professional development is both targeted and impactful. These assessments inform the Performance Development System, which integrates personalized goals with the company's strategic direction.

Learning Initiatives at NMDC Energy

NMDC Energy offers a wide range of training initiatives to meet diverse learning needs:

- Core Workshops: These workshops focus on essential technical skills, safety protocols, compliance, and leadership, equipping employees to effectively meet the demands of their roles.
- Personalized Learning: Employees develop individualized learning plans, incorporating internal training and external certifications, to target skills that are relevant to their career paths while aligning with company goals.
- E-Learning Resources: An extensive e-learning platform provides a variety of professional and technical courses, allowing employees to upskill flexibly at their own pace.
- Hands-On Learning: Cross-functional projects, team collaborations, and job rotations offer practical experience and broaden employees' understanding of NMDC Energy's operations.
- Mentorship Programs: Senior employees mentor junior colleagues, providing guidance and career support. Future leaders also benefit from advanced programs that include executive shadowing and coaching.
- Fostering Innovation: The Innovation Lab encourages employees to develop creative solutions to business challenges, fostering a culture of problem-solving and continuous improvement.

Building a Resilient Workforce

NMDC Energy's commitment to continuous learning fosters a culture of growth and adaptability. By aligning individual development with company goals and embracing diverse learning methods, the company ensures its workforce remains skilled, agile, and motivated. Emphasizing innovation, targeted training, and leadership cultivation, NMDC Energy nurtures talent capable of driving sustainable success in an evolving industry.

Total Training Hours by Gender

Year	Female	Male
2022	1,573	17,719
2023	6,434	35,609
2024	10,442	31,819

Average Training Hours per Employee by Gender

Year	Female	Male
2022	14.04	1.92
2023	26.48	2.49
2024	33.90	1.99

Total Training Hours by Employee Category

Year	Labour	Entry Level	Mid-Level	Senior Manager
2022	N/A	11,667	6,688	937
2023	N/A	20,912	18,743	2,388
2024	3,098	16,988	15,413	6,762

Average Training Hours per Employee by Employee Category

Year	Labour	Entry Level	Mid-Level	Senior Manager
2022	N/A	10.26	5.68	5.93
2023	N/A	13.14	11.96	17.30
2024	0.23	11.11	13.75	14.09

PERFORMANCE EVALUATIONS

Performance evaluations at NMDC Energy are crucial for aligning individual contributions with the company's strategic objectives. By ensuring that employees understand NMDC Energy's growth strategy and are motivated to contribute, the company cultivates a culture where every role is valued as essential to overall success. Regular communications emphasize how each employee's work supports broader organizational goals, reinforcing the shared values that define NMDC Energy's culture.

Structured Performance Appraisals

The performance appraisal process at NMDC Energy is designed to provide structured, actionable feedback to promote skill enhancement and career advancement. Annual reviews incorporate competency evaluations and objective assessments, particularly for middle and senior management, emphasizing NMDC Energy's commitment to growth, quality, and safety. These appraisals are intended to foster professional development and align personal career aspirations with the company's long-term strategic vision.

Enterprise Performance Management System

NMDC Energy employs a robust performance management system that evaluates progress against clearly defined Key Performance Indicators (KPIs). Developed collaboratively with the respective management teams, these KPIs ensure relevance and rigor, covering essential metrics representing topics of strategic importance for NMDC Energy such as Health, Safety, and Environment (HSE) across functions, and projects. This comprehensive approach aligns individual performance with organizational objectives, fostering a culture of excellence and continuous improvement.

COMPENSATION AND LINKS TO SUSTAINABILITY

At NMDC Energy, the approach to executive remuneration blends competitive pay with incentives tied to NMDC Energy's core strategic goals, emphasizing both financial success and sustainable growth. This dual approach motivates employees at all levels to contribute meaningfully to the company's long-term objectives.

Balanced Compensation Framework

The Executive Compensation Policy at NMDC Energy comprises a mix of fixed and variable components, including base salary, allowances, pensions, and other benefits. This framework is designed to attract and retain talent by providing a competitive package while ensuring consistency with the company's values and objectives. Transparency is a key pillar of the compensation strategy, and all remuneration practices adhere to UAE labor laws and other relevant host country regulations. The Nomination and Remuneration Board Committee plays an instrumental role in overseeing these practices through say-on-pay voting, ensuring fairness and adherence to governance standards.

Linking Pay to ESG Goals

A core feature of NMDC Energy's compensation strategy is the integration of sustainability metrics into reward mechanisms. Variable compensation—bonuses, incentives, and other performance-linked pay—considers not only financial outcomes but also contributions to sustainability initiatives, especially those related to environmental stewardship, health and safety, and community engagement. By embedding ESG criteria into compensation structures, NMDC Energy aligns employee goals with the company's broader sustainability ambitions.

Encouraging Long-Term Impact

The integration of sustainability into the compensation framework ensures that NMDC Energy's growth is both profitable and responsible. By linking individual performance to company-wide ESG goals, NMDC Energy empowers its workforce to contribute to the company's sustainable success. This alignment not only drives business performance but also encourages a proactive approach to managing environmental and social impacts, ensuring NMDC Energy remains a leader in responsible energy development.

DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

NMDC Energy aims to foster a diverse and inclusive workplace that reflects equality, respect, and social responsibility. The company seeks to build a workforce that includes a broad range of backgrounds and experiences, with an emphasis on including underrepresented groups such as women, people of determination, and individuals from various racial and ethnic backgrounds. This effort is supported by policies and initiatives designed to ensure equal access to opportunities for growth and advancement.

Establishing a Foundation for Inclusion

In 2024, NMDC Energy introduced its Diversity, Equity, and Inclusion (DEI) Policy to establish a foundation for an inclusive culture across all operations. This policy is informed by international standards, such as the ILO conventions, and guides recruitment, development, and fair workplace practices. The DEI Policy emphasizes equitable employment practices, outlines diversity metrics, and includes initiatives that promote work-life balance. NMDC Energy's recruitment process is merit-based and skills-driven, while also supporting diversity goals by focusing on underrepresented groups. The company has established KPIs to track progress in areas such as gender representation, diverse hiring metrics, DEI training participation, and compensation equity. Flexible work arrangements are also offered to accommodate employees with caregiving responsibilities and other personal needs, reflecting NMDC Energy's approach to fostering an inclusive work environment.

Supporting Career Progression of Underrepresented Groups

To further support gender diversity, NMDC Energy has introduced several initiatives focused on the recruitment, retention, and professional development of women employees:

- Targeted Recruitment Campaigns: NMDC Energy participates in initiatives specifically aimed at increasing women representation in traditionally male-dominated fields such as engineering and construction.
- Leadership Development Programs for Women: Women employees are enrolled in programs designed to enhance their skills, prepare them for senior roles, and increase their visibility within the organization.
- Mentorship Programs: Senior women leaders serve as mentors to junior women employees, providing career guidance, sharing knowledge, and supporting their professional development.
- Flexible Working Conditions: To support women employees, especially those with family responsibilities, NMDC Energy offers flexible working hours and work-from-home options to promote work-life balance.
- Diversity Networks and Employee Resource Groups: NMDC Energy has established internal networks for women to provide peer support, share experiences, and engage in activities aimed at personal and professional growth.

These initiatives aim to create an environment that supports career progression for women, contributing to a more balanced and diverse leadership pipeline.

NMDC Energy's approach to diversity and inclusion is intended to ensure that every employee feels valued and supported, ultimately contributing to a positive company culture and long-term success.

Total Employees by Employee Category and by Gender (number)

Year	Labour		Entry-Level		Mid-Level		Senior Management	
	Male	Female	Male	Female	Male	Female	Male	Female
2022	6,886	0	1,091	46	1,112	65	157	1
2023	11,230	0	1,423	168	1,494	73	136	2
2024	13,150	1	1,293	236	1,060	61	470	10

Total Employees by Employee Category and by Gender (rate)

Year	Labour		Entry-Level		Mid-Level		Senior Management	
	Male	Female	Male	Female	Male	Female	Male	Female
2022	100.00%	0.00%	95.95%	4.05%	94.48%	5.52%	99.37%	0.63%
2023	100.00%	0.00%	89.44%	10.56%	95.34%	4.66%	98.55%	1.45%
2024	99.99%	0.01%	84.57%	15.43%	94.56%	5.44%	97.92%	2.08%

Total Employees by Employee Category and by Age Group (number)

Year	Labour			Entry-Level			Mid-Level			Senior Management		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2022	472	5,545	869	91	826	220	31	920	226	0	64	94
2023	1,794	8,412	1,024	235	1,070	286	38	1,225	304	0	57	81
2024	1,832	9,940	1,379	300	897	332	13	937	171	2	255	223

Total Employees by Employee Category and by Age Group (rate)

Year	Labour			Entry-Level			Mid-Level			Senior Management		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2022	6.85%	80.53%	12.62%	8.00%	72.65%	19.35%	2.63%	78.16%	19.20%	0.00%	40.51%	59.49%
2023	15.98%	74.91%	9.12%	14.77%	67.25%	17.98%	2.43%	78.17%	19.40%	0.00%	41.30%	58.70%
2024	13.93%	75.58%	10.49%	19.62%	58.67%	21.71%	1.16%	83.59%	15.25%	0.42%	53.13%	46.46%

Total Number of Nationalities

Year	Number
2022	65
2023	68
2024	69

Female to Male Median Compensation Ratio

Year	Labour, if applicable	Entry-Level	Mid-Level	Senior Management
2022	-	1.00	1.67	0.97
2023	-	2.22	1.54	1.11
2024	4.16	1.92	1.44	1.39

EMIRATIZATION AND LOCAL HIRING

NMDC Energy actively supports Emiratization, prioritizing the recruitment of local talent to contribute to the socio-economic development of the UAE. The company has successfully attracted and retained local talent through targeted initiatives, thereby enhancing the representation of UAE nationals in its workforce. The organization also extends similar local hiring initiatives to other markets where it operates, ensuring that its presence contributes meaningfully to the socio-economic growth of local communities.

UAE Nationals by Gender

Year	Female	Male	Female %	Male %
2022	60	140	30.00%	70.00%
2023	176	159	52.54%	47.46%
2024	236	208	53.15%	46.85%

UAE Nationals by Employee Category (number)

Year	Labor, if applicable	Entry-Level	Mid-Level	Senior-to-Executive Level
2022	0	54	134	12
2023	0	200	124	11
2024	0	325	80	39

UAE Nationals by Employee Category (rate)

Year	Labor, if applicable	Entry-Level	Mid-Level	Senior-to-Executive Level
2022	0.00%	27.00%	67.00%	6.00%
2023	0.00%	59.70%	37.01%	3.28%
2024	0.00%	73.20%	18.02%	8.78%

Emiratization Rate

Year	Total %
2022	8.09%
2023	10.12%
2024	13.60%

*Note - that the Emiratization rate calculation does not include labourers as part of the computation

EMPLOYEE ENGAGEMENT AND WELL-BEING

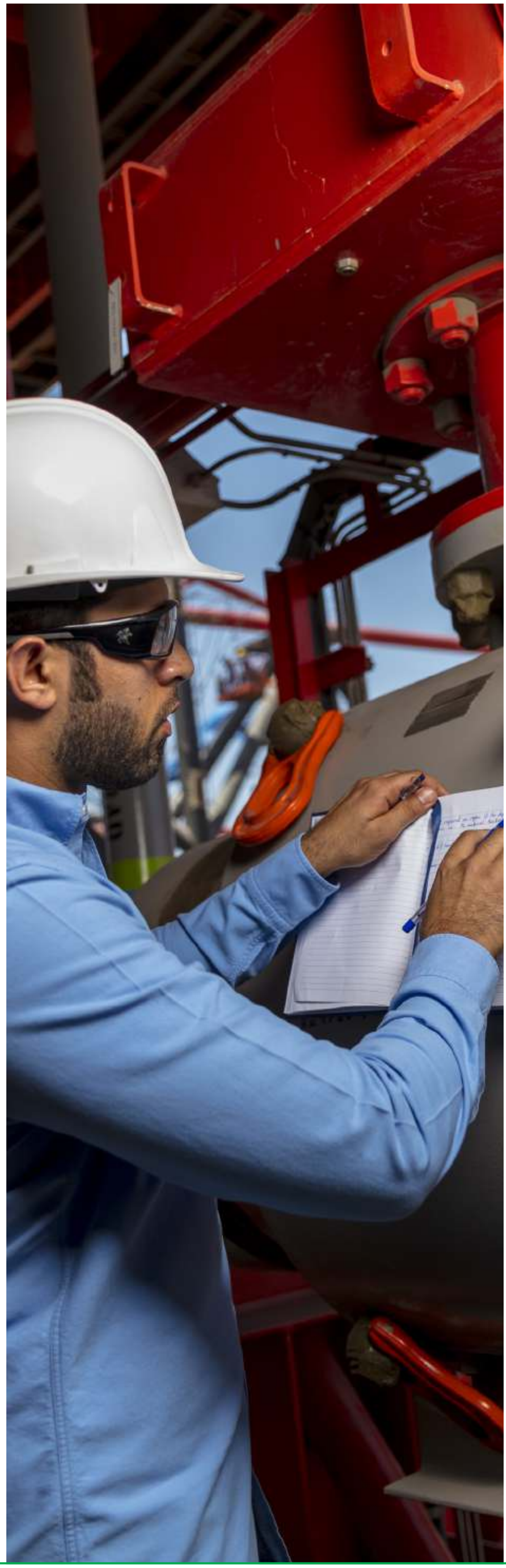
NMDC Energy recognizes that employee well-being is central to productivity and overall organizational success. The company has implemented a diverse range of initiatives aimed at supporting physical, mental, and emotional health, ensuring that employees feel valued and supported in all aspects of their well-being. By offering tailored programs, NMDC Energy helps employees maintain a healthy work-life balance, leading to increased engagement and job satisfaction. NMDC Energy conducts annual customized surveys for its blue-collar workforce via strategically placed stations in accommodation and dining facilities. This approach ensures effective employee feedback collection while addressing the challenges posed by limited digital access to traditional survey methods.

Well-Being Initiatives and Benefits

NMDC Energy's well-being initiatives focus on providing practical support, resources, and benefits that cater to the diverse needs of its workforce:

- Healthcare and Family Support: extensive non-occupational healthcare benefits, including comprehensive medical coverage, as well as maternity and paternity leave policies that protect employees against discrimination during and after pregnancy.
- Financial Well-Being: financial counselling and retirement planning services, including defined contribution pension plans tailored to employee tenure and salary.
- Mental Health and Emotional Support: mental health advocacy through access to counselling services and ensures employees have a supportive environment for addressing any personal challenges.
- Wellness Programs: wellness initiatives, such as fitness challenges and regular health screenings, to encourage employees to maintain healthy lifestyles.
- Career Transition Assistance: In cases of employment termination, NMDC Energy offers outplacement services, including resume writing, interview preparation, and career counselling, to help employees transition smoothly into new opportunities.

Additionally, NMDC Energy actively fosters employee engagement to enhance workplace satisfaction and productivity. As part of an NMDC Group-wide effort, NMDC energy launched the 'Great Place to Work' Pulse Survey, designed to gather valuable insights and improve workplace engagement across all levels of the organization.



Note: As per UAE law, employees are entitled to a parental leave of 5 working days from the day of the birth of their child to six months. The parental leave is a paid leave that can be applied for by both mother and father of the baby and is different from maternity leave. Female employees are additionally entitled to a maternity leave of 60 days, out of which 45 days are fully paid leave and 15 days are half-paid leave. In 2023, disclosures on maternity leave were reported under parental leave. In this report a distinction is made between parental leave and maternity leave disclosures given the difference in benefits each of these leaves offer.

Total Number of Employees That Were Entitled to Parental Leave

Year	Female	Male
2022	54	1,851
2023	102	2,505
2024	126	2,729

Total Number of Employees That Took Parental Leave

Year	Female	Male
2022	0	40
2023	1	53
2024	6	91

Total Number of Employees That Took Maternity Leave

Year	Female	Male
2022	11	-
2023	11	-
2024	12	-

Total Number of Employees That Returned to Work After Parental Leave Ended

Year	Female	Male
2022	0	40
2023	1	53
2024	6	91

Total Number of Employees That Returned to Work After Maternity Leave Ended

Year	Female	Male
2022	10	-
2023	8	-
2024	12	-

Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work

Year	Female	Male
2022	0	37
2023	0	33
2024	1	43

Total number of employees that returned to work after maternity leave ended that were still employed 12 months after their return to work

Year	Female	Male
2022	14	-
2023	8	-
2024	6	-

Return to Work from Parental Leave Rate

Year	Female	Male
2022	-	100.00%
2023	100.00%	100.00%
2024	100.00%	100.00%

Retention Rate after Parental Leave

Year	Female	Male
2022	-	84.09%
2023	-	82.50%
2024	100.00%	82.69%

9.2 Health and Safety

Health and safety are core priorities that shape every aspect of NMDC Energy's operations. The focus goes beyond regulatory compliance to foster a workplace where everyone—from employees to contractors—feels secure, valued, and supported. Health and safety are integral to the company culture, influencing every decision, procedure, and action across the organization. By committing to high standards, NMDC Energy aims to mitigate risks and ensure the well-being of the entire workforce and stakeholders.

COMMITMENT TO HEALTH, SAFETY, AND LEADERSHIP

Occupational health and safety are at the heart of NMDC Energy's operational framework and forms an essential foundation for the company's long-term success. A dedicated QHSE department oversees the company's safety measures, procedures, and initiatives to ensure a safe and healthy environment for everyone involved in NMDC Energy's operations. The QHSE team works closely with NMDC Group's group-level QHSE department, aligning safety efforts with group-wide strategic goals and contributing to best practices through knowledge sharing and collaborative problem-solving.

NMDC Energy's QHSE policy, developed at the NMDC Group level and approved by executive management, drives a consistent approach toward safe and responsible practices, ensuring that safety is a collective commitment across all levels of the organization. HSE committees and meetings are structured across multiple levels to ensure effective coordination and alignment within NMDC Energy and across NMDC Group's subsidiaries. This includes Group-level HSE meetings to facilitate collaboration with sister entities, NMDC Energy's internal steering committee meetings, senior management HSE reviews, project-specific HSE meetings, and dedicated sessions for offshore and yard operations. These engagements involve employees at all levels, including senior management, to foster a cohesive approach to health, safety, and environmental performance.

Employee engagement is a vital aspect of NMDC Energy's health and safety culture. Employees at all levels are encouraged to participate in the development, execution, and improvement of safety initiatives. The QHSE department collaborates directly with employees to gather feedback, promote transparent communication, and identify opportunities for enhancing safety practices. A 42% increase in HSE Observations Reporting in 2024 reflects the company's proactive approach to identification of risks and a collaborative culture where employees feel empowered to raise safety concerns.

HEALTH AND SAFETY MANAGEMENT SYSTEM

NMDC Energy's Health and Safety Management System (HSMS), certified to ISO 45001:2018 standards, forms the backbone of the company's health and safety practices. This system applies across all operational environments, ensuring a consistent approach to identifying, assessing, and managing workplace risks. The HSMS is designed to uphold the highest safety standards, ensuring thoroughness in safeguarding operations.

To maintain the effectiveness of health and safety measures, NMDC Energy regularly conducts both internal and external audits. In 2024, NMDC Energy conducted 33 internal audits and 51 external audits to identify areas for improvement and ensure that practices meet stringent safety standards. Incident reporting is facilitated through the INTELEX platform, which provides a formal channel for employees and contractors to report incidents and near misses. This system ensures confidentiality, promotes open communication, and enables swift corrective action to address issues, determine root causes, and prevent future occurrences. By fostering an open and accountable environment, NMDC Energy continues to advance its health, safety, and proactive risk management efforts.

In 2024, NMDC Energy experienced a tragic incident resulting in a worker fatality. The company responded with the utmost seriousness, adhering to established incident management protocols designed to handle major events with rigor and transparency. Upon notification, senior management appointed a multidisciplinary investigation team comprising subject matter experts to conduct a comprehensive review. Utilizing industry-recognized methodologies such as the TapRooT® root cause analysis technique, the team systematically identified both immediate and underlying causes. Corrective actions were promptly implemented to address any identified gaps, reinforcing NMDC Energy's commitment to continuous improvement and the highest standards of health and safety.

Breakdown of Work-Related Injuries – Employee Data

Note: The rate of injuries is calculated by 1,000,000 hours worked

	Number of Lost	Number of Workdays Lost Due to Injury	Number of Fatalities	Rate of Fatalities	Number of high-consequence work-related injury	Rate of high-consequence work-related injury	Number of recordable work-related injury	Rate of recordable work-related injury	Main types of work-related injury	Number of Other Occupational Injuries	Number of High Potential Incidents	Number of Near Miss Incidents	Total Recordable Injury Rate	Number of Hours Worked
2022	0	0	0	0.00	0	0.00	2	0.09	Slip & Trips	17	1	172	0.09	23,062,865
2023	2	241	0	0.00	2	0.04	14	0.29	Caught in/ between hazards	19	2	24	0.33	47,976,178
2024	4	199	1	0.01	0	0.00	21	0.30	Caught in/ between hazards	0	10	39	0.30	71,165,216

Work-Related Ill Health – Employee Data

Year	Number of Fatalities as a Result of Work-Related Ill Health	Number of Cases of Recordable Work-Related Ill Health	Main types of work-related ill-health
2022	0	0	N/A
2023	0	0	N/A
2024	0	0	N/A

Work-Related Ill Health – Contractors & Subcontractors

Year	Number of Fatalities as a Result of Work-Related Ill Health	Number of Cases of Recordable Work-Related Ill Health	Main types of work-related ill-health
2022	0	0	N/A
2023	0	0	N/A
2024	0	0	N/A

H&S Performance Indicators

The table below outlines key H&S performance indicators for the reporting period against 2024 targets, detailing worked hours, incidents, and safety frequencies for NMDC Energy.

Metric	Unit	2024 Targets	Performance Against Targets
Total Hours Worked (Million)	number	-	71.17
Fatality	number	0	1
Total Lost Time Injuries	number	-	4
LTIFR	FR	0.15	0.07
TRIFR	FR	1.15	0.30
Lost Days	FR	-	2.78
Behavioural Safety Audits	FR	-	135
HSE Observation Reporting	FR (per million worked hours)	600	708
Critical Environmental Incidents	number	0	0
High Profile Tours	number	220	242
HSE Training hours	FR (per million worked hours)	3,500	4,113
HSE Campaigns	number	5	13

TRAINING, AWARENESS, AND ENGAGEMENT PROGRAMS

Training and awareness are key components of NMDC Energy's health and safety strategy, designed to ensure all personnel are informed, prepared, and capable of identifying hazards, taking preventive measures, and adhering to the highest safety standards. NMDC Energy delivers training through multiple channels:

- Induction Training: New employees participate in health and safety induction sessions to familiarize themselves with safety procedures and protocols.
- Toolbox Talks: Frequent toolbox talks reinforce safety messages, raise awareness about ongoing risks, and encourage open discussions on safety practices among teams.
- In-House Training: The NMDC Group QHSE and Human Resources Learning and Development (HR L&D) teams also conduct specialized safety training to equip employees with essential safety knowledge.
- External Training: NMDC Energy collaborates with external trainers to provide specific health and safety courses, expanding the depth of employee skill sets.
- Emergency Preparedness Drills: Regular drills are conducted to prepare employees and contractors for emergencies, enhancing their readiness and response capabilities.

The training curriculum addresses critical areas such as emergency response, hazard recognition, proper Personal Protective Equipment (PPE) usage, and specific safety protocols tailored to various employee categories. In 2024, NMDC Energy conducted 568,744 hours of health and safety training, demonstrating a strong commitment to empowering the workforce with the necessary skills and awareness. Additionally, targeted workshops and compliance checks ensure that suppliers and contractors are well-aligned with NMDC Energy's health and safety standards, creating a cohesive and safety-conscious operational environment. Additionally, NMDC Energy signed a strategic agreement in 2024 with JAHEZIYA, a leading provider of emergency firefighting and rescue services, to strengthen fire safety and emergency preparedness through specialized training, ongoing support during fire emergencies, and detailed post-incident analyses, boosting NMDC Energy's ability to manage emergencies and crises in line with international standards.

OHS Employee Training

	Number of OHS Employee Training Hours	
Year	Safety Group Meeting	Toolbox Talks (TBT)
2022	N/A	N/A
2023	119,202	476,810
2024	185,818	743,275

	Number of Employees who received OHS Training		
Year	HSE Induction	HSE In-house Training	External / 3rd Party Training
2022	N/A	N/A	N/A
2023	10,908	36,024	4,445
2024	13,670	57,745	9,027

HEALTH AND WELLBEING INITIATIVES

NMDC Energy adopts a comprehensive approach to employee well-being, going beyond occupational health requirements. Regular health check-ups, vaccinations, mental health support, and counselling services are provided to support holistic well-being. Wellness programs include initiatives like fitness challenges and stress management workshops, promoting physical and mental health.

The company also conducts ergonomic assessments to ensure that work environments are designed to optimize comfort, productivity, and overall well-being. Confidentiality of employee health information is strictly maintained, ensuring data is used solely for occupational health purposes and accessible only to authorized personnel.

CONTRACTOR SAFETY MANAGEMENT

NMDC Energy places significant emphasis on managing occupational health and safety risks that arise through its operations and relationships with contractors. Contractors are required to comply with NMDC Energy's QHSE policies and actively participate in safety initiatives. This collaborative approach ensures alignment of safety practices and high standards across all operations and partners.

SAFETY CULTURE REINFORCEMENT AND CONTINUOUS IMPROVEMENT

Maintaining a strong safety culture is central to NMDC Energy's operations. This culture is reinforced through recognition programs that reward exemplary contributions to health and safety. Incentive schemes acknowledge the commitment of both employees and subcontractors, motivating them to consistently uphold rigorous safety standards. In 2024, these incentives contributed to a notable increase in hazard reporting by non-HSE personnel, highlighting the success of NMDC Energy's approach to proactive safety engagement.

Continuous improvement is embedded in NMDC Energy's health and safety practices. Regular management reviews and program updates, driven by employee feedback and industry best practices, ensure that the company remains at the forefront of health and safety innovation. By integrating HSE behavioural indicators into its Competency Framework and expanding recognition programs, NMDC Energy fosters a culture of safety excellence, creating a positive cycle of ongoing improvement.

2024 AWARDS:

BRITISH SAFETY COUNCIL

NMDC Energy was awarded for the 3rd time the International Safety Award with distinction from British Safety Council for its commitment towards health & safety during the year 2024.

RoSPA Health & Safety Awards

NMDC Energy has achieved, for the 11th consecutive time, the ROSPA Gold Medal for its excellent HSE performance during the year 2024.

10 OUR SOCIAL & RELATIONSHIP CAPITAL

Our Alignment

Material Topics

- Community Welfare
- Quality Management
- Supply Chain Management

GRI Standards

- GRI 204 - Procurement Practices
- GRI 205 - Anti-Corruption
- GRI 308 - Supplier Environmental Assessment
- GRI 413 - Local Communities
- GRI 414- Supplier Social Assessment
- GRI 416- Customer Health and Safety
- GRI 417- Marketing and Labeling

Abu Dhabi رؤية 2030 Vision

- Building an open, efficient, effective, and globally integrated business environment

SDGs

10.1 Community Welfare

NMDC Energy takes a proactive role in contributing to community welfare, focusing on long-term, impactful collaborations with local organizations and stakeholders. Through these partnerships, NMDC Energy actively works to uplift social and environmental conditions within the regions where it operates. The company's Corporate Social Responsibility (CSR) initiatives are crafted to generate meaningful change, encompassing employment for UAE nationals, supporting local enterprises, and driving community-oriented programs that bring tangible benefits. Employee involvement is also a critical part of the CSR framework, with numerous opportunities for staff to volunteer and participate in local projects that positively impact social and environmental issues.

NMDC Energy is dedicated to advancing both environmental and community well-being through a well-structured CSR strategy designed to tackle pressing social and environmental challenges. This strategy emphasizes creating genuine connections with local communities and contributing directly to societal growth. NMDC Energy's core values—Knowledge, Accountability, Morality, Alliance, and Leadership—serve as the foundation for its CSR efforts, ensuring that all initiatives align with both business goals and community expectations.

The company's CSR programs are dynamic and adapt continuously to meet the evolving needs of the communities NMDC Energy serves. By participating in initiatives such as marine conservation, reforestation efforts, beach clean-ups, and public health campaigns, NMDC Energy makes a measurable impact on the environment and community. The company also prioritizes local economic empowerment by creating job opportunities for UAE nationals and partnering with regional suppliers to boost economic sustainability.

