NMDC Energy
Management Discussion & Analysis



1Q2026 Earnings Release

NMDC Energy reports 1Q26 results, with revenues increasing 33% Y-o-Y to reach AED5.0 billion and net profit coming at AED80 million

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1 Key Highlights
Page 3

2 Financial Results
Page 4

3 Awarded Projects & Backlog
Page 6

4 Crisis Management & HSE
Page 7

5 Sustainability & HSE
Page 8

6 Achievements & Recognitions
Page 9

Key Highlights

REVENUES
AED **5.0** billion
1Q26 33% Y-o-Y

EBITDA
AED **197** million
1Q26 -36% Y-o-Y

NET PROFIT
AED **80** million
1Q26 -63% Y-o-Y

BACKLOG
AED **35.3** billion
Mar-26

EPS
AED **0.016**
1Q26 -63% Y-o-Y

RoAE
28.8%
*Trailing earnings

TOTAL ASSETS
AED **19.4** billion
-5% YTD

TOTAL EQUITY
AED **5.4** billion
-12% YTD

CASH & BANKS
AED **3.5** billion
-23% YTD

FREE CASH FLOW
AED **(120)** million
1Q26

CAPEX
AED **121** million
1Q26

NET WORKING CAPITAL
AED **(1.5)** billion
Mar-26

NMDC Energy Stock Data*

Closing Price	Market Cap.	Price/ Earnings	Average Target Price	Upside to TP
AED 2.77	AED 13.9 bn	9.5 x	AED 3.55	28%
19% YTD				

*Calculation based on 20th April 2026 closing price

Financial Results

INCOME STATEMENT

AED (million)	1Q26	4Q25	1Q25	Y-o-Y	Q-o-Q
Revenue	4,964	5,650	3,735	33%	-12%
EBITDA*	197	895	309	-36%	-78%
EBITDA Margin	*4.0%*	*15.8%*	*8.3%*		
Net Profit Before Tax	92	772	231	-60%	-88%
Net Profit after Tax	80	651	217	-63%	-88%
Net Profit Margin	*1.6%*	*11.5%*	*5.8%*		
Net Profit Attributable to Shareholders	80	651	216	-63%	-88%
Minorities	0.6	(0.0)	0.8	-20%	N/M

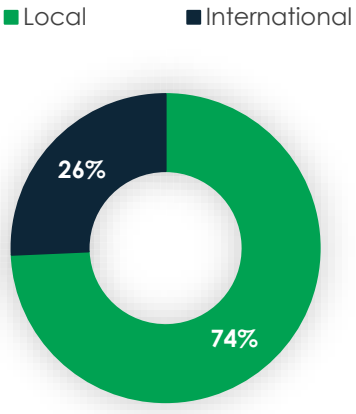
* Calculated by adding back net finance cost (income) and Depreciation & Amortization to net profit before tax

1Q26

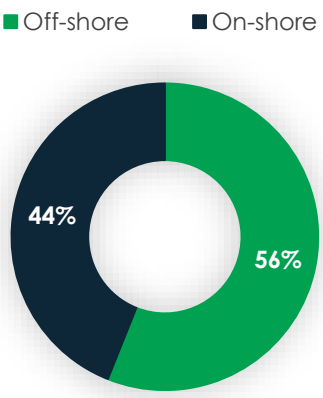
- NMDC Energy kicked-off the year, with revenues growing 33% Y-o-Y to reach AED5.0 billion in 1Q26, on the back of strong backlog execution and despite challenging operating environment during the month of March.
- It is important to note that margins were adversely impacted by cost overruns particularly related to logistics, fuel prices and insurance together with standby time on off-shore projects amid the on-going regional situation. Thus, EBITDA came at AED197 million, representing an EBITDA margin of 4.0%.
- This filtered into a net profit after tax of AED80 million and a net profit margin of 1.6%. The decline in margins is attributed to management prudent approach of recognizing costs related to geopolitical situation in full together with the increase in forecasted cost of completion on projects.

