



WELCOME


 MARINA GATE TOWERS

WHERE EXPERIENCE BECOMES LEGACY

Our first annual report reflects years of visionary construction and engineering excellence, which have changed city skylines, delivered meaningful social and economic impact through the realisation of industry-firsts and iconic complex structures and developments.

OUR VISION

To be the leading innovative construction group.

OUR PURPOSE

Transform construction towards an efficient and sustainable future.

OUR VALUES

- ▶ COURAGE – We strive forward with bold action
- ▶ INTEGRITY – We are transparent and accountable in our actions
- ▶ RELIABILITY – We deliver on our commitments
- ▶ INNOVATION – We make ideas happen
- ▶ VALUE OUR PEOPLE – We empower and invest in our people

ABOUT US



We build for tomorrow

Through the integration of groundbreaking technologies, including robotics and advanced automation, ALEC Holdings strives to be at the forefront of next-generation construction and engineering operating models. We aim to increasingly automate more of our building and construction activities through advanced robotic solutions by 2030, while our suite of specialised

related businesses pushes the boundaries of design and modularity in cultural, hospitality, and leisure developments. As a publicly listed entity on the Dubai Financial Market (DFM) and as part of the Investment Corporation of Dubai (ICD), ALEC Holdings is at the forefront of the UAE's strategic vision for economic diversification and sustainable development.

From massive scale...



We deliver complex, multibillion-Dirham projects with complete visibility from concept to commissioning through an integrated platform that unites the Group's Portfolio Businesses across Building & Construction, Energy Solutions, MEP, Fit-Out, Data Centres, Façades, Modular Solutions, and Equipment Rental.

Each part of this ecosystem contributes expert capabilities at precisely the right moment: whether executing iconic developments like One Za'abeel or technically demanding offshore energy infrastructure.

...to the smallest detail

The Group provides end-to-end management and disciplined cost controls, quality, design, and build services. We focus on precision fit-out works and meticulous execution from thousands of workers and across years of construction. This integration enables visibility across macro-level programme management and micro-level execution quality. Shared digital building information modelling, risk-governance frameworks, and real-time optimisation tools ensure that these projects never lose sight of the millimetre-level tolerances and system-integration challenges that define how we build for tomorrow.

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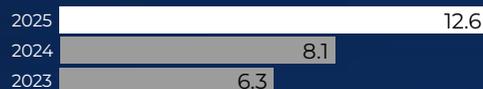
Read more about
ALEC Holdings: alec.ae

HIGHLIGHTS

2025 FINANCIAL OVERVIEW

ALEC Holdings delivered an exceptional financial performance in 2025, achieving record revenue of AED 12.6 billion: a remarkable 56% year-on-year growth, alongside AED 1.1 billion EBITDA and a commanding AED 30.2 billion backlog. Strong cash generation, expanding margins, and AED 335 million in shareholder dividends demonstrated disciplined growth and operational excellence.

REVENUE
AED 12.6bn
+56% YoY



ALEC Holdings achieved record revenue growth in 2025, driven by robust backlog conversion across Building & Construction (AED 6.8 billion, 47.1% of Group revenue) and Energy Solutions (AED 4.6 billion, 31.9% of Group revenue), supported by steady contributions from higher-margin Related Businesses.

BACKLOG
AED 30.2bn
+2.4x revenue coverage



Year-end backlog of AED 30.2 billion provides exceptional forward visibility, with 89% concentrated in the UAE and 11% in Saudi Arabia. The backlog is well diversified across data centres, energy and offshore, hospitality, leisure, and complex residential sectors.

GROSS PROFIT
AED 1,323mn
+ 10.5% Margin



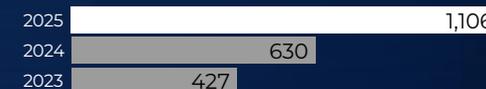
Strong gross profit performance underscores the Group's ability to select high-value projects and execute them efficiently.

