

ALEC Holdings PJSC and its subsidiaries

**Condensed consolidated interim financial information
for the three-month period ended 31 March 2026
(Unaudited)**

ALEC Holdings PJSC and its subsidiaries

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ALEC Holdings PJSC and its subsidiaries

Report of the Directors for the three-month period ended 31 March 2026

The Directors have the pleasure of submitting their report, together with the reviewed condensed consolidated interim financial information of the Group for the three-month period ended 31 March 2026.

Principal activities

The principal activities of the Group include engineering and construction contracting related to building construction and infrastructure developments, earth and civil works and industrial process plants. The Group undertakes general contracting works in civil, mechanical, electrical, and marine engineering as well as structural steelwork and process piping, shutdown and turnaround and services for all types of process plants and building maintenance. The Group engages in both onshore and offshore industrial and oil and gas projects, as well as commercial developments and in investment, establishment, and management of industrial projects.

Results and movement in retained earnings

Revenue for the three-month period ended 31 March 2026 is AED 4,609 million as compared to AED 2,467 million for the preceding period. Total comprehensive income attributable to Owners of the Company for the three-month period ended 31 March 2026 is AED 231 million as compared to AED 115 million for the three-month period ended 31 March 2025.

Movement in retained earnings:

	Three-month period ended 31 March	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Retained earnings at the beginning of the period	1,320,607	913,066
Total profit attributable to the Owners of the Company	230,614	114,877
Dividends declared to shareholders (Note 7)	(250,000)	(180,000)
Retained earnings at the end of the period	1,301,221	847,943

On behalf of the Board


.....
His Excellency Hussain Nasser Lootah
Chairman


.....
Barry Roy Lewis
Chief Executive Officer

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Shareholders
ALEC Holdings PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **ALEC Holdings PJSC** (the “Company”) **and its subsidiaries** (the “Group”) as of 31 March 2026, and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information has not been prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Cynthia Corby
Registration No.: 995
8 May 2026
Dubai
United Arab Emirates

**Condensed consolidated interim statement of financial position
as at 31 March 2026**

	Notes	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,302,717	1,267,604
Intangible assets	5	90,750	94,447
Goodwill		23,055	23,055
Gross amounts due from customers on construction contracts	10	27,438	27,438
Retention receivables	9	221,345	187,349
Advances to suppliers and subcontractors		278,056	260,350
Total non-current assets		1,943,361	1,860,243
Current assets			
Inventories	11	72,676	53,761
Contract and other receivables	8	3,904,277	3,303,749
Gross amounts due from customers on construction contracts	10	4,501,019	3,786,095
Prepayments		62,046	43,308
Cash and bank balances	20	1,011,080	1,574,529
Total current assets		9,551,098	8,761,442
Total assets		11,494,459	10,621,685

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of financial position
as at 31 March 2026 (continued)**

	Notes	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	12	50,000	50,000
Statutory reserve	13	93,099	93,099
General reserve	14	409	409
Retained earnings		1,301,221	1,320,607
Foreign currency translation reserve		(161)	(208)
Remeasurement loss on employees' defined benefit obligations	15	(69,797)	(69,797)
Equity attributable to Owners of the Company		1,374,771	1,394,110
Non-controlling interests		(434)	(284)
Total equity		1,374,337	1,393,826
Non-current liabilities			
Provision for employees' end-of-service benefits	16	415,116	402,315
Retention payables	17	213,234	167,119
Advances from customers	17	976,000	1,328,632
Borrowings	24	237,500	250,000
Lease liabilities	19	213,247	225,218
Long term incentive provision		19,779	14,614
Asset retirement obligation	19	3,000	3,000
Total non-current liabilities		2,077,876	2,390,898
Current liabilities			
Contract and other payables	17	7,107,675	6,012,571
Gross amounts due to customers on construction			
Contracts	25	363,038	263,656
Current tax liability	22	132,744	98,747
Borrowings	24	362,888	384,420
Lease liabilities	19	75,901	77,567
Total current liabilities		8,042,246	6,836,961
Total liabilities		10,120,122	9,227,859
Total equity and liabilities		11,494,459	10,621,685

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial information presents fairly in all material respects the financial position, financial performance and cash flows of the Group.

.....

His Excellency Hussain Nasser Loptah
Chairman

.....

Barry Roy Lewis
Chief Executive Officer

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of profit or loss
for the three-month period ended 31 March 2026**

	Notes	Three-month period ended 31 March	
		2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Contract revenue	21	4,609,471	2,467,395
Contract costs		(4,199,676)	(2,207,505)
Gross profit		409,795	259,890
Administrative expenses		(121,525)	(112,609)
Share of results of joint ventures	6	(17)	(7)
Profit from operations		288,253	147,274
Expected credit loss allowance on financial assets and contract assets		(2,126)	(1,296)
Finance costs - net	18	(30,051)	(22,309)
Finance income		5,873	2,984
Other income - net		2,512	1,908
Profit before tax		264,461	128,561
Income tax expense	22	(33,997)	(14,065)
Profit for the period		230,464	114,496
<i>Attributable to</i>			
Owners of the Company		230,614	114,877
Non-controlling interests		(150)	(381)
		230,464	114,496
<i>Earnings per share</i>			
Basic and diluted (AED)	23	0.046	0.023

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income
for the three-month period ended 31 March 2026**

	Notes	<u>Three-month period ended 31 March</u>	
		2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Profit for the period		230,464	114,496
<i>Other comprehensive income</i>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Net change in foreign currency translation reserve		47	48
Total comprehensive income for the period		230,511	114,544
<i>Attributable to:</i>			
Owners of the Company		230,661	114,925
Non-controlling interests		(150)	(381)
		230,511	114,544

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of changes in equity
for the three-month period ended 31 March 2026**

	Share capital AED'000	Statutory reserves AED'000	General reserve AED'000	Retained earnings AED'000	Foreign currency translation reserve AED'000	Remeasure- ment loss on employees' defined benefit obligations AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
Balance at 1 January 2025 (<i>Audited</i>)*	50,000	92,977	409	913,066	(420)	(23,602)	1,032,430	890	1,033,320
Profit / (loss) for the period	-	-	-	114,877	-	-	114,877	(381)	114,496
Other comprehensive income for the period	-	-	-	-	48	-	48	-	48
Total comprehensive income / (loss) for the period	-	-	-	114,877	48	-	114,925	(381)	114,544
Dividends declared to shareholders (Note 7)	-	-	-	(180,000)	-	-	(180,000)	-	(180,000)
Balance at 31 March 2025 (Unaudited)	50,000	92,977	409	847,943	(372)	(23,602)	967,355	509	967,864
Balance at 1 January 2026 (<i>Audited</i>)	50,000	93,099	409	1,320,607	(208)	(69,797)	1,394,110	(284)	1,393,826
Profit / (loss) for the period	-	-	-	230,614	-	-	230,614	(150)	230,464
Other comprehensive income for the period	-	-	-	-	47	-	47	-	47
Total comprehensive income / (loss) for the period	-	-	-	230,614	47	-	230,661	(150)	230,511
Dividends declared to shareholders (Note 7)	-	-	-	(250,000)	-	-	(250,000)	-	(250,000)
Balance at 31 March 2026 (Unaudited)	50,000	93,099	409	1,301,221	(161)	(69,797)	1,374,771	(434)	1,374,337

* Retained earnings and other equity have been restated as explained in Note 1 on page 10.