To maximize effectiveness, the CSR committee oversees all community initiatives, ensuring they align with NMDC Energy's operational objectives and sustainability commitments. Notable programs include mangrove planting, blood donation drives, and charity events like Ramadan food distribution, as well as health initiatives aimed at increasing community wellness and awareness. These efforts highlight NMDC Energy's role in supporting local communities while advancing the United Nations Sustainable Development Goals (SDGs).

Over the last five years, NMDC Energy invested AED 39.3 million in various community projects, demonstrating its focus on contributing meaningfully to societal and environmental well-being.

NMDC Energy has participated in number of community outreach initiatives and has established key partnerships of environmental and social benefits for the communities where it operates:

EMIRATIZATION AND CAREER DEVELOPMENT:

Participated in Tawdheef x Zaheb 2024 as a Gold Sponsor, hosting recruitment platforms, conducting interviews, and promoting career opportunities for Emirati talent.

SUSTAINABILITY LEADERSHIP SUMMIT:

Organized the Forbes Middle East Sustainability Leaders' Summit, fostering collaboration on innovative sustainable solutions.

INDUSTRIAL LEADERSHIP:

Sponsored the Make it in the Emirates Forum, showcasing advanced technologies and reinforcing NMDC Energy's role in the UAE's industrial development.

SUSTAINABILITY SHOWCASE:

Participated in The Egypt Petroleum Show to promote collaboration and highlight technological contributions to economic growth.

ECONOMIC CONTRIBUTIONS:

Reinjected 17 billion AED into the UAE's local economy and achieved a high ICV score, emphasizing support for local suppliers and economic diversification.

HSE ALIGNMENT:

Conducted Contractor and Offshore Subcontractor HSE Forums to ensure alignment with safety and excellence standards.

COMMUNITY ENGAGEMENT:

Supported the International Running Race in Saudi Arabia, highlighting CSR and community involvement.

EMPLOYMENT CREATION:

Signed a 50-year agreement with Khalifa Economic Zones Abu Dhabi (KEZAD) Group to establish a $100M manufacturing facility, creating 3,000 jobs and enhancing industrial capacity.

ENVIRONMENTAL RECOGNITION:

Won the 2024 International Pipe Line & Offshore Contractors Association (IPLOCA) Environmental Award for planting 20,001 mangroves under the Blue Carbon Initiative, capturing 246 tons of CO2 annually.

CASE STUDY:
Commitment to Environmental Conservation and Community Welfare

Overview

NMDC Energy has demonstrated a commitment to community welfare through a series of environmental conservation initiatives aimed at protecting biodiversity, restoring natural habitats, and engaging local communities in sustainable practices. By integrating conservation efforts into its operational framework, NMDC Energy ensures that its projects contribute positively to both ecosystems and communities.

Turtle Nesting and Rescue Program

One of NMDC Energy's flagship conservation initiatives is its Turtle Nesting and Rescue Program, a proactive effort to protect sea turtles during the crucial nesting and hatching season from May to September. Recognizing the threats posed by industrial activities and climate change, NMDC Energy has implemented several measures to safeguard turtle populations, including:

- Identification and demarcation of potential turtle nesting areas with appropriate signage to prevent human and operational interference.
- Temporary suspension of operations in proximity to turtle nesting sites, ensuring a safe and undisturbed environment for mother turtles and hatchlings.
- Rescue and rehabilitation of injured or stranded turtles, reinforcing NMDC Energy's commitment to marine biodiversity.

Mangrove and Tree Plantation Initiatives

As part of its broader environmental stewardship efforts, NMDC Energy has undertaken habitat restoration projects focused on mangrove and tree plantations contributing to carbon sequestration, improving air quality and reducing NMDC Energy's environmental footprint:

- 50,000 mangroves were planted over two years in coastal areas, with authorization from local authorities, to support coastal resilience and marine biodiversity.
- 2,000 native trees were planted using water box technology over a span of two years to enhance green cover and promote reforestation.
- On World Environment Day, NMDC Energy planted 100 Ghaf tree seeds, symbolizing resilience and sustainability in the UAE's arid climate.

NMDC Energy's conservation initiatives extend beyond environmental impact, fostering community engagement and awareness around sustainability. Through active participation in tree planting drives, biodiversity protection programs, and marine life conservation, the company encourages employees, stakeholders, and local communities to take part in environmental stewardship efforts. This integrated approach strengthens NMDC Energy's role as a responsible corporate entity, contributing to both ecological preservation and community well-being.

10.2 Quality Management

Quality management is a cornerstone of NMDC Energy's commitment to operational excellence. The company employs an ISO 9001:2015 certified Quality Management System (QMS) to maintain high standards, streamline processes, and drive continuous improvement. This system is key to ensuring efficiency, consistent performance, and meeting client expectations throughout all projects and services.

NMDC Energy takes a proactive stance on quality management, emphasizing measurable metrics like the Project Quality Index highlighting the company's commitment to maintaining rigorous quality controls, fulfilling contractual obligations, and meeting client requirements with precision. The QMS supports comprehensive monitoring and evaluation at every project stage, aligning operations with the highest industry standards to enhance customer satisfaction.

Operating under a Group-level QHSE Policy, NMDC Energy integrates quality management consistently across its operations. This policy promotes direct customer feedback, integrates insights into operational improvements, and ensures alignment with global benchmarks. NMDC Energy also has an independent quality policy that is formulated to ensure that customer needs and expectations are fully understood and met throughout the organization. The policy clearly expresses top management commitment to providing customers with products and services that fully meet client requirements and expectations.

Quality excellence at NMDC Energy is built upon the capabilities of its workforce. The company invests significantly in training and development to equip employees with the skills needed in quality management and customer service. Specialized programs focus on quality control, process optimization, and effective client interaction. By empowering staff, NMDC Energy ensures that projects are executed to meet and exceed customer expectations.

Training offered to employees on quality management:

- IRCA Certified (A17955) ISO 9001:2015 Lead Auditor
- ISO 9001:2015 Lead Auditor Course (CQI & IRCA Certified)
- American Society of Mechanical Engineers (ASME) Boiler & Pressure Vessel Code (BPVC) training (ASME Sec VIII Div. 1 & 2 Codes)
- ISO 17025:2017 training on the general requirements for the competence of testing and calibration laboratories.

CUSTOMER FEEDBACK AND ONGOING IMPROVEMENTS

Customer feedback is crucial to refining NMDC Energy's quality management practices. Feedback gathered through the QMS is analysed to identify areas for improvement, ensuring responsiveness to client needs and maintaining a high standard of service quality. Turning customer insights into actionable improvements keeps quality enhancement at the forefront of NMDC Energy's operations. NMDC Energy has established, implemented and maintained a customer feedback process as part of the Project Management Manual. The process constitutes a customer satisfaction survey questionnaire to monitor the degree to which customers believe their requirements have been met. Customers are requested to rate their satisfaction on a scale of 1 to 10, from poor to excellent satisfaction. The data obtained from the survey is then analysed and reported in the management review meeting and used to drive performance improvement. Customer complaints are monitored and resolved to the satisfaction of the customers. The customer complaints process triggers our internal procedures for addressing nonconformities, ensuring that customers are actively involved in the resolution process.

A culture of continuous improvement is central to NMDC Energy's quality approach. Regular updates to QMS procedures, driven by employee insights and industry best practices, help ensure processes remain relevant and effective. This adaptability enables NMDC Energy to meet evolving project requirements while maintaining reliability and operational excellence.

10.3 Supply Chain Management

NMDC Energy's supply chain management integrates centralized NMDC Group support with independent procurement functions, designed specifically for the demands of the energy sector. While leveraging procurement and shared resources coordinated by NMDC Group's Resource Pool department, NMDC Energy also maintains a dedicated procurement division to cater to the unique requirements of its onshore and offshore oil and gas projects.

The procurement team at NMDC Energy is backed by a global network of offices, expeditors, and inspectors, ensuring efficient handling of procurement requests that meet both internal needs and client requirements. This process, managed by a team of 300 skilled professionals, is characterized by transparency and adherence to international standards, guaranteeing both efficiency and integrity throughout the tendering cycle.

To ensure alignment with NMDC Energy's strategic goals, the company prioritizes the principles of sustainability, transparency, and collaboration across its procurement activities. This focus not only aligns with NMDC Group's overarching values but also helps to establish a resilient supply chain, capable of adapting to the evolving challenges within the energy industry.

NMDC Energy employs advanced technologies to streamline its global procurement processes, ensuring seamless tendering, real-time database updates, and efficient monitoring of progress, inspections, material movement, and inventory. These technologies also enable effective sharing of information with stakeholders, fostering an environment of transparency and collaboration throughout the supply chain.

ESG INTEGRATION IN PROCUREMENT

NMDC Energy's procurement practices align with NMDC Group's broader vision of embedding ESG principles throughout the supply chain. NMDC Energy actively contributes to and adopts these principles, reinforcing a supply chain approach committed to sustainability, transparency, and responsible business conduct. NMDC Energy echoes the Group's conviction in the benefits of ESG integration across supply chain management to promote:

Risk Mitigation:

Integrating ESG criteria into procurement helps NMDC Energy reduce risks related to unethical practices and environmental issues, enhancing supply chain resilience.

Sustainable Supply Chain:

NMDC Energy promotes a sustainable supply chain by partnering with suppliers who prioritize ESG values, supporting the Group's overall sustainability objectives.

Client Alignment:

ESG integration positions NMDC Energy to meet client needs, particularly as sustainability becomes a critical project requirement, strengthening the company's attractiveness as a preferred partner.

Responsible Procurement:

Embedding ESG values in procurement enhances NMDC Energy's reputation for responsible practices, bolstering its leadership in sustainable procurement.

SUPPLIER ENGAGEMENT

Supplier engagement is a key aspect of NMDC Energy's procurement strategy. The procurement department maintains daily contact with suppliers at all levels, working collaboratively to address technical and commercial challenges. Regular interactions, including courtesy visits by management and the formation of steering committees for high-value items, help strengthen partnerships and resolve outstanding issues efficiently.

For new suppliers, NMDC Energy requires a proven track record of supplying to oil and gas companies that adhere to ESG standards. This ensures that suppliers meet the company's expectations for sustainability and compliance. The vendor pre-qualification process also mandates full adherence to NMDC Energy's Code of Conduct, further ensuring alignment with the company's values.

NMDC Energy is dedicated to aligning with clients' sustainability goals, including initiatives such as reducing the use of metallic materials where feasible and adopting circular practices within projects. To achieve these objectives, the company engages closely with suppliers through direct meetings and surveys to assess their readiness to meet ESG requirements and report on various aspects of their sustainability performance. Inspectors and expediters are regularly assigned to collaborate with suppliers, ensuring compliance with technical specifications that align with ESG criteria.

BUSINESS PARTNER CODE OF CONDUCT AND ESG CRITERIA

NMDC Energy's Business Partner Code of Conduct is central to its supply chain governance, encouraging vendors to uphold high standards of integrity, legal compliance, and social accountability, including anti-bribery and anti-corruption regulations. In 2024, all NMDC Energy's suppliers hired signed a mandatory declaration affirming their full compliance with the company's Business Partner Code of Conduct. Additionally, all suppliers are obligated to accept all terms and conditions, including General Purchasing Conditions that ensure supplier adherence to ethical conduct. This approach aims to build a Group-wide supply chain on a foundation of ethical business practices, transparency, and accountability.

NMDC Energy is increasingly embedding environmental and social considerations into its procurement process to promote sustainability, support a circular economy, and ensure socially responsible practices. The company reinforces these principles mainly through the Business Partner Code of Conduct requiring all suppliers to uphold high environmental standards including reducing the use of virgin raw materials, prolonging product lifespans, repurposing and reuse of materials, and materials recovery practices. The code of conduct also requires suppliers to declare their commitment against forced labor and child labor, adhering to high standards of labor rights, fair working conditions, and minimum working age standards. This code requires suppliers to declare their commitment to avoiding practices such as forced or child labor and to adhere to the minimum working age standards.

NMDC Energy further ensures accountability against the company's values and contribution to its sustainability goals through:

- Pre-qualification Assessments: During the supplier pre-qualification process, quality, health and safety, and environmental KPIs are assessed to encourage suppliers to meet the company's sustainability standards.
- Contractual Obligations: Contractual agreements with suppliers include terms and conditions that ensure compliance with local labor and environmental laws to promote accountability in the supply chain.
- Performance Evaluation: Suppliers performance is evaluated every six months through post-award contract management.

LOCAL PROCUREMENT

NMDC Energy adopts and directly contributes to NMDC Group's long-standing commitment to local sourcing. In 2024, due to the restructuring of procurement contracts across the NMDC Group where many of NMDC Energy's general purchase items from local suppliers were shifted to the Group's corporate procurement function, NMDC Energy's local spending decreased from 84.63% in 2023 to 58.15% in 2024. Nonetheless, the percentage of local suppliers hired in 2024 remains consistent at around 66%. NMDC Energy remains committed to promoting competitiveness within the UAE's industrial sector and supporting the national targets to increase the sector's GDP contribution to AED 300 billion by 2031. NMDC Energy demonstrates this commitment through its digitization and local value creation initiatives as well as the development of cutting-edge technologies locally that strengthen and diversify the UAE's industrial capabilities. The recognition and certification of NMDC Energy as an Industry 4.0 Digital Leader by the Ministry of Industry and Advanced Technology (MoIAT) in 2024 and the improvement in its National In-Country Value (ICV) to 84.15% are a testament to the company's efforts.

Local procurement during reporting period

	2022	2023	2024
Total number of suppliers hired	920	1,055	990
Number of suppliers assessed against sourcing code of conduct	920	1,055	990
Total number of local suppliers hired	613	697	655
Percentage of local suppliers hired	66.63%	66.07%	66.16%
Total procurement spending (AED m)	3,814.92	2,448.52	3,497.98
Procurement spending on local suppliers (AED m)	1,709.91	2,072.13	2,034.20
Percentage of spending on local suppliers (%)	44.82%	84.63%	58.15%

11 OUR INTELLECTUAL CAPITAL

Our Alignment

Material Topics

- Opportunities in Clean Technology

GRI Standards

- GRI 201 - Economic Performance
- GRI 203 - Indirect Economic Impacts

Abu Dhabi 2030 رؤية Vision

- Enabling financial markets to become the key financiers of economic sectors and projects
- Adopting a disciplined fiscal policy that is responsive to economic cycles
- Developing a sufficient and resilient infrastructure capable of supporting anticipated economic growth

SDGs

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

NMDC Energy's intellectual capital is the driving force behind its pursuit of sustainable growth and leadership within the energy sector. By harnessing the knowledge and expertise of its talented workforce, NMDC Energy actively invests in research, technological advancement, and digital innovation. These efforts aim to address key environmental challenges, improve operational effectiveness, and ensure long-term value creation. Through the adoption of advanced technologies, clean energy innovations, and sophisticated Artificial Intelligence (AI) solutions, NMDC Energy continuously refines its operations, strengthens team collaboration, and upholds its position as an innovative company dedicated to progress and sustainable development.

DRIVING INNOVATION ACROSS THE ORGANIZATION

A key element driving innovation at NMDC Energy is the Innovation Campaign. Led by the Business Performance department, this program encourages employees to propose and pilot initiatives that directly address challenges within their departments, promoting solutions that can be expanded across the organization. The Innovation Campaign is focused on promoting innovative solutions that foster operational efficiency, reduce operational costs, and promote technologies that enhance the company's environmental impact. This initiative leverages the vast skillset of NMDC Energy's employees particularly those with interests and expertise that might fall outside of their day-to-day duties. This approach illustrates NMDC Energy's ongoing commitment to operational excellence, empowering the company to meet industry demands while creating opportunities for sustainable growth.

In 2024, as a testament to its efforts, NMDC Energy was officially recognized and certified as an Industry 4.0 Digital Leader by the MoIAT. This distinction recognizes NMDC Energy as a leader in the Fourth Industrial Revolution, with an exceptional performance across multiple departments in the rigorous Industrial Technology Transformation Index (ITTI) Assessment. Developed by MoIAT, ITTI is the region's first digital maturity tool to evaluate the adoption of advanced technologies and sustainable practices by manufacturing companies. This achievement highlights NMDC Energy's alignment with national goals of economic diversification and industrial capacity enhancement.

TRANSFORMING ENERGY PRACTICES THROUGH EMPLOYEE INNOVATION

NMDC Energy prides itself on having a motivated and innovative workforce that serves as the foundation of the company's intellectual capital. This talent is instrumental in driving impactful solutions and fostering a culture of continuous improvement across the organization. By recognizing that those closest to operational challenges are often best positioned to devise effective solutions, NMDC Energy actively supports employee-driven initiatives. This commitment empowers staff to take the lead in problem-solving, exemplified by the company's Energy Management Plan, a prime example of how employees can contribute significantly to operational excellence.

NMDC Energy's Energy Management Plan reflects the company's commitment to operational excellence and sustainability. Recognizing the increasing regulatory and societal expectations for climate responsibility, the plan integrates cutting-edge technologies, robust governance, and strategic investment to drive a systemic transformation of energy practices across its facilities and operations. Anchored by ambitious goals to reduce energy intensity by 25-30% by 2027, the plan aligns with international best practices, including ISO 50001 standards, and emphasizes continuous improvement through rigorous monitoring, data-driven decision-making, and targeted energy conservation measures.

This forward-looking strategy underscores NMDC Energy's role as a leader in sustainable industrial innovation, leveraging initiatives such as the transition to cleaner energy sources, infrastructure upgrades, and the integration of renewable energy systems. Beyond achieving measurable reductions in carbon emissions and operational costs, the plan cultivates a culture of sustainability, engaging employees, subcontractors, and stakeholders in its vision. By embedding energy efficiency into its core operational and developmental frameworks, NMDC Energy not only meets today's energy challenges but also strengthens its resilience and competitiveness in a rapidly evolving global energy landscape.

The Energy Management Plan embodies NMDC Energy's strategic focus on leveraging employee-led innovation to achieve operational excellence and sustainability. By pursuing targeted energy-saving initiatives, making key infrastructure investments, and expanding renewable energy adoption, the company is driving meaningful changes that enhance efficiency and cement its reputation as a forward-thinking leader in the energy sector. The success of this initiative has also inspired other business units within NMDC Group, with NMDC Energy now actively involved in scaling these best practices to sister subsidiaries to achieve similar gains. For more information on the achievements and progress of NMDC Energy's Energy Management Plan, please refer to section GHG Emissions & Energy under Our Natural Capital section of this report.

DIGITAL TRANSFORMATION FOR OPERATIONAL EXCELLENCE

Embracing digital transformation is an important aspect of NMDC Energy's strategy for achieving operational excellence and gaining a competitive edge. In an era where digitization is reshaping industries worldwide, NMDC Energy is focused on integrating advanced digital tools and AI-driven technologies to enhance decision-making, streamline operations, and improve overall efficiency. For an EPC company, the effective use of digitization is crucial to capturing opportunities that set it apart from competitors.

From implementing an Enterprise Resource Planning (ERP) system to leveraging AI-enabled insights, NMDC Energy aims to build a connected and agile organization capable of responding swiftly to the evolving demands of the energy sector. By adopting the latest trends in global digitization, NMDC Energy not only strengthens its internal capabilities but also positions itself as a leader in the use of technology to drive sustainable growth and meet the dynamic needs of the industry.

Connected Worker & Equipment Performance Tracking:

The Connected Worker and Equipment Performance Tracking system revolutionizes safety and efficiency on the NMDC Energy Yard Site through comprehensive real-time tracking of personnel and equipment. The initiative combines cutting-edge technologies to create a connected and responsive workforce while optimizing operational performance.

With precise indoor and outdoor personnel tracking, the system ensures worker safety and efficiency throughout the site. GPS-based vehicle tracking and telematics enable real-time monitoring of vehicle movement, utilization, and key performance parameters, providing actionable insights through integration with the Connected Assets Platform. Real-time alerts for critical events, such as geofence breaches, SOS signals, idleness, and falls, ensure prompt responses to enhance safety and compliance with regulations.

Role-based dashboards offer secure, tailored access to data, empowering management with detailed visualizations and metrics for data-driven decision-making. By optimizing workforce allocation, reducing downtime, and maximizing productivity, the system supports operational excellence, making the NMDC Energy's fabrication yards a benchmark for safety, efficiency, and technological innovation.

Privacy and Data Protection:

NMDC Energy is dedicated to ensuring the highest standards of privacy and data protection for all customer information. The company's approach to privacy and security is built around a comprehensive Privacy & Security strategy that adheres to international standards and regulatory requirements. This strategy is driven at the NMDC Group level and governed by an official Data Privacy Policy, endorsed by the Group CEO, and applies to all employees, third-party contractors, vendors, and consultants handling NMDC Energy's data and assets.

At the core of NMDC Energy's data protection framework lies the Information Security Management System (ISMS), which establishes protocols to manage, monitor, and improve information security practices. The ISMS is aligned with ISO 27001 standards and UAE Information Assurance regulations, underscoring NMDC Energy's commitment to aligning with global best practices and maintaining the integrity of sensitive information.

The NMDC Group Digital Transformation Committee (DTC), chaired by the Group CEO, is responsible for overseeing the ISMS's strategic direction and ensuring that enterprise-level risk management is fully integrated into NMDC Energy's operations.

To safeguard personal and sensitive data, NMDC Energy employs several key technical and procedural controls:

- **Data Categorization and Access Control:** Sensitive data is systematically categorized, and access is restricted to authorized personnel only.
- **Cybersecurity Measures:** The company invests in advanced cybersecurity technologies to protect against evolving threats and ensure a strong defence posture.
- **Employee Awareness Programs:** Regular training sessions and awareness initiatives help foster a culture of data security compliance and vigilance among employees.
- **Incident Management:** A structured Information Security Incident Management Procedure is in place to detect, analyse, and resolve any data privacy or security issues promptly.

NMDC Energy actively conducts audits of its systems and processes to identify potential improvements and bolster resilience against emerging cyber threats. As part of its ongoing commitment, the company plans to achieve ISO 27001 certification for its ISMS, further emphasizing the importance placed on maintaining stringent privacy and security measures.

NMDC Energy maintains an open and transparent approach to data privacy, with a history of no reported privacy or security breaches. This unwavering commitment to data protection fosters strong stakeholder trust, enhancing NMDC Energy's reputation as a secure and dependable partner.

Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

	2022	2023	2024
Total number of complaints received from outside parties and substantiated by the organization	0	0	0
Total number of complaints from regulatory bodies	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0

12 OUR NATURAL CAPITAL

Our Alignment

Material Topics

- GHG Emissions & Energy
- Biodiversity & Land-Use
- Circularity & Waste Management
- Water Stress

GRI Standards

- GRI 302 - Energy
- GRI 303 - Water and Effluents
- GRI 304 - Biodiversity
- GRI 305 - Emissions
- GRI 306 - Waste
- GRI 307 - Environmental Compliance

- Developing a sufficient and resilient infrastructure capable of supporting anticipated economic growth
- Building an open, efficient, effective, and globally integrated business environment

SDGs

12.1 GHG Emissions & Energy

CLIMATE SOLUTIONS AND ENERGY TRANSITION

NMDC Energy's procurement practices align with NMDC Group's broader vision of embedding ESG principles throughout the supply chain. NMDC Energy actively contributes to and adopts these principles, reinforcing a supply chain approach committed to sustainability, transparency, and responsible business conduct. NMDC Energy echoes the Group's conviction in the benefits of ESG integration across supply chain management to promote:

NMDC Energy has long recognized the critical role it can play in addressing climate challenges both regionally and globally. A major milestone in NMDC Energy's climate journey has been the establishment of NT Energies, a joint venture with Technip Energies, focused on supporting the energy transition. This partnership, launched in 2022, embodies NMDC Energy's commitment to integrating climate-related services and products into its portfolio, thereby expanding its role beyond conventional energy services to include services in the blue and green hydrogen sector, carbon capture and related decarbonization projects, and sustainable energy solutions. The collaboration aims to capitalize on emerging opportunities within the Gulf region and internationally, reflecting NMDC Energy's intent to be at the forefront of the evolving energy landscape and to contribute meaningfully to global climate action.

NT Energies enables NMDC Energy to leverage specialized expertise and cutting-edge technologies to develop innovative solutions for carbon management, renewable energy integration, and climate resilience. Through this venture, NMDC Energy has positioned itself as a key partner for climate-focused initiatives, helping clients achieve their decarbonization targets and reinforcing the company's own capabilities in sustainable energy. By actively engaging in climate-positive projects, NMDC Energy is building a strong foundation to support the shift towards a low-carbon future, while recognizing the commercial opportunities that align with broader climate goals.

ENERGY MANAGEMENT

Turning inward, NMDC Energy is equally focused on managing its own GHG emissions and energy efficiency. The company strives to minimize the environmental impact of its operations, consistent with its dedication to responsible environmental management. NMDC Energy has integrated its energy management practices into its core operations, striving to align with the latest trends in climate risk mitigation and industry best practices. This is part of NMDC Energy's broader aim to uphold operational efficiency while contributing positively to environmental sustainability.

The company operates under a formal NMDC Group QHSE Policy that outlines its commitments to environmental stewardship, pollution prevention, and energy conservation. This policy provides a framework for minimizing adverse environmental impacts and maintaining compliance with regulatory standards, serving as the guiding principle for NMDC Energy's climate initiatives. NMDC Energy's Energy Management Plan is a testament to the company's efforts, which are not limited to compliance but extend to continuous improvement, focusing on energy optimization and emissions reductions wherever feasible.

The Energy Management Plan, led by the Onshore Electrical and Automation Division, aims to achieve 25-30% energy savings in yard operations by 2027. In 2024, the plan made significant progress towards this ambitious target, reflecting NMDC Energy's dedication to efficiency and sustainability. Key components of this forward-looking plan include:

1. Static Frequency Converter (SFC) Integration

In 2023, NMDC Energy transitioned from traditional diesel generators to Static Frequency Converters (SFCs) connected to the power grid to power idle barges at jetties and support testing and commissioning activities. This strategic shift brought considerable benefits in 2024:

Energy Reduction:

Achieved a 20-30% reduction in energy consumption, significantly lowering energy demands for barge and commissioning activities.

Cost Efficiency:

Reduced operating costs by 40-50%, attributed to decreased diesel fuel usage and reduced maintenance expenses.

Emissions Reduction:

Cut carbon emissions by 60-80%, utilizing cleaner grid energy instead of diesel, which supports NMDC Energy's sustainability goals.

2. Energy-Efficient Upgrades in 2024

The energy management strategy in 2024 also included substantial investments in energy-efficient infrastructure to further optimize operational performance:

Light-Emitting Diode (LED) Lighting Retrofit:

NMDC Energy invested AED 1,150,000 to replace sodium vapor tower lights with LED fixtures, resulting in 50% energy savings, enhanced visibility, and reduced maintenance costs due to the longer lifespan of LED technology.

HVAC System Upgrade:

A budget of AED 3,000,000 was allocated to replace conventional window air conditioners in employee accommodations with energy-efficient inverter split A/C units, resulting in energy savings of 20-25%.

Chiller System Upgrade:

The company invested AED 2,000,000 to upgrade the existing chiller system to a Variable Speed Drive (VSD) chiller with a Variable Frequency Driver (VFD) chiller pump and an integrated Building Management System (BMS). This upgrade enhances cooling efficiency, optimizes temperature control, and delivers an estimated 15% in energy savings.

3. Renewable Energy Expansion

As part of its overarching sustainability initiatives, NMDC Energy plans to install a 50-100 kW solar power system to support select office facilities. This green initiative will not only reduce dependence on grid electricity but will also contribute to lowering carbon emissions by leveraging clean, renewable energy sources. Through the adoption of solar power, NMDC Energy aims to further reduce its environmental impact and strengthen its position as a sustainable and eco-friendly operator.

As a result of these practices, NMDC Energy has received a Category A certification as part of Abu Dhabi's Energy Tariff Incentive Program (ETIP), benefiting from lower energy prices and further validating the potential for sustainable practices to contribute to financial benefits and cost reductions.

Energy Consumption Data

	Sum of Energy Value [GJ]	
	2023	2024
Scope 1	**1,873,813.35**	**4,721,246.85**
Diesel (100% mineral diesel)	146,121.79	51,003.85
Marine fuel oil	1,596,086.41	0.00
Marine gas oil	111,626.84	4,668,145.50
Petrol (100% mineral petrol)	19,978.32	2,097.49
Scope 2	**284,805.28**	**216,557.64**
Electricity	284,805.28	216,557.64
TOTAL	**2,158,618.63**	**4,937,804.49**

EMISSIONS MANAGEMENT AND GHG INVENTORY

In 2024, NMDC Energy participated in a comprehensive exercise undertaken by NMDC Group to establish a detailed GHG emissions inventory, encompassing both the 2023 and 2024 calendar years, using 2023 as the baseline year. This inventory was developed in alignment with the GHG Protocol, covering Scope 1 direct emissions, Scope 2 emissions from purchased electricity, and Scope 3 emissions from sources not owned or directly controlled by the company. The emissions inventory spans across all NMDC Energy operations, ensuring a holistic view of the company's emissions profile.

