ALEC Holdings PJSC and its subsidiaries

Condensed consolidated interim financial information for the six-month period ended 30 June 2026 (Unaudited)

ALEC Holdings PJSC and its subsidiaries

Table of contents

ALEC Holdings PJSC and its subsidiaries

Report of the Directors
for the six-month period ended 30 June 2026

The Directors have the pleasure of submitting their report, together with the reviewed condensed consolidated interim financial information of the Group for the six-month period ended 30 June 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 six-month period ended 30 June 2026 is AED 8,990 million as compared to AED 5,362 million for the preceding period. Total comprehensive income attributable to Owners of the Company for the six-month period ended 30 June 2026 is AED 214 million as compared to AED 238 million for the six-month period ended 30 June 2025.

Movement in retained earnings:

	Six-month period ended 30 June	
	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	**214,276**	237,805
Dividends declared / paid to shareholders (Note 7)	**(250,000)**	(265,000)
Acquisition of non-controlling interest in a subsidiary (Note 1)	**-**	(13,539)
Retained earnings at the end of the period	**1,284,883**	872,332

Impact of regional conflict

The ongoing regional conflict which started in late February 2026 has had a major impact on the operations and outcomes of the Group and that impact is still being felt as the situation continues.

Whilst there are no areas of the business which have not been impacted by slowdown in deliveries or a slowdown in the market, some areas of the Group's business are more exposed than others to the supply chain disruptions and / or the direct impact of the conflict.

Management has conducted a detailed review of the extent and ongoing impact of the conflict on each of the Group's projects to understand the expected cost and delivery impact. Based on the information available, we have recognised the full impact of these in the Group's project estimates used to produce these results for the quarter leading to the reported loss for the period.

Impact of regional conflict (continued)

Caution has been taken in estimation of the variable revenue to be taken against the increased estimated costs. At this stage, we continue ongoing positive negotiations with the Group's major clients to understand what support can be expected through this period and, whilst it is clear that they recognise the need to ensure that the impact on the contracting community is mitigated, it is not yet clear to what extent their financial compensation and support will be forthcoming.

In addition, where contracts allow, claims due to contract variations, project delays, and cost variations are being evaluated and management has been careful to ensure that these are recognised only where management feel confident that they will not be reversed in future accounting periods.

Following the signing of the Interim Memorandum of Understanding between the United States of America and Iran, there has been some alleviation in the impact of the conflict, though it remains unclear as to whether the situation will continue to improve and thus management have been careful to take a position which reflects the best understanding of the potential of the likely outcomes of the current situation without being overly positive about the potential upsides.

All awarded projects continue to be delivered to timelines agreed with customers and now that the worst of situation is known and has been recognised, the current challenges have been planned for and overcome.

Whilst there may be a slowdown in the market in relation to project awards, there are no pipeline projects which have been cancelled.

On behalf of the Board

…………………………………………	…………………………………
His Excellency Hussain Nasser Lootah	**Barry Roy Lewis**
Chairman	**Chief Executive Officer**

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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 30 June 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 six 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
13 August 2026
Dubai
United Arab Emirates

Condensed consolidated interim statement of financial position as at 30 June 2026

	Notes	**30 June 2026 AED'000** *(Unaudited)*	31 December 2025 AED'000 *(Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**1,302,251**	1,267,604
Intangible assets	5	**88,322**	94,447
Goodwill		**23,055**	23,055
Gross amounts due from customers on construction contracts	10	**27,438**	27,438
Retention receivables	9	**222,700**	187,349
Deferred tax assets	22	**22,950**	-
Advances to suppliers and subcontractors		**190,835**	260,350
Total non-current assets		**1,877,551**	1,860,243
Current assets			
Inventories	11	**75,725**	53,761
Investment in financial assets	26	**77,185**	-
Contract and other receivables	8	**3,797,260**	3,303,749
Gross amounts due from customers on construction contracts	10	**3,979,336**	3,786,095
Prepayments		**53,999**	43,308
Cash and bank balances	20	**2,386,300**	1,574,529
Total current assets		**10,369,805**	8,761,442
Total assets		**12,247,356**	10,621,685

Condensed consolidated interim statement of financial position as at 30 June 2026 (continued)

	Notes	30 June 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		**1,284,883**	1,320,607
Foreign currency translation reserve		**(117)**	(208)
Remeasurement loss on employees' defined benefit obligations	15	**(69,797)**	(69,797)
Equity attributable to Owners of the Company		**1,358,477**	1,394,110
Non-controlling interests		**(714)**	(284)
Total equity		**1,357,763**	1,393,826
Non-current liabilities			
Provision for employees' end-of-service benefits	16	**433,775**	402,315
Retention payables	17	**175,737**	167,119
Advances from customers	17	**923,744**	1,328,632
Borrowings	24	**632,548**	250,000
Lease liabilities	19	**185,529**	225,218
Long term incentive provision		**25,072**	14,614
Asset retirement obligation	19	**3,000**	3,000
Total non-current liabilities		**2,379,405**	2,390,898
Current liabilities			
Contract and other payables	17	**7,460,024**	6,217,707
Gross amounts due to customers on construction contracts	25	**342,241**	263,656
Current tax liability	22	**144,031**	98,747
Borrowings	24	**488,526**	179,284
Lease liabilities	19	**75,366**	77,567
Total current liabilities		**8,510,188**	6,836,961
Total liabilities		**10,889,593**	9,227,859
Total equity and liabilities		**12,247,356**	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 Lootah
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 six-month period ended 30 June 2026