**Condensed consolidated interim statement of cash flows
for the three-month period ended 31 March 2026**

	Notes	Three-month period ended 31 March	
		2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Operating activities			
Profit before tax		264,461	128,561
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of right-of-use assets	4	69,555	51,173
Provision for employees' end-of-service benefits	16	15,856	31,831
Finance costs - net	18	30,051	22,309
Finance income		(5,873)	(2,984)
Expected credit loss allowance on financial assets and contract assets		2,126	1,296
Amortization of intangible assets	5	3,697	3,359
Gain on disposal of property, plant and equipment		-	(364)
Share of results of joint ventures	6	17	7
Cash from operating activities before movements in working capital		379,890	235,188
Increase in inventories		(18,915)	(15,131)
Increase in contract and other receivables, including non-current retention receivables and advances to suppliers and subcontractors		(667,569)	(300,295)
Increase in gross amount due from customers on construction contracts		(713,028)	(404,288)
Increase in prepayments		(18,738)	(28,095)
Decrease in margin deposits under lien		417	57,730
Increase in contract and other payables, including non-current portion of retention payables and advances from customer and long-term provisions		548,189	110,282
Increase / (decrease) in gross amounts due to customer on construction contracts		99,382	(78,394)
Cash used in operations		(390,372)	(423,003)
Employees' end-of-service benefits paid	16	(8,319)	(7,810)
Net cash used in operating activities		(398,691)	(430,813)
Investing activities			
Payments for purchase of property, plant and equipment	4	(100,136)	(56,119)
Finance income received		5,873	2,984
Proceeds from disposal of property, plant and equipment		17	1,339
Net cash used in investing activities		(94,246)	(51,796)

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows
for the three-month period ended 31 March 2026 (continued)**

	Notes	Three-month period ended 31 March	
		2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Financing activities			
Repayment of borrowings		(409,009)	(973,182)
Proceeds from borrowings		374,977	1,207,734
Repayment of principal portion of lease liabilities	19	(18,186)	(14,171)
Finance costs paid	18	(17,924)	(20,929)
Net cash (used in) / generated from financing activities		(70,142)	199,452
Net decrease in cash and cash equivalents		(563,079)	(283,157)
Cash and cash equivalents at the beginning of the period	20	1,537,551	1,164,823
Less: Effect of foreign exchange rate changes		47	48
Cash and cash equivalents at the end of the period		974,519	881,714
Less: Expected credit loss allowance on cash and cash equivalents		(205)	(133)
Cash and cash equivalents at the end of the period, net of expected credit loss	20	974,314	881,581
Non-cash transactions:			
Purchase of property, plant and equipment relating to right-of-use asset with corresponding lease liability	4 and 19	(4,549)	(51,118)
Reallocation of share of loss in excess of investment in joint venture to due from related parties	6	(17)	(7)
Dividends declared to shareholders	7 and 17	(250,000)	(180,000)

The accompanying notes form an integral part of these condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026****1. General information**

ALEC Holdings PJSC (the “Company”) is a Public Joint Stock Company (PJSC) operating in the United Arab Emirates under a trade licence issued in Dubai, United Arab Emirates on 3 March 2010. The Company also has operations in State of Qatar, Sultanate of Oman, Kingdom of Saudi Arabia, Ethiopia, Italy, and Egypt through its subsidiaries, joint operations, joint ventures and branches.

The principal activities of the Company and its subsidiaries and branches (together referred as “the Group”) include engineering and construction contracting related to building construction and infrastructure developments, earth and civil works and industrial process plants. The Group undertakes general contracting works in civil, mechanical, electrical, and marine engineering as well as structural steelwork and process piping, shutdown and turnaround and services for all types of process plants and building maintenance. The Group engages in both onshore and offshore industrial and oil and gas projects, as well as commercial developments and in investment, establishment, and management of industrial projects.

The Company is a subsidiary of Investment Corporation of Dubai (the “Immediate Parent Company”), which is ultimately owned by the Government of Dubai (the “Ultimate Parent Company”).

On 24 January 2025, the Immediate Parent Company approved the conversion of the Company from limited liability company – single owner to public joint stock company and offer part of the Company’s capital to the public.

On 19 September 2025, the Articles of Association of the Company was approved and notarized and the Company was converted into a Public Joint Stock Company.

On 15 October 2025, the Company completed its initial public offering (“IPO”) on the Dubai Financial Market. As part of the IPO, the Immediate Parent Company sold 20% of its shareholding to the public while retaining 80% ownership and control. The Company is now listed on the Dubai Financial Market (TICKER: ALEC).

Group reorganisation and business combinations under common control

At 31 December 2024, as part of its policy choice, management previously opted to apply the pooling of interest method with the net amount presented within ‘Merger reserve’ within other equity. As at 1 January 2025, the Group has changed this accounting policy and now recognizes the net amount resulting from applying the pooling of interest method directly in retained earnings.