Following the establishment of its GHG inventory, NMDC Energy, in collaboration with NMDC Group, has made concerted efforts to analyze and better understand its emissions profile. This includes identifying key emission hotspots and evaluating actionable opportunities to reduce its carbon footprint. The focus of this analysis has been on exploring feasible, high-impact emissions reduction initiatives that can progressively lower emissions while maintaining operational efficiency.

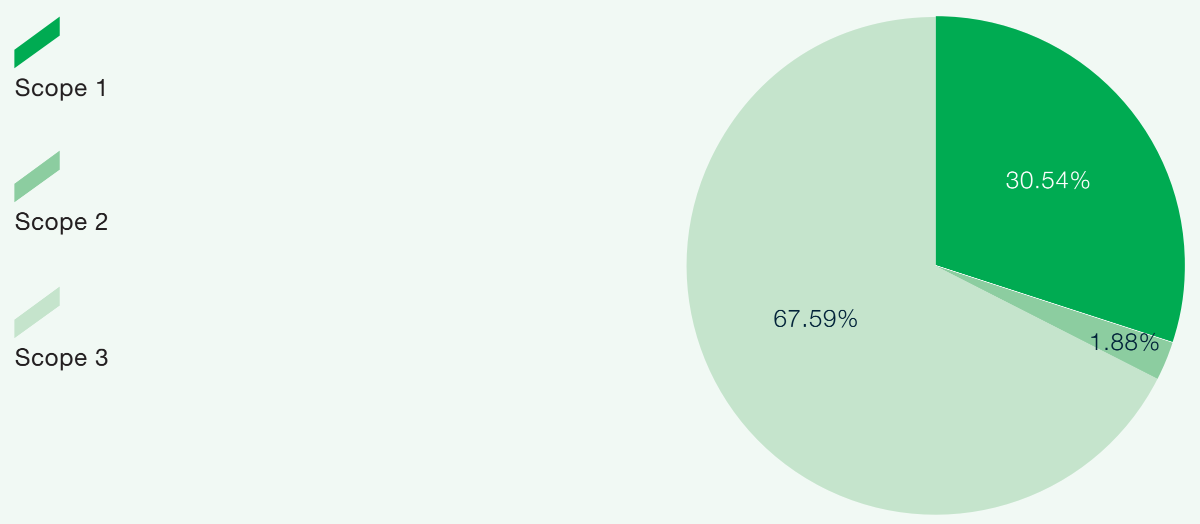
NMDC Energy remains committed to aligning its emissions reduction efforts with broader climate goals, striving to make meaningful progress while safeguarding operational flexibility. By identifying practical emissions reduction pathways and continuously evaluating their impact, NMDC Energy is dedicated to taking proactive steps towards minimizing its contribution to climate change and enhancing its sustainability practices.

GHG Emissions Data

GHG Emissions [tC02e] *			
Scope	Category	2023	2024
Scope 1	Stationary Combustion	9,279.00	3,796.29
	Mobile Combustion	132,234.00	353,865.00
	Fugitive Emissions	22,626.00	12,583.44
Scope 2	Purchased Electricity (location-based)	32,998.00	22,738.55
	Purchased Electricity (market-based)	32,998.00	22,738.55
Scope 3	Purchased Goods and Services †‡	531,911.00	740,060.00
	Capital Goods †	56,732.00	50,766.45
	Fuel- and Energy Related Activities Not Included in Scope 1 or Scope 2	37,827.00	21,719.12
	Upstream Transportation and Distribution (WTW) ¶	333.00	2,974.63
	Waste Generated in Operations	2,453.00	2,581.66
	Business Travel (WTW) §	1,550.00	1,357.42
	Employee Commuting (WTW)	28,097.00	N/A
TOTAL		856,040.00	1,212,442.56

* The emissions inventory provides an overview of NMDC Energy's emissions as a standalone entity. Due to the nature of our projects, a geographic breakdown is not feasible. As such, the figures presented reflect the total emissions from all activities and operations conducted in 2023 and 2024.
† Given that many of our operations involve shared corporate services with NMDC D&M under NMDC Group, certain emissions cannot be fully disaggregated between the respective business units. Readers are encouraged to refer to NMDC Group's Integrated Report for a comprehensive GHG inventory at the group level.
‡ Only material- and G&A costs can be disaggregated among NMDC D&M and NMDC Energy. Thus, some spending data is accounted for at the group level. Please refer to NMDC Group's Integrated Report 2024 for the full overview.
¶ Upstream Transportation and Distribution covers emissions associated with upstream transportation and distribution by road.
§ Business Travel (WTW) only covers emissions associated with flights taken by NMDC Energy employees.

GHG Emissions Data Summary



Scope	Unit	2023	% contribution	2024	% contribution
Scope 1	MTCO2e	164,139.00	19.17%	370,244.73	30.54%
Scope 2		32,998.00	3.85%	22,738.55	1.88%
Scope 3		658,903.00	76.97%	819,459.28	67.59%

GHG Emissions Intensity Data

TOTAL EMISSIONS INTENSITY (tCO2e/ Revenue AED'000)	2023	2024
Scope 1 Intensity	0.0207	0.0256
Scope 2 Intensity	0.0042	0.0016
Scope 3 Intensity	0.0831	0.0567

ENVIRONMENTAL COMPLIANCE MANAGEMENT

NMDC Energy upholds a firm commitment to complying with environmental laws and regulations, emphasizing proactive strategies to minimize the risk of non-compliance. This commitment has allowed NMDC Energy to maintain a clear record without any fines or sanctions related to environmental breaches, demonstrating the company's dedication to responsible environmental practices across all its operational regions.

Year	Non-compliance with Environmental Laws and Regulations		
	Total Monetary Value of Significant Fines (in AED)	Total Number of Non-Monetary Sanctions	Cases Brought through Dispute Resolution Mechanisms
2022	0	0	0
2023	0	0	0
2024	0	0	0

Environmental stewardship and sustainable practices are integral to NMDC Energy's operations. The company has developed a comprehensive compliance management framework that focuses on early risk detection, strict policy adherence, and promoting a culture of environmental awareness throughout the workforce. The framework includes the following core elements:

Risk Identification and Mitigation:

QHSE teams conduct regular risk assessments and environmental monitoring to swiftly detect and mitigate potential issues, ensuring that compliance challenges are addressed early and effectively, thereby supporting smooth operations.

Regular Audits and Compliance Checks:

Routine internal audits and environmental evaluations are conducted to ensure compliance with regulations and internal standards. These audits foster accountability and drive continuous improvement across NMDC Energy's operations.

Workforce Training and Engagement:

Regular workshops, induction sessions, and training programs are conducted to ensure that employees understand environmental responsibilities and regulatory expectations, fostering a culture of sustainability and compliance.

At the core of NMDC Energy's environmental governance structure is the HSE Manual, which sets forth detailed guidelines for environmental protection measures, such as waste management, pollution control, and resource efficiency. This manual is an essential reference for both employees and contractors, reinforcing NMDC Energy's focus on maintaining regulatory compliance and fostering sustainable work practices.

To sustain high standards in environmental performance, NMDC Energy continuously identifies training needs and develops targeted educational programs to empower operational teams in their roles as environmental stewards. The Environmental Induction Training Program ensures team members understand their roles in maintaining safe, sustainable operations, directly contributing to NMDC Energy's compliance objectives and sustainability goals.

Looking ahead, NMDC Energy is dedicated to maintaining its track record of environmental compliance by integrating evolving regulations and deepening the culture of environmental mindfulness. Through ongoing training initiatives, policy updates, and strategic compliance management, NMDC Energy aims to drive sustainability outcomes and reaffirm its focus on responsible environmental management.

CASE STUDY:

Replacing Combustion Engines with Electric Motors

Overview

NMDC Energy has replaced traditional combustion engine equipment with electric-powered alternatives at the Musaffah Fabrication Yard. This initiative aims to reduce carbon emissions and enhance operational efficiency while supporting the company's sustainability goals.

Implementation Highlights

Replacement of crawler and mobile cranes with gantry cranes:

- Nine gantry cranes replaced 13 crawler and mobile cranes in assembly areas with additional plans to introduce 13 new gantry cranes replacing an additional 17 crawler and mobile cranes.
- Eight overhead cranes installed in new pre-assembly workshops replaced 12 crawler and mobile cranes.
- A rail-mounted tower crane and overhead crane replaced two crawler cranes and two mobile cranes in storage areas.

Replacement of combustion-driven equipment with electric alternatives:

- Nine battery-operated transfer carts replaced forklifts, cranes, and trucks.
- Electric screw compressors replaced 48 combustion-driven compressors.

Environmental Impact

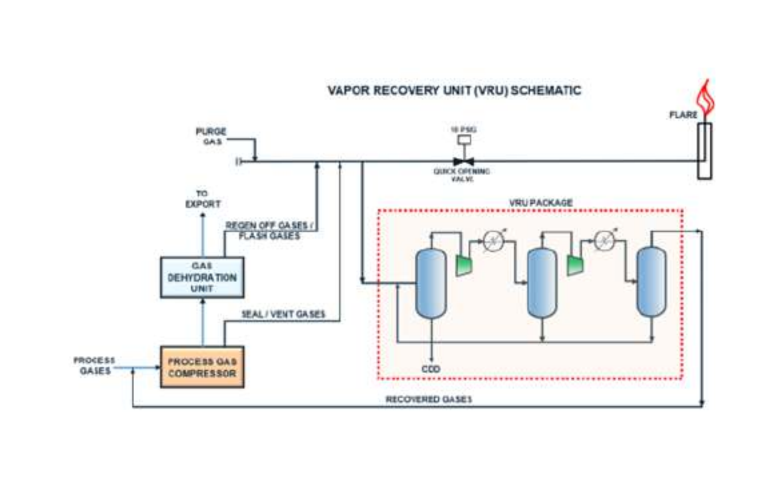
The transition to electric equipment has significantly reduced emissions. Traditional equipment emitted approximately 3,602.2 kg of CO_2 per shift, whereas the new electric equipment emits 1,537.91 kg per shift, achieving a 57% reduction in CO_2 emissions. On a monthly basis, this represents a reduction to 39,985.66 kg from 93,657.20 kg of CO_2.

CASE STUDY:

Vapor Recovery Unit (VRU) Installation for Zero Flaring Compliance

Overview

In response to strict environmental regulations and a corporate commitment to sustainability, NMDC Energy has implemented a Vapor Recovery Unit (VRU) at its gas platform facilities. Designed to recover approximately 3 million standard cubic feet of gas per day (MMSCFD) of hydrocarbon gases, the VRU project aims to achieve “Zero Flaring” by capturing and recycling emissions that would otherwise be vented or flared. This initiative not only addresses environmental concerns but also enhances operational efficiency by reintegrating recovered gases into the processing cycle.



Technology and Components

The VRU system leverages state-of-the-art technologies and components to optimize recovery and ensure compliance with stringent safety and environmental standards. Key elements include:

- **Integrally Geared Centrifugal Compressor (IGCC):** This compressor handles the varying gas flow rates with precision and efficiency.
- **Variable Frequency Drive (VFD):** Used to regulate the compressor speed based on gas flow, ensuring energy-efficient operation.
- **Scrubbers and Coolers:** Scrubbers remove liquid droplets from gases, while water-cooled heat exchangers, selected due to space constraints, cool the compressed gas.
- **Quick Opening Valve (QOV):** In emergencies, this valve diverts gases to the flare system, ensuring safety.

Operational Highlights

The VRU collects gases from multiple sources within the platform, including Gas Dehydration Unit (GDU) regeneration off-gases, hydrocarbon vapors from the GDU flash drum, High-Pressure (HP) and Low-Pressure (LP) flare header purging fuel gases, and Process and Vapor Recovery Compressor seal gases. Recovered gases are recycled into the process by routing them to the Process Gas Compressor suction, significantly reducing emissions. The system prevents the release of approximately 3% CO_2 and 4% H_2S into the atmosphere, aligning with the facility’s environmental objectives.

Impact and Benefits

The VRU installation at NMDC Energy represents a milestone in sustainable oil and gas operations:

- **Environmental Protection:** By eliminating hydrocarbon venting, the project minimizes toxic emissions, reducing environmental and public health risks.
- **Regulatory Compliance:** The VRU ensures adherence to “Zero Flaring” mandates, strengthening NMDC Energy’s position as a responsible operator.
- **Resource Efficiency:** Recycling hydrocarbon gases improves operational efficiency, reducing the need for additional gas inputs.

12.2 Biodiversity & Land-Use

NMDC Energy is dedicated to safeguarding biodiversity, with a strong commitment to preserving the natural habitats and ecosystems around its operations. Rooted in NMDC Group's centralized environmental strategy, NMDC Energy tailors its approach to address the unique biodiversity challenges and responsibilities it faces. The company actively engages in biodiversity management, implementing sustainable practices and conservation efforts that align with its QHSE Policy.

Under the Group's QHSE Policy, endorsed by the NMDC Group CEO, NMDC Energy upholds policies that prioritize environmental protection, pollution prevention, and habitat preservation. This policy framework is integral to all operations and guides our proactive efforts to minimize adverse environmental impacts. Through Environmental Impact Assessments (EIAs), conducted by approved consultants , NMDC Energy assesses and mitigates potential effects on biodiversity, securing approvals from relevant authorities such as the Environment Agency of Abu Dhabi (EAD).

PARTNERSHIPS FOR CONSERVATION AND ECOSYSTEM PROTECTION

NMDC Energy collaborates closely with regulatory bodies, such as EAD, to uphold high standards in environmental protection and biodiversity conservation. Through environmental assessments, the company monitors and manages impacts on marine fauna, seagrass, and sensitive habitats, implementing control measures such as silt curtains and seasonal restrictions to safeguard vulnerable species.

Additionally, NMDC Energy integrates marine ecology protection into its offshore and coastal projects. By deploying trained Marine Mammal Response Observers (MMROs), the company proactively monitors marine life, ensuring compliance with marine protection goals. Observers report sightings in real time, enabling immediate action to prevent disturbances to marine biodiversity.

MINIMIZING OPERATIONAL IMPACTS ON BIODIVERSITY

NMDC Energy's operational practices are designed to minimize biodiversity disruption through advanced planning and careful management. By adhering to the UAE's cleaner fuel mandate, including low sulfur content, the company reduces harmful emissions and contributes to better air quality. Furthermore, NMDC Energy's fleet is equipped with emergency response capabilities, and the company maintains a comprehensive risk register to track and mitigate potential environmental impacts from its operations.

NMDC Energy also utilizes Dynamically Positioned (DP) vessels in some of its operations to replace traditionally moored vessels that require seabed connections and an additional fleet of anchor handling vessels. This approach reduces congestion from supporting anchoring vessels and minimizes disturbances to the seabed. DP vessels significantly contribute to reducing operational impacts on marine biodiversity by avoiding physical disruption to sensitive habitats, thereby minimizing disturbances to marine wildlife and promoting a more sustainable marine environment.

NMDC Energy also prioritizes noise monitoring in both offshore and onshore operations. Specialized hydrophones and sound level meters track noise levels in real time, allowing for immediate mitigation if needed. By adopting innovative technologies and working with environmental consultants, NMDC Energy continuously improves its noise management strategies to minimize impact on marine and terrestrial ecosystems.

KEY BIODIVERSITY INITIATIVES

NMDC Energy contributes to protecting local wildlife and ecosystems, engaging in targeted initiatives that support biodiversity:

- Strategic Nesting Platforms: The company has installed 135 nesting platforms to support local bird populations, including ospreys, by facilitating natural behaviors such as perching, hunting, and nesting.
- Seasonal Habitat Protection: During turtle nesting and hatching seasons, NMDC Energy takes proactive measures to minimize disturbance to sensitive coastal habitats, ensuring that these protected areas remain undisturbed.
- Habitat Restoration and Conservation: NMDC Energy actively engages in habitat restoration and conservation to enhance local ecosystems. Contributing to environmental remediation efforts and in line with regional conservation goals, NMDC Energy planted 20,001 mangrove seedlings in 2024, enhancing coastal resilience and supporting biodiversity.
- Terrestrial Ecology & Land Use Management: NMDC Energy employs land-use strategies that optimize project locations while minimizing ecological impacts. Restoration efforts, such as planting native vegetation and controlling soil erosion, ensure biodiversity is maintained.
- Water & Air Quality Monitoring: NMDC Energy integrates comprehensive water and air quality monitoring systems into its operations to safeguard both human health and the environment. These systems ensure compliance with international and local regulatory standards and provide valuable data for continuous improvement.
- Spill Response: Recognizing the environmental risks associated with offshore and coastal operations, NMDC Energy maintains a dedicated Spill Response Team, trained to swiftly contain and mitigate potential spills of oil or hazardous materials. This ensures minimal environmental impact and regulatory compliance.

These initiatives reflect the NMDC Energy's focus on conserving the biodiversity surrounding its operations and fostering a sustainable environment for local wildlife.

12.3 Circularity & Waste Management

NMDC Energy is committed to implementing proactive waste management strategies that minimize environmental impact, ensure compliance, and support the company's sustainability practices. Rooted in the principles of circularity and resource efficiency, NMDC Energy's approach emphasizes pollution prevention, environmental protection, and responsible resource use across all operations.

Recognizing the critical role of effective waste management in minimizing the environmental footprint of complex EPC activities, NMDC Energy has established processes for precise waste classification, sorting, and separation. These efforts are key to maintaining safety, regulatory compliance, and adherence to both local and international environmental standards.

The company's waste management framework is governed by the Group QHSE Policy and supported by an ISO 14001:2015-certified Environmental Management System (EMS). To ensure cohesive waste management, NMDC Energy integrates related policies through an ERP system that facilitates continuous improvement, promotes resource efficiency particularly in procurement practices, and allows for a rapid response to changes in environmental regulations.

NMDC Energy promotes waste reduction initiatives, including optimized procurement, effective waste segregation, and material reuse and recycling, while also enhancing visibility into upstream and downstream waste prevention measures. Ongoing efforts are focused on further improving waste management policies and exploring opportunities to reintroduce waste materials into the value chain. By embedding best practices and aligning with global standards, NMDC Energy aims to strengthen circularity, improve its waste management performance, and contribute to a sustainable resource economy throughout its operations.

Waste Generation Data

Note: Given the work undertaken to develop the NMDC Energy's baseline inventory in 2023 including the implementation of enhanced measurement methodologies, the adoption of updated definitions, and the correction of previously identified errors, waste-related figures are only reported from 2023 onwards.

Waste Type	Non-Hazardous (MT)											Hazardous (MT)			
	Commercial & Industrial Waste*	Metal**	Construction	Plastics	Cables	Plaster-board	Concrete	Organic†	Wood	Paper & Board	Aggregates¶	Batteries	Commercial & Industrial Waste‡	Metal§	WEEE‖
2023	3,533.04	11,504.86	6,229.72	73.99	152.07	54.84	1,110.58	30.35	3,143.94	79.64	1,116.00	35.22	473.78	116.75	0.87
2024	3,857.16	9,884.16	0.00	177.76	567.11	0.00	0.00	0.00	2,365.77	177.76	0.00	354.30	626.26	19.17	N/A

* Includes general waste and mixed waste
** Includes scrap metal, mixed cans and steel cans
† Includes mixed food and garden waste
¶ Hard, inert materials used in construction
‡ Includes hazardous liquid and solid waste
§ Includes welding electrodes
‖ Includes mixed Waste Electrical and Electronic Equipment (WEEE)

Year	Non-Hazardous Weight (MT)	Hazardous Weight (MT)
2023	27,029.03	626.62
2024	17,029.71	999.73

NMDC Energy is committed to diverting waste from disposal through recycling and composting where possible:

Waste Diverted from Disposal in MT: Recycling and Composting

Waste Type	Non-Hazardous (MT)											Hazardous (MT)			
	Commercial & Industrial Waste*	Metal**	Construction	Plastics	Cables	Plaster-board	Concrete	Organic†	Wood	Paper & Board	Aggregates¶	Batteries	Commercial & Industrial Waste‡	Metal§	WEEE‖
Treatment by 3rd Party	-	-	Recycling	-	-	-	Recycling	-	-	-	Recycling	Recycling	-	Recycling	-
2023	0.00	11,480.36	6,229.72	73.99	152.07	0.00	1,110.58	0.00	3,131.64	75.24	634.00	35.22	0.00	116.75	0.00
2024	0.00	9,884.16	0.00	177.76	567.11	0.00	0.00	0.00	2,365.77	177.76	0.00	354.30	0.00	19.17	0.00

* Includes general waste and mixed waste
** Includes scrap metal, mixed cans and steel cans
† Includes mixed food and garden waste
¶ Hard, inert materials used in construction
‡ Includes hazardous liquid and solid waste
§ Includes welding electrodes
‖ Includes mixed Waste Electrical and Electronic Equipment (WEEE)

Year	Non-Hazardous Weight (MT)	Hazardous Weight (MT)
2023	22,887.60	151.97
2024	13,172.55	373.47

CASE STUDY:
Reverse Vending Machine Initiative

Overview

NMDC Energy has introduced a Reverse Vending Machine (RVM) in its Project Management Team building as a pilot project to enhance waste management and sustainability. This initiative reduces plastic waste, encourages recycling, and promotes a circular economy. By implementing an RVM, NMDC Energy promotes its goal to minimize landfill waste and improve resource efficiency.

How It Works

The RVM allows users to deposit empty plastic bottles and aluminium cans in exchange for incentives, such as vouchers or rewards. The machine collects, sorts, and compacts recyclables, making them easier to transport and process into new products. This approach enhances recycling rates and reduces environmental impact.

Key Benefits

- Encourages Recycling: Incentivizes users to recycle, increasing participation and environmental responsibility.
- Reduces Landfill Waste: Diverts plastic and aluminum waste from landfills, conserving natural resources.
- Supports Sustainability Goals: Aligns with NMDC Energy’s environmental targets and broader sustainability objectives.
- Enhances Community Engagement: Encourages employees and visitors to participate in responsible waste disposal.
- Improves Waste Management Efficiency: Automates sorting and collection, reducing manual labor and increasing efficiency.

Impact and Future Plans

Early results show a positive reception and increased participation. If successful, NMDC Energy can then explore expanding this initiative across key locations to further enhance waste reduction efforts. This initiative reinforces NMDC Energy’s commitment to promote sustainable waste management and cultivate an environmentally conscious work culture.

12.4 Water Stress

Recognizing the critical importance of responsible water management, especially in the MENA region where water stress is a major concern, NMDC Energy understands that conserving and efficiently using water resources is essential not only for regional sustainability but also for the company’s long-term success and operational resilience.

NMDC Energy has implemented a variety of water-saving initiatives to mitigate the environmental impacts of its operations. The company’s offshore construction vessels are equipped with water makers that convert seawater into freshwater for crew use, significantly reducing reliance on shore-based water supplies and decreasing both costs and emissions by limiting supply boat runs. Additionally, NMDC Energy employs water recycling technologies to treat wastewater from air conditioning systems and the hydrotesting of pipelines. This treated greywater is repurposed for on-site irrigation and dust suppression, thereby promoting more efficient water use during manufacturing and construction activities. The company is advancing its structured water management practices by focusing on establishing robust measurement mechanisms and setting specific water-use objectives. These structured efforts contribute to broader environmental goals while enhancing operational efficiency.

NMDC Energy is also updating its water management policies to align with the ongoing ERP system rollout, which will facilitate centralized policy updates and ensure consistency across operations. This integration allows for annual reviews and timely adjustments to reflect evolving regulatory or sustainability requirements. By leveraging technology and aligning with industry best practices in water management, NMDC Energy aims to proactively address water scarcity challenges in its operational areas, supporting the sustainable use of this vital resource in the water-scarce MENA region.

Water Consumption Data

Note: Given the work undertaken to develop NMDC Energy’s baseline inventory in 2023 including the implementation of enhanced measurement methodologies, the adoption of updated definitions, and the correction of previously identified errors, water-related figures are only reported from 2023 onwards.

	2023	2024
Water consumption (m3)	739,566.3	1,006,010
Consumption intensity (m3 / Employee)	50.9	61.79

13
2024 CORPORATE GOVERNANCE REPORT

01) PREAMBLE

Corporate governance in the UAE encompasses the frameworks and processes that govern and control corporate entities, ensuring a balance between the interests of shareholders, management, and broader societal stakeholders.

The inaugural Corporate Governance Report of NMDC Energy–P.J.S.C. (the "**Company**") underscores the Company's commitment to robust governance standards, highlighting significant milestones and strategic objectives. In 2024, NMDC Energy successfully completed its listing on the Abu Dhabi Securities Exchange (ADX) following a highly oversubscribed initial public offering (IPO), which reflects strong investor confidence. The report further demonstrates the Company's exceptional financial performance, marked by record profits and substantial revenue growth, alongside a growing project portfolio.

NMDC Energy's governance practices are meticulously designed to uphold transparency, accountability, and the creation of sustainable long-term value for its stakeholders. The Company adheres to the highest corporate governance standards, with a focus on Board oversight and structure, unwavering commitment to transparency, the protection of shareholder rights, and the implementation of comprehensive risk management frameworks. NMDC Energy fosters a culture of integrity and compliance with legal and regulatory requirements while ensuring the integration of environmental, social, and governance (ESG) factors into its strategic direction.

Through the application of these stringent corporate governance practices, NMDC Energy remains firmly committed to operating in the best interests of its stakeholders, positioning itself for enduring growth. Looking ahead, the Company is focused on strategic geographic expansion into regions such as Africa, Southeast Asia, and India, while diversifying its portfolio into offshore wind, energy transition initiatives, module fabrication, and decommissioning. This strategic diversification aligns with the Company's long-term sustainability objectives and global energy transition goals.

Mr. Mohamed Hamad Almehairi
Chairman of the Board of Directors

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Mr. Talal Shaffique Al Dhiyebi
Audit Committee Chairman

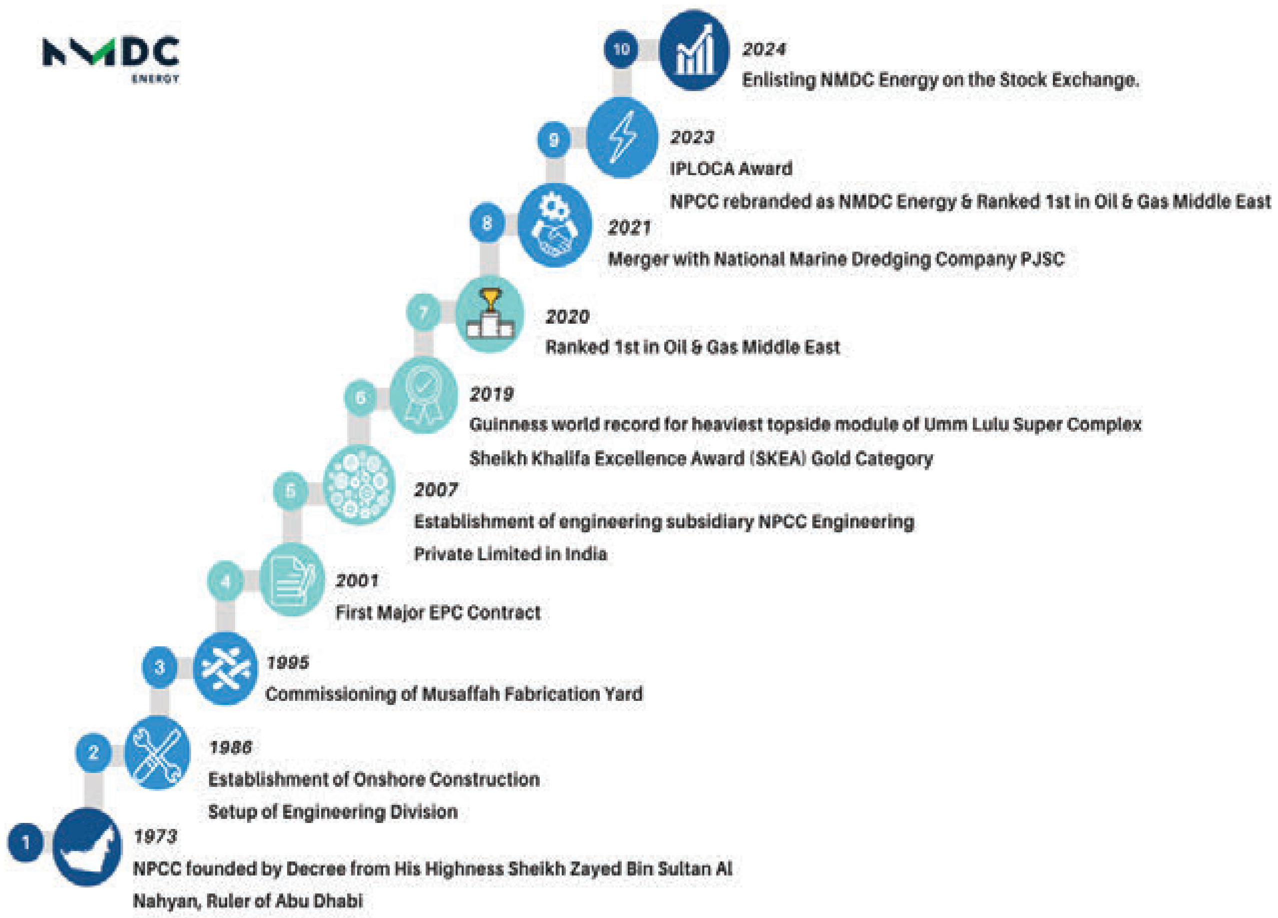
Mr. Nasser Mohamed Almheiri
Nomination & Remuneration Committee Chairman

Mr. Akshay Bhat
Senior Internal Audit Manager

COMPANY BRIEF

NMDC Energy – P.J.S.C. a public joint stock company holds Industrial License No. IN-1001041, having its registered office located at P.O. Box 2058, Mussafah, Abu Dhabi, UAE, a strategic area known for its industrial and commercial significance. NMDC Energy P.J.S.C. has a substantial share capital amounting to AED 2,500,000,000, equivalent to two billion and five hundred million Dirhams, reflecting the Company's robust financial foundation. The Company has issued a total of 5,000,000,000 ordinary shares, which translates to five billion shares available to investors. NMDC Energy is established for a lengthy period of ninety nine (99) years, and thereafter this term shall be renewed automatically for similar and successive periods, allowing for long-term strategic planning and investment stability. The financial operations of the Company are conducted within a calendar year, running from January 1 to December 31, aligning with standard business practices.