FREE CASH FLOW
AED 813mn
+23.2%



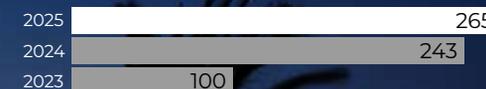
Strong cash generation was maintained despite increased capital expenditure of AED 387 million (3.1% of revenue), deployed primarily to enhance energy segment capabilities and support data centre growth.

EBITDA
AED 1,106mn
+8.8% Margin



EBITDA performance reflected enhanced operational efficiency, disciplined cost control, and a strategic focus on complex, high-value projects across data centres, energy infrastructure, and mission-critical facilities.

DIVIDENDS
AED 335mn
**AED 250mn April 2026 +
AED 85mn interim August 2025**



Total 2025 dividends represent ALEC Holdings' commitment to a minimum 50% payout ratio of net profit, balancing shareholder returns with growth investment.

HIGHLIGHTS CONTINUED

DEVELOPMENT OVERVIEW

ALEC Holdings secured AED 12.4 billion in projects, including Lower Zakum field works and the Stargate Data Centre. Successful execution on major projects like Wynn Al Marjan Island and Energy infrastructure, along with notable completions and industry awards, confirmed the Group’s regional leadership and technical expertise.

BACKLOG GROWTH

AED 30.2bn

10.0% YoY



ALEC Holdings increased its contracted work backlog from AED 27.5 billion at the end of 2024 to AED 30.2 billion by December 2025, driven by winning key projects in the UAE through its selective tendering process and strong client relationships.

NEWLY AWARDED PROJECTS

Lower Zakum, Stargate, Borouge PE4 and PE5 Expansion

In 2025, ALEC Holdings won some of its largest and most important contracts to date. Success in competitive tenders and negotiations highlighted the Group’s technical expertise and strong market position in energy, data centres, and infrastructure projects. 52% of new awards in 2025 came through direct, bilaterally negotiated awards.



STARGATE DATA CENTRE

ONGOING PROJECTS

Wynn Al Marjan Island, Stargate Data Centre, ADNOC projects, Qiddiya Speed Park

In 2025, ALEC Holdings continued delivering several major regional projects, including resorts, data centres, energy infrastructure, and giga-projects in Saudi Arabia. The Group is using strict programme management, digital controls, business integration, and early-warning systems to consistently meet schedules, budgets, and quality standards on demanding ongoing assignments.



WYNN AL MARJAN ISLAND

PROJECT COMPLETIONS

teamLab Phenomena Abu Dhabi, Yas Waterworld Expansion, Natural History Museum Abu Dhabi and ADNOC Offshore upgrade works on Das Island

In 2025, the Group completed several major projects, showcasing its expertise in delivering complex, high-standard facilities. These achievements strengthened its reputation for excellence in themed entertainment, immersive experiences, and mission-critical systems.



NATURAL HISTORY MUSEUM ABU DHABI

HIGHLIGHTS CONTINUED

SUSTAINABILITY OVERVIEW

ALEC Holdings demonstrated strong ESG leadership in 2025, earning two LEED office certifications, including Platinum, operating 5.5 MWp of solar capacity across its assets, and training nearly 8,000 workers. With 100% of senior executive management completing ESG training, and external recognition from EcoVadis, sustainability excellence is embedded across every operation.