This has been reflected in these condensed consolidated interim financial information retrospectively as follows:

Retained earnings at 1 January 2025 have been restated as a result of the change in accounting policy to net off the merger reserve, previously known as other reserves, against Retained earnings. As such retained earnings at 1 January 2025 is restated from AED 937,766 thousand to AED 913,066 thousand.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

1. General information (continued)

The condensed consolidated interim financial information includes the results of operations and financial position of the Group. The principal activity, country of incorporation and operation and ownership interest of the Company in the subsidiaries and branches are set out below:

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2026	2025	2026	2025
ALEC Engineering and Contracting LLC - S.P.C.	Construction activities	United Arab Emirates	100%	100%	100%	100%
ALEC L.E.G.T. Contracting WLL (1)	Construction activities	State of Qatar	-	-	100%	100%
ALEC Engineering and Contracting Oman LLC	Construction activities	Sultanate of Oman	70%	70%	100%	100%
ALEMCO Electromechanical Contracting LLC - S.P.C.	Construction activities	United Arab Emirates	100%	100%	100%	100%
AJI Heavy Equipment Rental LLC	Rental of heavy and light machines and equipment	United Arab Emirates	100%	100%	100%	100%
ALEC Saudi Arabia Engineering and Contracting One Person Company	Construction activities	Kingdom of Saudi Arabia	100%	100%	100%	100%
L I N Q Modular LLC	Modular fabrication and assembly	United Arab Emirates	100%	100%	100%	100%
Emisha Technologies FZ-LLC	Software consultancy, developer, service provider	United Arab Emirates	100%	100%	100%	100%
AES Building Materials Trading LLC (5)	Building and construction materials trading	United Arab Emirates	100%	100%	100%	100%
ALEC Engineering and Contracting Egypt LLC	Construction activities	Egypt	100%	100%	100%	100%
ALEC EPC Holding LLC – S.O.	Investment activities	United Arab Emirates	100%	100%	100%	100%

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

1. General information (continued)

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2026	2025	2026	2025
ALEMCO Contracting Company	Electromechanical works, projects contracting, sub-sewage networks connections and homes connections contracting and main water networks contracting works	Kingdom of Saudi Arabia	100%	100%	100%	100%
AJI Equipment Rental Company	Renting and operational leasing of machine tools, engines and turbines, cranes and lorries, scaffold and work platforms, without erection and dismantling and renting of cranes with operators	Kingdom of Saudi Arabia	100%	100%	100%	100%
Target Engineering Construction Company – Sole Proprietorship L.L.C.	General contracting works for civil, mechanical, electrical and marine, onshore and offshore industrial, oil and gas, commercial projects, scaffold installation works, building maintenance, investment and establishing and managing industrial projects in the UAE	United Arab Emirates	100%	100%	100%	100%
Target General Construction WLL (2)	Construction of buildings, civil and contracting works	State of Qatar	49%	49%	49%	49%
Target Saudi Construction Company LLC	Construction of buildings, civil and contracting works	Kingdom of Saudi Arabia	90%	90%	90%	90%
Target Steel Industries – Sole Proprietorship LLC	Steel fabrication works	United Arab Emirates	100%	100%	100%	100%

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

1. General information (continued)

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2026	2025	2026	2025
ALEC Interior Decoration One Person Company	Manufacture of carpentry products and crafts needed for construction workers construction of building and other related construction activities	Kingdom of Saudi Arabia	100%	100%	100%	100%
AES Aluminium and Glass Works LLC	Aluminium installation works, machining and forming of metals and glass plates installation works.	United Arab Emirates	100%	100%	100%	100%
Infrastructure Protective Services Inproserv Middle East L.L.C (3)	Corrosion and oxidation resistant services, fire resistant painting works and removing corrosion of metals	United Arab Emirates	50%	50%	50%	50%
ALEC Engineering and Contracting RAK LLC - OPC	Metal prefabricated buildings manufacturing, alternative energy equipment installation and maintenance and construction.	United Arab Emirates	100%	100%	100%	100%
ALEC Industries LLC	Central airconditioning requisites manufacturing, ventilation equipment manufacturing and central airconditioning equipment manufacturing.	United Arab Emirates	100%	100%	100%	100%
Idrotec Marine Consultancy LLC – SPC	Civil engineering consultancy, onshore and offshore oil and gas fields and facilities services	United Arab Emirates	100%	100%	100%	100%

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

1. General information (continued)

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2026	2025	2026	2025
Altrons Integrated Security Equipment Installation LLC	Measuring and control system installation, security equipment installation and maintenance, wired and wireless communication systems installation, security systems and equipment trading, radio, T.V. station, cinema theatre equipment installation and maintenance, and internal communication network installation and maintenance.	United Arab Emirates	100%	100%	100%	100%
Alentra Machines and Equipment Rentals - L.L.C - S.P.C (4)	Heavy Machines, Equipment Renting, Lifting and Loading Machines	United Arab Emirates	100%	-	100%	-
AJI Machines and Equipment Renting L.L.C - S.P.C (4)	Onshore And Offshore Oil And Gas Fields And Facilities Services, Heavy Machines Equipment Renting, Lifting and Loading Machines	United Arab Emirates	100%	-	100%	-

Name of branch	Principal activities	Country of incorporation and operation
ALEC Engineering and Contracting LLC - Dubai Branch	Construction activities	United Arab Emirates
ALEC Engineering and Contracting LLC – O.P.C. - RAK Branch	Construction activities	United Arab Emirates
ALEC Engineering and Contracting LLC (Branch) - RAKEZ Branch	Construction activities	United Arab Emirates
ALEMCO Electromechanical Contracting LLC - Dubai Branch	Construction activities	United Arab Emirates
ALEMCO Electromechanical Contracting LLC - RAK Branch	Construction activities	United Arab Emirates

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

1. General information (continued)

Name of branch	Principal activities	Country of incorporation and operation
Infrastructure Protective Services Inproserv Middle East L.L.C – Dubai Branch	Corrosion and oxidation resistant services, fire resistant painting works and removing corrosion of metals	United Arab Emirates
Infrastructure Protective Services Inproserv Middle East L.L.C – RAK Branch	Corrosion and oxidation resistant services, fire resistant painting works and removing corrosion of metals	United Arab Emirates
ALEC Engineering and Contracting LLC	Construction activities	Ethiopia
Target Engineering Construction Company LLC - Dubai Branch	Construction activities	United Arab Emirates
Target Engineering Construction Company LLC - Qatar Branch	Construction activities	United Arab Emirates