		Three-month period ended 30 June		**Six-month period ended 30 June**	
	Notes	**2026 AED'000 *(Unaudited)***	2025 AED'000 *(Unaudited)*	**2026 AED'000 *(Unaudited)***	2025 AED'000 *(Unaudited)*
Contract revenue	21	**4,380,357**	2,894,939	**8,989,828**	5,362,334
Contract costs		**(4,277,090)**	(2,618,326)	**(8,476,766)**	(4,825,831)
Gross profit		**103,267**	276,613	**513,062**	536,503
Administrative expenses		**(115,200)**	(113,260)	**(236,725)**	(225,869)
Share of results of joint ventures	6	**(5)**	(12)	**(22)**	(19)
(Loss) / profit from operations		**(11,938)**	163,341	**276,315**	310,615
Reversal of / (provision for) expected credit loss allowance on financial assets and contract assets		**7,422**	-	**5,296**	(1,296)
Finance costs - net	18	**(26,356)**	(31,457)	**(56,407)**	(53,766)
Finance income		**7,643**	5,640	**13,516**	8,624
Other income - net		**4,680**	566	**7,192**	2,474
(Loss) / profit before tax		**(18,549)**	138,090	**245,912**	266,651
Income tax benefit / (expense)	22	**1,931**	(13,558)	**(32,066)**	(27,623)
(Loss) / profit for the period		**(16,618)**	124,532	**213,846**	239,028
Attributable to:					
Owners of the Company		**(16,338)**	122,928	**214,276**	237,805
Non-controlling interests		**(280)**	1,604	**(430)**	1,223
		(16,618)	124,532	**213,846**	239,028
(Loss) / earnings per share					
Basic and diluted (AED)	23	**(0.003)**	0.025	**0.043**	0.048

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

Condensed consolidated interim statement of comprehensive income for the six-month period ended 30 June 2026

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
(Loss) / profit for the period	**(16,618)**	124,532	**213,846**	239,028
Other comprehensive income / (loss)				
Item that may be reclassified subsequently to profit or loss				
Net change in foreign currency translation reserve	**44**	(3)	**91**	45
Total comprehensive (loss) / income for the period	**(16,574)**	124,529	**213,937**	239,073
Attributable to:				
Owners of the Company	**(16,294)**	122,925	**214,367**	237,850
Non-controlling interests	**(280)**	1,604	**(430)**	1,223
	(16,574)	124,529	**213,937**	239,073

Condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2026

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Foreign currency translation reserve AED'000	Remeasurement loss on employees' defined benefit obligations AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2025 *(Audited)*	50,000	92,977	409	913,066	(420)	(23,602)	1,032,430	890	1,033,320
Profit for the period	-	-	-	237,805	-	-	237,805	1,223	239,028
Other comprehensive income for the period	-	-	-	-	45	-	45	-	45
Total comprehensive income for the period	-	-	-	237,805	45	-	237,850	1,223	239,073
Acquisition of non-controlling interest in a subsidiary (Note 1)	-	-	-	(13,539)	-	-	(13,539)	(2,061)	(15,600)
Dividends declared / paid to shareholders (Note 7)	-	-	-	(265,000)	-	-	(265,000)	-	(265,000)
Balance at 30 June 2025 *(Unaudited)*	50,000	92,977	409	872,332	(375)	(23,602)	991,741	52	991,793
Balance at 1 January 2026 *(Audited)*	50,000	93,099	409	1,320,607	(208)	(69,797)	1,394,110	(284)	1,393,826
Profit / (loss) for the period	-	-	-	214,276	-	-	214,276	(430)	213,846
Other comprehensive income for the period	-	-	-	-	91	-	91	-	91
Total comprehensive income / (loss) for the period	-	-	-	214,276	91	-	214,367	(430)	213,937
Dividends declared / paid to shareholders (Note 7)	-	-	-	(250,000)	-	-	(250,000)	-	(250,000)
Balance at 30 June 2026 *(Unaudited)*	**50,000**	**93,099**	**409**	**1,284,883**	**(117)**	**(69,797)**	**1,358,477**	**(714)**	**1,357,763**

Condensed consolidated interim statement of cash flows
for the six-month period ended 30 June 2026