ENVIRONMENTAL HIGHLIGHTS:

- 2 offices LEED certified (Platinum, gold)
- ISO 14001:2015 covering 100% of businesses
- 5.5 MWp cumulative solar capacity installed across assets
- 70% waste diversion from landfill
- 158 tonnes of gypsum waste recycled

SOCIAL HIGHLIGHTS:

- 0.097 Lost Time Injury Frequency Rate per million man-hours in 2025
- ISO 45001:2018 Covering 100% of businesses
- 99% close-out rate on worker welfare issues recorded in 2025
- Over 8,000 workers trained, 250 workers promoted to staff
- Over 11,000 beneficiaries of Community Impact projects
- 100% senior executive management completed ESG 101 training
- New Mother's Rooms established across 4 offices

GOVERNANCE HIGHLIGHTS:

- United Nations Global Compact signatory and participant since 2023
- ISO 9001:2015 covering 100% of businesses
- 100% of cases reported through ALEC ALERT whistleblowing platform resolved
- 65%* staff completed Ethics training completion
- 3,132 vendors formally certified compliance with Code of Conduct

* Majority of those who haven't completed Ethics training are new hires who joined in Q4



AWARDS AND RECOGNITION

The Group’s operational excellence, safety leadership, and project execution capabilities were recognised externally through multiple industry awards in 2025. These accolades validate its strategic focus on complex, high-value projects, disciplined risk management, and world-class health, safety, and quality performance across its UAE and KSA operations.

GROUP AWARDS:



#3
Oil and Gas Middle East’s Top 25 EPC Contractors (2025)



Business Excellence – Construction
Westford Awards (2025)



Largest Contractor of the Year
Big Project ME Awards (2025)



Contractor of the Year
CIA MENA Awards (2025)



Digital Contractor of the Year
ME Digital Construction Awards (2025)

Digital Team of the Year
ME Digital Construction Awards (2025)

WORKER WELFARE AND ESG AWARDS:



Best Welfare Company
Dubai Holding (2025)



First Place for Labour Accommodation (companies with fewer than 10,000 workers)
UAE Ministry (2025)



Committed Badge
Ecovadis



ESG Label (Advanced Maturity Level)
Dubai Chamber of Commerce

INNOVATION AWARDS:



Best Contractor of Innovation in Construction Techniques, LINQ
Construction KSA Innovation Awards (2025)

BUILT ON INNOVATION

INNOVATION FUELS EVERY ADVANTAGE

Innovation at ALEC Holdings is structured, measured, and scaled to sharpen competitive advantage, from robotics to digital platforms and new revenue streams across the portfolio.

ALEC Holdings treats innovation as a core corporate value, owned by every business unit and supported by a central Innovation Department. A formal framework covers five domains: People, Organisation and Culture; Continuous Improvement; Health, Safety and Environment; Technology and Automation; and New Business Opportunities.

Bright Ideas, the Group's digital innovation platform, tracks live initiatives and in 2025 generated over 1,204 ideas, with 170 implemented. Ideas are assessed, executed, and then recorded for future use. Every employee has an innovation target, supported by training and knowledge sharing programmes with contributions tracked via dashboards reviewed by business unit leaders.

IDEAS GENERATED
IN 2025

1,204

IDEAS IMPLEMENTED
IN 2025

170

Our engagement model with startups brings innovative ideas and practical solutions to the construction industry. We actively seek collaboration to drive technological advancements and improve project outcomes.



BUILT ON INNOVATION CONTINUED



EMBRACING ROBOTICS

In November 2024, ALEC Holdings launched its robotics strategy to automate 5% of activities by 2030.

Key construction tasks include concrete levelling, robotic block handling (MULE), logistics, pipe welding, and rebar tying. MULE technology, developed with Construction Robotics, increases block work productivity by 50–75% and reduced manual handling risks, allowing operators to focus on higher-value work.

AVERAGE BLOCKWORK PRODUCTIVITY GAINS
50-75%

This illustrates how in 2025, the focus shifted to converting momentum into measurable traction, with pilots delivering results and laying foundations for wider adoption across projects. Concrete levelling and pipe-welding solutions are currently being piloted and evaluated before wider adoption.

Evidence shows that ALEMCO's modular operations delivered measurable MEP productivity and commissioning gains in 2025 offsite manufacture accelerated delivery timelines, improved programme certainty, and mitigated delivery risks. The controlled factory environment strengthened labour efficiency and quality, with the approach now positioned for scaling across multiple fabrication hubs.