- (1) ALEC LEGT Contracting WLL is legally owned by International Company for Project Development, State of Qatar and LEGT Construction Company Limited, Jersey. By virtue of the shareholders' agreement between ALEC Engineering and Contracting LLC - SPC and the shareholders of ALEC LEGT Contracting WLL, all the shareholdings in ALEC LEGT Contracting WLL are effectively owned by ALEC Engineering and Contracting LLC - SPC.
- (2) Target Engineering Construction Company – Sole Proprietorship L.L.C. (Target), a subsidiary, owns 49% of the shareholding in Target General Construction WLL and Target is exercising control over this subsidiary.
- (3) The Company owns 50% of the shareholding of Infrastructure Protective Services Inproserv Middle East L.L.C. and the Company is exercising control over this subsidiary.
- (4) During the current period, the Company has invested in two newly incorporated entities in the United Arab Emirates. The operations of these newly incorporated entities have not yet commenced.
- (5) On 17 June 2025, by the virtue of share transfer agreement, ALEC Engineering and Contracting LLC – S.P.C. acquired the remaining 20% equity interest in AES Building Materials Trading LLC, from Bashar Kayali for a total consideration of AED 15,600 thousand, of which AED 5,600 is payable subject to meeting a certain condition. The transaction was accounted for as an equity transaction in accordance with IFRS 10 *Consolidated Financial Statements*, as control had already been established. The difference between the acquisition consideration and the carrying value of the non-controlling interest acquired, amounting to AED 13,539 thousand, was recognised directly in equity and attributed to the Owners of the Parent Company. No goodwill or gain / loss was recognised in the condensed consolidated interim statement of profit or loss as a result of this transaction.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)****2. Basis of preparation, material accounting policy information and critical accounting judgements****2.1 Basis of preparation**

This condensed consolidated interim financial information for the three-month period ended 31 March 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2025.

2.2 Functional and presentation currency

These condensed consolidated interim financial information is presented in UAE Dirhams (AED) which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

2.3 Basis of consolidation

The condensed consolidated interim financial information as at, and for the three-month period ended 31 March 2026 comprises results of the Company and its subsidiaries. The condensed consolidated interim financial information of the subsidiaries is prepared for the same reporting period as that of the Company, using consistent accounting policies. All inter-company transactions, profits and balances are eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2.4 Material accounting policy information

The material accounting policy information applied in the preparation of the condensed consolidated interim financial information is consistent with that applied by the Group in the preparation of the Group's annual audited consolidated financial statements for the year ended 31 December 2025.

2.5 Critical accounting judgements

In preparing these interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty is consistent with that applied in the consolidated financial statements for the year ended 31 December 2025, except for the below:

During the current period, geopolitical developments in the region have resulted in increased uncertainty across the Group's operating environment, including disruptions to supply chains, volatility in key input costs, constraints in logistics and resource availability, and delays in project execution.

The Group's revenue is recognized over time based on the stage of completion of projects, which requires significant judgement in estimating total contract costs and project timelines. Management operate a robust process for the ongoing reassessment of expected costs to complete and project schedules across and has continued to apply that in this period. The impact of these developments has been reflected in the determination of stage of completion, contract revenues and project margins for the period as far as is estimable.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)****2. Basis of preparation, material accounting policy information and critical accounting judgements (continued)****2.5 Critical accounting judgements (continued)**

The Group has implemented mitigation measures, including supply chain reconfiguration, optimized resource deployment, and close coordination with clients and authorities to manage schedules. Contractual and insurance positions are also under review to manage risk exposure. The Group is also currently evaluating potential claims on its customers arising from project delays and cost variations. The Group maintains strong operational resilience and remains committed to safeguarding its workforce and protecting long-term shareholder value.

While management has incorporated the impact of conditions existing at the reporting date into its estimates, there remains a degree of uncertainty in relation to future cost movements, market conditions and project execution risks. It is not currently practicable to reliably quantify the full financial effect of all such potential impacts. Management continue to monitor the situation closely and update its critical accounting judgments and estimates as necessary.

3. Segment reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating Decision Makers (CODM) in order to allocate resources to the segment and to assess its performance. The Board of Directors is identified as CODM for the Group. The management of the Group assess the Group into four key business units: Building and Infrastructure Construction Services, Energy, Related Businesses and Corporate Activities.

These businesses are the basis on which the Group reports its primary segment information to CODM for the purpose of resource allocation and assessment of segment performance. Transactions between segments are conducted at estimated market rates on an arm's length basis and eliminated on consolidation.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

3. Segment reporting (continued)

Segment assets and liabilities are not disclosed in the segment reporting as these are not regularly provided to the CODM. Only the total assets and liabilities of the Group are reported to the CODM:

	Building and infrastructure construction services AED'000	Energy AED'000	Related businesses AED'000	Corporate activities AED'000	Elimination AED'000	Total AED'000
Three-month period ended						
31 March 2026						
(Unaudited)						
Contract revenue	2,874,707	1,499,120	1,296,857	-	(1,061,213)	4,609,471
Contract costs	(2,678,152)	(1,455,096)	(1,132,270)	-	1,065,842	(4,199,676)
Gross profit	196,555	44,024	164,587	-	4,629	409,795
Administrative expenses	(31,111)	(30,627)	(44,329)	(15,458)	-	(121,525)
Share of results of joint ventures	-	-	(17)	-	-	(17)
Expected credit loss allowance on financial assets and contract assets	309	(4,687)	2,252	-	-	(2,126)
Finance costs - net	3,695	(25,450)	(5,705)	(5,795)	3,204	(30,051)
Finance income	196	121	320	7,630	(2,394)	5,873
Other income - net	232	2,169	(117)	228	-	2,512
Net segment results – profit / (loss) before tax	<u>169,876</u>	<u>(14,450)</u>	<u>116,991</u>	<u>(13,395)</u>	<u>5,439</u>	<u>264,461</u>
Three-month period ended						
31 March 2025 (Unaudited)						
Contract revenue	1,333,921	859,908	508,715	-	(235,149)	2,467,395
Contract costs	(1,244,458)	(775,116)	(447,223)	-	259,292	(2,207,505)
Gross profit	89,463	84,792	61,492	-	24,143	259,890
Administrative expenses	(18,771)	(23,466)	(34,763)	(35,609)	-	(112,609)
Share of results of joint ventures	-	-	(7)	-	-	(7)
Expected credit loss allowance on financial assets and contract assets	-	(1,296)	-	-	-	(1,296)
Finance costs - net	1,252	(16,130)	(1,702)	(5,806)	77	(22,309)
Finance income	-	132	278	2,651	(77)	2,984
Other income - net	360	1,974	4	(430)	-	1,908
Net segment results – profit / (loss) before tax	<u>72,304</u>	<u>46,006</u>	<u>25,302</u>	<u>(39,194)</u>	<u>24,143</u>	<u>128,561</u>

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

4. Property, plant and equipment

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	1,267,604	929,244
Additions during the period / year	104,685	601,416
Depreciation and amortization charge for the period / year	(69,555)	(250,582)
Disposals / write off during the period / year	(17)	(1,403)
Disposal arising from lease cancellation during the period / year	-	(11,071)
Balance at the end of the period / year	<u>1,302,717</u>	<u>1,267,604</u>