JOURNEY OF SUCCESS



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;
- Import and Export.

NMDC Energy in Numbers

More than
1,200
projects executed

15,000+
team members

13.6%
Emiratization rate among office workers

4 construction yards in the GCC

One of the highest National In-Country Value (ICV) scores among peers

Guinness World Record holder for the heaviest platform

Winner of #1 EPC Contractor for three years (2020, 2022, 2023)

Recognized as Industry 4.0 Digital Leader by Ministry of Industry and Advanced Technology (MoIAT)

02) CORPORATE GOVERNANCE PRACTICES

2.1 Governance Brief

NMDC Energy acknowledges its responsibility as a corporate entity and is fully committed to adhering to best practices and the highest standards of corporate governance. This commitment is demonstrated through transparent business ethics and a strong sense of accountability to all stakeholders. All operations are executed and will be in strict compliance with established corporate governance frameworks, with a continuous focus on enhancing these practices. The Company recognizes that robust governance structures enable management to efficiently oversee and direct the organization's affairs, thereby ensuring the achievement of its objective to optimize value for its stakeholders.

The Company remains steadfast in its commitment to identifying and pursuing avenues for sustainable growth and expansion. Through strategic investments in emerging sectors, the Company aims to diversify its revenue streams, mitigate exposure to market volatility, align with global sustainability trends, and ensure compliance with evolving environmental regulations.

The Company is committed to achieving its vision by leveraging its resources and adhering to core values of transparency, integrity, honesty, and accountability. A strong foundation in corporate governance and ethical business practices will enable the Company to compete effectively and maximize its potential. The Leadership is guided by integrity, with oversight from the Board of Directors. The Company also prioritizes shareholder and stakeholder engagement, creating long-term value through responsible business practices, corporate social responsibility, and a focus on health, safety, and environmental stewardship.

2.1.1 Corporate Governance Rules

NMDC Energy P.J.S.C. Board of Directors (the "Board") is committed to the implementation of corporate governance that involves the establishment of policies, structures, and practices that ensure transparency, accountability, and ethical conduct throughout the organization. It includes defining roles and responsibilities at all levels of the Company, ensuring compliance with applicable laws and regulations, and fostering a culture of integrity and responsibility.

The corporate culture of NMDC Energy P.J.S.C is driven by

- An informed and effective Board of Directors responsible for guiding the Company's direction and establishing its strategic objectives.
- Clearly defined roles and responsibilities for the Board of Directors, its members, Committees, and key officers and executives within the Company.
- Formulation and execution of strategic initiatives, alongside proactive risk management.
- Appropriate delegation and diligent oversight of responsibilities to Management, ensuring accountability.
- Transparent and timely disclosures to meet the needs and interests of stakeholders.
- Full adherence to regulatory compliance requirements.
- Effective management and control of the Company's performance and financial reporting through a robust internal control system.
- Active and constructive engagement with the community.
- Upholding the highest ethical standards and practices across the Company, its officers, and employees.

The Board of Directors is responsible for the Company's overall performance, ensuring that Management effectively balances achieving short-term goals and fostering long-term growth.

To achieve these objectives and ensure compliance with the specific requirements outlined in the Corporate Governance Guide issued by the SCA, the Company's corporate governance practices are based on the following subjects:

- Board of Directors matters;
- Board Committees;
- Delegation of Authority;
- Relationship with Shareholders;
- Company's Disclosure Obligations;
- Internal Control System;
- Engagement of Auditors;
- Business Code of Conduct; and
- Share Dealing Policy.

2.2 Corporate Governance Procedures

In the context of commitment to the Corporate Governance system for PJSC companies, the Company has taken the following steps as part of the Corporate Governance plan for 2024.

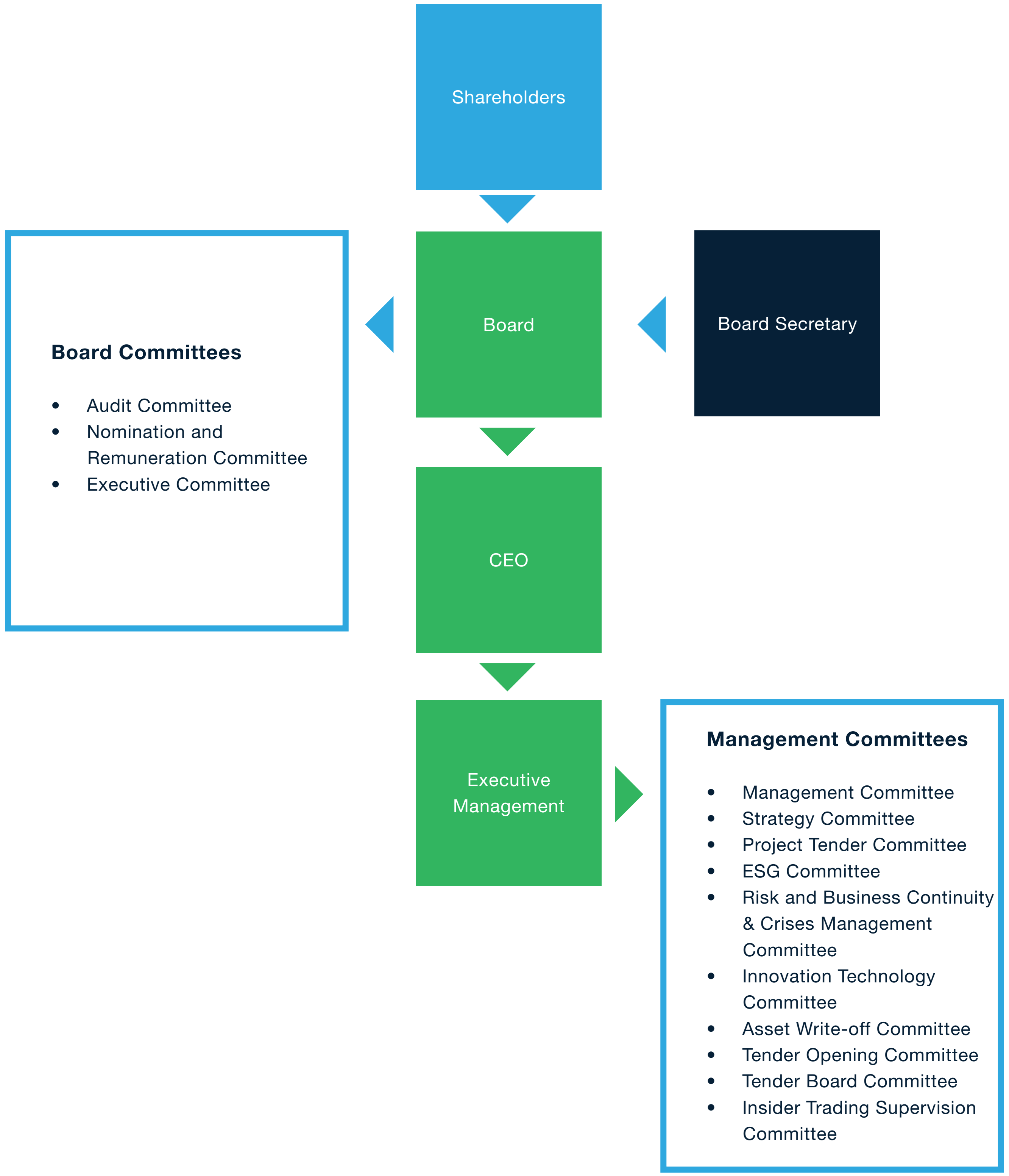
1. The Company has elected the Board of Directors.
2. The Board Committees have been formed.
3. The Management and executive Committees have been formed.
4. Development of the Corporate Governance manual.
5. Evaluation and assessment of the Board of Directors.

2.3 Governance Legalization

On behalf of the Board of Directors of NMDC Energy P.J.S.C, we are pleased to present the 2024 Corporate Governance Report (the "**Report**"). This Report has been prepared in compliance with the requirement of our market regulator, the United Arab Emirates ("**UAE**") Securities and Commodities Authority ("**SCA**"), as set out in its Chairman's Decesion No. (03/R.M) of 2020 on the Joint Stock Companies Governance Guide (the "**Governance Guide**"). In addition to the above the new amendments to the Chairman Decision No. (02/R.M) of 2024 from SCA have also been taken into consideration for the preparation of this report.

2.4 Governance framework

An overview of the governance structure of the Company is set out below:



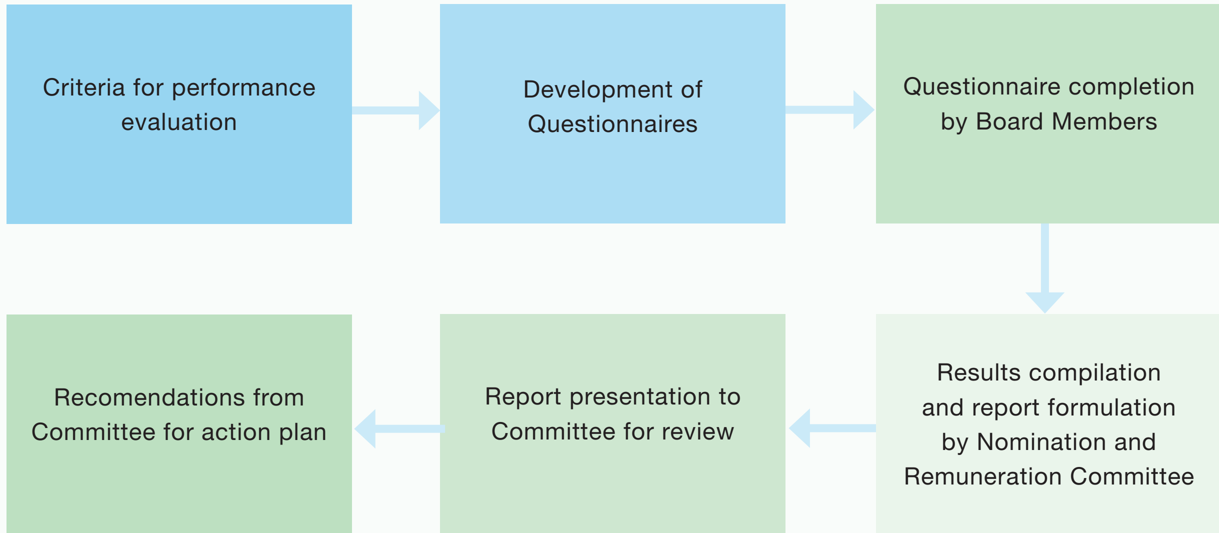
In conjunction with the Articles of Association and relevant regulations, the Board of Directors of NMDC Energy has formally approved a broad array of codes, policies, and meticulously defined organizational structures and processes. These frameworks serve to document decisions, delegations, and effectively govern the operations and oversight activities of the Company and its subsidiaries. Additionally, the Board has articulated a set of overarching principles of conduct and behavior, to which all directors and employees are held accountable, both individually and collectively.

2.5 Evaluation of the Board

To ensure robust performance measurement, accountability, and continual enhancement of governance practices, the Nomination and Remuneration Committee has considered a comprehensive assessment and evaluation procedure for the Board of Directors, its Committees, and the executive management. This procedure delineates explicit performance expectations and provides a systematic framework for evaluating the Board's effectiveness in discharging its duties and responsibilities.

The evaluation will examine critical performance indicators, including the effectiveness of individual board members in fulfilling their roles, their diligence, responsiveness to the Board's strategic directives, and alignment with the organization's long-term objectives, all in strict adherence to the regulatory requirements established by SCA.

Overall work mechanism of Board of Directors Evaluation



The outcomes of this evaluation, including any action plans for improvement, will be submitted to the Board for review. The implementation of these action plans will be actively monitored to ensure their timely and effective execution, thereby driving enhanced performance and governance standards across the Board and committees.

The detailed plan for executing this performance evaluation is currently being finalized. Considering that the Company is newly listed and has just completed a full quarter of operations, the Board has determined that it is prudent to defer the evaluation of Board performance until the conclusion of its first year. This approach aims to enhance objectivity and allow the board adequate time to effectively implement its strategic initiatives. Therefore, the board's evaluation will be conducted for the years 2024 and 2025 at the end of 2025.

2.6 Disclosure Practices

The Company is fully committed to meeting all disclosure obligations, including those to the SCA and ADX, and its shareholders, ensuring transparency and informed market trading. In 2024, the Company proactively provided regular disclosures to the SCA and ADX, covering Board meetings and decisions, the Annual Financial Report, and other key financial and operational updates. All disclosures were promptly made available and consistently updated on the Company's website.

2.7 Delegation of Authority

The Board of Directors holds ultimate responsibility for the Company's operations. Following the Articles of Association, UAE Companies Law, and approved Corporate Policies and Procedures, the Board has the authority to delegate its powers to Committees and senior management. The key measures and the procedures to delegate the authority have been taken and the Board has approved the Delegation of Authority, which defines the authority limits delegated to the Board, Board Committees, Executive Management, and employees to manage the Company's operations both in the UAE and internationally.

2.8 Business Code of Conduct

The Business Code of Conduct (the "Code") sets forth the ethical standards and principles that govern the Company's operations and the behavior of its employees, management, and business partners. It is designed to ensure that all actions and decisions are made with integrity, fairness, and compliance with applicable laws and regulations. The Code covers key areas such as anti-bribery, anti-corruption, conflicts of interest, confidentiality, fair treatment, and corporate social responsibility. It serves as a framework to promote transparency, accountability, and responsible business practices, reinforcing the Company's commitment to upholding the highest ethical standards in all its interactions and operations. All individuals associated with NMDC Energy P.J.S.C. are expected to adhere to these guidelines, fostering trust and maintaining the Company's reputation for excellence.

2.9 Board of Director's Induction Policy

The Company's Director Induction Policy mandates that all newly appointed Board members participate in an induction program aimed at providing a comprehensive understanding of the Company's strategic objectives, organizational framework, operational structure, and key personnel. The program includes detailed briefings from senior leadership, encompassing Corporate Governance principles, compliance protocols, risk management strategies, and ethical standards. The primary objective is to ensure that new directors are thoroughly equipped to discharge their fiduciary duties, make informed judgments, and actively contribute to the Company's long-term success while adhering to legal obligations and governance standards.

2.10 Share Dealing Policy

The objective of the Company's Share Dealing Policy is to ensure that the Board of Directors, employees, and their connected persons do not engage in trading or transactions involving the Company's securities, or those of its subsidiaries or affiliate companies, based on non-public, material information or in circumstances that may lead to a conflict of interest.

In accordance with this policy, no Board member or employee of the Company (or any subsidiary or controlled entity) is permitted to trade in the Company's securities while possessing information that could have a material impact on the security's price, and which has not been disclosed to ADX.

This policy does not exempt individuals from obtaining approval from ADX Board of Directors prior to trading in the Company's securities and prohibits any trading during Blackout Periods. Additionally, this policy operates in conjunction with, and does not supersede, the legal requirement to adhere to all applicable laws and regulations. Board members and employees remain personally accountable for any failure to comply with relevant legal obligations.

2.11 Insiders' Trading Supervision Committee

The purpose of the Committee is to register insiders, monitor and review their transactions, and report to ADX regularly on all such matters. Additionally, it ensures timely access to any relevant changes and full compliance with requirements. As required, the Committee shall report significant matters and irregularities to NMDC Energy CEO/NMDC Energy Executive Committee.

2.11.1 Committee Members and Roles

No.	Name	Designation	Role
1	Mr. Rahul Agarwal	Finance Director	Chairperson
2	Mr. Islam Saeed	General Counsel	Vice Chairperson
3	Mr. Akshay Bhat	Senior Internal Audit Manager	Member
4	Ms. Shaima Ali	Investor Relation Manager	Secretary

2.11.2 Committee Functions and Duties

The roles & responsibilities of the Committee are as follows:

a. Monitoring: Monitor, follow up and supervise the transactions of the insiders and maintain their register.
b. Register: Prepare and retain a comprehensive register for all insiders, including persons who may be considered as temporary insiders with access to the Company internal information prior to publication, and record insiders dealings and ownership in the register.
c. Communication: Notify SCA and the Market of an updated list of Insiders at the beginning of each fiscal year and any amendments during the fiscal year. Additionally, provide a copy of the Insiders Register to the Authority upon request.
d. Compliance: The Insiders' Trading Supervision Committee shall establish a comprehensive method to stay informed about any updates to ADX relevant requirements and ensure full compliance with these regulations.

e. Reporting: The Committee shall report significant matters and irregularities to NMDC Energy CEO/NMDC Energy Executive Committee.

The Committee Chairperson acknowledges his responsibility for the follow-up & supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness. The Committee in 2024 regularly reviewed and updated the register of insiders. Further, in line with ADX regulations, notifications were communicated to insiders for blackout periods. During the year 2024, there was no trading conducted by insiders.

2.12 Transaction in Company's Securities by the Board Members

The Board of Directors and Company Management acknowledge their responsibilities regarding disclosure obligations in relation to their transactions involving NMDC Energy P.J.S.C. Securities and ensure full compliance with the applicable regulations established by the SCA and ADX.

The table below provides a detailed breakdown of transactions in NMDC Energy securities and the corresponding balances as of 31 December 2024, pertaining to the current Board members and their immediate family members, including spouses, sons, and daughters.

No.	Name	Position/Relationship	Shares held as at 31/12/2024	Total Sales Transaction	Total Purchase Transactions
1	Eng. Yasser Zaghloul	Board Vice Chairman	21,000,000.00	0	1

- No shares in the Company were held by the Board or senior management prior to the IPO.

03) BOARD OF DIRECTORS

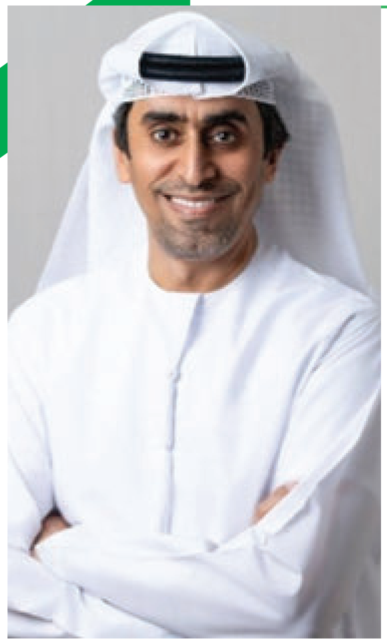
3.1 Formation of the Board

NMDC Energy P.J.S.C. Board comprises of five Directors who collectively bring a diverse range of perspectives and expertise. Out of them four members are independent and hold non-executive positions, underscoring the Board's commitment to independent oversight. Notably, majority of the Directors meet the criteria for independence as outlined in the Corporate Governance Guide, ensuring that their decisions are free from any conflicts of interest.

Each member on our Board has been selected for their unique qualifications and extensive experience, equipping them to contribute significantly to the Board's functions. This collective knowledge and skill set enable the Board to engage in comprehensive discussions, make informed decisions, and implement effective strategies that align with the organization's goals and governance standards. Through this structure, we strive to maintain high standards of accountability, transparency, and overall effectiveness in our leadership. All our Directors are serving the Board since September 2024.

Pursuant to NMDC Energy P.J.S.C. Articles of Association, each Director serves for a term of three years and may be re-elected to serve for new period(s).

3.1.1 Board of Directors Qualification, Experience and other board Memberships



MR. MOHAMED HAMAD ALMEHAIRI
Chairman
Non Executive Independent
Member since September 2024

Qualification

Mr Mohamed Almehairi holds a Bachelor in Science and Business Administration degree from Suffolk University in Boston – USA.

Experience

Mr. 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, Mr. 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 of financial Institutions at Mubadala, and Director of Investments at IPIC.

Other Board Memberships

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

ENG. YASSER ZAGHLOUL
Vice Chairman
Non-Executive Member
Member since September 2024

Qualification

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.

Experience

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.

Other Board Memberships

He also serves as the Chairman of The Challenge – the Egyptian Emirates Marine Dredging Company, further demonstrating his significant role in the industry. 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.

MR. TALAL SHAFFIQUE AL DHIYEBI
Board Member
Non Executive Independent
Member since September 2024

Qualification

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

Experience

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 neighboring 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 land bank. 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, Emiratization, and Worker Welfare & CSR.

Other Board Memberships

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. NASSER MOHAMED ALMHEIRI
Board Member
Non Executive Independent
Member since September 2024

Qualification

Mr. Nasser Almheiri holds a bachelor's degree in Chemical Engineering from the American University of Sharjah and a Master's degree in Business Administration from Higher Colleges of Technology.

Experience

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.

Other Board Memberships

Mr. Nasser Almheiri does not hold other Board memberships. He holds 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.

MS. MARWA AHMED ALMARZOOQI
Board Member
Non Executive Independent
Member since September 2024

Qualification

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

Experience

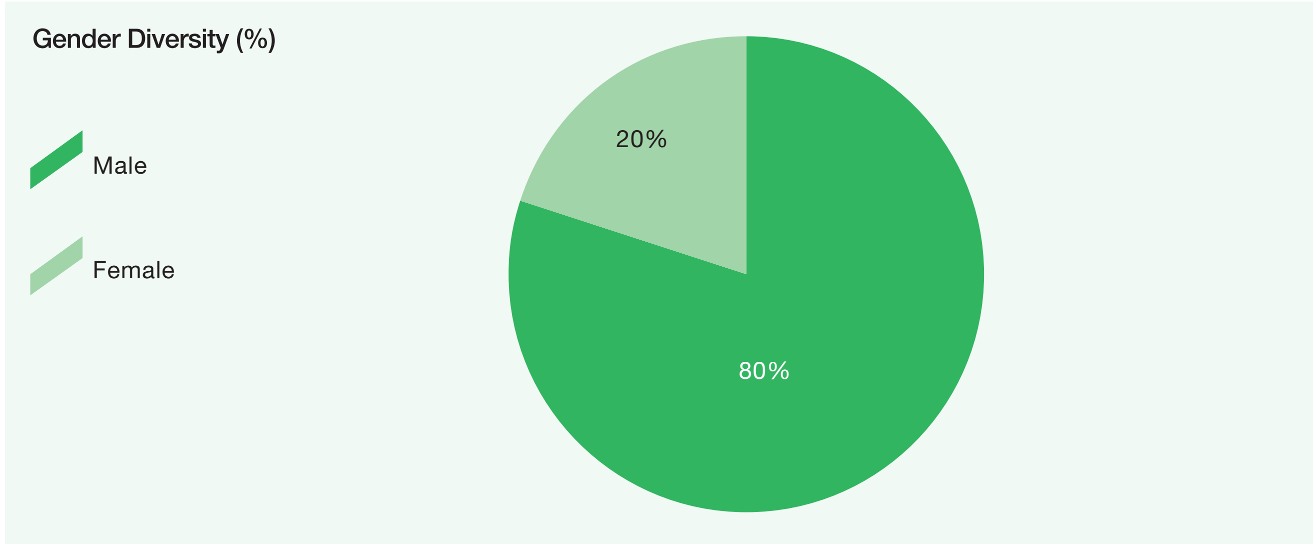
Ms. Marwa Almarzooqi currently serves as the Sr. Director, Special Projects at the Abu Dhabi Executive Office (ADEO) previously she served as the Vice President, Special Projects at the Executive Office of ADNOC. She has over 10 years of experience in strategic planning and transformation. Prior to her role as VP Special projects, Ms. Marwa Almarzooqi held various leadership positions across the organization overseeing the Company's long-term strategy and growth.

Other Board Memberships

Ms. Marwa does not hold any other board membership. Ms. Marwa 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)

3.1.2 Gender Diversity

The Company believes in gender diversity and inclusion, and female representation on the board is 20% of the total. This ensures the requirements of the SCA as well as remain relevant from a pragmatic perspective.



3.2 Directors Remunerations

The annual remuneration for the Board of Directors is determined by the Company's General Assembly, in accordance with the guidelines specified in the Company's Articles of Association and Corporate Governance Guide. The Board's compensation is limited to 10% of the Company's net profits, after accounting for depreciation and statutory reserves.

The Nomination and Remuneration Committee is responsible for conducting an annual review of the proposed remuneration for the Board in their roles as Directors or Committee members, and has made recommendations to the Board as necessary.

In 2024, no additional payments or allowances were provided to Board members for attending Board meetings or serving on Board-established Committees, other than the compensation stated below.

In 2024, as at 31 December 2024, the Company is carrying a provision of AED 71.4 million towards Board of Directors remuneration and employee bonuses. The exact amount will be decided in the Annual General Meeting.

3.3 Board of Directors Meetings

The Board of Directors held three (3) meetings during the year 2024 on the following dates:

No.	Name	09 Sep, 2024	23 Oct, 2024	18 Dec, 2024
1	Mr. Mohamed Hamad Almehairi	P	P	P
2	Eng. Yasser Zaghloul	P	P	P
3	Mr. Talal Shaffique Al Dhiyebi	P	P	P
4	Mr. Nasser Mohamed Almheiri	P	P	A
5	Ms. Marwa Ahmed Almarzooqi	P	P	A

*P refers to present *A refers to absent

There had been no major decisions passed during the fiscal year 2024.

3.4 Board Secretary

The position of Board of Directors Secretary is held by Mr. Islam Saeed and he was appointed on 23/10/2024. Mr. Islam is responsible for the following duties during the year:

- Preparing and sending invitations for Board of Directors meetings;
- Distributing Board of Directors Meeting Agenda;
- Taking minutes of meeting during Board of Directors meetings;
- Board evaluation and assessment support.

3.5 Board of Directors Tasks and Functions performed by the Executive Management

The Board of Directors has nominated, appointed and authorized, through a Power of Attorney, the Chairman and Vice Chairman of the Board of Directors jointly, or any one of them jointly with any other member of the Board of Directors, to perform certain of the duties of the Board of Directors. The duration of the Power of Attorney shall be valid for three years from the date of notarization.

Some (but not all) of the duties so delegated are listed below:

- To manage and address all matters pertaining to the Company and its subsidiaries, representing and acting on behalf of the Company in dealings with governmental and regulatory bodies.
- To open, manage, and close accounts on behalf of the Company or its subsidiaries with banks, financial institutions, trusts, or funds, both domestically and internationally.
- To represent the Company and its subsidiaries within the UAE or internationally, executing and signing all necessary documents concerning amendments, waivers, or modifications to the Company's or its subsidiaries' legal status, capital structure, management, employees, or other corporate matters, and to receive relevant certificates or documents pertaining to such changes.
- To exercise full authority to negotiate, finalize, and execute agreements related to the acquisition or ownership of other entities, both within the UAE and globally.
- To safeguard and defend the interests of the Company or its subsidiaries in all legal proceedings, whether initiated by or against the Company or its subsidiaries.