Revenue Breakdown

Local Vs. International



Off-shore Vs. On-shore



Financial Results

BALANCE SHEET

AED (million)	Mar- 26	Dec- 25	YTD
Current Assets	14,987	16,027	-6%
Non-current Assets	4,394	4,389	0%
Total Asset	**19,382**	**20,416**	**-5%**
Current Liabilities	13,221	13,449	-2%
Non-current Liabilities	747	815	-8%
Total Liabilities	**13,968**	**14,264**	**-2%**
Total Equity	**5,414**	**6,153**	**-12%**
Cash	3,472	4,486	-23%
Net Cash	3,222	4,170	-23%

- Cash and bank balances decreased 23% YTD to close the quarter at AED3.5 billion, mainly on dividends payment of AED800 million paid during the quarter.

- Total equity declined 12% Y-o-Y to stand at AED5.4 billion at the end of 1Q26; mainly reflecting the decrease in retained earnings on the back the AED800 million of cash dividends paid during the year, and despite1Q26 net profits.

NET WORKING CAPITAL

AED (million)	Mar-26	Dec-25	Sept- 25	Jun- 25	Mar- 25
Inventories	259	278	279	243	245
Trade and other receivables	5,987	6,829	6,582	5,669	5,736
Contract Assets	5,265	4,412	4,011	3,443	3,352
Other Current Assets	4	22	461	33	9
Trade & Other Payables	(11,053)	(11,874)	(11,454)	(10,806)	(9,212)
Contract Liabilities	(1,146)	(840)	(766)	(866)	(798)
Other Current Liabilities	(773)	(470)	(328)	(522)	(357)
Net Working Capital*	**(1,456)**	**(1,643)**	**(1,216)**	**(2,805)**	**(1,025)**

* Excludes cash and borrowings and includes financial assets

FREE CASH FLOW

AED (million)	1Q26	4Q25	3Q25	2Q25	1Q25
Cash Flow from Operations	0.4	1,172	(1,168)	2,259	(369)
Capital Expenditures	(121)	(158)	(191)	(104)	(101)
Free Cash Flow	**(120)**	**1,015**	**(1,359)**	**2,155**	**(470)**

- Net working capital came at AED(1.5) billion at the end of 1Q26, compared to AED (1.6) billion as of December 2025; reflecting disciplined working capital management amid higher project execution.

- Cash generated from operations before changes in working capital amounted to AED207 million, with negative change in working capital largely related to a decline in trade and other payables impacting cash flow from operations which came at AED410 thousand in 1Q26.

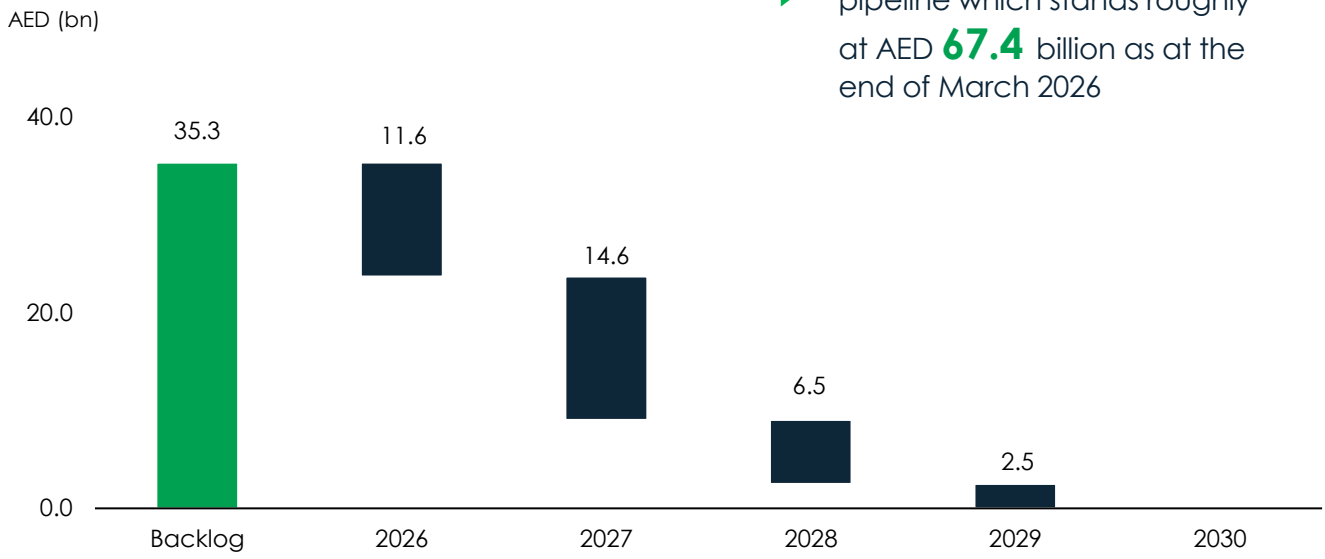
- NMDC Energy free cash flow came at AED(120) million, on capex spending of AED121 million, mainly related to maintenance capex.