	Notes	Six-month period ended 30 June 2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Operating activities			
Profit before tax		**245,912**	266,651
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of right-of-use assets	4	**143,980**	109,953
Provision for employees' end-of-service benefits	16	**41,028**	59,927
Finance costs – net	18	**56,407**	53,766
Finance income		**(13,516)**	(8,624)
Amortization of intangible assets	5	**7,622**	6,875
Reversal of / (provision for) expected credit loss allowance on financial assets and contract assets		**(5,296)**	1,296
Bad debts written-off		**2,733**	-
Gain on disposal of property, plant and equipment and gain arising from cancellation of lease		**(393)**	(858)
Share of results of joint ventures	6	**22**	19
Cash from operating activities before movements in working capital		**478,499**	489,005
Increase in inventories		**(21,964)**	(39,164)
Increase in contract and other receivables, including non-current retention receivables and advances to suppliers and subcontractors		**(477,258)**	(283,029)
Increase in gross amount due from customers on construction contracts		**(184,089)**	(871,651)
Increase in prepayments		**(10,691)**	(14,843)
Decrease in margin deposits under lien		**417**	46,980
Increase in contract and other payables, including non-current portion of retention payables and advances from customer and long-term provisions		**860,712**	1,501,562
Increase / (decrease) in gross amounts due to customer on construction contracts		**78,585**	(158,209)
Cash generated from operations		**724,211**	670,651
Employees' end-of-service benefits paid	16	**(19,914)**	(17,510)
Income tax paid		**(9,732)**	(7,437)
Net cash generated from operating activities		**694,565**	645,704

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

Condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2026 (continued)

	Notes	Six-month period ended 30 June	
		2026	2025
		AED'000	AED'000
		(Unaudited)	*(Unaudited)*
Investing activities			
Payments for purchase of property, plant and equipment	4	**(170,863)**	(166,721)
Payments for purchase of intangible assets	5	**(1,497)**	(1,717)
Proceeds from disposal of property, plant and equipment		**1,226**	838
Finance income received		**13,516**	8,624
Payments for short-term investments		**(77,185)**	-
Payment for purchase of non-controlling interest		**-**	(10,000)
Net cash used in investing activities		**(234,803)**	(168,976)
Financing activities			
Proceeds from bank borrowings		**845,925**	1,049,806
Repayment of bank borrowings		**(154,135)**	(1,266,253)
Dividends paid to shareholder	7	**(250,000)**	(180,000)
Repayment of principal portion of lease liabilities	19	**(50,487)**	(37,446)
Finance costs paid	18	**(38,968)**	(44,838)
Net cash generated from / (used in) financing activities		**352,335**	(478,731)
Net increase / (decrease) in cash and cash equivalents		**812,097**	(2,003)
Cash and cash equivalents at the beginning of the period	20	**1,537,551**	1,164,823
Add: Effect of foreign exchange rate changes		**91**	45
Cash and cash equivalents at the end of the period		**2,349,739**	1,162,865
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	**2,349,534**	1,162,732
Non-cash transactions:			
Purchase of property, plant and equipment relating to right-of-use asset with corresponding lease liability	4 and 19	**(8,597)**	(140,355)
Reallocation of share of loss in excess of investment in joint venture to due from related parties	6	**(22)**	(19)
Dividends declared to shareholders not yet paid	7	**-**	(85,000)
Contingent consideration on acquisition of non-controlling interest in a subsidiary	1	**-**	(5,600)
Cancellation and disposal of right of use asset with corresponding lease liability	4 and 19	**734**	11,452

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

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 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, and Egypt through its subsidiaries, joint operations, joint ventures and branches.

The principal activities of the Company and its subsidiaries and branches (together referred to 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 were 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 as 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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
Altrons Integrated Security Equipment Installation L.L.C. – Branch of Abu Dhabi	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
Altrons Integrated Security Equipment Installation L.L.C. OPC - RAK Branch	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

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

1. General information (continued)

(1) ALEC L.E.G.T. 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 L.E.G.T. Contracting WLL, all the shareholdings in ALEC L.E.G.T. 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.

(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.

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 six-month period ended 30 June 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 consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2025.

2.2 Functional and presentation currency

This 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 six-month period ended 30 June 2026 comprises results of the Company and its subsidiaries and branches. The condensed consolidated interim financial information of the subsidiaries and branches is prepared for the same reporting period as that of the Company, using consistent material accounting policy information. 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.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

2. Basis of preparation, material accounting policy information and critical accounting judgements (continued)

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

During the current period, the ongoing 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 projects' stage of completion, requiring significant judgement in estimating total contract costs and project timelines. Management operate a robust process for the ongoing reassessment of expected completion costs and project schedules and estimated variable revenue associated with changes, prolongation, disruption and escalation and has continued to apply that in this period. The estimable impact of these developments has been reflected in the determination of the estimated completion schedule, contract costs, variable contract revenues, and the consequential project margins for the period.

The Group has implemented mitigation measures, including supply chain reconfiguration, optimized resource deployment, and close coordination with employers and authorities to manage schedules. Contractual and insurance positions are also under review to manage risk exposure. The Group is also currently evaluating and discussing potential claims on its projects arising from the consequential project delays and the direct impact on estimated costs as a result of these delays as well as costs escalations 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 forecast project cost and revenue estimates, there remains a degree of uncertainty in relation to future cost changes, 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 forecast project costs and revenue as and when facts and circumstances changes. .