Furthermore, the Board of Directors has nominated, appointed, and authorized the Company's Chief Executive Officer, Eng. Ahmed Al Dhaheri, to oversee the day-to-day management operations and serve as the representative of NMDC Energy P.J.S.C. This delegation of authority is effective for a term of three years.

3.6 Related Party Transactions

The Company has conducted transactions with entities that meet the definition of related parties, as outlined in the Corporate Governance Guide and in accordance with International Accounting Standard 24: Related Party Disclosures. The nature of such transactions relates to Company's normal course of business. Comprehensive details regarding these transactions are provided in Note 29 of the Company's audited annual financial statements for 2024.

3.7 Board Decisions by circulation

No.	Date	Description
1	09 Sep 24	1. Approval of the Articles of Association
		2. Appointment of the first Board of Directors
		3. Appointment of Deloitte & Touche (M.E.) as external auditors
2	23 Oct 24	Approval of the Company's draft financial statements for the Q3 of year 2024

04) BOARD OF DIRECTORS COMMITTEES

The Board of Directors has constituted Committees through official resolutions, consisting of non-executive and independent Board members. These Committees are fully compliant with the stipulations of the Corporate Governance Guide.

The relationship between the Board of Directors and its Committees is governed by the principles as outlined by SCA for corporate governance for listed companies.

4.1 Reporting

Each Committee is obligated to provide periodic reports to the Board of Directors on its activities and the exercise of its delegated powers. These reports will include updates on all decisions and resolutions passed by the Committees since the preceding Board meeting, ensuring the Board is fully informed of the Committees' actions and outcomes.

4.2 Annual Evaluation

Each Committee will evaluate its workings on an annual basis, with similar procedure as mentioned in part 2.5 of this report, with a view of improving workings of the relevant Committee or its relationship with the Board of Directors.

4.3 Board Follow up

The Board of Directors will closely monitor the operations of the Committees to ensure their activities remain in compliance with the regulations and align with the Company's governance framework.

05) AUDIT COMMITTEE

5.1 Acknowledgment

Mr. Talal Shaffique Abdullah Al Dhiyebi, Audit Committee Chairman, acknowledges responsibility for discharging the Committee's mandate in the Company including, review of its work mechanism and ensuring its effectiveness in line with approved charter of the Audit Committee.

5.2 Audit Committee Formation

MR. TALAL SHAFFIQUE AL DHIYEBI
CHAIRMAN

MR. NASSER MOHAMED AL MHEIRI
MEMBER

MS. MARWA AHMED AL MARZOOQI
MEMBER

5.3 Functions and Duties

The duties and responsibilities of the Audit Committee are in line with the Corporate Governance Guide. In particular, the Audit Committee has following key duties and responsibilities:

- Overseeing integrity of and reviewing the Company's financial statements including quarterly and annual reports;
- Developing and applying the policy for selection of external auditors, and following up and overseeing qualifications, independence and performance of the external auditor;
- Overseeing qualifications, independence and performance of the Company's internal audit staff, and approving the annual audit plan prepared by internal auditors;
- Reviewing the external and internal auditors' management letters, reports and recommendations, and management responses, and overseeing implementation of action plans recommended;
- Reviewing the Company's financial control, internal control and risk management systems;
- Overseeing scope of the Company's compliance with its Business Code of Conduct and its various legal and regulatory obligations; and
- Review or investigate any allegations of fraud or theft, which are brought to the Audit Committee's attention, which are made by or against Directors or employees, and make appropriate recommendations to the Board of Directors.

5.4 Audit Committee Meetings

The Audit Committee held two (2) meetings during the year 2024 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide. Following are the details of meetings held during 2024:

No.	Name	Meeting No.1 23/10/2024	Meeting No. 2 17/12/2024
1	Mr. Talal Shaffique Abdullah Al Dhiyebi (Chairman)	P	P
2	Mr. Nasser Mohamed Omeir Yousef Al Mheiri	P	P
3	Ms. Marwa Ahmed Ali Abdulla Al Marzooqi	P	P

*P refers to present *A refers to absent

5.5 Audit Committee Report

The Committee has effectively carried out all its responsibilities and duties in accordance with its functions and duties. A detailed overview of these tasks is provided in the Audit Committee Report for 2024. This report is an integral part of the Corporate Governance Report and is presented at the end of this report.

06) NOMINATION AND REMUNERATION COMMITTEE

6.1 Acknowledgment

Mr. Nasser Almheiri, Nomination & Remuneration Committee Chairman, acknowledges responsibility for discharging the Committee's mandate Company including review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Committee.

6.2 Nomination and Remuneration Committee Formation

MR. NASSER MOHAMED AL MHEIRI
CHAIRMAN

MR. TALAL SHAFFIQUE AL DHIYEBI
MEMBER

MS. MARWA AHMED AL MARZOOQI
MEMBER

6.3 Functions and Duties

The Committee is responsible for developing policies and regulations related to the nomination process for the Board of Directors and executive management. It also determines the criteria for awarding bonuses, privileges, incentives, and salaries to Board members and employees, along with overseeing other relevant human resources policies.

The duties and responsibilities of the Nomination & Remuneration Committee are outlined in the Corporate Governance Guide. In particular, the Committee is entrusted with the following key duties and responsibilities:

- Organizing and managing the Board of Directors' nomination process, ensuring adherence to relevant laws, regulations, and the SCA Corporate Governance Guide. It also identifies the Company's needs for qualified Senior Management and defines the criteria for their selection.
- Ensuring the ongoing independence of independent Board members.
- Reviewing and approving, in consultation with the Chairman of the Board and/or the Company Chief Executive Officer, the terms and conditions of service contracts for Executive Directors and Senior Management.
- Conducting an annual review of employee remuneration, including basic salary, allowances, and performance-related components, for both the Senior Management team and the Board of Directors.
- Developing a succession plan for the Board of Directors, its Committees, the Chief Executive, and key Management personnel.

6.4 Nomination and Remuneration Committee Meetings

The Nomination & Remuneration Committee held one (1) meeting during the year 2024 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide.

Following are the details of meetings held during 2024:

No.	Name	Meeting No.1 20/11/2024
1	Mr. Nasser Almheiri (Chairman)	P
2	Mr. Talal Al Dhiyebi	P
3	Ms. Marwa Almarzooqi	P

*P refers to present *A refers to absent

07) EXECUTIVE COMMITTEE

7.1 Acknowledgment

Eng. Yasser Zaghloul, the Committee Chairman acknowledges responsibility for fulfilling the Committee's mandate, including reviewing its work mechanisms and ensuring effectiveness in accordance with the approved charter.

7.2 Executive Committee Members Formation

No.	Name	Designation	Role
1	Eng. Yasser Zaghloul	Vice Chairman NMDC Energy	(Chairman)
2	Eng. Ahmed Al Dhaheri	CEO NMDC Energy	Member
3	Mr. Sreemont Barua	Group CFO	Member
4	Mr. Amjad Abdul Shukoor	Senior Director Project Control & Risk	Member
5	Mr. Loay Elsin	Transformation Director	Secretary

7.3 Functions and duties

The main functions and responsibilities of the Committee include but are not limited to:

- Oversee performance of NMDC Energy P.J.S.C including but not limited to the NDA between related companies, Bank Mandate, related party transactions, DOA development, and the Power of Attorney from the Board to the CEO, and any other matter as deemed necessary.
- Strategic Oversight - Provide direction and guidance on NMDC Energy P.J.S.C 's overall strategy to ensure alignment with long-term goals and industry standards with timely follow up through a dedicated action tracker.
- Continued Shared Services: Ensure that the continued shared services established to date are adhered to at all times and ensuring smooth execution.
- Oversight of Projects and Tenders Monthly Forecast, Financial & Targets Review - Evaluate and review monthly forecasts to assess performance and make adjustments as necessary to meet corporate objectives and conduct financial reviews to monitor performance, manage risks, and ensure the Company's financial health.
- Key Decision-Making – Endorse key decisions before raising to the Board of Directors and make decisions in accordance with the Delegation of Authority (DOA) guidelines to drive strategic initiatives, procurement, tenders and operations.
- Oversee Risk & Opportunity Management - Review risks related to projects, operations, and market conditions to safeguard the Company's interests and also ensuring the opportunities are exploited to maximum for the benefit of NMDC Energy P.J.S.C.
- Innovation and Sustainability – Review opportunities relating to innovation and sustainability initiatives to enhance NMDC Energy P.J.S.C 's competitive edge and long-term viability.
- Maximization of value to shareholders- Oversee implementation of strategies and make decisions that focus on increasing shareholder value and improving the Company's market position.
- Capital Expenditures – Screen, Review and endorse CAPEX as per the approved DOA.
- Follow up on Board of Directors decisions and oversee completion of Board of Directors actions accordingly with an action tracker.

The Executive Committee held three (3) meetings during the year 2024 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide.

7.4 Executive Committee Meetings

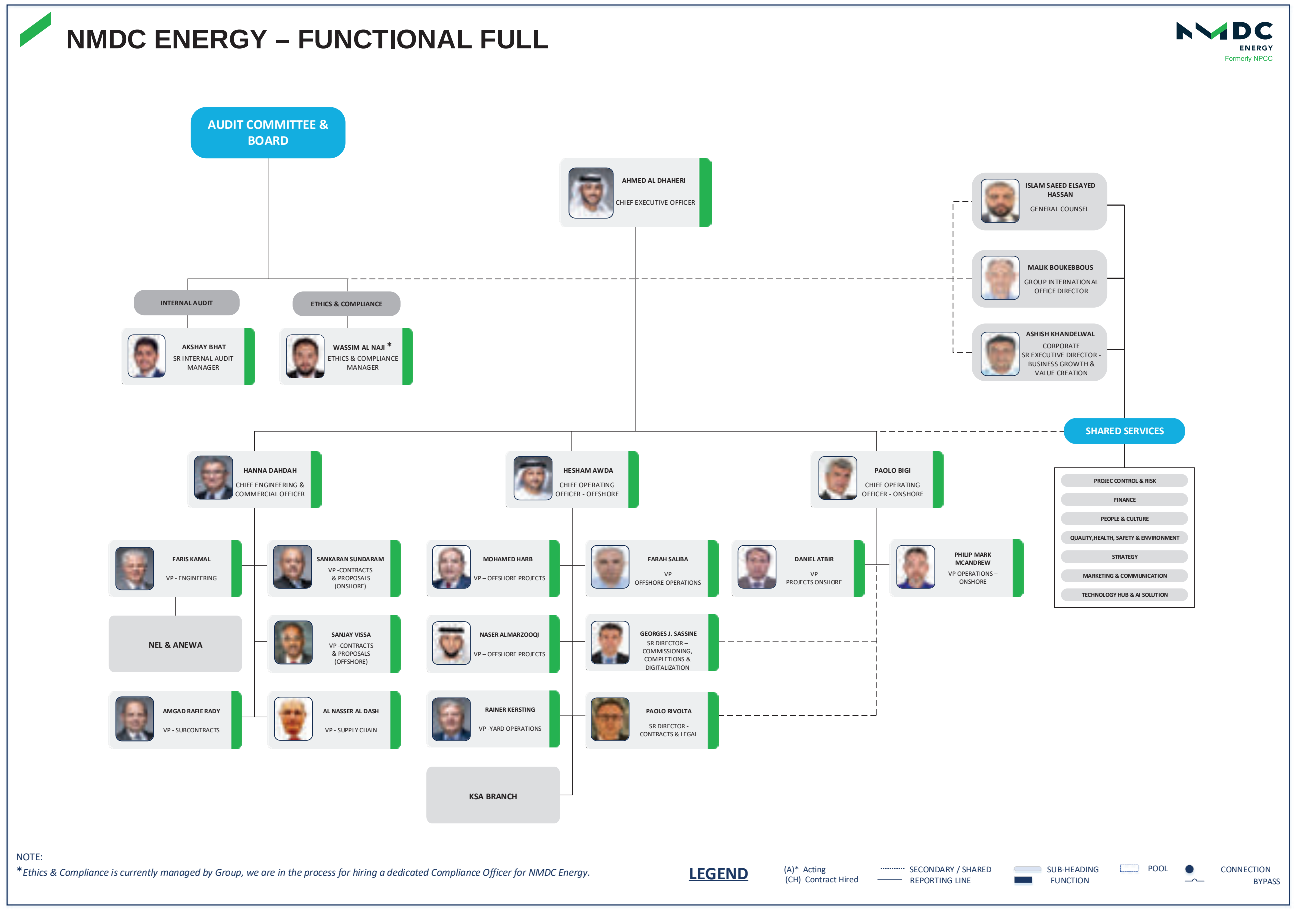
Following are the details of meetings held during 2024:

No.	Name	Meeting No.1 8-Oct-24	Meeting No. 2 11-Nov-24	Meeting No. 3 9-Dec-24
1	Eng. Yasser Zaghloul	P	P	P
2	Eng. Ahmed Al Dhaheri	P	P	P
3	Mr. Sreemont Barua	P	P	P
4	Mr. Amjad Abdul Shukoor	P	P	P
5	Mr. Loay Elsin	P	P	P

*P refers to present *A refers to absent

08) ORGANIZATIONAL STRUCTURE AND EXECUTIVE MANAGEMENT

8.1 Organization Structure



8.2 Executive Management

Chief Executive Officer: Eng. Ahmed Al Dhaheri

ENG. AHMED AL DHAHERI
CHIEF EXECUTIVE OFFICER

Eng. Ahmed Al Dhaheri is the Chief Executive Officer of NMDC Energy P.J.S.C, 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 P.J.S.C, 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 P.J.S.C, 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 the 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 P.J.S.C, 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.

Chief Operating Officer – Offshore: Eng. Hesham Awda

ENG. HESHAM AWDA
CHIEF OPERATING OFFICER – OFFSHORE

Eng. Hesham Awda is the current Chief Operation Officer – Offshore at NMDC Energy P.J.S.C, 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.

Chief Engineering & Commercial Officer: Eng. Hanna Dahdah

ENG. HANNA DAHDAH
CHIEF ENGINEERING & COMMERCIAL OFFICER

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

Chief Operating Officer – Onshore: Eng. Paolo Bigi

ENG.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.

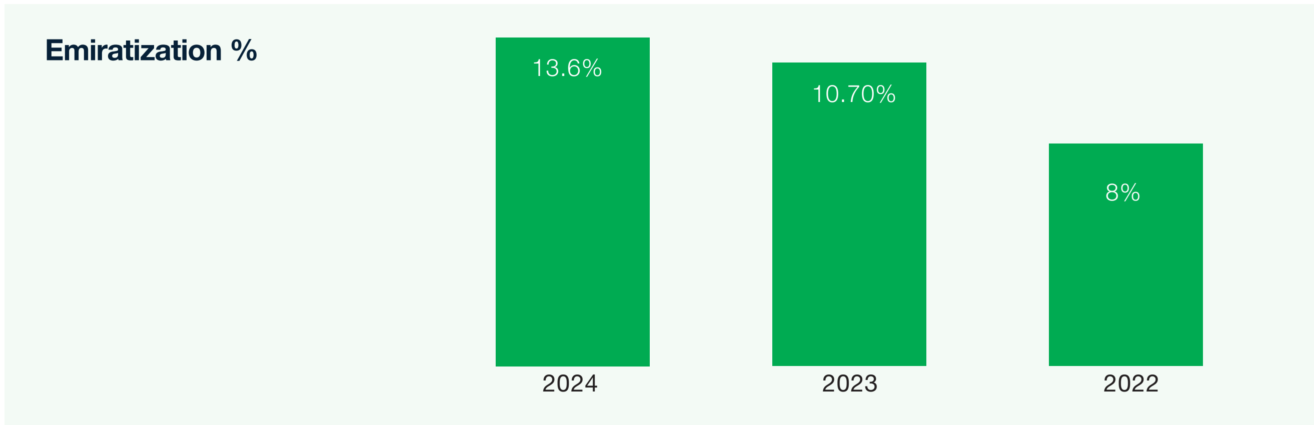
8.3 Executive Management Remuneration

The table below provides an overview of the current Executive Management team at NMDC Energy, including their appointment dates, as well as the salaries, allowances, and bonuses paid to them for the financial year 2024.

No.	Position	Appointment date	Total salaries and allowances paid in 2024 (AED)	Total bonuses paid for 2023 (AED)	Any other cash/in-kind bonuses for 2023
1	Chief Executive Officer	01-Jan-18	3,765,846.00	2,500,000.00	
2	Chief Operating Officer – Offshore	29-Jul-21	2,276,321.00	1,200,000.00	
3	Chief Engineering & Commercial Officer	29-Jul-21	1,517,922.00	600,000.00	
4	Chief Operating Officer – Onshore	01-Apr-24	1,401,400.00		

8.4 Emiratization

Emiratization has been a key performance indicator in alignment with NMDC Group's vision and mission, both in previous years and for 2024. The table below illustrates the Emiratization percentage over the past three years.



09) MANAGEMENT COMMITTEES

NMDC Energy has established a number of Management Committees to review and oversee the development and execution of related strategies, plans and processes. A list of Management Committees along with their respective duties is provided next:

9.1 Management Committee

The purpose of the Management Committee (the "MC") is to ensure robust oversight and operational governance, driving the organization towards its strategic and operational goals while mitigating project portfolio high risks. The Committee is dedicated to high-level decision-making, maintaining financial stability, and closely monitoring performance metrics. Through these efforts, the MC aims to foster continuous improvement and promote sustainable growth, ensuring the long-term success and resilience of the organization.

9.2 Strategy Committee

The Strategy Committee (the "SC") aims to drive sustainable growth, enhance competitive advantage, and achieve long-term organizational goals and corporate objectives. It does so through strategic alignment with the NMDC Energy vision and mission, meeting shareholder requirements, engaging stakeholders, and conducting environmental scanning and performance assessments. The Committee also ensures the effective alignment and implementation of strategic initiatives, including acquisitions, mergers, capability building, geographic expansion, and diversification strategies.

9.3 Projects Tender Committee

The Project Tender Committee (the "PTC") is tasked with overseeing and finalizing the tender submission process for clients. This Committee ensures all tender documents in the Tender Resume meet both the client's requirements and NMDC Energy standards. Their responsibilities include reviewing and approving estimates detailed in the Tender Resume, which cover uplifts and contingencies. The Tender Resume encompasses the scope of work, quantities, durations, costs, supplies, subcontracting, and project cash flow, forming the basis for pricing the commercial tender proposal. Additionally, the Committee shall examine the prospects for bidding, put forth by the Business Development team in the prescribed Bid/NO Bid Form and decide on bidding strategy.

9.4 Environment, Social and Governance Committee

The Environment, Social and Governance Committee (the "ESGC") is established to oversee and guide NMDC Energy's commitment to Environmental, Social, and Governance (ESG) principles and relevant risks. The Committee oversees and enhances the effectiveness of ESG framework and initiatives, ensuring alignment with the Company's strategic goals and regulatory requirements, including those set by Security & Commodities Authority (SCA), and ADX. This ultimately elevates how NMDC Energy P.J.S.C operates and is perceived by all stakeholders, safeguard its operations and uphold the highest standards of integrity, responsibility, and social impact.

9.5 Risk and Business Continuity & Crisis Management Committee

The Risk and Business Continuity & Crisis Management Committee (the "R&BCCMC") is established to oversee and guide NMDC Energy's Risk Management framework. It ensures the organization systematically and comprehensively identifies, assesses, and mitigates a wide range of risks as part of its Enterprise Risk Management (ERM) framework. The Committee also oversees business continuity risk plans to eliminate disturbances, maintain critical operations during disruptions, and select strategies that address continuity before, during, and after disruptions. Additionally, it ensures these plans are resilient and compliant with relevant ADX requirements and other mandates from UAE government authorities. By embedding risk management, including the Business Continuity risks, into the organization's structure, processes, and culture, the Committee aims to safeguard and create value, support financial stability, achieve business objectives, maintain resilience, and protect the Company's reputation.

9.6 Innovation & Technology Committee

The Innovation & Technology Committee (the "I&TC") is established to steer NMDC Energy P.J.S.C towards excellence by leveraging Innovation, Digital Transformation, Artificial Intelligence, and Knowledge Management. The Committee will ensure the organization remains at the forefront of technological advancements and best practices related to these themes. By driving continuous improvement, strategic alignment with future foresight, cost efficiency, and operational effectiveness, I&TC aims to create a sustainable and competitive edge for NMDC Energy.

9.7 Asset Write-Off Committee

The Asset Write-Off Committee (the "AWOC") is established to review and ensure proper disposal or preparation for storage and reuse of all scrap, valuable waste, salvage materials, and equipment associated with construction, fabrication, or maintenance. This must comply with all applicable regulations and the Company policies. In line with the Delegation of Authority, the Committee will endorse asset write-off proposals.

9.8 Tender Opening Committee

The Tender Opening Committee's (the "TOC") primary objective is to uphold the principles of fairness, transparency, integrity, and efficiency throughout the tender opening process. By maintaining these core values, the TOC ensures that all procedures are conducted with the highest standards, promoting trust and accountability within the organization. This includes establishing a central corporate independent authority responsible for independently receiving, opening, and registering all technical and commercial bids solicited for the supply of materials, subcontracting, and services with an estimated value exceeding AED 1,000,000 (including late technical & Commercial bids), This authority will operate in accordance with the Delegation of Authority, superseding this Terms of Reference (ToR). Furthermore, the TOC will follow up on resolutions and actions regarding non-conforming rejected bids and observations made during the opening session to maintain the integrity and fairness of the process.

9.9 Tender Board Committee

The Tender Board Committee (the "TBC")'s primary objective is to uphold the principles of fairness, transparency, and integrity. This includes reviewing recommendations raised by end users and the commercial department for financial commitments meet or exceed the threshold of three (3) million AED. The TBC is dedicated to promoting NMDC Energy's interests by ensuring that supplier or subcontractor selections are made based on the right price, quality, and timeframe. This process ensures that the award recommendation and the awarding process of subcontracts or Purchase Orders strictly adhere to NMDC Energy policies and procedures, including Delegation of Authority policy.

9.10 Supplier Prequalification Committee

The Supplier Pre-Qualification Committee (the "SPQC") is established to control and monitor the Supplier Registration and Pre-qualification process in accordance with the respective NMDC Energy policies and procedures.

The ultimate objectives of SPQC are:

a. **Ensure a robust and up-to-date prequalified supplier list** covering all NMDC Energy materials and services procured locally or from overseas.
b. **Ensure all qualified suppliers added to the supplier master** have been subjected to technical and commercial review and approval.
c. **Ensure registered qualified suppliers meet NMDC Energy's client approval** for related projects.

9.11 Insiders' Trading Supervision Committee

The details of this committee has been provided in section 2.11

10) EXTERNAL AUDITOR

Deloitte & Touche – M.E. has been NMDC Energy external auditor for 2024.
Deloitte & Touche is one of the world's largest professional services firms. They have served as trusted advisors for clients in the Middle East for the past 95 years. Deloitte offers practices globally related to Audit, Consulting, Tax & Legal, Enterprise Risk Services and Financial Advisory.

The Audit Committee, after consideration and evaluation recommended appointment of Deloitte & Touche as the External Auditors for 2024.

Name of the Audit Office	Deloitte & Touche (M.E.)
Name of Audit Partner	**Faiza Sohawon** (this is the first year after NMDC Energy is listed on ADX)
Number of years he spent as the Company external auditor	First year
Number of years the partner auditor spent auditing the Company's accounts	First year
Total value of audit fees for 2024 (AED)	**820,966**

Details of other non-conflicting services provided by the Company auditor	AED
ICV Certification	49,500
Grand Total	**49,500**

Details of services provided by other consultants	Description	AED
Ernst & Young	Taxation services	101,224
Price Waterhouse Coopers	Taxation services	127,674
	M&A-related advisory services	2,189,884
Grand Total		**2,418,782**

10.1 External Auditors' Independence

The Company maintains a strict policy to uphold the independence of its external auditors. In accordance with this policy, the external auditor is prohibited from providing any technical, administrative, or advisory services that could impair their impartiality or objectivity in the performance of their auditing duties. Furthermore, the external auditor is restricted from engaging in any services or activities that, as determined by the Securities and Commodities Authority (SCA), may compromise their independence or conflict with their auditing functions.

The Company's policy includes measures to ensure the external auditors' independence, including the following:

- The Board of Directors nominates the external auditor, generally upon the recommendation of the Audit Committee;
- The appointment of the external auditor is made by a resolution of the Company's Annual General Meeting, for a period of one year renewable;
- The external auditor should be independent from the Company and its Board of Directors and may not be a partner, agent or a relative, even of the fourth degree, of any founder or director of the Company; and
- Review and approval by the Audit Committee for any proposed additional services from the external auditors.

Management evaluates the independence of the appointed external audit firm by conducting direct inquiries regarding the independence of the audit engagement team, specifically assessing any factors that may impair their objectivity. This assessment is reinforced through formal declarations of independence provided by the auditors during their quarterly presentations to the Audit Committee and Board, ensuring ongoing compliance with relevant independence standards and regulatory requirements.

10.2 A statement of external auditors' reservations

The Company's external auditor issued unqualified opinions on both the interim and annual financial statements for 2024, with no qualifications or reservations expressed.

11) INTERNAL CONTROL SYSTEM

11.1 Acknowledgment

The Board of Directors acknowledges its responsibility for the Company's internal control system, overseeing its operational framework, and ensuring its effectiveness in mitigating risks and achieving organizational objectives.

11.2 Work Mechanism

The Company's internal control system is strategically implemented to enable the Board of Directors and Management to achieve business objectives with due diligence, while safeguarding the interests of shareholders and other stakeholders. It is designed to mitigate critical risks, including fraud, unauthorized transactions, financial misstatements, ill-informed risk-taking, and non-compliance with legal and contractual obligations. Furthermore, the system ensures that operations adhere to the highest standards of quality, while maintaining a secure, sustainable, and compliant operating environment.

11.3 Details of Head of Internal Audit Function

Department	Name /Designation	Date of Appointment	Qualification	Experience
Internal Audit – NMDC Energy	Mr. Akshay Anant Bhat (Senior Internal Audit Manager)	23-Oct-2024	- Certified Internal Auditor (IIA) - Certified Fraud Examiner (CFE) - Certified Board Director (Hawkamah) - Bachelor of Engineering (Electronics) - Master of Business Administration	Over 16+ years of professional experience in the fields of Internal Audit, Corporate Governance, Project Management and Business Process reviews.

Management is accountable for the implementation and maintenance of comprehensive internal control frameworks, encompassing both financial and operational aspects, to ensure the effective safeguarding and prudent management of the Company's assets. These controls are designed to optimize operational efficiency while mitigating risks and ensuring compliance with regulatory and organizational standards. NMDC Energy Internal Audit has issued 9 reports during 2024.

11.4 Independent Assessment of Internal Control System

The internal control framework is structured to mitigate, the significant risks faced by the Company. It is acknowledged that while the system offers reasonable assurance, it cannot provide absolute protection against material errors, omissions, misstatements, or losses. This level of assurance is achieved through a systematic approach that integrates robust risk identification, assessment, and monitoring processes, alongside strategic decision-making and oversight forums. Additionally, the effectiveness of the internal control system is reinforced by assurance and control functions, including External Audit, Internal Audit, Ethics & Compliance, Risk Management, and QHSE (Quality, Health, Safety, and Environment), each playing a critical role in enhancing the overall governance framework.

11.5 Internal & External Audit Assurance

Following are the activities of the internal and external assurance in 2024:

External Audit: Deloitte & Touche undertook the annual external audit and interim reviews of the financial statements, alongside evaluating the internal controls related to financial reporting.

External Audit Reporting: The management letter, issued by the external auditor, is thoroughly reviewed by the Audit Committee. This document highlights identified control deficiencies and ensures that management initiates and implements corrective actions in a timely manner.

Internal Audit: Internal Audit conducted comprehensive reviews of both core and support functions in alignment with a risk-based audit plan. A total of nine (9) reports detailing findings were submitted to the Board for consideration.

Internal Audit Reporting: Internal Audit communicates its findings and recommendations to the Audit Committee, including significant control breaches, material incidents, and suggestions for strengthening internal controls.

Management Responsibility: Management holds accountability for the design, implementation, and ongoing monitoring of internal financial controls. This includes ensuring the deployment of qualified personnel, the proper segregation of duties, and the establishment of independent review mechanisms to safeguard control effectiveness.