Property, plant and equipment includes right-of-use assets which include land, building and machinery and equipment, and which is summarised below:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	338,692	181,680
Additions during the period / year (Note 19)	4,549	214,728
Amortization for the period / year	(17,592)	(46,263)
Disposals during the period / year	-	(382)
Reversal arising from lease cancellation during the period/year	-	(11,071)
Balance at the end of the period / year	<u>325,649</u>	<u>338,692</u>

5. Intangible assets

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	94,447	104,075
Additions during the period / year	-	6,039
Amortization for the period / year	(3,697)	(15,667)
Balance at the end of the period / year	<u>90,750</u>	<u>94,447</u>

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

6. Investments in joint ventures

Details of the Group's joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Place of incorporation	Proportion of ownership interest held by the Group legally		Beneficial interest held by the Group	
			2026	2025	2026	2025
Service and Trade and Al Jaber L.E.G.T. Company LLC	Construction of Jabal Al Akhdar Anantara Resort Hotel and Spa	Sultanate of Oman	50%	50%	50%	50%
ALEMCO Zawawi LLC	Electromechanical contracting services	Sultanate of Oman	70%	70%	70%	70%
Expo Contracting DWC LLC	Commercial enterprises and management	United Arab Emirates	50%	50%	50%	50%

The above joint ventures are accounted for in the condensed consolidated interim financial information using the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures*.

A joint venture of the Group has assets and liabilities which offset each other through a pass-through arrangement, and should there be a shortfall between these, the difference is guaranteed by the Dubai Department of Finance. The exposure of the joint venture's shareholders is therefore limited to the share capital of the joint venture.

Movement in investments in joint ventures:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	-	-
Share of results	(17)	(1,816)
Reallocation / write-off *	17	1,816
Balance at the end of the period/year	-	-

* Total share of results from the Group's joint ventures for the three-month period ended 31 March 2026 is a loss of AED 17 thousand (31 December 2025: AED 1,816 thousand). Out of the total, the loss attributable to two of the Group's joint ventures has exceeded the original investment. In accordance with IAS 28 *Investments in Associates and Joint Ventures*, when the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognizing its share of further losses and any additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations on behalf of the joint venture.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

7. Related party balances and transactions (continued)

Dividends

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Dividends declared / paid to shareholders	250,000	265,000

On 24 March 2026, by virtue of a shareholders resolution, the shareholders approved and declared a cash dividend of AED 0.05 per share amounting to AED 250,000 thousand, which was paid on 24 April 2026.

On 30 June 2025, by virtue of a shareholders resolution, the shareholders approved and declared a cash dividend of AED 1,700 per share amounting to AED 85,000 thousand, which was paid on 25 August 2025.

On 20 March 2025, by virtue of a shareholders resolution, the shareholders approved and declared a cash dividend of AED 3,600 per share amounting to AED 180,000 thousand, which was paid on 19 June 2025.

Balances and transactions with affiliated entities under the Immediate Parent Company

The following balances and transactions during the period / year arose from the normal operations of the Group:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Cash and cash equivalents held at related party banks (Note 20)	272,385	376,748
Borrowings from related party banks (Note 24)	452,133	480,278
	31 March 2026 AED'000 (Unaudited)	31 March 2025 AED'000 (Unaudited)
Finance costs and commission expense charged by related party financial institutions (Note 18)	6,216	9,204

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

7. Related party balances and transactions (continued)

Balances with related parties

The following are the outstanding balances with related parties arising from the normal operations of the Group:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
<i>Due from related parties (Note 8)</i>		
Immediate Parent Company	300	300
Joint ventures	11,939	11,793
Joint operations	2,570	2,494
Other affiliated entities	14,835	15,093
	<u>29,644</u>	<u>29,680</u>
Less: Expected credit loss allowance	<u>(12,334)</u>	<u>(12,101)</u>
	<u><u>17,310</u></u>	<u><u>17,579</u></u>

The following table shows the movement in Lifetime ECL that has been recognised for amounts due from related parties in accordance with the simplified approach set out in IFRS 9.

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	12,101	10,307
Change in loss allowance	233	1,794
Balance at the end of the period / year	<u><u>12,334</u></u>	<u><u>12,101</u></u>
	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Due to related parties (Note 17)		
Joint operations	53,457	39,761
Other affiliated entities	19,242	11,705
	<u>72,699</u>	<u>51,466</u>

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

7. Related party balances and transactions (continued)

Balances with related parties (continued)

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Retention receivables - net (Note 9)	<u>107,919</u>	<u>107,867</u>
Retention payables (Note 17)	<u>991</u>	<u>1,002</u>
Advances from customers (Note 17)	<u>39,147</u>	<u>39,147</u>
Gross amounts due from customers on construction contracts - net (Note 10)	<u>233,420</u>	<u>231,791</u>
Gross amounts due to customers on construction contracts (Note 25)	<u>384</u>	<u>384</u>

8. Contract and other receivables

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Contract receivables	<u>1,995,104</u>	<u>1,401,729</u>
Less: Expected credit loss allowance	<u>(74,729)</u>	<u>(69,082)</u>
	<u>1,920,375</u>	<u>1,332,647</u>
Due from related parties - net (Note 7)	<u>17,310</u>	<u>17,579</u>
Retention receivables - net (Note 9)	<u>745,233</u>	<u>824,267</u>
Advances to suppliers and subcontractors	<u>1,078,768</u>	<u>1,037,575</u>
Other receivables	<u>142,591</u>	<u>91,681</u>
	<u>3,904,277</u>	<u>3,303,749</u>

The average credit period on sale of goods or services is 90 days (31 December 2025: 90 days). No interest is charged on past due contract receivables.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

8. Contract and other receivables (continued)

Before accepting any new customers, the Group assesses the potential credit quality of the customer. Out of the contract receivables balance as at 31 March 2026, an amount of AED 545,366 thousand (31 December 2025: AED 255,599 thousand) is due from one customer (31 December 2025: two major customers). There are no other customers whose balance exceeds more than 10% of the contract receivables as at end of the reporting period.

Included in the Group's contract receivables balance as at 31 March 2026 are debtors with a carrying amount of AED 306,747 thousand (31 December 2025: AED 396,570 thousand) which are past due at the end of the reporting period. The Group does not hold any collateral over these balances.