WE PAY FOR GREAT IDEAS

Innovation is incentivised through a transparent points system that converts impact into recognition and rewards.

Engagements are scored on desirability, feasibility, and business value, reaching 100 points unlocks a cash bonus. High performers are also profiled across the Group, rewarding incredible ideas with peer recognition as well as hard cash.

We work diligently to ensure that the ideas we adopt are of meaningful, scalable value. Annual culture surveys, CSAT scores for major initiatives and industry benchmarking ensure that innovation activity is judged on measurable value, not volume of ideas.

TOTAL CASH BONUSES AWARDED DURING 2025 (AED)

495,000



BUILT ON INNOVATION CONTINUED

AS SAFE AS HOUSES

Digital construction underpins ALEC Holdings' innovation edge, anchored by ISO 19650-aligned BIM processes and BSI BIM Kitemark certification for design, construction, and commissioning.

This positions the Group as a leader in information management on complex schemes such as Wynn AI Marjan and Stargate Data Centre. Integrated platforms like Autodesk Construction Cloud, Revizto, Morta, and Oracle Primavera P6 allow multidisciplinary teams and over 70 subcontractors to coordinate design, clashes, and changes instantly. On major projects, human error has dropped by up to 90%, with 7-15% efficiency improvement across all stages of construction through the use of different tools.

REDUCTION IN HUMAN ERROR

90%



OUR DOOR IS OPEN

Innovation in ALEC Holdings is deliberately open: universities, startups, digital firms, and mature suppliers are integrated into the innovation ecosystem.

By 2025, the Group had engaged 56 new partners of which 21 are startups and completed 28 pilots with different partners. These figures represent the cumulative partners and solutions progressed through the innovation funnel to date.

Tahadij II, the Group's flagship challenge programme, concluded in February 2025 after converting real business problems into tested solutions.

The programme marked a shift from standalone piloting toward embedding proven initiatives into repeatable operational practices, while building innovation capability across teams.

Partnerships have already created new revenue lines, most notably Battery Energy Storage Systems deployed with AJI Rentals and ALEC Energy, and ALEC Data Center Solutions hyperscale offering. A total of 40 battery boxes were deployed in 2025, proving the business case for sustainable, generator-free site power and opening a new commercial opportunity.

Loadgate, ALEC Holdings' internally developed logistics platform, has achieved around 20% asset utilisation gains and more than 50% effort savings on crane and delivery management. The solution is now positioned as a product in its own right, demonstrating how internal innovation can evolve into a scalable service.

STARTUPS ENGAGED IN 2025

21

PILOTS COMPLETED

28

BUILT ON INNOVATION CONTINUED



THE FUTURE IS OURS

The future can be owned by anybody, but with an unparalleled internal and external innovation ecosystem, the future is already in our grasp.

Five innovation themes guide priorities for 2026

1. Digital transformation
2. Data and AI
3. Subcontractor innovation challenges and mini challenges
4. Robotics in construction
5. Monetising new revenue streams

Each theme has a defined owner, KPIs and links to business unit plans across Construction, Energy and Related Businesses.

Taken together, the Bright Ideas engine, incentives, robotics roadmap, digital construction leadership and partner ecosystem position ALEC Holdings to be the region's leading innovative construction group. At ALEC Holdings, absolutely anything can be achieved – we have the resources, the scale, the strategy, the brains, and the will to guarantee that nothing is impossible.

OUR SECTORS OF EXPERTISE

OUR PROJECTS



AIRPORTS ▶

ALEC Construction, ALEMCO, ALEC FITOUT and AJI Rentals coordinate airside and landside delivery, integrating complex MEP, security, theming and logistics to keep live hubs operational while expanding capacity and enhancing passenger experience at scale.