Corrective Actions: Identified control deficiencies are promptly addressed in consultation with Management and the Audit Committee, with corrective actions proposed and tracked periodically to ensure resolution and enhancement of control processes.

11.6 Ethics and Compliance Function

The Ethics and Compliance function works closely with the Internal Audit and, with the core mandate of ensuring that the Company complies with all relevant legal, regulatory, and industry-specific requirements.

In alignment with this responsibility, the Company has instituted a robust Ethics and Compliance Program, which encompasses a range of policies including the Code of Business Conduct, Anti-Bribery & Corruption, Whistleblowing, Conflict of Interest, Fraud Control, Investigations, and other key compliance-related protocols. These policies are meticulously designed to provide employees with a secure, transparent platform to report, in good faith, any perceived unethical or improper conduct within the organization, thereby reinforcing the Company's commitment to maintaining the highest standards of corporate governance, integrity, and accountability.

11.7 Details of Head of Ethics and Compliance Function

Department	Name/Designation	Date of Appointment	Qualification	Experience
Ethics and Compliance	Mr. Wassim Khalid Al Naji (Acting Ethics and Compliance Manager)	24-Oct-2024	- Certified Compliance & Ethics Professional – International (CCEP-I) - Certified Fraud Examiner (CFE) - Certified Board of Directors Secretary (Hawkamah) - Certified Compliance Professional (CCP)	Over 14+ years of professional experience in the fields of Ethics & Compliance, Corporate Governance, Risk Assurance and Fraud Investigations.

11.8 Risk Management

Amidst escalating global risks, including geopolitical tensions and evolving technological threats, the Company's Risk Management framework is designed to reinforce business continuity and sustainability. The framework provides the infrastructure to proactively identify, manage, and mitigate risks while capitalizing on emerging opportunities.

Enterprise Risk Management (ERM) is a fundamental component of the Company's operational strategy, integral to the achievement of objectives, the maintenance of business sustainability, and the protection of stakeholder interests. The ERM practice is implemented at multiple levels across the organization, including the strategic, corporate, and project levels, ensuring a robust, organization-wide approach to risk management.

The Company continuously defines and reviews Key Risk Indicators (KRIs) and its risk profile to ensure risk exposure remains within set tolerances. Mitigation strategies and management plans are presented to the Management Committee for review and, upon approval, escalated to the Audit Committee and Board of Directors for final decisions. This process integrates risk management into governance and aligns it with strategic objective. Further details on Risk management activities have been presented in the Audit Committee report 2024 presented at the end of this report.

11.9 Quality, Health Safety and Environment

The year 2024 marked a pivotal year for the QHSE department, characterized by substantial progress and the strategic alignment of QHSE practices across all business units (BUs). This integration facilitated the standardization and optimization of QHSE processes, procedures, and organizational culture across the group, thereby establishing a robust foundation for the continuous advancement of our QHSE standards toward industry-leading performance.

Key strategic objectives and initiatives were defined and successfully executed, ensuring alignment with the Company's overarching goals and reinforcing our commitment to meeting the evolving expectations of both internal and external stakeholders. These efforts have not only enhanced our operational efficiencies but also contributed to optimizing NMDC Energy's financial performance, thereby supporting sustained business growth and value creation.

11.10 Details of Head of HSE Function

Department	Name/Designation	Date of Appointment in this Designation	Qualification	Experience
HSE	Mr. Fabio Prandini HSE Director	March 2023	Diploma In Mechanical Engineering, BSC International Certificate-Level 4, NEBOSH IGC, Lead Investigator Taproot Certification, Lead Auditor Certification-ISO 14001, 45001 & 9001, PMP, Asbestos Mgmt, Occupational Health Course, Leading In Safety (BST).	30 YEARS

11.10.1 Key Achievements 2024:

Awards & Recognitions:

- Best modernized yard of the year in the Middle East
- Recognized as the leading EPC contractor among 25 companies by Oil & Gas Middle East 2024 for the third consecutive year
- NMDC Energy has been awarded International Safety Award with distinction from British Safety Council for its commitment towards health & safety during the year 2024.
- NMDC Energy has achieved ROSPA Gold Medal (consecutively 11 times) for its excellent HSE performance during the year 2024.
- NMDC Energy won the prestigious MAKE IT IN THE EMIRATES (MIITE)-QUALITY STANDARDS AWARD 2024 where HSE performance was a key part of award criteria and assessment.
- Officially recognized and certified as an Industry 4.0 Digital Leader by the MoIAT

ISO Certifications: NMDC Energy successfully completed re-certification audits for ISO 14001 and ISO 45001 with zero Non-Conformances (NCRs) and also obtained certification for the KSA yard.

11.10.2 Leadership Engagement:

Senior Management of NMDC Energy are involved in various programs and mechanisms to ensure continuous effectiveness of its HSEMS arrangements such as "High Profile Tour(HPT)" which mandates the involvement of top management including CEO and Vice Presidents of NMDC Energy demonstrate leadership and commitment through "Walk the talk/ lead by example" by personally walking around the facilities/operational areas weekly to evaluate HSE performance, recognize positive HSE behaviors and to provide recommendations for improvement. The number of HPT's conducted by senior management showed an increasing trend by achieving 242 high-profile HSE tours and site visits throughout the year, reinforcing NMDC Energy's commitment to safety and compliance.

NMDC Energy carried out 5,536 Behavioral Safety Audits across all projects and operations, further strengthening the safety culture and emphasizing safety as a core value.

HSE Campaigns: HSE Campaigns are initiated and sponsored by senior management which in turn developed and enhanced a positive culture within the organization that supports the health and safety management system and arrangements.

NMDC Energy successfully implemented several HSE Campaigns along with practical demonstrations across NMDC Energy operations, conducted 13 campaigns covering all projects, yard operations, and offshore and onshore activities.

Contractor HSE Forum: Two Contractor HSE Forum were successfully carried out at NMDC Energy bringing together our partners to communicate NMDC Energy HSE expectations to enhance Contractor's understanding on key Health, Safety, and Environmental (HSE) requirements. Around 40 Contractors working in various domains of our operations attended the insightful forum covering HSE protocols, Offshore and Onshore Operations, and Fabrication Yard practices.

NMDC Energy was invited for delivering "HSE Innovations & Technology Advancements Forum" organized by ADNOC Gas and received certificate of appreciation among the lead EPC contractors in the region.

HSE Day Celebrations:

HSE Day was celebrated on 1st of March 2024 at NMDC Energy with regards to the HSE performance where 10,000 employees were gathered and became one of the biggest and massive HSE event held in the region.

Senior management of NMDC Energy, Client and subcontractor representatives and several other several stakeholders were presented during the event where the whole objective emphasizes the significance to recognize and appreciate employees' outstanding HSE performance and contributions.

As part of HSE Day celebrations, several categories of reward and recognition were presented such as;

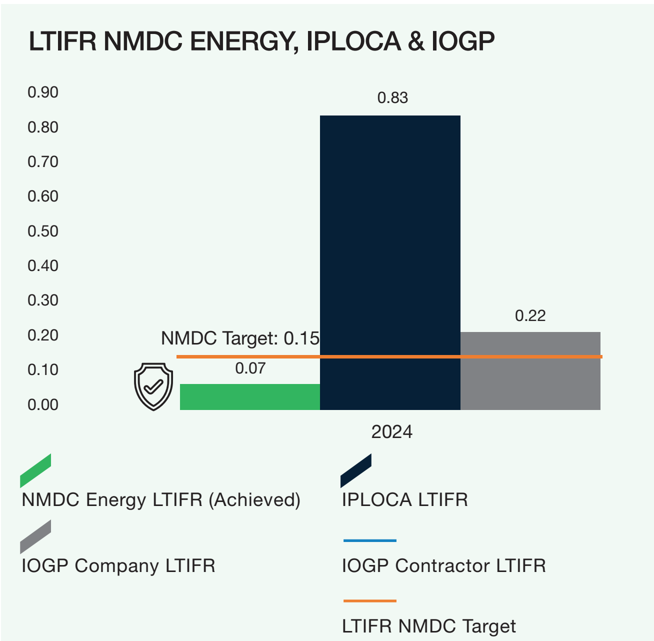
Best Project HSE Award (Onshore & offshore)- Outstanding Projects has been awarded for their excellent HSE performance during project execution. Several trophies were presented to the Project (65 Trophies) team members in recognition of their exceptional HSE performance during different stages of the project.

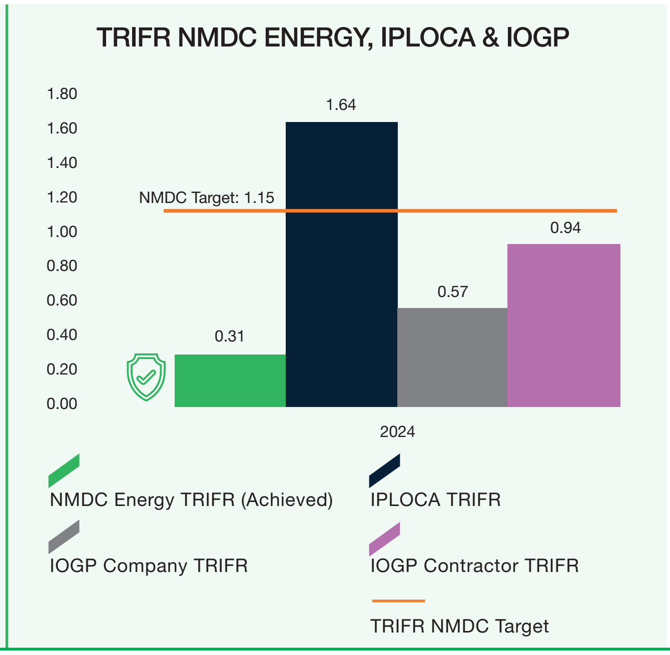
- Best Subcontractor HSE Award- Subcontractors with exceptional HSE Performance has been awarded.
- HSE Man of the year & HSE Champions - Total 63 employees (Certificate and Cash Voucher of AED 1000.00 each) from different section were awarded.
- Mega Raffle Draw was conducted with main price money of AED 10,000.00 (1 winner) and AED 5,000.00 (2 winners) and more than 50 mini raffle draws were conducted which further helped to engage and motivate attendees and making the event more colorful.

HSE Day celebration held at NMDC energy enhanced NMDC Energy culture of awareness and recognition regarding HSE practices, thereby reinforcing their significance and encouraging continued commitment among employees.

Safety Performance:

NMDC Energy recorded a commendable 0.07 Lost Time Injury Frequency Rate (LTIFR) and 0.31 Total Recordable Injury Frequency Rate (TRIR), falls much lower than the industrial benchmarks as well as the set corporate HSE objectives & targets.





LTI Free Projects

Zero LTI recorded for the mega projects of NMDC Energy, as an outcome of effective implementation of our HSE management system & programs.

Some of our Projects which achieved this remarkable milestone are;

Project Name	Achievements
Al Yasat - EPC For Belbazam development project	25 Million Manhours without LTI
S. Aramco - CRPO # 82&83 - LTA -EPC For Zulf AH Oil Facilities	20 Million Manhours without LTI
ADNOC Offshore - US LTDP Phase-1	10 Million Manhours without LTI
ADNOC Off. - EPC for Dalma Gas Development Project - Pkg. A	10 Million Manhours without LTI
ADNOC Offshore – EPC for LZ Long Term Dev. Ph .1 -NMGL project	5 Million Manhours without LTI

HSE Training:

As part of our continuous effort to enhance the HSE competency of our employees, HSE Training manhours of NMDC Energy has been significantly increased by achieving 292,722 training man hours to enhance workforce competency.

Emergency Management:

NMDC Energy in cooperation with civil defense successfully conducted massive Emergency Drill to evaluate the effectiveness of emergency response programs.

Numerous Emergency Drills covering Onshore, Yards, Offshore and Projects were carried out at NMDC Energy for different scenarios where corrective actions are effectively implemented and lessons learned were communicated to different stakeholders.

HSE Innovations and Advancements

AI Cameras

AI Cameras installed at NMDC Energy Yard capturing real time identification of unsafe acts and conditions, processing & analyzing collected data, report findings using digital tools, sending real time notification to the respective Area in Charge.

Connected Worker Solution - RTLS

Employees are provided with real-time location wearables in which the device share location, alerts immobility, & falls and at the same time alert HSE for immediate action.

Proximity Warning Sensors for Mobile Equipment

Proximity warning Sensors installed on our mobile equipment such as forklifts which send alerts when they are operating in proximity with workers to avoid collision and accidents.

Audits:

All our projects, operational areas and departments are covered through HSE Audits programs; **33** internal audits and **51** external audits are conducted annually throughout different cross sections of the organization which significantly contributed to the reduction of the number of incidents at NMDC Energy.

12) COMPANY CONTRIBUTION

NMDC Energy's strategy is built on the pillars of maximizing value, stakeholder engagement, internal processes, and capabilities, supported by key enablers and strategic initiatives. These initiatives are designed to realize synergies, strengthen partnerships, diversify capabilities, and drive environmental sustainability.

By integrating environmental sustainability into its strategy, NMDC Energy is not only ensuring compliance with global regulations but also creating long-term value, strengthening stakeholder relationships, and driving innovation in the energy sector. These initiatives position NMDC Energy as a leader in the transition towards a cleaner and more sustainable future.

12.1 Community Initiatives

Over the past five years, NMDC Energy has invested AED 39.3 million in Corporate Social Responsibility (CSR) initiatives, reinforcing its commitment to sustainable development and community welfare. Below is an overview of the key CSR initiatives undertaken by the Company:

Beach Cleaning

Blood Donation

Sports Program

Umrah

Ramadan Food Distribution

Visit to Children Cancer Ward

Flu Vaccine Drive

12.2 Environmental Contribution Services

Green Local Procurement: Prioritizing local sourcing to boost the UAE economy and promote ethical business practices.

Turtle Nesting and Rescue Program: Identifying and protecting turtle nesting areas by pausing industrial activities during nesting seasons.

Dust Emission Reduction: Utilizing advanced blasting chambers and filter systems to minimize air pollution.

Replacing Combustion Engines: Transitioning from fuel-powered to electric-powered cranes, compressors, and transport equipment.

EV Charging Stations: NMDC Energy installed EV charging station to promote sustainability and demonstrate our commitment to environmental responsibility.

Beach Cleanups: Conducting 34 beach cleanups in 2024 to reduce plastic pollution.

Mangrove and Tree Plantation: Planting 50,000 mangroves and 2,000 native trees over two years.

Reverse Vending Machines: NMDC Energy introduced a Reverse Vending Machine (RVM) as a pilot project to promote sustainability by encouraging recycling, reducing plastic pollution, and supporting a circular economy.

NMDC Energy provide the following Environmental services in projects, offshore and onshore site:

EIA/CEMP Compliance: Conducting over 50 Environmental Impact Assessments with zero environmental damage in five years.

Waste Management: Monitoring and reducing waste through segregation, tracking, and recycling.

Noise, Air, and Water Quality Monitoring: Implementing advanced monitoring systems to reduce environmental impact.

Spill Response: Maintaining a dedicated team for quick and effective spill containment.

Habitat Conservation: Protecting and restoring terrestrial ecosystems to support biodiversity.

Marine Ecology Protection: Ensuring minimal impact on marine life with trained Marine Mammal Response Observers.

12.3 Sustainability Initiatives

MEGA Sustainability Project: Expanding into renewable energy, securing its first offshore wind project in Taiwan (Yunlin Wind Farm).

IPLOCA Award for Blue Carbon Initiative: Recognized for planting 20,001 mangrove trees, capturing 246 tonnes of CO_2 annually.

Carbon Capture and Storage (CCS): Partnering on the Kasawari CCS project, capturing 3.7 million tons of CO_2 annually.

NT Energies JV: Collaborating with Technip Energies to develop hydrogen and decarbonization projects.

Project Crystal: Developing a 100MW green hydrogen facility in the UAE, set to be operational by 2026.

Greener NMDC Energy: Implementing energy-saving initiatives, including solar panels, LED lighting, and water conservation efforts.

Project Crystal: Developing a 100MW green hydrogen facility in the UAE, set to be operational by 2026.

12.4 Employee Engagement

World Environment Day Initiatives: Distributing 13,000 reusable steel flasks to reduce plastic waste and planting 100 Ghaf trees.

Environmental Training Programs: Educating employees on topics such as spill response, waste management, and marine ecology.

Overall, NMDC Energy integrates sustainability into its business strategy, prioritizing environmental responsibility, carbon footprint reduction, and green energy solutions to support a cleaner future.

13) GENERAL INFORMATION

13.1 Monthly Share price

Statement of comparative performance of the Company's share with the Market Index and sector index to which the Company belongs at the end of each month during 2024 was as follows:

NMDC Energy - Security Trading Summary					
Year	**Month**	**Open (AED)**	**Close (AED)**	**High (AED)**	**Change (%)**
2024	September	3.350	3.020	3.400	0.000
	October	3.030	2.980	3.030	(1.325)
	November	2.980	2.970	3.130	(0.336)
	December	2.960	2.820	3.000	(5.051)

13.2 Company share with General Index and Sector Index

13.3 Shareholder's Distribution as of 31/12/2024

No.	Shareholder classification	Percentage of shares owned			
		Individuals	companies	Government	Total (%)
1	Local	6.79	83.37	0.38	90.5
2	Arab	0.8	0.02	0	0.82
3	Foreign	0	7.7	0.86	8.56
4	Total	7.59	91.087	1.24	100

13.4 Shareholders who hold 5% or more of the Company's capital as of 31/12/2024

No.	Name	Number of owned shares	Percentage of shares owned in the Company's capital
1	NMDC Group	3,850,000,000	77.00%

13.5 Shareholder's Distribution by the Size Equity as of 31/12/2024

No.	Ownership of the share/s	Number of shareholders	Number of owned shares	Percentage of shares owned from the capital
1	Less than 50,000	16524	34,070,897.00	0.68
2	From 50,000 to less than 500,000	396	64,171,406.00	1.28
3	From 500,000 to less than 5,000,000	178	254,433,126.00	5.09
4	More than 5,000,000	28	4,647,324,571.00	92.95
	Total	**17,126**	**5,000,000,000.00**	**100.00**

13.6 Investors' Relations Officer

Mr. Mohsen Moharam is the Company's Investor Relations Officer.

Furthermore, the Company website i.e. https://www.nmdc-energy.com/en/investor-relations/fact-sheet, NMDC Energy has a dedicated page for investors, which includes information related to Investor Relations, Board of Directors Reports, Financial Statements, Annual Reports, Corporate Governance Reports, and Annual General Meeting.

Contact information of Investor Relations Officer:

Email: mohsen.moharam@nmdc-group.com Mobile No.: +971 056 500 4276

13.7 Statement of the Significant Events

1.In September, NMDC Group approved the listing of NMDC Energy on the Abu Dhabi Securities Exchange and the sale of a portion of the Company's shares in NMDC Energy through public subscription. On approval NMDC energy is now a listed company.

2.NMDC Energy announced a strategic partnership with UAE's state-owned telecommunications company e& during the 40th edition of the Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC) on 7 November 2024. In addition to the partnership, NMDC Energy P.J.S.C emphasized its contribution to the UAE's economic growth by reinjecting AED 17 billion back into the economy.

13.8 Innovative projects and initiatives

1. Digital Leadership: Certified as Industry 4.0 Digital Leader.
2. Sustainability: Winner of 2024 IPLOCA Environmental Award, planting 20,001 mangrove seedlings.
3. Expansion: Focus on renewable energy with wind projects, decommissioning, Southeast Asia, and African markets.

13.9 Violations

No violations have been committed by NMDC Energy P.J.S.C during the year 2024.

14) AUDIT COMMITTEE REPORT

The Audit Committee is pleased to provide the annual report on the activities of the Audit Committee for the year 2024. The Audit Committee conducted two (2) meetings in 2024 with full attendance from all members to effectively discharge its responsibilities in accordance with the regulatory obligations and played a crucial role in ensuring financial reporting integrity, overseeing internal controls, and strengthening governance in 2024.

The Board of Directors for NMDC Energy established the Board Committees including an independent Audit Committee during the Initial Public Offering (IPO) in September 2024. As part of its primary obligations, the Committee reviewed the Company's Financial Results along with the External Audit Reports for the Third (3rd) Quarter of 2024 and for the year ended 2024.

Prior to NMDC Energy's listing, Deloitte & Touche (M.E.) provided external audit services as part of NMDC Group's overall audit engagement overseen by the Group Audit Committee. Following the Company's listing on the Abu Dhabi Securities Exchange, Deloitte & Touche (M.E.) was formally appointed as the external auditor at the Constitutive General Assembly Meeting held on September 9, 2024. The Audit Committee ensured the independence of the External Auditor by receiving quarterly confirmations and monitored the effectiveness of the audit process. The Committee reviewed audit approaches, accounting matters, audit adjustments and related party transactions to ensure compliance with IFRS. The revenue recognition of the Company was highlighted by the external auditor as the key audit matter, i.e. the matter of most significance in audit of consolidated financial statements of the auditing period (FY 2024). Procedures performed by the external auditor in addressing the key audit matter were reviewed by the Audit Committee. Furthermore, the non-audit services provided by the external auditors were reviewed to ensure that they were non-conflicting. The Audit Committee also had the opportunity and independent access to the external auditors.

Internal controls were a key focus, with the Committee reviewing risk management frameworks, audit findings, compliance measures, and fraud prevention mechanisms. Internal Audit and Compliance functions operated under an independent reporting model, with Akshay Bhat leading Internal Audit for NMDC Energy and serving as the secretary to the Audit Committee. The Internal Audit Department's independence was reinforced through annual declarations, and the Committee approved the adoption of updated Group-wide Internal Audit Manual, Internal Audit Charter and Internal Audit strategic plan. The 2024 audit plan's progress was monitored, and the 2025-2027 Internal Audit plan and KPIs was approved based on risk assessments, organizational changes, and management concerns. Furthermore, an external quality assessment was recently concluded for the Internal Audit activity, which awarded a 'Generally Conforms' rating, the highest possible under the IIA's (The Institute of Internal Auditors) rating system. This achievement reflects Internal Audit's commitment to excellence, professionalism, and value delivery to the organization.

In 2024, nine internal audits were conducted, identifying 139 observations (38 high, 85 medium, and 16 low-risk findings). The Audit Committee reviewed the Internal Audit function's comprehensive evaluation of the organization's operations and control systems based on significance ranking, control ranking and mapping of the recommendation to the Company's strategic pillars. The Committee closely monitored follow-up actions, supported by an escalation procedure and a Power BI dashboard for tracking implementation.

Ethics and compliance oversight included approving the 2025 Ethics & Compliance Plan, monitoring whistleblowing cases, and ensuring anti-fraud frameworks were in place. Risk management was strengthened through reviews of the ERM framework, risk appetite, and significant business risks, with risk assessments aligning with audit priorities. The Committee also reviewed key oversight matters, including whistleblowing investigations, and updates to the Delegation of Authority.

2025 Priorities

The Audit Committee schedule in 2025 will include a minimum of four (4) meetings focused on, amongst other things, the integrity of NMDC Energy's financial statements, IFRS 9 governance practices, emerging risks, assessment and oversight of the activities and performance of Internal Audit and Compliance functions as well as the performance of NMDC Energy"s External Auditor. The Committee is committed to maintaining transparency, accountability, and compliance while adapting to emerging risks and business priorities.

14
2024 AUDITED FINANCIAL STATEMENT

NMDC ENERGY PJSC
(formerly National Petroleum Construction Company)

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

Reports and consolidated financial statements
31 December 2024

Contents Pages

NMDC ENERGY

NMDC ENERGY: Directors Report

for the year ended 31 December 2024

The Board of Directors of NMDC ENERGY (formerly National Petroleum Construction Company) have the pleasure of presenting the 2024 Annual Report along with the audited financial statements as at and for the year ended 31 December 2024.

Financial Performance

NMDC Energy ("Company" or "Group") has reported exceptional financial results for the financial year 2024, concluding a historic year marked by strategic international expansion, a healthy project pipeline, and the successful completion of its Initial Public Offering (IPO).

Group achieved 80% year-on-year increase in net profit for 2024, from AED 780 million to AED 1.41 billion and revenues soared from AED 7.94 billion to AED 14.44 billion, up 82% year-on-year, driven by strong operational performance and strategic expansion into new projects both locally and internationally.

The Group's assets reached a value of AED 16.5 billion in 2024 from AED 13 billion in 2023, coupled with an extensive order backlog valued at AED 50 billion. These figures are a testament to Group's robust development initiatives and strategic geographic expansion, further enhancing its leadership in engineering, procurement and construction.

The Group achieved record growth in its net profits for Q4 2024, reporting a net profit of AED 502 million, reflecting a 35% increase compared to the same period of 2023. Furthermore, Q4 2024 revenues came at an all-time record high of AED 4.7 billion, up 57% from the corresponding period in 2023.

Following the Group's stellar performance during the year, the Board of Directors have proposed a total cash dividend of AED 700 million for the financial year ended 31 December 2024, representing a cash dividend per share of AED 0.14. The 50% dividend pay-out is subject to shareholders approval at the Company's General Assembly Meeting.

Landmark Listing

NMDC Energy began trading on the Abu Dhabi Securities Exchange (ADX) following an Initial Public Offering (IPO) that was oversubscribed by 31.3 times. The offering of 1.15 billion shares in NMDC Energy, representing 23% of the total share capital, was made available to eligible investors at AED 2.8 per share. Final allocations were approximately 0.17% to Retail investors and 6% to Professional investors. NMDC Energy's listing served as an exceptional achievement that will define the pace for the sector's engineering, procurement and construction business in Abu Dhabi and beyond.

Fleet

NMDC Energy currently owns a marine fleet of 20 Vessels consisting of:

- FOUR Dynamic Positioning (DP2/DP3) Derrick / Pipelaying barges (with 4,200t -2,000t lifting capacity and more than 300 pax accommodation each).

*Note1: DLS4200, DELMA2000, SHUJAA2000, SAFEEN3000.
*Note2: DELMA and SHUJAA are 1600 tons.

- THREE towed Derrick / Pipelaying barges.
- FOUR Self-elevating platforms, and self-propelled work barges.
- ONE DP3 cable lay and hook up floating vessel: UMMSHAIF.
- TWO anchor handling tugs: YAS and SAADIYAT.
- ONE diving support vessel AL MARYAH.
- THREE cargo barges and TWO Launching/float over barges.

Furthermore, NMDC Energy has recently commissioned its 'Heavy Lift Vessel', which will be used to install offshore wind farms, supporting the company's dedication to accelerating energy transition across the sector.

Information Technology

In 2024, NMDC Energy's IT Department achieved several key milestones for the company, including embracing numerous AI-driven solutions focusing on innovation and efficiency.

Strategic projects that were undertaken include:

- CONNECTED WORKFORCE: A Real Time Location Systems (RTLS) solution which monitors NMDC Energy Yard employees to protect them and increase efficiency. Each employee receives a wearable device upon entering the Yard to help monitor their locations and movements. These devices send an alert to the dashboard in cases of extended immobility or a suspicious movement such as a fall, notifying HSE teams for immediate action, thereby minimizing incident risks and ensuring a prompt response.
- AUGMENTED REALITY: These systems work in operational environments, where they use laser-scanned data to create virtual environments and assists in project planning and risk assessment.
- DIGITAL TWIN TECHNOLOGY: Generates virtual models of physical assets such as wells, platforms, and pipelines. These models are essential for monitoring, controlling, and optimizing performance. Moreover, NMDC Energy uses remote operating vehicles—unmanned robots equipped for underwater tasks, which are noted for their precision, integrated sensors, and capability for real-time data transmission.
- COMMENT RESOLUTION SYSTEM: This AI-powered system provides transformative advantages for the NMDC Energy, notably in terms of substantial man-hour savings, faster project delivery, and improved project management. This innovation is poised to enhance project management capabilities, delivering superior results for all stakeholders.
- DOMAIN MIGRATION: NMDC Energy users now operate under a consolidated domain and email system.

NMDC Energy was officially recognized and certified as an Industry 4.0 Digital Leader by the Ministry of Industry and Advanced Technology (MoIAT).

Health & Safety

For NMDC Energy, safety and efficiency are at the very core of all its operations. That's why it has always been an early adopter and sought to embed the latest fit-for-purpose solutions to improve its workforce's daily experiences. By doing this, it is not only able to support its workforce and keep them safe, but is also able to deliver projects to the highest of standards.