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.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

3. Segment reporting (continued)

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.

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	Eliminations AED'000	Total AED'000
Six-month period ended 30 June 2026 *(Unaudited)*						
Contract revenue	**5,836,962**	**2,754,368**	**2,586,404**	**-**	**(2,187,906)**	**8,989,828**
Contract costs	**(5,428,671)**	**(2,911,841)**	**(2,265,928)**	**-**	**2,129,674**	**(8,476,766)**
Gross profit / (loss)	**408,291**	**(157,473)**	**320,476**	**-**	**(58,232)**	**513,062**
Administrative expenses	**(63,287)**	**(54,569)**	**(81,903)**	**(36,966)**	**-**	**(236,725)**
Share of results of joint ventures	**-**	**-**	**(22)**	**-**	**-**	**(22)**
Reversal of / (provision for) expected credit loss allowance on financial assets and contract assets	**17,148**	**(8,057)**	**(3,795)**	**-**	**-**	**5,296**
Finance costs - net	**1,762**	**(43,525)**	**(7,895)**	**(15,846)**	**9,097**	**(56,407)**
Finance income	**432**	**1,322**	**430**	**19,619**	**(8,287)**	**13,516**
Other income - net	**586**	**4,236**	**833**	**1,537**	**-**	**7,192**
Net segment results – profit / (loss) before tax	**364,932**	**(258,066)**	**228,124**	**(31,656)**	**(57,422)**	**245,912**
Three-month period ended 30 June 2026 *(Unaudited)*						
Contract revenue	2,962,255	1,255,248	1,289,547	-	(1,126,693)	4,380,357
Contract costs	(2,750,519)	(1,456,745)	(1,133,658)	-	1,063,832	(4,277,090)
Gross profit / (loss)	211,736	(201,497)	155,889	-	(62,861)	103,267
Administrative expenses	(32,176)	(23,942)	(37,574)	(21,508)	-	(115,200)
Share of results of joint ventures	-	-	(5)	-	-	(5)
Reversal of / (provision for) expected credit loss allowance on financial assets and contract assets	16,839	(3,370)	(6,047)	-	-	7,422
Finance costs - net	(1,933)	(18,075)	(2,190)	(10,051)	5,893	(26,356)
Finance income	236	1,201	110	11,989	(5,893)	7,643
Other income- net	354	2,067	950	1,309	-	4,680
Net segment results – profit / (loss) before tax	195,056	(243,616)	111,133	(18,261)	(62,861)	(18,549)

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

3. Segment reporting (continued)

	Building and infrastructure construction services AED'000	Energy AED'000	Related businesses AED'000	Corporate activities AED'000	Eliminations AED'000	Total AED'000
Six-month period ended 30 June 2025 *(Unaudited)*						
Contract revenue	2,839,530	2,012,122	1,156,182	-	(645,500)	5,362,334
Contract costs	(2,654,237)	(1,822,695)	(1,022,201)	-	673,302	(4,825,831)
Gross profit	185,293	189,427	133,981	-	27,802	536,503
Administrative expenses	(35,386)	(52,779)	(67,740)	(69,964)	-	(225,869)
Share of results of joint ventures	-	-	(19)	-	-	(19)
Provision for expected credit loss allowance on financial assets and contract assets	-	(1,296)	-	-	-	(1,296)
Finance costs - net	3,632	(35,471)	(4,093)	(18,349)	515	(53,766)
Finance income	-	1,572	940	6,627	(515)	8,624
Other income - net	935	1,323	259	(43)	-	2,474
Net segment results – profit / (loss) before tax	154,474	102,776	63,328	(81,729)	27,802	266,651
Three-month period ended 30 June 2025 *(Unaudited)*						
Contract revenue	1,504,466	1,152,214	648,610	-	(410,351)	2,894,939
Contract costs	(1,409,088)	(1,047,579)	(575,669)	-	414,010	(2,618,326)
Gross profit	95,378	104,635	72,941	-	3,659	276,613
Administrative expenses	(16,615)	(29,313)	(32,977)	(34,355)	-	(113,260)
Share of results of joint ventures	-	-	(12)	-	-	(12)
Finance costs - net	2,380	(19,341)	(2,391)	(12,543)	438	(31,457)
Finance income	-	1,440	662	3,976	(438)	5,640
Other income- net	575	(651)	255	387	-	566
Net segment results – profit / (loss) before tax	81,718	56,770	38,478	(42,535)	3,659	138,090

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

4. Property, plant and equipment

	30 June 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	**179,460**	601,416
Depreciation and amortization charge for the period / year	**(143,980)**	(250,582)
Disposals / write off during the period / year	**(833)**	(1,403)
Disposal arising from lease cancellation during the period / year	**-**	(11,071)
Balance at the end of the period / year	**1,302,251**	1,267,604

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

	30 June 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)	**8,597**	214,728
Amortization for the period / year	**(34,163)**	(46,263)
Disposals during the period / year	**(734)**	(382)
Reversal arising from lease cancellation during the period / year	**-**	(11,071)
Balance at the end of the period / year	**312,392**	338,692

5. Intangible assets

	30 June 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	**1,497**	6,039
Amortization for the period / year	**(7,622)**	(15,667)
Balance at the end of the period / year	**88,322**	94,447

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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	-	-
Share of results	**(22)**	(1,816)
Reallocation / write-off *	**22**	1,816
Balance at the end of the period / year	-	-

* Total share of results from the Group's joint ventures for the six-month period ended 30 June 2026 is a loss of AED 22 thousand (six-month period ended 30 June 2025: AED 19 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.

