

# Message from the Chairman

**Dear Valued Shareholders,**

Having assumed the role of Chairman of Abu Dhabi Ship Building PJSC in February 2024, I thank Mansour Al Mulla, the outgoing Chairman, for his inspirational leadership during an extraordinary year of growth.

On behalf of the Board of Directors and Management of Abu Dhabi Ship Building PJSC (ADSB), I would like to share with you our annual results for the year ending 31 December, 2023.

Firstly, we would like to extend our sincere thanks and appreciation to His Highness Sheikh Mohamed bin Zayed Al Nahyan, the President of the United Arab Emirates, for his vision, leadership and continued strong support, and to our loyal customers for their invaluable support and business throughout last year, and as we also look forward to another year of continued success.

2023 saw revenues increase 91% to AED 1.258 billion, compared with AED 660 million in 2022, and the highest revenues recorded by ADSB in the last eleven years.

This again reflected the contribution from the Falaj3 contract to build four Offshore Patrol Vessels for the UAE Navy, where ADSB has now completed seven milestones on or ahead of schedule including most of the blocks for the First of Class vessel, and the commencement of the contract to build three BR71 MKII 71-meter corvettes, plus a number of its own designed interceptors, patrol boats, and support services, to the Angolan Navy, where ADSB has now completed two milestones.

This four-year Angola contract valued at approximately EUR 1 billion (AED 3.94 billion at current exchange rate) was the largest export contract in the Company's history which will result in further growth in revenues for 2024 and beyond.

Net profit for the year of AED 40.4 million increased by 97% year-on-year compared with AED 20.5 million in 2022, with the growth trend expected to continue in the current year.

The net cash position at year end was positive AED 745 million, a significant improvement from last year.

The Company continues to service its domestic customers through the Military Support Services contract and is pleased to retain ADNOC as its largest commercial customer. In addition to the two large new build contracts ADSB is building more than 60 composite boats for the National Guard Command (NGC), Presidential Guard, and export customers.

ADSB has an order book of over AED 6 billion and also has a large pipeline of potential domestic and export business opportunities, some of which are expected to be awarded during the current year. This achievement is attributable to the tremendous hard work and collaborative spirit of the company's people over the last few challenging years, and to the support of its local customers and stakeholders

ADSB continues to benefit significantly from being part of the EDGE Group, not only from branding and market outreach perspectives, but more so in the areas of products and integrated solutions, which will further enhance our offerings to our customers. The company also continues to benefit from the support of the board and management team, who are implementing a strategy which is expected to see it report sustainable revenues, profits, and dividends over the coming years.

Established through Emiri Decree No. 5 of 1995 (as amended), ADSB is mandated to create an industrial base to build various types of best-in-class vessels, marine components and equipment, perform all associated maintenance and repair work, and develop local capability to deliver on its scope. I am pleased to report that the company continues to competitively support its primary customers, including the UAE Navy and NGC, as well as commercial customers – primarily ADNOC.

In closing, I wish to extend a heartfelt thank you to all ADSB employees for their outstanding efforts during 2023, and to our shareholders for your confidence and trust in ADSB. We will continue to deliver exceptional quality products and services to our customers, while striving to remain one of the most pioneering and strategically important companies in the UAE.

**Khaled Ahmed Ali Mohamed Al Zaabi**  
**Chairman of the Board**