Ageing of past due contract receivables:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Past due for 90 to 120 days	22,068	41,766
Past due for 121 to 180 days	55,140	105,527
Past due for more than 180 days	229,539	249,277
	306,747	396,570

The Group always measures the loss allowance for contract receivables at an amount equal to Lifetime ECL using the simplified approach, taking into account the historical default experience and the future prospects of the construction industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for contract receivables.

The following table shows the movement in Lifetime ECL that has been recognised for contract receivables in accordance with the simplified approach set out in IFRS 9:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	69,082	70,585
Change in loss allowance	5,647	(1,473)
Write-off of loss allowance	-	(30)
Balance at the end of the period / year	74,729	69,082

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

9. Retention receivables

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion, net of expected credit losses (Note 8)	745,233	824,267
Non-current portion, net of expected credit loss allowance and fair value adjustment	221,345	187,349
	966,578	1,011,616

Non-current portion of retention receivables represents retention receivables that become due in a period exceeding one year from the end of the reporting period.

Retention receivables are classified as follows:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Related parties, net of expected credit losses (Note 7)	107,919	107,867
Third parties, net of expected credit losses	858,659	903,749
	966,578	1,011,616

The management always measure the loss allowance on retention receivables at an amount equal to Lifetime ECL using the simplified approach, taking into account the historical default experience and the future prospects of the construction industry. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for retention receivables.

The following table shows the movement in Lifetime ECL that has been recognised for retention receivables in accordance with the simplified approach set out in IFRS 9:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	14,287	13,496
Change in loss allowance	(1,858)	791
Balance at the end of the period / year	12,429	14,287

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

10. Gross amounts due from customers on construction contracts

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion, net of expected credit losses	4,501,019	3,786,095
Non-current portion, net of expected credit losses	27,438	27,438
	4,528,457	3,813,533

The above balance includes gross amounts due from customers on construction contracts arising from contracts with related parties as at 31 March 2026, amounting to AED 233,420 thousand (31 December 2025: AED 231,791 thousand) (Note 7).

The management always measure the loss allowance on gross amounts due from customers on construction contracts at an amount equal to Lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the gross amounts due from customers on construction contracts.

The following table shows the movement in Lifetime ECL that has been recognised for gross amounts due from customers under construction contracts in accordance with the simplified approach set out in IFRS 9:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	60,795	41,220
Change in loss allowance	(1,896)	19,575
Balance at the end of the period / year	58,899	60,795

11. Inventories

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Raw materials and consumables	52,762	36,571
Finished goods	14,150	14,150
Work-in-progress	5,764	3,040
	72,676	53,761

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

12. Share capital

On 24 January 2025, the Immediate Parent Company approved the conversion of the Company from limited liability company – single owner to public joint stock company and offer part of the Company’s capital to the public.

On 19 September 2025, the Articles of Association of the Company were approved and notarized and the Company was converted into a Public Joint Stock Company and the share capital was split into 5,000,000,000 shares with a nominal value of AED 0.01 each.

As at 31 March 2026 and 31 December 2025, the share capital comprises 5,000,000,000 authorised, issued and fully paid shares of AED 0.01 each.

13. Statutory reserves

In accordance with the UAE Federal Decree Law No. (32) of 2021, as amended, concerning Commercial Companies and the Articles of Association of the Company and its subsidiaries, 5% of the profit for the year is to be transferred to a statutory reserve. Such transfers are required to be made until the reserve is equal to 50% of the share capital.

As at 31 March 2026, the statutory reserves of subsidiaries amounted to AED 93,099 thousand (31 December 2025: AED 93,099 thousand). These reserves are not available for distribution.

14. General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors of the Company.

15. Remeasurement loss on employee’s defined benefit obligation

Actuarial gains and losses arising from experience adjustments and changes in assumptions are charged or credited to equity in the other comprehensive income in the period in which they arise (Note 16).

16. Provision for employees’ end-of-service benefits

The movement in the provision for employees’ end-of-service benefits is as follows:

	31 March 2026 AED’000 (Unaudited)	31 December 2025 AED’000 (Audited)
Balance at the beginning of the period / year	402,315	309,839
Current service cost for the period / year	15,856	56,719
Finance costs (Note 18)	5,264	17,230
Payments made during the period / year	(8,319)	(31,574)
Remeasurement loss on employees defined benefit obligations (Note 15)	-	50,101
Balance at the end of the period / year	415,116	402,315

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

16. Provision for employees' end-of-service benefits (continued)

In accordance with the provisions of IAS 19 *Employee Benefits*, management has carried out an exercise to assess the present value of its obligations as at 31 March 2026 using actuarial techniques, in respect of employees' end-of-service benefits payable under the UAE Labour Law and the Laws applicable in the countries in which the Group operates, for their period of service up to the end of the reporting period and have concluded the impact to be immaterial.

17. Contract and other payables

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Contract payables	1,746,126	1,338,145
Advances from customers	2,021,104	2,032,098
Due to related parties (Note 7)	72,699	51,466
Retention payables	338,129	348,729
Dividend payable *	250,000	-
Accruals	2,670,916	2,215,599
Other payables	8,701	26,534
	7,107,675	6,012,571

The average credit period on purchase of goods and services is 90 days (31 December 2025: 90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

* Out of the total dividend payable of AED 250,000 thousand, AED 204,084 thousand is payable to the Immediate Parent Company.

Retention payables

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	338,129	348,729
Non-current portion, net of fair value adjustment	213,234	167,119
	551,363	515,848
Related parties (Note 7)	991	1,002
Third parties	550,372	514,846
	551,363	515,848

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

17. Contract and other payables (continued)

Advances from customers

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	2,021,104	2,032,098
Non-current portion	976,000	1,328,632
	2,997,104	3,360,730
Related parties (Note 7)	39,147	39,147
Third parties	2,957,957	3,321,583
	2,997,104	3,360,730

18. Finance costs – net

	Three-month period ended 31 March	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Finance costs related to lease liabilities (Note 19)	4,054	2,781
Finance costs related to bank borrowings	13,870	18,148
Finance cost related to provision for employees' end-of-service benefits (Note 16)	5,264	-
Fair value adjustment of non-current retention receivables and retention payables	6,698	1,380
Others	165	-
	30,051	22,309

The Group's finance costs for the three-month period ended 31 March 2026 amounting to AED 6,216 thousand (three-month period ended 31 March 2025: AED 9,204 thousand) (Note 7) are from related party financial institutions.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

19. Lease liabilities

	31 March 2026 (<i>Unaudited</i>)		31 December 2025 (<i>Audited</i>)	
	Minimum lease payment AED'000	Present value of minimum lease payments AED'000	Minimum lease payment AED'000	Present value of minimum lease payments AED'000
Less than 1 year	89,282	75,901	91,853	77,567
Later than 1 year and not later than 5 years	145,903	116,858	154,766	125,177
Later than 5 years	151,900	96,389	158,198	100,041
	387,085	289,148	404,817	302,785
Less: future finance charges	(97,937)	-	(102,032)	-
Present value of minimum lease payments	289,148	289,148	302,785	302,785

The lease liabilities under financing lease agreements are repayable in 36 to 60 installments due from February 2022 with final installments due in May 2030 and carry an interest rate implicit in the lease ranging from 4.5% to 8% per annum.