7. Related party balances and transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders and key management personnel. The terms and conditions of such transactions are decided by management.

Transactions with related parties

The following transactions during the period arose from the normal operations of the Group:

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Purchase of materials and services				
Companies under common control	**27,029**	23,181	**45,885**	33,808

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Revenue from related parties (Note 21)				
Companies under common control	**1,822**	5,560	**4,306**	22,291

Compensation of key management personnel

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Short-term benefits	**1,939**	1,533	**4,618**	6,316
Long-term benefits	**108**	76	**191**	151
	2,047	1,609	**4,809**	6,467

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Directors' fees	**925**	1,098	**1,990**	1,570

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

7. Related party balances and transactions (continued)

Dividends

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Dividends 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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Cash and cash equivalents held at related party banks (Note 20)	**463,308**	376,748
Borrowings from related party banks (Note 24)	**437,780**	300,000

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026 AED'000 *(Unaudited)*	2025 AED'000 *(Unaudited)*	**2026 AED'000 *(Unaudited)***	2025 AED'000 *(Unaudited)*
Finance cost and commission expense charged by related party banks (Note 18)	**14,926**	8,750	**21,142**	17,954

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Due from related parties (Note 8)		
Immediate Parent Company	**300**	300
Joint ventures	**9,228**	11,793
Joint operations	**6,106**	2,494
Other affiliated entities	**46,759**	15,093
	62,393	29,680
Less: Expected credit loss allowance	**(9,223)**	(12,101)
	53,170	17,579

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.

	30 June 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	**(2,878)**	1,794
Balance at the end of the period / year	**9,223**	12,101

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Due to related parties (Note 17)		
Joint operations	**94,897**	39,761
Other affiliated entities	**18,057**	11,705
	112,954	51,466

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

7. Related party balances and transactions (continued)

Balances with related parties (continued)

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Retention receivables - net (Note 9)	**80,057**	107,867
Retention payables (Note 17)	**991**	1,002
Advances from customers (Note 17)	**39,147**	39,147
Gross amounts due from customers on construction contracts - net (Note 10)	**32,175**	231,791
Gross amounts due to customers on construction contracts (Note 25)	**651**	384

8. Contract and other receivables

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Contract receivables	**1,643,719**	1,401,729
Less: Expected credit loss allowance	**(76,030)**	(69,082)
	1,567,689	1,332,647
Due from related parties - net (Note 7)	**53,170**	17,579
Retention receivables - net (Note 9)	**825,187**	824,267
Advances to suppliers and subcontractors	**1,217,859**	1,037,575
Other receivables	**133,355**	91,681
	3,797,260	3,303,749

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 six-month period ended 30 June 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 30 June 2026, an amount of AED 715,736 thousand (31 December 2025: AED 255,599 thousand) is due from three major customers (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 30 June 2026 are debtors with a carrying amount of AED 316,194 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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Past due for 90 to 120 days	**32,487**	41,766
Past due for 121 to 180 days	**42,677**	105,527
Past due for more than 180 days	**241,030**	249,277
	316,194	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:

	30 June 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	**6,948**	(1,473)
Write-off of loss allowance	**-**	(30)
Balance at the end of the period / year	**76,030**	69,082

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

9. Retention receivables

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion, net of expected credit losses (Note 8)	**825,187**	824,267
Non-current portion, net of expected credit loss allowance and fair value adjustment	**222,700**	187,349
	1,047,887	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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Related parties, net of expected credit losses (Note 7)	**80,057**	107,867
Third parties, net of expected credit losses	**967,830**	903,749
	1,047,887	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:

	30 June 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	**(214)**	791
Balance at the end of the period / year	**14,073**	14,287

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

10. Gross amounts due from customers on construction contracts

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion, net of expected credit losses	**3,979,336**	3,786,095
Non-current portion, net of expected credit losses	**27,438**	27,438
	4,006,774	3,813,533

The above balance includes gross amounts due from customers on construction contracts arising from contracts with related parties as at 30 June 2026, amounting to AED 32,175 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:

	30 June 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	**(9,152)**	19,575
Balance at the end of the period / year	**51,643**	60,795

11. Inventories

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Raw materials and consumables	**63,811**	36,571
Finished goods	**-**	14,150
Work-in-progress	**11,914**	3,040
	75,725	53,761

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 30 June 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 30 June 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 employees' 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:

	30 June 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	**41,028**	56,719
Finance costs (Note 18)	**10,346**	17,230
Payments made during the period / year	**(19,914)**	(31,574)
Remeasurement loss on employees defined benefit obligations (Note 15)	**-**	50,101
Balance at the end of the period / year	**433,775**	402,315

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 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 30 June 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

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Contract payables	**1,714,586**	1,543,281
Advances from customers	**2,184,275**	2,032,098
Due to related parties (Note 7)	**112,954**	51,466
Retention payables	**449,493**	348,729
Accruals	**2,888,702**	2,215,599
Other payables	**110,014**	26,534
	7,460,024	6,217,707

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.