Some its key solutions aimed at enhancing workplace safety include:

- BLIND SPOT DETECTION SYSTEM: The solution is designed to provide full 360-degree visibility and eliminate blind spots around heavy machinery. With 360-degree cameras and an intelligent dashboard inside the operator's cabin, drivers can monitor every angle, even in the busiest and most hazardous areas.

Instant alerts ensure immediate action, giving operators full control and awareness to prevent accidents before they happen.

- SITE SAFETY ANALYZER: A solution used in heavy assembly workshops with AI powered cameras alongside its intelligent dashboard which is controlled and displayed at a main control room for monitoring. From detecting unsafe acts, like not wearing the right protective gear, to monitoring potential hazards such as workers moving under suspended loads, our AI system is always on the lookout.

Beyond AI, the company boasts impressive achievements in the Health and Safety space, including:

- Achieving 20 million man-hours without LTI (Long-term Agreement Zulf AH west and East oil facilities).
- Successfully maintaining ISO 14001 and ISO 45001 certifications.
- Organizing a Contractor Forum, sharing NMDC Energy's key objectives and HSE development plan with subcontractors to enhance collaboration and safety performance across all projects.
- Senior management increased high-profile QHSE site visits to 400, demonstrating visible leadership and commitment to safety.
- Achieving a record-low Lost Time Injury Frequency Rate (LTIFR) of 0.04 and a Total Recordable Injury Frequency Rate (TRIR) of 0.35, further surpassing industry benchmarks. Awards & Recognitions Recevied:
- ROSPA (The Royal Society for Prevention of Accidents - Gold Award)
- IPLOCA (British Safety Council, 10 consecutive gold awards)

Sustainability

With NMDC Group recently receiving an AA 'leader' rating from MSCI, the company continues to make significant strides in its business to build robust ESG considerations across its operations. NMDC Energy plays a prominent role in the renewable energy sector, particularly wind power, where it actively participates in the development, construction, and maintenance of wind power facilities, and facilitates the transition of energy companies to clean and renewable sources. Furthermore, the company continuously evaluates activities and programs to restore operational areas and protect natural ecosystems.

Achievements:

- NMDC Energy has planted 20,001 mangrove seedlings, which can capture 246 tons of CO2 annually.
- The company launched a "Turtle Nesting" awareness campaign, where potential turtle nesting areas are identified and demarcated with appropriate signage for the protection of turtles during nesting and hatchling periods.
- NMDC Energy collaborated with many government and private entities such as the Environment Agency of Abu Dhabi (EAD) and Abu Dhabi National Oil Company (ADNOC) to promotes a sustainable environment within the UAE.
- NMDC Energy was awarded a prestigious EPC contract by Taiwan Power Company (Taipower) for pipeline installation, shore approach works and dredging for the Tung-Hsiao Power Plant 2nd Stage Renewal Project. The $1.136 billion project involves the design, construction and installation of 111 kilometers of linear subsea pipeline at depths ranging from 10 meters to 55 meters, stretching between Taichung and Tung-Hsiao on Taiwan's west coast. The scope of work includes shore approach works and dredging operations volume of approximately 6 million cubic meters. This strategic involvement is expected to significantly boost revenue while solidifying NMDC's leadership in sustainable energy solutions.

Awards:

- NMDC Energy was the winner of the recent 2024 IPLOCA Environmental Award for its "Blue Carbon" Initiative.

Competitive Strengths

NMDC Energy continues to lead within the Energy sector, due to its winning formula for business, which includes:

Exceptional project portfolio

NMDC Energy has been strategically focused on major projects including Hail & Ghasha, Estidama, MERAM, Ruwais LNG, Lower Zakum and Aramco CRPOs. It currently has a backlog of projects worth AED 50.4 billion, with the value of ongoing projects amounting to AED 70.22 billion.

Unmatched capabilities

NMDC Energy has invested AED 200 million in its Mussafah yard to promote its modernization, reduce its carbon footprint and improve efficiency – while its ICAD 4 expansion will enhance the yards' current coating and piping facilities, thereby enhancing its capacity by 70%. Most recently, the company has inaugurated an advanced fabrication yard in Ras Al Khair, Saudi Arabia. The 400,000 sqm state-of-the-art yard, part of the Ras Al Khair Special Economic Zone, boasts a production capacity of 40,000 tons per year and will provide offshore facilities fabrication as well as onshore modularization.

Economic Contributions

NMDC Energy is committed to supporting local economies within the geographies it operates in. Locally, the company is reinjecting AED 17 billion back into the economy by enhancing opportunities for UAE-based small and medium businesses and prioritizing local resources and suppliers. In KSA, NMDC Energy continued to reinject billions of dollars into the Saudi economy and industry, to drive positive economic impact in Saudi Arabia, leading to NMDC Energy's current In-Kingdom Total Value Add (iktva) score of 39% in 2025.

Strategic Objectives

The mission of the NMDC Energy is to leverage the talent and experience of our people and provide opportunities to build successful and rewarding careers, while serving our clients through delivering sustainable solutions and beyond, and always maintain to focus on generating exceptional returns.

Our strategy is underpinned by strategic objectives which consequently are each supported by many underlying initiatives:

- Cherish current markets
- Diversify vertically, horizontally, and geographically
- Strengthen government, clients, investors, partners and suppliers
- Improve core operations
- Manage portfolio
- Commit to sustainability
- Focus on Safety

These strategic objectives can only be accomplished when we assure that our internal operations are state-of-the-art from all aspects, therefore we will focus for the coming year on the following strategic enablers:

1. Motivated and skilled people
2. Best practice processes
3. AI-enabled technology and systems
4. Fit-for-purpose assets
5. Open and collective culture

Internal control systems and their adequacy

The Company's internal control system is established to ensure that the Board and Management are able to achieve their business objectives in a prudent manner, safeguarding interests of the Company's shareholders and other stakeholders, whilst at the same time minimizing key risks such as fraud, unauthorized business activity, misleading financial statements, uninformed risk- taking, or breach of legal or contractual obligations, and also ensuring highest quality achieved in a safe and sustainable environment.

The guidelines for design and implementation of the internal control systems are provided by the Group's approved Corporate Governance Manual and applicable regulations. The Board and its Committees provide oversight on the systems, and the management is responsible for ensuring that adequate internal controls (both financial and operational) are in place and applied to safeguard and manage the assets of the Company, in an effective and efficient manner.

The Company's internal control is designed to mitigate, not eliminate, significant risks faced. It is recognized that such a system provides reasonable, but not absolute, assurance against material error, omission, misstatement or loss.

This is achieved within the Company through a combination of risk identification, evaluation and monitoring processes, appropriate decision and oversight forums, assurance and control functions such as External Audit, Internal Audit, Ethics & Compliance, Risk Management, Quality and HSE. These ongoing processes, which comply with leading practices and the Corporate Governance Guide, were in place throughout the year under review and up to the date of approval of the annual report and financial statements.

During the year 2024, the Company was subject to the following independent assessments and improvement initiatives on its internal control system:

Annual external audit and interim reviews of NMDC Energy consolidated financial statements is performed by Deloitte, a professional services firm.

Process reviews of NMDC Energy business processes and projects through the Internal Audit Function, according to an Internal Audit Plan approved by the Audit Committee. The scope of internal audit for the year 2024 covered both core and support processes and were prioritized in accordance with Risk Analysis Methodology.

Compliance program was further strengthened by adopting a revised code of conduct and related policies in line with best practices, conducting fraud awareness workshops for employees across the company and via internal communications on code of business conduct and whistleblowing awareness.

Enterprise Risk Management practice is a crucial pillar for achieving NMDC Energy's desired business objectives, maintaining sustainability, and protecting all stakeholders interests efficiently and effectively, and therefore Risk Management practice is applied at the strategic level, corporate level and project levels across the entity. While global risks are intensifying with geopolitical tensions combined with technology driving new security risks, NMDC Group's Risk Management Practice aims to enforce business sustainability and continuity by providing the means and mechanism to proactively manage and control threats and opportunities.

The Board met its internal control responsibilities in 2024 by reviewing presentations on independent assessments that were conducted, discussing control issues at Board meetings and reviewing the detailed reports from Board Committees, and found that the internal control environment was satisfactory for 2024. During 2024, the Company did not face any major issue requiring disclosure in any report or to the market.

Emiratization

NMDC Energy is committed to nurturing national talent and fostering future Emirati leaders. It has launched a number of programs that were instrumental in promoting Emiratization within one of the country's most strategic sectors. In 2024, NMDC Energy encompassed 444 Emiratis, with an Emiratization rate of 13.6%.

ACKNOWLEDGMENT

On behalf of the Board, I wish to express our appreciation for the support and cooperation of the financial institutions, suppliers, subcontractors, business associates and government authorities and expect the same in future for sustaining the Company's growth rate. The Board would like to place on record its appreciation of the hard work, commitment and unstinting efforts put in by the Group's employees at all levels.

Mohamed Hamad Almehairi
Chairman

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of NMDC Energy PJSC (formerly 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 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were discussed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company) (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter

Revenue recognition
The Group reported revenue of AED 14,440 million during the year ended 31 December 2024.
 	
The Group's business involves entering into contractual relationships with customers to provide a range of engineering, procurement and construction (EPC) services with a significant proportion of the revenues derived from long term contracts. The Group recognises revenue over a period of time and measures the progress using the input method by measuring the proportion of total costs incurred for the work performed as at the reporting date, relative to the estimated total costs of the contract at completion.
 	
The measurement of the amount of revenue, including variation orders, to be recognised requires management to apply significant judgements and make significant estimates. These judgements and estimates also include the determination of the expected cost to meet the performance obligations under a contract.
 	
The nature of these judgements and estimates results in them being susceptible to management override. In addition, revenue is quantitatively significant to the financial statements. Consequently, we have identified revenue recognition as a key audit matter.
 	
Management has also recognised contract assets of AED 3,106 million and contract liabilities of AED 937 million in the consolidated statement of financial position. Contract assets represent revenue that had been earned by the reporting date but had not yet been billed to customers. Contract liabilities represent the excess of cash received from customers for contracts over the revenue earned for those contracts.
	We performed the following procedures, inter alia, in respect of revenue recognition:
	
	• We obtained an understanding of the business process adopted by management to measure and recognize revenue and performed walkthroughs to understand the key processes and identify key controls;
	• We assessed the abovementioned controls to determine if they had been designed and implemented appropriately and tested these controls to determine if they had been operating effectively;
	• We challenged management's key judgements applied in the determination of forecast costs to complete the project under the percentage of completion method;
	• We obtained a sample of contracts and reviewed the contract terms and conditions, including variation orders and ensured these were appropriately recorded in the accounting records. We have also retrospectively reviewed the estimated profits and costs to complete and enquired of key personnel regarding potential contract losses to identify projects with potential losses;
	• We performed, for a sample of contracts, analytical procedures by comparing the current year margins with their prior year margins. Where we identified an unexpected margin, we carried out more focused testing on these contracts;
	• We reperformed the mathematical accuracy of the calculations used to determine revenue recognised under the percentage of completion method;
	• We performed the following procedures in respect of contract assets:
	  ◦ We agreed the amount of contract assets reported in the consolidated statement of financial position to a report prepared by management; and
	  ◦ We recalculated, on a sample basis, the amount of the contract asset recorded with reference to the underlying contracts with customers and the work performed.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company) (continued)

Key audit matters (continued)

Revenue recognition (continued)	How our audit addressed the key audit matter (continued)

The Group's revenue recognition accounting policy is included in note 3 to the consolidated financial statements. Details about key estimates and judgements relating to revenue are disclosed in note 4 to the consolidated financial statements. Further, details about revenue are included in note 21 to the consolidated financial statements.	• We performed the following procedures in respect of contract liabilities:
	  ◦ We agreed the amount of contract liabilities reported in the consolidated statement of financial position to a report prepared by management;
	  ◦ We recalculated, on a sample basis, the amount of the contract liability recorded with reference to the underlying contracts with customers and the cash amounts received;
	  ◦ We determined, for a sample of cash receipts in bank statements prior to the reporting date, that the related credit had been correctly recorded in revenue, trade receivables or contract liabilities.
	• We reconciled the list of the actual costs for the current year to the total costs of the projects under the percentage of completion;
	• We performed test of details for the actual costs related to the contracts;
	• We performed procedures to assess whether the revenue recognition criteria adopted by Company are in accordance with the requirements of IFRS Accounting Standards;
	• We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions, including post-year-end reversals; and
	• We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRS Accounting Standards.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company) (continued)

Other Information

The Board of Directors are responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Group Annual Report, which is expected to be made available to us after that date. 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 and will not express any form of assurance 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.

When we will read the Group's Annual Report, if we conclude that there is material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exists in terms of the auditing standards, which must be reported.

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 IFRS Accounting Standards as issued by the IASB and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company) (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's 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.
- Plan and perform the Group's audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (formerly National Petroleum Construction Company) (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- We have obtained all the information and explanations 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 Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account and records 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 2024;
- Note 20 to the consolidated financial statements discloses the 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 2024 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 consolidated financial position as at 31 December 2024.

Deloitte & Touche (M.E.)

F. Sohawn

Faeza Sohawon
Registration No. 5508
2 February 2025
Abu Dhabi
United Arab Emirates

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**3,452,735**	3,041,366
Right-of-use assets	6	**437,477**	286,599
Investment in equity accounted investees	7	**22,895**	24,134
Goodwill	8	**5,057**	5,057
Total non-current assets		**3,918,164**	3,357,156
Current assets			
Inventories	9	**250,480**	235,889
Trade and other receivables	10	**5,032,523**	3,174,717
Due from a related party	20	**-**	1,015,829
Contract assets	11	**3,106,102**	2,208,519
Derivative financial assets		**12,056**	24,602
Cash and bank balances	12	**4,215,465**	3,003,586
Total current assets		**12,616,626**	9,663,142
Total assets		**16,534,790**	13,020,298
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**2,500,000**	100,000
Statutory reserve	14	**190,410**	50,000
Restricted reserve		**1,291**	1,291
Currency translation reserve		**(20,454)**	(14,059)
Hedging reserve		**(14,541)**	14,812
Retained earnings		**2,556,336**	4,442,642
Equity attributable to the shareholders of the Company		**5,213,042**	4,594,686
Non-controlling interest		**6,061**	3,915
Total equity		**5,219,103**	4,598,601

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

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024 (continued)

	Notes	2024 AED'000	2023 AED'000
Liabilities			
Non-current liabilities			
Term loan	15	**315,853**	580,287
Provision for employees' end of service benefits	16	**302,549**	260,343
Derivative financial liability		**15,222**	-
Lease liabilities	6	**363,949**	297,866
Total non-current liabilities		**997,573**	1,138,496
Current liabilities			
Trade and other payables	17	**8,744,670**	6,027,781
Term loan	15	**264,434**	264,434
Due to a related party	20	**70,180**	757,558
Derivative financial liability		**11,375**	9,790
Lease liabilities	6	**86,432**	9,733
Contract liabilities	18	**937,350**	141,287
Income tax payable	19	**203,673**	72,618
Total current liabilities		**10,318,114**	7,283,201
Total liabilities		**11,315,687**	8,421,697
Total equity and liabilities		**16,534,790**	13,020,298

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented in these consolidated financial statements.

Mohamed Hamad Ghanem Hamad Almehairi	**Ahmed Al Dhaheri**	**Sreemont Prasad Barua**
Chairman	Chief Executive Officer	Group Chief Financial Officer

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

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Contract revenue	21	**14,440,106**	7,940,568
Direct costs		**(12,643,369)**	(6,795,192)
Gross profit		**1,796,737**	1,145,376
Other operating expenses		**(272,842)**	(199,876)
General and administrative expenses		**(122,828)**	(133,713)
Other income, net	24	**141,070**	(1,726)
Finance income	22	**117,451**	91,279
Finance costs	23	**(61,895)**	(76,237)
Foreign currency exchange losses, net		**(18,535)**	(21,625)
Share of results from equity accounted investees	7	**1,406**	1,727
Profit before tax		**1,580,564**	805,205
Income tax expense, net	19	**(174,314)**	(24,781)
Profit for the year		**1,406,250**	780,424
Non-controlling interests		**(2,146)**	(835)
Profit for the year - attributable to the Shareholders of the Company	25	**1,404,104**	779,589
Basic and diluted earnings per share (in AED) attributable to equity holders of the Company	26	**0.62**	0.34

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

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	2024 AED'000	2023 AED'000
Profit for the year	**1,406,250**	780,424
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (loss)/gain arising on hedging instruments during the year	**(29,353)**	20,301
Foreign exchange difference on translation of foreign operations	**(6,395)**	(1,660)
Total comprehensive income for the year	**1,370,502**	799,065
Non-controlling interests	**(2,146)**	(835)
Total comprehensive income for the year - attributable to the Shareholders of the Company	**1,368,356**	798,230

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

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 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	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 1 January 2024	**100,000**	**50,000**	**1,291**	**(14,059)**	**14,812**	**4,442,642**	**4,594,686**	**3,915**	**4,598,601**
Profit for the year						1,404,104	1,404,104	2,146	1,406,250
Other comprehensive (loss)/income for the year	-	-	-	(6,395)	(29,353)	-	(35,748)	-	(35,748)
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**(6,395)**	**(29,353)**	**1,404,104**	**1,368,356**	**2,146**	**1,370,502**
Issue of share capital (note 1)	2,400,000	-	-	-	-	(2,400,000)	-	-	-
Dividend paid (note 27)	-	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Transfer to statutory reserve (note 14)	-	140,410	-	-	-	(140,410)	-	-	-
Balance at 31 December 2024	**2,500,000**	**190,410**	**1,291**	**(20,454)**	**(14,541)**	**2,556,336**	**5,213,042**	**6,061**	**5,219,103**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax		**1,580,564**	805,205
Adjustments for:			
Depreciation of property and equipment	5	**198,028**	150,087
Depreciation of right-of-use assets	6	**48,815**	12,305
Gain on disposal of property, plant and equipment		**(8,323)**	(958)
Allowance for expected credit losses, net		**494**	2,208
Allowance for slow moving and obsolete inventories	9	**1,383**	1,439
Finance income		**(117,451)**	(91,279)
Finance costs		**65,829**	76,237
Employees' end of service benefit charge	16	**63,191**	40,490
Share of profit of investment in associate	7	**(1,406)**	(1,727)
Operating cash flows before movements in working capital changes		**1,831,124**	994,007
Employees' end of service benefit paid	16	**(20,985)**	(19,540)
Income tax paid, net	19	**(43,259)**	(18,928)
		1,766,880	955,539
Working capital changes			
Change in inventories		**(15,974)**	3,810
Change in trade and other receivables		**(1,857,490)**	(240,269)
Change in due from /to a related party, net		**328,451**	(230,000)
Change in contract assets		**(898,393)**	(1,191,200)
Change in contract liabilities		**796,063**	(121,833)
Change in trade and other payables		**2,716,889**	3,047,481
Net cash generated from operating activities		**2,836,426**	2,223,528
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(609,510)**	(644,849)
Proceeds on disposal of property, plant and equipment		**8,323**	1,568
Investment in equity accounted investee	7	**-**	(77)
Movement in short-term deposits placed with bank	12	**(85,205)**	(505,517)
Interest received		**117,451**	91,279
Dividend received from equity accounted investee	7	**2,645**	1,337
Net cash used in investing activities		**(566,296)**	(1,056,259)
Cash flows from financing activities			
Repayments of term loan	15	**(264,434)**	(264,434)
Repayment of lease liabilities	6	**(73,282)**	(21,158)
Dividend paid	27	**(750,000)**	-
Interest paid		**(49,458)**	(63,835)
Net cash used in financing activities		**(1,137,174)**	(349,427)
Net increase in cash and cash equivalents		**1,132,956**	817,842
Cash and cash equivalents at the beginning of the year		**2,498,069**	1,681,864
Net foreign exchange difference		**(6,282)**	(1,637)
Cash and cash equivalents at the end of the year	12	**3,624,743**	2,498,069
Non-cash transaction			
Increase in share capital	1	**2,400,000**	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024

1 General information

NMDC Energy PJSC (formerly "National Petroleum Construction Company") ("NMDC Energy" or 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 registered address of the Company is P.O. Box 3649, Abu Dhabi, United Arab Emirates.

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 Company was owned by General Holding Corporation PJSC ("SENAAT") and Chimera Investments LLC. In 2021, NMDC Group PJSC (formerly National Marine Dredging Company) ("NMDC" or "Parent Company") acquired all the share of the Company and became the sole shareholder of the Company. The Parent 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 year, 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.

In August 2024, the Company announced its intention to float its shares on the Abu Dhabi Securities Exchange ("ADX") through an Initial Public Offering (IPO), pursuant to the resolution of the shareholder of the Company. The shareholder approved the listing and the sale by way of offer to the public of part of its share capital in the Company. The subscription period commenced on 30 August 2024 and closed on 4 September 2024 and trading of the shares commenced on 11 September 2024.

Prior to the IPO, the Board of Directors of the Parent Company approved the updated Article of Association dated 23 August 2024, with the adoption of the following:

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

Upon completion of the IPO, the Parent Company continues to own a majority 77% stake in the Company, and 20.15% are subscribed through ADX. Furthermore, the Parent Company transferred 2.85% of shares as in kind consideration in connection with acquisition of certain plots of land for commercial use.

The Group has made investments as disclosed below as of the reporting period 31 December 2024.

1 GENERAL INFORMATION (continued)

The Company has investments in the following subsidiaries, joint ventures, associates and joint operations:

Name	*Country of incorporation*	*Percentage holding* 2024	2023	*Principal activities*
Subsidiaries				
National Petroleum Construction Co. (Saudi) LTD.	Saudi Arabia	**100%**	100%	Engineering, Procurement and Construction
NPCC Engineering Limited	India	**100%**	100%	Engineering
ANEWA Engineering Pvt. Ltd.	India	**80%**	80%	Engineering
NPCC Service Malaysia SDN*	Malaysia	**100%**	100%	Engineering, Procurement and Construction
Abu Dhabi for Construction Projects*	Iraq	**100%**	100%	Engineering, Procurement and Construction
Al Dhabi Construction Projects LLC*	Iraq	**100%**	100%	Engineering, Procurement and Construction
NMDC Marine Services L.L.C. S.P.C*	United Arab Emirates (UAE)	**100%**	100%	Marine Logistics Services

*dormant entities

Joint Ventures				
NT Energies L.L.C	UAE	**51%**	51%	Engineering and Consultancy
Associates				
Principia SAS	France	**33.33%**	33.33%	Engineering and consultancy
Joint Operations				
Saipem – NPCC - Hail and Ghasha		**50%**	50%	Engineering, Procurement and Construction.
Technicas – NPCC – MERAM		**50%**	50%	Engineering, Procurement and Construction
Technip – NPCC - Satah Full Field		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip - UZ-750 (EPC-1)		**40%**	40%	Engineering, Procurement and Construction.
NPCC – Technip UL -2		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip AGFA		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip JV – US GAS CAP FEED		**50%**	50%	Engineering, Procurement and Construction.
TJN Ruwais LNG (Note 28)		**20%**	-	Engineering, Procurement and Construction.

During the year 2024, the Group signed an agreement with Technip Energies France - Abu Dhabi ("T.EN"), JGC Corporation Abu Dhabi ("JGC") to establish a Joint Operation, TJN Ruwais LNG. The Group owns 20% share in the Joint Operation.

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

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

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current 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.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. 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 non-current). 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.

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

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

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The Group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments for the first time in the current year.

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 is 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 amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers 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.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

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

2.2 New and revised IFRSs in issue but not yet effective

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures (continued)	1 January 2027

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

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 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.

IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

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.

NMDC Energy PJSC
(formerly National Petroleum Construction Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IAS 21— Lack of Exchangeability	1 January 2025

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability.
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

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

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

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendment to IAS 21— Lack of Exchangeability (continued)	1 January 2025
An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations and adjust that rate, as necessary, to meet the objective as set out above.	
When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.	
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	

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.

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.

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

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.

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.

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 Material accounting policy information (continued)

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.

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.

3 Material accounting policy information (continued)

3.5 Investments in associates and joint ventures (continued)

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).

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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

3.10 Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the group's investment property portfolios and concluded that none of the group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the group has not recognised any deferred taxes on changes in fair value of the investment properties as the group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

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. In the prior year, management reviewed the estimated useful lives of property, plant and equipment in accordance with IAS 16 Property, and had 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 resulted in reduction of depreciation charge for the previous year by AED 39.2 million and an increase in the carrying amount of property, plant and equipment by the same amount.

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.

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.

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.

<u>(ii) Definition of default</u>

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.

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for the year ended 31 December 2024 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

<u>(iii) Credit-impaired financial assets</u>

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.

<u>(iv) Write-off policy</u>

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.

<u>(v) Measurement and recognition of expected credit losses</u>

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 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.

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 (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 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 12. 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

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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.

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). The Group has lease contracts less than 1 year which are considered as operating leases on the judgement that the lease period will not be extended beyond the lease contracts.

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.

Offsetting of related party balances
Balances due from/to related parties as disclosed in note 20 are reported on a net basis in the accompanying consolidated financial statements. Management has established that a legally enforceable right to set off such amounts exist, and the Group intends to settle on net basis or to realise the assets and settle the liabilities simultaneously.

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.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

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.

Taxation provisions

The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that these positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise.

The Group judges these positions on their technical merits on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as the current state of discussions with tax authorities, where appropriate). A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities, based on all relevant information. The liability is calculated taking into account the most likely outcome or the expected value, depending on which is thought to give a better prediction of the resolution of each uncertain tax position in view of reflecting the likelihood of an adjustment being recognised upon examination. These estimates are based on facts and circumstances existing at the end of the reporting period. The tax liability and income tax expense include expected penalties and late payment interests arising from tax disputes. Further, tax implications on unremitted earnings from foreign subsidiaries are not considered material to the Group as management currently do not intend to have remittances from its foreign operations.

Management has used its best estimate of the correct value of liability to recognise in each case, which includes a judgement on the length of the future time period to use in such assessments.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

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 2024 are AED 1.97 million (2023: AED 2.29 million) and AED 1.50 million (2023: AED 0.69 million), 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 2024 is AED 54.8 million (2023: AED 53 million).

Useful lives and residual values of property, plant 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. In the previous year, management had reviewed the estimated useful lives of property, plant and equipment in accordance with IAS 16 Property, Plant and Equipment 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 resulted in reduction of depreciation charge for the prior year by AED 39.2 million and an increase in the net book value of property, plant and equipment by the same amount.

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 2024 and 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					
Cost					
1 January 2024	577,094	5,750,829	127,336	234,370	6,689,629
Additions	-	96,155	9,551	503,804	609,510
Transfers	-	32,363	-	(32,363)	-
Disposal	-	(23,290)			(23,290)
Exchange difference	-		(404)		(404)
31 December 2024	**577,094**	**5,856,057**	**136,483**	**705,811**	**7,275,445**
Accumulated depreciation					
1 January 2024	391,383	3,147,216	109,664	-	3,648,263
Charge for the year	15,490	174,799	7,739	-	198,028
Disposal/write-offs	-	(23,290)	-	-	(23,290)
Exchange difference	-	-	(291)	-	(291)
31 December 2024	406,873	3,298,725	117,112	-	3,822,710
Carrying amount					
At 31 December 2024	**170,221**	**2,557,332**	**19,371**	**705,811**	**3,452,735**
2023					
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

Certain items of property, plant and equipment with a carrying value of AED 1,346 million (2023: AED 1,450 million) have been pledged to secure the borrowings of the Group (note 15). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Property, plant and equipment includes fully depreciated assets of AED 2,335 million (2023: AED 2,169 million).

The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 6).

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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% - 6.6%.

Right-of-use assets

	Equipment 2024 AED'000	Land 2024 AED'000	Total 2024 AED'000	Total* 2023 AED'000
1 January	**-**	**286,599**	**286,599**	294,262
Additions during the year	**199,693**		**199,693**	4,642
Depreciation expense	**(34,965)**	**(13,850)**	**(48,815)**	(12,305)
31 December	**164,728**	**272,749**	**437,477**	286,599

*As at 31 December 2023, the right-of-use assets comprised of land only.