The remaining lease liability related to the application of IFRS 16 has been calculated applying incremental borrowing rates ranging from 5% to 8% per annum, with expiry dates between 2026 and 2055.

Lease liabilities are repayable as follows:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	75,901	77,567
Non-current portion	213,247	225,218
	289,148	302,785

Asset retirement obligation as at 31 March 2026 of AED 3,000 thousand (31 December 2025: AED 3,000 thousand) pertains to the present value of the estimated costs of demolition of the labor camp and restoring the land, which is leased by the Group, to its original condition. This is a contractual obligation of the lessee as stipulated in the lease agreement.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

19. Lease liabilities (continued)

Movement in lease liabilities is as follows:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	302,785	175,873
Additions during the period / year (Note 4)	4,549	211,728
Finance costs related to lease liabilities (Note 18)	4,054	12,552
Less: Payments made during the period / year	(18,186)	(73,344)
Less: Payment of finance costs related to lease liabilities	(4,054)	(12,552)
Reversal related to lease cancellation	-	(11,472)
Balance at the end of the period / year	289,148	302,785

20. Cash and bank balances

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Cash at bank and on hand	1,011,285	1,574,734
Less: Expected credit loss allowance	(205)	(205)
Cash and bank balances	1,011,080	1,574,529
Less: Margin deposits - under lien	(36,766)	(37,183)
Cash and cash equivalents	974,314	1,537,346

As at 31 March 2026, the above cash at bank and on hand balance includes cash held with an exchange house, amounting to AED 6,227 thousand (31 December 2025: AED 41,874 thousand).

Included in bank balances as at 31 March 2026 are amounts totaling to AED 272,385 thousand (31 December 2025: AED 376,748 thousand) held with three banks (31 December 2025: three banks) which are related parties to the Group (Note 7). The transactions with the related parties are at arm's length and in the ordinary course of the business.

Balances with banks are assessed to have low credit risk of default since these banks are regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. As at 31 March 2026, the management of the Group have assessed the impairment on bank and cash balances to be AED 205 thousand (31 December 2025: AED 205 thousand), based on historical default experience and the current credit ratings of the banks.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

21. Contract revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services and income from leasing of machinery and equipment, which is recognised over time. Also, the Group generates revenue from sale of goods which is recognised at a point in time. Details of revenue are as follows:

	Three-month period ended 31 March	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Construction revenue	4,588,864	2,455,381
Lease income	20,575	11,937
Sale of goods	32	77
	4,609,471	2,467,395

Construction revenue includes revenue recognised for contracts with related parties amounting to AED 4,582 thousand for the three-month period ended 31 March 2026 (31 March 2025: AED 16,731 thousand) (Note 7).

The transaction price allocated to (partially) unsatisfied performance obligations at 31 March 2026, which will be recognized over time are as set out below.

	Three-month period ended 31 March	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Transaction price allocated to (partially) unsatisfied performance obligations	26,719,007	30,653,162

Management expects that 45% of the transaction price allocated to partially unsatisfied contracts as of the three-month period ended 31 March 2026 will be recognised as revenue in the following quarters of 2026 amounting to AED 12,015 million. The remaining transaction price will be recognised from 2027 to 2030.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)****22. Income taxes**

Income tax expense for the period mainly relates to current tax on profit relating to the Group's operations in the United Arab Emirates and Kingdom of Saudi Arabia. The tax rates in these jurisdictions are United Arab Emirates (9%) and Kingdom of Saudi Arabia (Zakat of 2.5% and Income Tax of 20%).

The Group also have a presence in the Sultanate of Oman, State of Qatar, Egypt and Ethiopia, United Kingdom and Italy. However, the group does not generate substantial income in these jurisdictions.

The Group has provided for income tax based on the estimated profit for the period earned in Kingdom of Saudi Arabia and United Arab Emirates based on relevant tax laws. 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 and pending assessment from the tax authorities in the respective jurisdictions. There is a probability that the tax departments in each of the jurisdictions may assess tax at higher / lower profit margins or tax rates which may give rise to additional / lower tax liabilities.

Pillar Two Tax

The OECD has published GloBE Model Rules, which includes a minimum 15% tax rate by jurisdiction ("Pillar Two"). The Pillar Two rules apply to multinational groups with consolidated turnover exceeding €750 million in two of the previous four fiscal years. Various countries have enacted or intend to enact tax legislation to comply with the Pillar Two rules. The Group is within the scope of the OECD Pillar Two model rules, and it operates within Jurisdictions in which the OECD's Pillar Two rules are in effect at the end of the reporting period.

The Group has assessed the exposure to Pillar Two income taxes. Based on this assessment, the Group have recognised a current tax expense in the condensed consolidated interim statement of profit or loss in the period of AED 3,101 thousand (31 March 2025: 341 thousand) related to Pillar Two taxes.

The Group has applied the temporary exemption issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 *Income Taxes*. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two taxes.

Effective tax rate for the Group is 12.9% (31 March 2025: 11%).