Retention payables

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	**449,493**	348,729
Non-current portion, net of fair value adjustment	**175,737**	167,119
	625,230	515,848
Related parties (Note 7)	**991**	1,002
Third parties	**624,239**	514,846
	625,230	515,848

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

17. Contract and other payables (continued)

Advances from customers

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	**2,184,275**	2,032,098
Non-current portion	**923,744**	1,328,632
	3,108,019	3,360,730
Related parties (Note 7)	**39,147**	39,147
Third parties	**3,068,872**	3,321,583
	3,108,019	3,360,730

18. Finance costs – net

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026 AED'000 *(Unaudited)*	2025 AED'000 *(Unaudited)*	**2026 AED'000 *(Unaudited)***	2025 AED'000 *(Unaudited)*
Finance cost related to bank borrowings	**17,276**	20,724	**31,146**	38,872
Finance cost related to provision for employees' end of service benefits (Note 16)	**5,082**	8,615	**10,346**	8,615
Finance costs related to lease liabilities (Note 19)	**3,768**	3,185	**7,822**	5,966
Fair value adjustment of non-current retention receivables and retention payables - net	**-**	(1,117)	**6,698**	263
Others	**230**	50	**395**	50
	26,356	31,457	**56,407**	53,766

The Group's finance costs for the six-month period ended 30 June 2026 amounting to AED 21,142 thousand (six-month period ended 30 June 2025: AED 17,954 thousand) (Note 7) are from related party financial institutions.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

19. Lease liabilities

	30 June 2026 *(Unaudited)*		31 December 2025 *(Audited)*	
	Minimum lease payment	**Present value of minimum lease payments**	Minimum lease payment	Present value of minimum lease payments
	AED'000	**AED'000**	AED'000	AED'000
Less than 1 year	**87,941**	**75,366**	91,853	77,567
Later than 1 year and not later than 5 years	**119,391**	**91,343**	154,766	125,177
Later than 5 years	**148,429**	**94,186**	158,198	100,041
	355,761	**260,895**	404,817	302,785
Less: future finance charges	**(94,866)**	**-**	(102,032)	-
Present value of minimum lease payments	**260,895**	**260,895**	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 2031 and carry an interest rate implicit in the lease ranging from 4.5% to 8.5% 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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Current portion	**75,366**	77,567
Non-current portion	**185,529**	225,218
	260,895	302,785

Asset retirement obligation as at 30 June 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 six-month period ended 30 June 2026 (continued)

19. Lease liabilities (continued)

Movement in lease liabilities is as follows:

	30 June 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)	**8,597**	211,728
Finance costs related to lease liabilities (Note 18)	**7,822**	12,552
Less: Payments made during the period / year	**(50,487)**	(73,344)
Less: Payment of finance costs related to lease liabilities during the period / year	**(7,822)**	(12,552)
Reversal related to lease cancellation during the period / year	**-**	(11,472)
Balance at the end of the period / year	**260,895**	302,785

20. Cash and bank balances

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Cash at bank and on hand	**2,386,505**	1,574,734
Less: Expected credit loss allowance	**(205)**	(205)
Cash and bank balances	**2,386,300**	1,574,529
Less: Margin deposits - under lien	**(36,766)**	(37,183)
Cash and cash equivalents	**2,349,534**	1,537,346

As at 30 June 2026, the above cash at bank and on hand balance includes cash held with an exchange house, amounting to AED 20,903 thousand (31 December 2025: AED 41,874 thousand).

Included in bank balances as at 30 June 2026 are amounts totalling to AED 463,308 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 30 June 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 six-month period ended 30 June 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 30 June		Six-month period ended 30 June	
	2026	2025	**2026**	2025
	AED'000	AED'000	**AED'000**	AED'000
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
Construction revenue	**4,349,142**	2,877,639	**8,938,006**	5,333,020
Lease income	**17,068**	16,189	**37,643**	28,126
Sale of goods	**14,147**	1,111	**14,179**	1,188
	4,380,357	2,894,939	**8,989,828**	5,362,334

Construction revenue includes revenue recognised for contracts with related parties amounting to AED 4,306 thousand for the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: AED 22,291 thousand) (Note 7).

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2026, which will be recognized over time are as set out below.