DUBAI AIRPORT CONCOURSE D



HOSPITALITY ▶

From core-and-shell construction to luxury fit-out, and MEP, ALEC Construction, ALEC FITOUT and ALEMCO deliver 5-star hospitality assets as fully coordinated programmes, aligning interfaces, quality and brand standards while compressing schedules on flagship resorts.



JUMEIRAH MARSA AL ARAB



ALEC TECHNOLOGIES



◀ DATA CENTRES

An integrated platform spanning ALEC Data Center Solutions, ALEMCO, ALEC Technologies, ALEC Energy and ALEC Construction delivers end-to-end, product-agnostic data centres, combining prefabrication, ELV, MEP and renewable power to meet hyperscale, AI and uptime requirements seamlessly.



OIL AND GAS



ENERGY SOLUTIONS ▲

Target Engineering's EPC expertise in offshore and onshore oil and gas is reinforced by marine yards and specialist services, enabling complex brownfield tie-ins, marine works, and fabrication to be executed under one disciplined governance and risk framework.

OUR SECTORS OF EXPERTISE CONTINUED



MUSEUMS AND PAVILIONS ▶

The Group unites precision construction, exhibition fit-out, environmental controls and digital experiences, leveraging ALEC FITOUT, ALEMCO and ALEC Technologies to meet stringent curatorial, acoustic and climate requirements on nationally significant cultural landmarks.



LEISURE ▼

Across theme parks and entertainment destinations, ALEC Holdings combines complex structural delivery, specialist MEP, theming, AV and show systems through ALEC FITOUT, ALEMCO and ALEC Technologies, creating immersive visitor environments with single-point accountability for performance and safety.



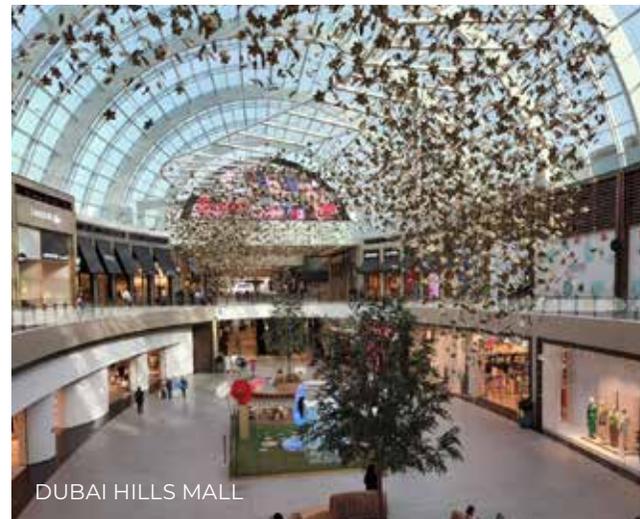
COMMERCIAL ▲

For headquarters and office towers, ALEC integrates core construction, high-spec MEP, ELV, modular solutions and interior fit-out, optimising floorplates, flexibility and building performance while managing costs and programme through one coordinated delivery team.



RETAIL ▶

End-to-end capability across malls and lifestyle destinations combines structural works, fast-track interior packages, specialist MEP and tenant coordination, enabling phased openings, high footfall resilience and consistent brand environments for leading regional developers.



COMPLEX RESIDENTIAL ▲

High-rise and branded residences benefit from ALEC's experience in vertical developments, integrated with ALEMCO, ALEC FITOUT and ALEC Solutions for façades and modular elements, delivering premium living environments with rigorous cost, quality and programme control.



LANDMARK PROJECTS
MUSEUMS AND PAVILIONS

Natural History Museum Abu Dhabi



The Natural History Museum Abu Dhabi represents a landmark cultural project on Saadiyat Island, Abu Dhabi's premier cultural district. This world-class museum combines advanced architectural design with sophisticated heritage preservation systems, creating a facility capable of housing and displaying significant natural history collections.