Lease liabilities

	2024 AED'000	2023 AED'000
1 January	**307,599**	311,718
Additions during the year	**199,693**	4,637
Interest expense	**16,371**	12,402
Payments	**(73,282)**	(21,158)
31 December	**450,381**	307,599

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

	2024 AED'000	2023 AED'000
Analysed as:		
Non-current liabilities	**363,949**	297,866
Current liabilities	**86,432**	9,733
	450,381	307,599

Following are the amounts recognised in the consolidated statement of profit or loss:

	2024 AED'000	2023 AED'000
Depreciation on right-of-use assets		
Direct costs	**34,965**	-
General and administrative expenses	**13,850**	12,305
	48,815	12,305
Interest expense on lease liabilities		-
Direct costs	**3,934**	
Finance costs (note 23)	**12,437**	12,402
	16,371	12,402

	2024 AED'000	2023 AED'000
Maturity analysis		
Not later than 1 year	**109,864**	21,744
Later than 1 year and not later than 5 years	**174,725**	78,575
Later than 5 years	**360,670**	380,013
	645,259	480,332
Less: unearned interest	**(194,878)**	(172,733)
	450,381	307,599

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

The carrying amounts of the Group's investments in equity accounted investees at 31 December are as follows:

	2024 AED'000	2023 AED'000
NT Energies	**77**	77
Principia SAS	**22,818**	24,057
	22,895	24,134

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

	2024 AED'000	2023 AED'000
Balance at 1 January	**24,134**	23,667
Acquisition during the year	-	77
Share of profit for the year	**1,406**	1,727
Dividend received during the year	**(2,645)**	(1,337)
Balance at 31 December	**22,895**	24,134

During the previous year, 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.

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

Summarised financial information in respect of the Group's equity accounted investees is set out below:

	2024 AED'000	2023 AED'000
Total assets	**43,165**	50,424
Total liabilities	**(24,969)**	(28,310)
Net assets	**18,196**	22,114
Group's share of net assets of associate	**6,065**	7,371
Total revenue	**64,051**	63,272
Total profit for the year	**4,219**	5,442
Group's share in profit	**1,406**	1,727

8 GOODWILL

Acquisition of subsidiary

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

8 GOODWILL (continued)

Acquisition date fair values of the identifiable assets and liabilities of the subsidiary 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.

9 INVENTORIES

	2024 AED'000	2023 AED'000
Materials, fuel and spare parts	**305,268**	289,293
Less: allowance for slow and obsolete inventories	**(54,788)**	(53,404)
	250,480	235,889

Movement in the allowance for slow moving inventories

	2024	2023
At 1 January	**53,405**	51,965
Charge for the year	**1,383**	1,439
At 31 December	**54,788**	53,404

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10 TRADE AND OTHER RECEIVABLES

	2024 AED'000	2023 AED'000
Trade receivables	**2,098,445**	1,201,880
Less: allowance for expected credit losses	**(1,972)**	(2,288)
	2,096,473	1,199,592
Advances to suppliers	**1,947,065**	1,017,951
Prepayments	**374,245**	553,072
Contract retentions	**484,345**	263,288
VAT and GST receivables, net	**19,021**	31,689
Advances paid to employees	**13,008**	15,067
Other receivables	**98,366**	94,058
	5,032,523	3,174,717

Included in trade and other receivables are amounts of AED 84 thousand (2023: AED 354.3 million) due from entities disclosed in note 20 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

	2024 AED'000	2023 AED'000
At 1 January	**2,288**	288
(Reversal) / charge for the year	**(316)**	2,000
At 31 December	**1,972**	2,288

10 TRADE AND OTHER RECEIVABLES (continued)

Ageing of trade receivables

	2024 AED'000	2023 AED'000
1 to 90 days	**2,027,798**	1,178,338
More than 91 days	**68,675**	21,254
	2,096,473	1,199,592

11 CONTRACT ASSETS

	2024 AED'000	2023 AED'000
Construction contracts	**3,107,603**	2,209,210
Less: allowance for expected credit losses	**(1,501)**	(691)
	3,106,102	2,208,519

Significant changes in contract assets balance during the year:

	2024 AED'000	2023 AED'000
1 January	**2,209,210**	1,018,010
Add: Revenue recognised during the year from contracts	**14,440,106**	7,940,568
Less: Transfer of contract assets recognised to trade receivables	**(13,541,713)**	(6,749,368)
31 December	**3,107,603**	2,209,210

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.

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11 CONTRACT ASSETS (continued)

Movement in the allowance for expected credit losses:

	2024 AED'000	2023 AED'000
At 1 January	**691**	483
Charge for the year	**810**	208
At 31 December	**1,501**	691

Contract assets are analysed as follows:

	2024 AED'000	2023 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**1,310,954**	1,161,422
Other entities	**1,796,649**	1,047,788
	3,107,603	2,209,210

12 CASH AND BANK BALANCES

	2024 AED'000	2023 AED'000
Cash in hand	**487**	691
Cash at banks	**1,462,920**	427,783
Short-term deposits	**2,752,058**	2,575,112
	4,215,465	3,003,586
Less: short-term deposits with maturity more than three months	**(590,722)**	(505,517)
Cash and cash equivalents	**3,624,743**	2,498,069

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 2%-7% per annum (2023: 3.15%-6.20% per annum).

Included in cash and bank balances are amounts of AED 2,954 million (31 December 2023: AED 2,209 million) held with a related party as disclosed in note 20. 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 jurisdiction. 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.

13 SHARE CAPITAL

As disclosed in the note 1, the share capital of the Company was increased during the year and the Company's authorised and issued share capital is 5,000,000 thousand shares with a par value of AED 0.50 each as at 31 December 2024 (2023:100,000 thousand shares with a par value of AED 1 each);

	2024 AED'000	2023 AED'000
Authorised, issued and paid-up capital	**2,500,000**	100,000

14 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 required to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. 10% of current year net profit is accordingly transferred to the statutory reserve. 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.

15 TERM LOAN

	2024 AED'000	2023 AED'000
Non-current portion	**315,853**	580,287
Current portion	**264,434**	264,434
	580,287	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 31 December 2024 is USD 158 million (31 December 2023: USD 230 million) which is equivalent to AED 580 million (31 December 2023: 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 Group has complied with the financial covenants as of the reporting period.

15 TERM LOAN (continued)

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

	2024 AED'000	2023 AED'000
At 1 January	**844,721**	1,109,155
Loan repayment	**(264,434)**	(264,434)
At 31 December	**580,287**	844,721

The contractual repayment schedule of the term loan is as follow:

	2024 AED'000	2023 AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**315,853**	528,870
3 to 5 years	**-**	51,417
	580,287	844,721

Movement in term loan:

	2024 AED'000	2023 AED'000
Balance at 1 January	**844,721**	1,109,155
Loan repayment	**(264,434)**	(264,434)
Balance at 31 December	**580,287**	844,721

16 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	2024 AED'000	2023 AED'000
At 1 January	**260,343**	239,393
Charge for the year	**63,191**	40,490
Paid during the year	**(20,985)**	(19,540)
At 31 December	**302,549**	260,343

17 TRADE AND OTHER PAYABLES

	2024 AED'000	2023 AED'000
Job and other accruals	**4,485,703**	2,725,375
Advances received on contracts	**3,148,175**	2,451,068
Trade payables	**568,942**	542,959
VAT payables	**170,243**	96,542
Retentions payable	**139,980**	20,537
Provision for employees leave salary	**84,268**	64,722
Provision for board remuneration and employee bonus	**71,387**	52,850
Provision for air fare	**42,154**	37,319
Warranty provision	**9,500**	14,093
Provision for future losses	**11,319**	686
Other payables	**4,331**	13,723
Other accruals	**8,668**	7,907
	8,744,670	6,027,781

The average credit period on purchase of goods is 45 days (2023 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 78 million (2023: AED 1,217 million) due to entities disclosed in note 20 to the consolidated financial statements.

18 CONTRACT LIABILITIES

	2024 AED'000	2023 AED'000
Construction contracts	**937,350**	141,287

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.

19 TAXATION

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No.47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% rate CT rate. A rate of 0% will apply to taxable income not exceeding AED 375,000. The Law is now considered to be enacted from the perspective of IAS 12 – Income Taxes. The UAE entities are subject to CT commencing 1 June 2023.

	2024 AED'000	2023 AED'000
Current income tax		
Current income tax charge – net	**187,148**	36,178
Prior year adjustment	**(13,382)**	(11,397)
Total current tax	**173,766**	24,781
Deferred tax		
Deferred income tax charge	**548**	-
Total income tax expense recognised in consolidated income statement	**174,314**	24,781

Tax rates differ between jurisdictions in which the Group operates in. The tax rate applicable in the UAE is 9% (2023: 0%) for taxable profits exceeding AED 375,000. The overall effective tax rate for the Group, including all applicable jurisdictions, is 11 % (2023: 3.1%).

19 TAXATION (continued)

Movement of the income tax payable is as follow:

	2024 AED'000	2023 AED'000
At 1 January	**72,618**	66,765
Charge for the year	**187,696**	36,178
Prior year adjustments	**(13,382)**	(11,397)
Refund during the year	**-**	11,839
Payments during the year	**(43,259)**	(30,767)
At 31 December *	**203,673**	72,618

*Deferred tax liability of AED 548 thousand is included in the income tax payable as at 31 December 2024 (31 December 2023: nil)

The difference between the applicable tax rate and the Group's effective tax rate arises due various adjustments being made in accordance with the corporate tax law which are stated below:

	2024 AED'000	2023 AED'000
Profit before tax	**1,580,564**	805,205
Prima facie tax expense at 9% (2023: 0%)	**142,251**	-
Tax effect of difference:		
Tax effect on taxable dividend from KSA subsidiary	**58,500**	-
Tax effect of application of UAE tax law	**(979)**	
Tax effect of different tax rate of subsidiaries operating in foreign jurisdiction*	**(21,074)**	36,178
Others	**8,998**	-
Income tax expense	**187,696**	36,178
Prior year adjustment	**(13,382)**	(11,397)
Total income tax charge – net	**174,314**	24,781

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

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19 TAXATION (continued)

As of year-end, the Group is liable to pay tax in United Arab Emirates, 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 has no significant deferred tax assets or liabilities in the foreign jurisdictions at the reporting date.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

Litigation

The Company has an ongoing tax litigation in India relating to whether a Permanent Establishment existed in India in the fiscal years 2006/07 until 2021/22. 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. The case is currently pending adjudication at the Supreme Court of India.

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 are more likely than not. The tax advisors have estimated the Company's tax liability for this matter in the probable scenario to be approximately AED 44 million including interest up to 31 December 2024. On this basis, an amount of AED 44 million is recorded as part of the Group overall tax provision at 31 December 2024.

Applicability of Pillar Two

The Organisation of Economic Cooperation and Development (OECD) has published GloBE Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. As of the reporting date, Pillar Two legislation has not been substantively enacted in the UAE. The Group is in the process of an assessment of its impact on its future earnings.

20 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 10, 12, and 17 to the consolidated financial statements.

20 RELATED PARTIES (continued)

	2024 AED'000	2023 AED'000
Related party transactions		
Contract revenues	-	10,103
Material and services purchased	**172,659**	161,394
Sub-contract costs	**926,222**	429,900
Charter of vessel	**56,709**	-
Back charge of costs	**317,082**	354,361
Corporate overheads, net	**74,640**	50,252
Interest income	**65,425**	33,365
Share of profit from equity accounted investee	**1,406**	1,727
Dividend received from equity accounted investee	**2,645**	1,337
Dividend paid	**750,000**	-
Other income	**64,286**	-

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

	Due from balance		**Due to balance**	
	2024	2023	**2024**	2023
	AED'000	*AED'000*	***AED'000***	*AED'000*
NMDC Group PJSC (NMDC)	**-***	1,015,829**	**70,180***	757,558

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20 RELATED PARTIES (continued)

*As of the reporting date, balances due from/to a related party are presented on a net basis as a legally enforceable right to set off such amounts exist, and the Management intends to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**The balance due from a related party as at 31 December 2023 principally represents an amount of 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 resulted from its cash pooling arrangements with its Parent Company. These balances were settled during the current year.

Due from/to other related parties:	2024 AED'000	2023 AED'000
Trade and other receivables	**84**	354,361
Trade and other payables	**121,806**	459,551
Bank balances	**2,953,913**	2,208,535

Compensation of key management personnel is as follows:

	2024 AED'000	2023 AED'000
Salaries and other short-term benefits	**8,961**	7,245
Employees' end of service benefits	**628**	725
	9,589	7,970
Number of key management personnel	**4**	3

21 CONTRACTS REVENUE

	2024 AED'000	2023 AED'000
Revenue by project type		
Energy	**14,440,106**	7,940,568
Revenue by activity		
Engineering, procurement and construction	**14,440,106**	7,940,568
Timing of revenue recognition		
Revenue recognised over the period	**14,440,106**	7,940,568
Revenue by customer segments		
Governmental companies	**13,703,647**	7,079,835
Non-Governmental companies	**736,459**	860,733
	14,440,106	7,940,568

Unsatisfied performance obligation

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2024 and 31 December 2023 are as set out below:

	2024 AED'000	2023 AED'000
Within one year	**18,862,245**	13,706,313
More than one year	**31,542,583**	29,973,114
	50,404,828	43,679,427

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2024 AED'000	2023 AED'000
Engineering, procurement and construction		
Customer 1	**8,262,974**	3,208,864
Customer 2	**5,426,569**	3,979,917

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22 FINANCE INCOME

	2024 AED'000	2023 AED'000
Interest income on bank deposits	**117,451**	91,279

23 FINANCE COSTS

	2024 AED'000	2023 AED'000
Interest expense on term loans	**49,458**	63,835
Interest expense on lease liabilities (note 6)	**12,437**	12,402
	61,895	76,237

24 OTHER INCOME /(EXPENSE), NET

	2024 AED'000	2023 AED'000
Income from scrap sales	**29,934**	36,404
Gain on sale of property, plant and equipment	**8,323**	958
Reversal of prior years' accruals	**21,524**	-
Reimbursement of expenses*	**64,286**	-
Others	**17,003**	(39,088)
	141,070	(1,726)

*This represents the reimbursement, by the Parent Company, of income tax payable by the Company on dividends received by the Company from its foreign subsidiary.

25 PROFIT FOR THE YEAR

	2024 AED'000	2023 AED'000
Profit for the year is stated after:		
Staff costs	**1,625,808**	1,342,321
Depreciation of property, plant and equipment	**198,028**	150,087
Depreciation of right-of-use assets	**48,815**	12,305

26 EARNINGS PER SHARE

Basic earnings per share have been computed by dividing the profit for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit attributable to the shareholders of the Company (AED'000)	**1,404,104**	779,589
Weighted average number of ordinary shares ('000)	**2,261,918**	2,261,918
Earnings per share attributable to the shareholders of the Company (AED)	**0.62**	0.34

The weighted average number of ordinary shares outstanding during the period and for comparative period have been adjusted for the effect of capitalization arising from the issuance of 4,900,000 thousand ordinary shares on 24 July 2024.

27 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 previous years (2023: AED nil).

28 INTEREST IN JOINT OPERATIONS

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

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28 INTEREST IN JOINT OPERATIONS (continued)

	2024 AED'000	2023 AED'000
Total assets	**3,318,965**	1,577,073
Total liabilities	**(3,180,599)**	(1,540,694)
Net assets	**138,366**	36,379
Total revenue	**3,085,056**	71,049
Profit for the year	**288,365**	36,475

29 CONTINGENT LIABILITIES AND COMMITMENTS

	2024 AED'000	2023 AED'000
Letters of guarantee	**13,727,864**	11,703,758
Letters of credit	**155,832**	147,319
Capital commitments	**143,308**	145,058
Purchase commitments	**6,185,651**	5,378,558

30 SEGMENT INFORMATION

Geographical segment information

The Group has aggregated its geographical segments into UAE and International. UAE segment includes projects in the UAE, while international segment includes operations in Kingdom of Saudi Arabia, Bahrain, India, and Kuwait.

The following table shows the Group's geographical segment analysis:

	UAE AED'000	International AED'000	31 December 2024 Group AED'000
Segment revenue	**8,691,092**	**5,749,014**	**14,440,106**
Segment gross profit	932,268	864,469	**1,796,737**
Other operating expenses	-	-	**(272,842)**
General and administrative expenses	-	-	**(122,828)**
Other income, net	-	-	**141,070**
Finance income	-	-	**117,451**
Finance costs	-	-	**(61,895)**
Foreign currency exchange loss	-	-	**(18,535)**
Share of results from equity accounted investees	-	-	**1,406**
Income tax expense, net	**(138,512)**	**(35,802)**	**(174,314)**
Profit after tax			**1,406,250**
Total assets	**11,905,699**	**4,629,091**	**16,534,790**
Total liabilities	**7,641,011**	**3,674,676**	**11,315,687**

30 SEGMENT INFORMATION (continued)

Geographical segment information (continued)

	UAE AED'000	International AED'000	31 December 2023 Group AED'000
Segment revenue	4,645,180	3,295,388	7,940,568
Segment gross profit	779,364	366,012	1,145,376
Other operating expenses			(199,876)
General and administrative expenses	-	-	(133,713)
Other income, net	-	-	(1,726)
Finance income	-	-	91,279
Finance costs	-	-	(76,237)
Finance cost, net	-	-	(21,625)
Share of results from equity accounted investees	-	-	1,727
Income tax expense	-	(24,781)	(24,781)
Profit after tax			780,424

	UAE AED'000	International AED'000	31 December 2023 Group AED'000
Total assets	9,517,355	3,502,943	13,020,298
Total liabilities	5,781,292	2,640,405	8,421,697

31 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 term loan 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:

	2024	2023
	AED'000	AED'000
Term loan (note 15)	**580,287**	844,721
Cash and bank balances (note 12)	**(4,215,465)**	(3,003,586)
Net debt	**(3,635,178)**	(2,158,865)
Equity (note 13)	**5,219,103**	4,598,601
Net debt to equity ratio	**-**	-

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32 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**	
	2024	2023	**2024**	2023
	AED'000	AED'000	**AED'000**	AED'000
Euro	**841,275**	19,560	**628,562**	212,539
Sterling pound	**14,656**	4,826	**35,790**	37,962

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 10,636 thousand (2023: AED 9,649 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 1,057 thousand (2023: AED 1,657 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances.

32 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 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 2024 would decrease/increase by AED 2.9 million (2023: decrease/increase by AED 4.2 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 (2023: 3 months Term SOFR) rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

32 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 290,144 thousand (31 December 2023: AED 422,361 thousand):

2024			**USD'000**	**AED'000**
Instrument I: outstanding receive Floating, pay fixed	USD SOFR 3M	0.8%	**3,283**	**12,056**
2023				
Instrument I: outstanding receive Floating, pay fixed	USD LIBOR 3M	0.8%	6,700	24,602

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.

32 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
2024				
Forward contract	**EU, GBP & JPY**	**559,390**	**532,793**	**(26,597)**
2023				
Forward contract	USD & EUR	164,255	154,465	(9,790)

(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 10.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024 (continued)

32 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 2024				
Trade and other payables*	**5,405,433**	**-**	**-**	**5,405,433**
Lease liabilities	**109,864**	**174,725**	**360,669**	**645,258**
Term loans	**264,434**	**331,041**	**-**	**595,475**
Due to a related party	**70,180**	**-**	**-**	**70,180**
	5,849,911	**505,766**	**360,669**	**6,716,346**
At 31 December 2023				
Trade and other payables*	3,465,392	-	-	3,465,392
Lease liabilities	21,744	78,575	380,013	480,332
Term loans	264,434	627,357	-	891,791
Due to a related party	757,558	-	-	757,558
	4,509,128	705,932	380,013	5,595,073

*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.

33 Financial instruments by category

	2024	2023
	AED'000	AED'000
Financial assets		
Cash and bank balances	**4,215,465**	3,003,586
Contract assets	**3,106,102**	2,208,519
Trade and other receivables (excluding prepaid expenses)	**4,658,278**	2,621,645
	11,979,845	7,833,750
Financial liabilities		
Trade and other payables*	**5,405,433**	3,465,392
Lease liabilities	**450,381**	307,599
Term loans	**580,287**	844,721
Due to related party	**70,180**	757,558
	6,506,281	5,375,270

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

34 RECLASSIFICATION OF PRIOR YEAR BALANCES

Certain comparative figures have been reclassified wherever necessary, as to conform to the presentation adopted in these consolidated financial statements. These reclassifications do not materially change the presentation of the consolidated financial statements.

35 SUBSEQUENT EVENT

Proposed dividend
During the meeting held on 30 January 2025, the Board of Directors proposed a dividend of AED 700,000 thousand (28% of the Company's share capital) representing AED 0.14 per share for the year ended 31 December 2024.

36 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorised for issue on 30 January 2025.

15 APPENDIX

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

GRI/ADX CONTENT INDEX

GRI 1: FOUNDATION 2021			
Statement of Use	NMDC Energy has reported the information cited in this GRI content index for the period 1 January – 31 December 2024 in accordance with the GRI Standards		
GRI 2: GENERAL DISCLOSURES			
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE PAGES
The Organization and its Reporting Practice			
2-1	Organizational details	-	14-18
2-2	Entities included in the organization's sustainability reporting	G7: Sustainability reporting G8: Disclosure Practices	4-5
2-3	Reporting period, frequency, and contact point	-	4-5
2-4	Restatements of information	-	-
2-5	External assurance	G9: External Assurance	4-5
Activities and workers			
2-6	Activities, value chain and other business relationships	-	14-18
2-7	Employees	-	44-61
2-8	Workers who are not employees	-	44-61
Governance			-
2-9	Governance structure and composition	G1: Board Diversity	25-31
2-10	Nomination and selection of the highest governance body	G2: Board Independence	25-31
2-11	Chair of the highest governance body		25-31
2-12	Role of the highest governance body in overseeing the management of impacts	-	25-31
2-13	Delegation of responsibility for managing impacts	-	25-31
2-14	Role of the highest governance body in sustainability reporting	-	25-31
2-15	Conflicts of interest	G6: Ethics & Anti-Corruption	25-31
2-16	Communication of critical concerns	-	25-31

2-17	Collective knowledge of the highest governance body	-	25-31	
2-18	Evaluation of the performance of the highest governance body	-	25-31	
2-19	Remuneration policies	G3: Incentivized Pay	25-31	
2-20	Process to determine remuneration	-	25-31	
2-21	Annual total compensation ratio	S1: CEO Pay Ratio S2: Gender Pay Ratio	Not Disclosed 56	
-	-	G6: Data Privacy	83-84	
Strategy, policies, and practices				-
2-22	Statement on sustainable development strategy	G8: Sustainability reporting G9: Disclosure Practices E8 & E9: Environmental Oversight	32-39	
2-23	Policy commitments	-	25-31	
2-24	Embedding policy commitments	-	25-31	
2-25	Processes to remediate negative impacts	-	25-31	
2-26	Mechanisms for seeking advice and raising concerns	-	25-31	
2-27	Compliance with laws and regulations	G5: Ethics & Anti-Corruption	25-31	
Stakeholder engagement				-
2-29	Approach to stakeholder engagement	-	35-36	
GRI 3: MATERIAL TOPICS				
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION	NOTES
3-1	Process to determine material topics	-	32-39	
3-2	List of material topics	-	37-38	
3-3	Management of material topics	-	37-38	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach	-	40-43	
201-1	Direct economic value generated and distributed	-	40-43	

GRI 202: Market Presence 2016			
GRI 202 Topic Specific			
3-3	Management Approach	-	44-61
202-2	Proportion of senior management hired from the local community	S11: Nationalisation	56-57
GRI 203: Indirect Economic Impacts 2016			
GRI 203 Topic Specific			
3-3	Management Approach	-	40-43
203-2	Significant indirect economic impacts	E10: Climate Risk Mitigation	40-43
GRI 204: Procurement Practices 2016			
GRI 204 Topic Specific			
3-3	Management Approach	-	77-78
204-1	Proportion of spending on local suppliers	-	79
GRI 205: Anti-Corruption 2016			
GRI 205 Topic Specific			
3-3	Management Approach	-	25-31
205-1	Operations assessed for risks related to corruption	G5: Ethics & Prevention of Corruption	25-31
205-2	Communication and training about anti-corruption policies and procedures	G5: Ethics & Prevention of Corruption	25-31
205-3	Confirmed incidents of corruption and actions taken	G5: Ethics & Prevention of Corruption	25-31
GRI 300: Environmental Standard Series			
GRI 302: Energy 2016			
GRI 302 Topic Specific			
3-3	Management Approach	-	88-90
302-1	Energy consumption within the organization	E3: Energy Usage	88-90
302-2	Energy consumption outside of the organization	E3: Energy Usage	88-90

302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	88-93
302-4	Reduction of energy consumption	E3: Energy Usage	88-90
GRI 303: Water and Effluents 2018			
GRI 303 Topic Specific			
3-3	Management Approach	-	103
303-2	Management of water discharge related impact	-	103
303-3	Water withdrawal	E6: Water Usage	103
303-5	Water Consumption	E6: Water Usage	103
GRI 304: Biodiversity			
GRI 303 Topic Specific			
3-3	Management Approach	-	98-99
GRI 305: Emissions 2016			
GRI 305 Topic Specific			
3-3	Management Approach	-	88-97
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	92-93
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	92-93
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	92-93
305-4	GHG emissions intensity	E2: Emissions Intensity	93
305-5	Reduction of GHG emissions	E1: GHG Emissions	88-97
GRI 306: Waste 2020			
GRI 306 Topic Specific			
3-3	Management Approach	-	99-103
306-1	Waste generation and significant waste-related impacts	E7: Environmental Operations	99-103
306-2	Management of significant waste-related impacts	E7: Environmental Operations	99-103
306-3	Waste generated	E7: Environmental Operations	99-103

GRI 307: Environmental Compliance 2020			
GRI 306 Topic Specific			
3-3	Management Approach	-	93-94
307-1	Non-compliance with environmental laws and regulations	E7: Environmental Operations E8 & E9: Environmental Oversight	93-94
GRI 308: Supplier Environmental Assessment 2016			
GRI 308 Topic Specific			
3-3	Management Approach	-	77-79
308-1	New suppliers that were screened using environmental criteria	G4: Supplier Code of Conduct E7: Environmental Operations	77-79
GRI 400: Social Standard Series			
GRI 401: Employment 2016			
GRI 401 Topic Specific			
3-3	Management Approach	-	44-61
401-1	New employee hires and employee turnover	S3: Employee Turnover	48-49
401-2	Benefits provided to full-time employees that are not provided to part-time employees	S5: Temporary Worker Ratio	58-61
401-3	Parental leave	-	58-61
GRI 403: Occupational Health & Safety 2018			
GRI 403 Topic Management Disclosures			
3-3	Management Approach	-	62-69
403-1	Occupational health and safety management system	S8: Global Health & Safety	62-69
403-2	Hazard identification, risk assessment, and incident investigation	-	62-69
403-3	Occupational health services	-	62-69
403-4	Worker participation, consultation, and communication on Occupational health and safety	-	62-69
403-5	Worker training on occupational health and safety	-	62-69
403-6	Promotion of worker health	-	62-69
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	62-69

GRI 403 Topic Specific			
403-8	Workers covered by an occupational health and safety management system	S8: Global Health & Safety	62-69
403-9	Work-related injuries	S7: Injury Rate	62-69
403-10	Work-related ill health	-	62-69
GRI 404: Training & Education 2016			
GRI 404 Topic Specific			
3-3	Management Approach	-	50-51
404-1	Average hours of training per year per employee	-	50-51
404-2	Programs for upgrading employee skills and transition assistance programs	-	50-51
404-3	Percentage of employees receiving regular performance and career development reviews	-	52
GRI 405: Diversity and Equal Opportunity 2016			
GRI 405 Topic Specific			
3-3	Management Approach	-	54-57
405-1	Diversity of governance bodies and employees	S4: Gender Diversity	54-57
		G1: Board Diversity	54-57
405-2	Median Compensation	S2: Gender Pay Ratio	56
GRI 406: Non-Discrimination 2016			
GRI 406 Topic Specific			
3-3	Management Approach	-	44-47
406-1	Incidents of discrimination and corrective actions taken	S6: Non-Discrimination S9: Child & Forced Labor S10: Human Rights	44-47
GRI 413: Local Community 2016			
GRI 413 Topic Specific			
3-3	Management Approach	-	70-74
413-1	Operations with local community engagement, impact assessments, and development programs	S12: Community Investment	70-74

GRI 414: Supplier Social Assessment 2016			
GRI 414 Topic Specific			
3-3	Management Approach	-	77-79
414-1	New suppliers that were screened using social criteria	G4: Supplier Code of Conduct	77-79
GRI 416: Customer Health and Safety 2016			
GRI 416 Topic Specific			
3-3	Management Approach	-	75-76
416-1	Assessment of the health and safety impacts of product and service categories	-	75-76
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	75-76
GRI 417: Marketing and Labeling 2016			
GRI 417 Topic Specific			
3-3	Management Approach	-	75-76
417-1	Requirements for product and service information and labeling	-	75-76
417-2	Incidents of non-compliance concerning product and service information and labeling	-	75-76

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