	Six-month period ended 30 June	
	2026	2025
	AED'000	AED'000
	(Unaudited)	*(Unaudited)*
Transaction price allocated to (partially) unsatisfied performance obligations	**32,453,245**	35,407,801

Management expects that 31% of the transaction price allocated to partially unsatisfied contracts as of the six-month period ended 30 June 2026 will be recognised as revenue in the remaining quarters of 2026 amounting to AED 9,995 million. The remaining transaction price will be recognised from 2027 to 2030.

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. However, the group does not generate substantial income in these jurisdictions.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

22. Income taxes (continued)

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 for the six-month period ended 30 June 2026 of AED 2,000 thousand (six-month period ended 30 June 2025: AED 5,125 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 for the six-month period ending 30 June 2026 is 13% (30 June 2025: 10.4%).

Deferred tax assets

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Balance at the beginning of the period / year	**-**	-
Recognised for the period / year in profit or loss	**22,950**	-
Balance at the end of the period / year	**22,950**	-

Deferred tax assets have been recognised in respect of deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these can be utilised.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 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 30 June		**Six-month period ended 30 June**	
	2026 AED'000 *(Unaudited)*	2025 AED'000 *(Unaudited)*	**2026 AED'000 *(Unaudited)***	2025 AED'000 *(Unaudited)*
(Loss) / profit before tax	**(18,549)**	138,090	**245,912**	266,651
Add: Profit / (loss) before tax on non-taxable jurisdictions	**12,229**	(96,788)	**(66,934)**	(96,394)
(Loss) / profit before tax on taxable jurisdictions	**(6,320)**	41,302	**178,978**	170,257
Tax at the corporate tax rate in United Arab Emirates	**9%**	9%	**9%**	9%
Income tax expense on profit relating to the Group's operations taxable jurisdictions	**(569)**	3,717	**16,108**	15,323
Adjustments:				
Tax effect of expenses that are not deductible in determining taxable profit	**-**	123	**118**	66
Tax effect of income not taxable in determining taxable profit	**-**	(68)	**-**	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(261)**	5,002	**13,840**	7,109
Pillar II top up tax	**(1,101)**	4,784	**2,000**	5,125
Income tax (benefit) / expense for the period recognised in profit or loss	**(1,931)**	13,558	**32,066**	27,623
Current tax	**21,019**	13,558	**55,016**	27,623
Deferred tax	**(22,950)**	-	**(22,950)**	-
Income tax (benefit) / expense for the period recognised in profit or loss	**(1,931)**	13,558	**32,066**	27,623

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

22. Income taxes (continued)

	30 June 2026 AED'000 *(Unaudited)*	31 December 2025 AED'000 *(Audited)*
Current tax liability recognised in the condensed consolidated interim statement of financial position	**144,031**	98,747

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 30 June		**Six-month period ended 30 June**	
	2026 ***(Unaudited)***	2025 *(Unaudited)*	**2026** ***(Unaudited)***	2025 *(Unaudited)*
(Loss) / profit for the period attributable to Owners of the Company (AED'000)	**(16,338)**	122,928	**214,276**	237,805
Weighted average number of ordinary shares (Note 12)	**5,000,000,000**	5,000,000,000	**5,000,000,000**	5,000,000,000
Basic and diluted (loss) / earnings per share (AED)	**(0.003)**	0.025	**0.043**	0.048

24. Borrowings

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Term loans	**912,570**	429,284
Trust receipts	**208,504**	-
	1,121,074	429,284

24. Borrowings (continued)

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

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Within one year	**488,526**	179,284
More than one year	**632,548**	250,000
	1,121,074	429,284

The Group's borrowings as at 30 June 2026 amounting to AED 437,780 thousand (31 December 2025: AED 300,000 thousand) (Note 7 and 30) 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 3-month EIBOR plus 1.25% per annum and is repayable in equal quarterly instalments of AED 12,500 thousand each. As at 30 June 2026, the outstanding balance of the loan amounted to AED 275,000 thousand (31 December 2025: AED 300,000 thousand).

b) A subsidiary of the Group has obtained term loans for the purchase of equipment and machinery, bearing interest at 1-month EIBOR plus 2.75% per annum, with a tenure of 3 years. As at 30 June 2026, the outstanding balance of these loans is AED 91,517 thousand (31 December 2025: AED 129,284 thousand).

c) The Group has obtained two separate unsecured term loan facilities of AED 250,000 thousand each, bearing interest at 3-month EIBOR plus 1.30% and 1.50% per annum respectively. These loans are repayable in equal quarterly instalments of AED 20,833 thousand each. As at 30 June 2026, the outstanding balance for each facility is AED 250,000 thousand (31 December 2025: AED nil).

d) A subsidiary of the Group has obtained a term loan facility of AED 150,000 thousand, with AED 46,053 thousand utilized as at 30 June 2026 (31 December 2025: AED nil), for CAPEX requirements relating to construction of upcoming data center projects. The loan carries interest at 3-month EIBOR plus 1.25% per annum and is repayable over a period of 5 years. As at 30 June 2026, the outstanding balance is AED 46,053 thousand (31 December 2025: AED nil).

Trust receipts

Trust receipts are obtained from commercial banks against project proceeds, repayable in 180 days, bearing interest at rates ranging from 4.7% to 6.8% per annum (31 December 2025: 7.2% to 7.4% per annum).