The museum features many exhibition galleries, research areas, climate-controlled storage, and visitor facilities. Advanced environmental systems ensure stable temperature and humidity to protect valuable natural history specimens. Interior design balanced architectural goals, heritage conservation, and visitor experience requirements.

OUR APPROACH

Construct, Conserve and Protect

ALEC Holdings' integrated delivery for the Natural History Museum Abu Dhabi combined advanced environmental systems, heritage-sensitive construction, and specialised exhibition infrastructure. ALEC Construction led project coordination, while ALEMCO provided precise climate control, fire suppression, and building automation, all geared to stringent conservation standards.

ALEC FITOUT enhanced galleries and visitor experience, and ALEC Technologies installed security and environmental monitoring systems. The project also demanded collaboration with museum specialists and heritage consultants, ensuring every element, from HVAC to lighting, prioritised collection protection and respected conservation requirements.

The 30-month timeline required careful coordination between design development, heritage protocol establishment, procurement of specialised systems, and construction execution – all conducted with meticulous attention to quality and conservation standards.

ALEC units involved



Overview

Client

Miral

Built-up Area

36,700m²

Contract Period

30 months

Purpose

World-class museum, advanced heritage preservation.

Delivery

Precision climate control, heritage-sensitive construction, advanced exhibition systems.

Outcome

Established ALEC's expertise in cultural institutions, delivered to stringent conservation standards.



LANDMARK PROJECTS
MUSEUMS AND PAVILIONS

UAE Pavilion – EXPO 2020 Dubai



The UAE Pavilion at EXPO 2020 Dubai represented national pride and innovation, aiming to inform visitors about the Nation’s achievements, values, and vision.

As the host country’s pavilion, it was a project of special importance, demanding top architectural standards and smooth collaboration with the government and international exhibition authorities.

The pavilion’s design, with unique features and 1,800 tonnes of steel, demanded close coordination across design, permits, fabrication, and assembly.

1,800
TONNES OF STEEL

OUR APPROACH

Rapid Mobilisation for a Standout Architectural Triumph

The UAE Pavilion at EXPO 2020, delivered by ALEC Holdings, exemplifies the company’s skill in managing complex projects quickly. Given the BUA of 19,200m², ALEC Construction led fast-track site logistics and assembly. ALMECO also implemented modular MEP systems for efficient off-site fabrication and seamless integration of critical services.

ALEC Lite and ALEC Technologies ensured a high-quality visitor experience through advanced ICT and AV installations, including security and live media capabilities. This coordinated, modular approach enabled ALEC Holdings to exceed expectations, making the pavilion a standout architectural achievement and demonstrating its expertise in delivering ambitious national projects under tight deadlines.

The UAE Pavilion’s successful delivery – and its subsequent recognition as one of EXPO 2020’s architectural highlights – validated ALEC Holdings’ capacity to execute landmark national projects within extraordinary time constraints while maintaining design integrity and client satisfaction.

Overview

Client

Ministry of Presidential Affairs

Built-up Area

19,200m²

Purpose

Symbol of national pride, immersive cultural experience, and set new benchmarks for exhibition architecture.

Delivery

Fast-track, modular MEP, advanced ICT/AV, parallel off-site and on-site execution.

Outcome

Recognised as an architectural highlight, delivered under extreme time constraints.

ALEC units involved



LANDMARK PROJECTS CONTINUED
MUSEUMS AND PAVILIONS

Mobility Pavilion – EXPO 2020 Dubai



OUR APPROACH

Seamlessly Engineered Thematic Architecture

The Mobility Pavilion has served as a prime example of ALEC Holdings' integrated delivery strategy, with ALEC Construction managing complex structural forms, ALEMCO providing exhibition-specific MEP systems, and ALEC FITOUT transforming interiors into immersive environments. ALEC Technologies delivered advanced ELV, AV, and security infrastructure, while AJI Rentals supported construction with specialised equipment.