Project Awards and Backlog

* No awarded projects in 1Q26

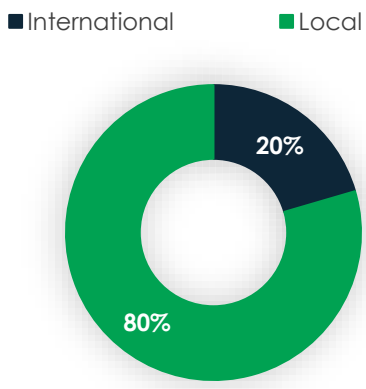
Expected Backlog Unwinding

The Company enjoys a healthy pipeline which stands roughly at AED **67.4** billion as at the end of March 2026

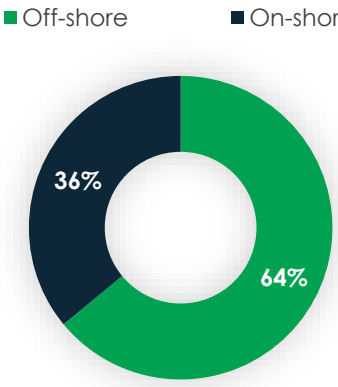


Backlog Breakdown

Local Vs. International



Off-shore Vs. On-shore



Crisis Management & HSE

Crisis Management Plan Activation

During the first quarter, NMDC Group's Crisis Management Team (CMT) played a pivotal role in safeguarding operations and reinforcing organizational resilience amid a dynamic risk environment. The CMT maintained continuous oversight through structured governance, real-time intelligence sharing, and disciplined escalation protocols, enabling timely and well-informed decision-making across Group and Business Unit levels.

A series of scenario-based drills and simulations were conducted to validate emergency response effectiveness and strengthen coordination across entities. In parallel, the CMT enhanced communication frameworks, including the implementation of clear incident reporting and escalation channels to ensure rapid information flow during critical situations. Targeted awareness initiatives were also delivered to employees to reinforce preparedness and confidence across sites and offices. These efforts were carried out in alignment with the UAE's robust national emergency management framework and relevant authorities, ensuring a unified, effective, and well-coordinated response.

Collectively, these actions ensured the protection of personnel, continuity of operations, and sustained stakeholder confidence, reflecting NMDC Group's commitment to excellence in crisis management and operational integrity.

Sustainability & HSE

HSE Performance

- Delivered 33 million workhours with zero fatalities, underscoring a strong safety culture and operational discipline.

Mangrove Planting

- NMDC Energy and Aramco Launch 16,000 Mangrove Plantation Initiative

Hydrology restoration

- A hydrology restoration initiative has been implemented at Al Hudariyat Island to restore and improve natural water flow.

Quality Achievements

- NMDC Energy Module yard included in ISO14001 & 45001 certification.

Hazardous Waste Recycling

- In alignment with its commitment to sustainability and the UAE's circular economy vision, the company has implemented a comprehensive Hazardous Waste Recycling Initiative.

Solar panel installation

- Solar panel installation completed at the Sites in place of the diesel generators, considering the growing need for sustainable energy solutions in project site offices.

Reduction & elimination of single-use plastics

- Reduction and elimination of single-use plastics through using 100% scrap materials for waste-storage cages and introducing reusable bottles and refill stations.

Achievements & Recognitions



Oil & Gas Middle East Awards 2025

EPC Contractor of the Year (2022-2026)

AI Excellence in Energy Award (2026)

TAQDEER Award

NMDC Energy has won the prestigious Taqdeer Award in the "Best in Workforce & Happiness Results" category from the Dubai Government, reflecting our commitment to workplace excellence and fostering a culture built on empowerment, engagement, and high performance.



Disclaimer

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

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

Actual events or results may difer materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

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