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

25. Gross amounts due to customers on construction contracts

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Gross amounts due to customers on construction contracts	**342,241**	263,656

The above balance includes gross amounts due to customers on construction contracts arising from contracts with affiliated entities as at 30 June 2026 amounting to AED 651 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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)	**Variance AED'000**
Gross amounts due from customers on construction contracts, before ECL	**4,058,417**	3,874,328	**184,089**
Gross amounts due to customers on construction contracts	**(342,241)**	(263,656)	**(78,585)**
	3,716,176	3,610,672	**105,504**

Significant changes are as follows:

	Variance AED'000
Conversion to contract receivables	**(8,832,502)**
Revenue recognition (Note 21)	**8,938,006**
	105,504

26. Investment in financial assets

As at 30 June 2026, ALEC Engineering and Contracting LLC – SPC made an investment into a liquidity fund from a financial institution amounting to AED 77,185 thousand. These were classified as financial assets at fair value through profit or loss. Fair values are determined by reference to published price quotations in an active market. The investments are readily redeemable and, accordingly, are classified as current assets. Income earned and changes in fair value during the period were recognised in profit or loss. The fair value of this investment is classified as Level 1 investment.

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

27. Contingent liabilities and commitments

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Bank guarantees	**11,070,569**	9,011,084
Letters of credit	**1,254,401**	1,152,272

As at 30 June 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).

28. 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**	Share in ownership 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 Constructioneers Ltd. and ALEC Saudi Arabia Engineering and Contracting LLC (SAUDICO - ALEC JV)	Construction activities	Kingdom of Saudi Arabia	**50%**	50%
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%

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

28. Joint operations (continued)

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.

29. Financial instruments

29.1 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.

29.2 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 financial instruments, including derivative financial instruments, for speculative purposes. Surplus funds are placed in short-term, highly liquid instruments to optimise returns, while maintaining liquidity and capital preservation.
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:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Financial assets		
Retention receivables	**1,047,887**	1,011,616
Contract and other receivables (excluding retention receivables and advances to suppliers and subcontractors)	**1,754,214**	1,441,907
Investment in financial assets	**77,185**	-
Cash and bank balances	**2,386,300**	1,574,529
	5,265,586	4,028,052
Financial liabilities		
Retention payables	**625,230**	515,848
Contract and other payables (excluding retention payables, output VAT payables, and advances from customers)	**4,721,878**	3,815,951
Borrowings	**1,121,074**	429,284
Lease liabilities	**260,895**	302,785
Long term incentive provision	**25,072**	14,614
	6,754,149	5,078,482

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

30. Comparative figures

The prior period numbers have been restated to reclassify the liability related to bank acceptances included in bank borrowings for the year ended 31 December 2025 amounting to AED 205,136 thousand to contract payables under contract and other payables. In accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, we have restated the comparative amounts for the prior year presented.

Bank acceptances are accounted for as borrowings when the liability becomes a financing obligation to the bank since the bank has either funded the payment or extended credit. Bank acceptances are accounted as part of contract payables when the letter of credit was issued only as a payment mechanism for the purchased goods/services and the supplier due to be paid in the normal course of trade.

As at 31 December 2025, the Target Engineering Construction Company – Sole Proprietorship L.L.C., a subsidiary, has reported an outstanding liability related to bank acceptances, payable within a year, amounting to AED 205,136 thousand as part of borrowings (Note 24). To align with the current year presentation, total amount of acceptances amounting to AED 205,136 thousand was reclassified as part of contract payables under contract and other payables (Note 17). Out of the total reclassified borrowings of AED 205,136 thousand, AED 180,278 thousand were borrowings from related party banks (Note 7).

The details of figures as previously reported and as corrected are as follows.

31 December 2025

Condensed consolidated interim statement of financial position

	Notes	Amounts previously reported AED'000	Reclassification AED'000	Amounts as restated AED'000
LIABILITIES				
Current liabilities				
Contract and other payables	17	6,012,571	205,136	6,217,707
Borrowings	24	384,420	(205,136)	179,284

For the six-month period ended 30 June 2025

Condensed consolidated interim statement of cash flow

	Amounts previously reported AED'000	Reclassification AED'000	Amounts as restated AED'000
Operating activities			
Increase in contract and other payables, including non-current portion of retention payables and advances from customer and long-term provisions	1,506,456	(4,984)	1,501,562

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2026 (continued)

30. Comparative figures (continued)

For the six-month period ended 30 June 2025 (continued)

Condensed consolidated interim statement of cash flow (continued)

	Amounts previously reported AED'000	Reclassification AED'000	Amounts as restated AED'000
Financing activities			
Proceeds from bank borrowings	1,631,270	(581,464)	1,049,806
Repayment of bank borrowings	(1,852,701)	586,448	(1,266,253)
	(221,431)	4,984	(216,447)

31. Events after the reporting period

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

32. Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved by Board of Directors and authorised for issue on 13 August 2026.