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

22. Income taxes (continued)

The income tax expense for the period can be reconciled to the accounting profit as follows:

	Three-month period ended	
	31 March	
	2026	2025
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Profit before tax	264,461	128,561
Add: (Loss) / profit before tax on non-taxable jurisdictions	(79,163)	394
	185,298	128,955
Profit before tax on taxable jurisdictions	185,298	128,955
Tax at the corporate tax rate in United Arab Emirates	9%	9%
Income tax expense on profit relating to the Group's operations taxable jurisdictions	16,677	11,606
Adjustments:		
Tax effect of expenses that are not deductible in determining taxable profit	1,039	79
Tax effect of income not taxable in determining taxable profit	(68)	(68)
Effect of different tax rates of subsidiaries operating in other jurisdictions	13,248	2,107
Top up tax	3,101	341
Income tax expense for the period recognised in profit or loss	33,997	14,065
	31 March	31 December 2025
	2026	
	AED'000	AED'000
	(Unaudited)	(Audited)
Current tax liability recognised in the condensed consolidated interim statement of financial position	132,744	98,747

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

23. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Three-month period ended 31 March	
	2026 <i>(Unaudited)</i>	2025 <i>(Unaudited)</i>
Profit for the period attributable to Owners of the Company (AED'000)	230,614	114,877
Weighted average number of ordinary shares (Note 12)	5,000,000,000	5,000,000,000
Basic and diluted earnings per share (AED)	0.046	0.023

24. Borrowings

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Term loans	392,289	429,284
Acceptances	208,099	205,136
	600,388	634,420

Borrowings are classified and presented in the condensed consolidated interim statement of financial position as follows:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Within one year	362,888	384,420
More than one year	237,500	250,000
	600,388	634,420

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

24. Borrowings (continued)

The Group's borrowings as at 31 March 2026 amounting to AED 452,133 thousand (31 December 2025: AED 480,278 thousand) (Note 7) are with related party banks.

Term loans

The Group has the following outstanding material term loans:

- a) A loan amounting to AED 450,000 thousand is unsecured subject to interest at 1.25% per annum plus 3 months EIBOR and is repayable in equal quarterly instalments of AED 12,500 thousand each. As at 31 March 2026, the outstanding balance of the loan amounted to AED 287,500 thousand (31 December 2025: AED 300,000 thousand).
- b) One of the subsidiaries of the Group has made an additional drawdown amounting to AED 4,892 thousand (31 December 2025: AED 206,955 thousand). The loan has been secured for the purchase of equipment and machinery, subject to interest equal to 2.75% per annum plus 1 months EIBOR for a period of 3 years. As at 31 March 2026, the outstanding balance of the loan is AED 104,789 thousand (31 December 2025: AED 129,284 thousand).

Acceptances

Acceptances are subject to commission charges and are obtained mainly from local commercial banks against project facilities. The repayment of these acceptances is generally within 3 to 6 months.

25. Gross amounts due to customers on construction contracts

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Gross amounts due to customers on construction contracts	363,038	263,656

The above balance includes gross amounts due to customers on construction contracts arising from contracts with affiliated entities as at 31 March 2026 amounting to AED 384 thousand (31 December 2025: AED 384 thousand) (Note 7).

Significant changes in the gross amounts due to customers and gross amounts due from customers on construction contracts balance during the period / year are as follows:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)	Variance AED'000
Gross amounts due from customers on construction contracts, before ECL	4,587,356	3,874,328	713,028
Gross amounts due to customers on construction contracts	(363,038)	(263,656)	(99,382)
	4,224,318	3,610,672	613,646

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

25. Gross amounts due to customers on construction contracts (continued)

Significant changes are as follows:

	Variance AED'000
Conversion to contract receivables	(3,975,218)
Revenue recognition (Note 21)	4,588,864
	613,646

26. Contingent liabilities and commitments

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Bank guarantees	9,165,638	9,011,084
Letters of credit	1,592,805	1,152,272

As at 31 March 2026, the above bank guarantees and letters of credit were issued in the normal course of business and includes contingent liabilities incurred by the Group arising from its interest in joint venture amounting to AED 6,025 thousand (31 December 2025: AED 6,025 thousand).

27. Joint operations

Details of the Group's material joint operations are as follows:

Name of joint operation	Principal activities	Principal place of business	Share in ownership	
			2026	2025
Gulf Contracting Company W.L.L. & ALEC L.E.G.T. Contracting W.L.L. (GCC - ALEC JV)	Execution of the Doha Festival City Package 3250	State of Qatar	50%	50%
IMAR & Al Jaber Trading & Contracting Company Co. (IMAR - ALEC JV)	General contracting and trading in decoration accessories	State of Qatar	50%	50%
Saudi Constructioners Ltd. and ALEC Saudi Arabia Engineering and Contracting LLC (SAUDICO - ALEC JV)	Construction activities	Kingdom of Saudi Arabia	50%	50%

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

27. Joint operations (continued)

Details of the Group's material joint operations are as follows (continued):

Name of joint operation	Principal activities	Principal place of business	Share in ownership	
			2026	2025
El Seif Engineering Contracting Company Ltd and ALEC Saudi Arabia Engineering and Contracting – Qiddiyah Water Park (EL SEIF - ALEC JV - QWP)	Construction activities	Kingdom of Saudi Arabia	50%	50%
El Seif Engineering Contracting Company Ltd and ALEC Saudi Arabia Engineering and Contracting – Qiddiyah Speed Park (EL SEIF - ALEC JV – QSP)	Engineering, procurement and construction of waste to energy plant	Kingdom of Saudi Arabia	50%	50%
ALEC Engineering and Contracting LLC and BUTEC s.a.l. (Dubai Branch (ALEC - BUTEC JV)	Engineering, procurement and construction of waste to energy plant	United Arab Emirates	50%	50%

The Group accounts for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the IFRS Accounting Standards as issued by the IASB applicable to the particular assets, liabilities, revenues and expenses.

28. Financial instruments

28.1 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return on equity. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective. The Group's overall strategy remains unchanged from 2025.

28.2 Financial risk management objectives

The Group is exposed to the following risks related to financial instruments - credit risk, liquidity risk and foreign currency risk. The Group does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

**Notes to the condensed consolidated interim financial information
for the three-month period ended 31 March 2026 (continued)**

28. Financial instruments (continued)

28.2 Financial risk management objectives (continued)

Categories of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial information approximate their fair values:

	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Financial assets		
Retention receivables	966,578	1,011,616
Contract and other receivables (excluding retention receivables and advances to suppliers and subcontractors)	2,080,276	1,441,907
Cash and bank balances	1,011,080	1,574,529
	4,057,934	4,028,052
Financial liabilities		
Retention payables	551,363	515,848
Contract and other payables (excluding retention payables, VAT payables, and advances from customers)	4,745,414	3,610,815
Borrowings	600,388	634,420
Lease liabilities	289,148	302,785
Long term incentive provision	19,779	14,614
	6,206,092	5,078,482

29. Events after the reporting period

Events after the reporting period are included in Note 2 of the condensed consolidated interim financial information.

30. Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved by Board of Directors and authorised for issue on 8 May 2026.