This coordinated delivery model enabled seamless coordination of engineering, theming, and technology, with each portfolio company adding domain expertise to enhance the guest experience. The project highlighted ALEC Holdings' capability to deliver large-scale thematic pavilions through deep specialisation and value chain integration.

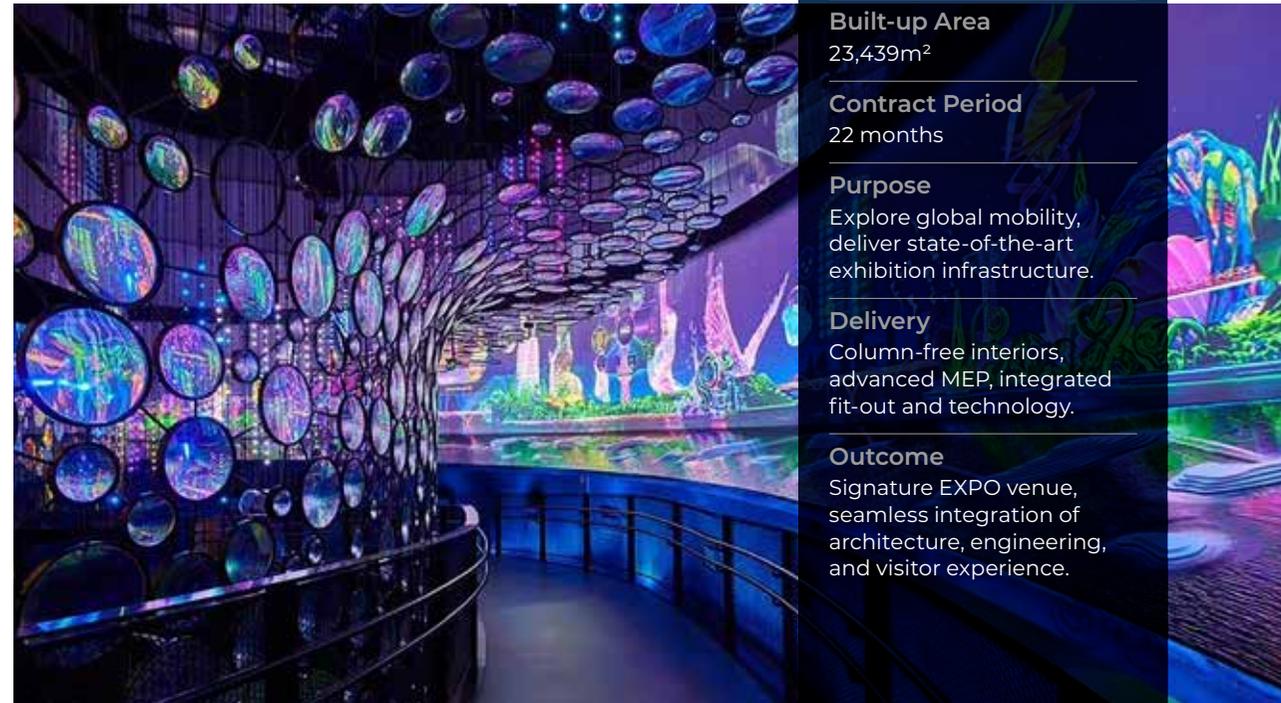
The pavilion's success depended on seamless integration between the architectural vision, structural systems, MEP infrastructure, and exhibition fit-out. ALEC Holdings' integrated model enabled single-point accountability while deploying deep specialisation across disciplines.

ALEC units involved



The Mobility Pavilion at EXPO 2020 Dubai was a major temporary exhibition focused on the future of transportation, featuring innovations in autonomous vehicles, sustainable transit, and advanced mobility systems. Its architecture embodied movement, connectivity, and modern design.

The pavilion's design used advanced engineering to create column-free spaces for moving vehicle displays and interactive zones. It included 9,000 tonnes of steel and required innovative temporary works. The interior featured 9 exhibition zones, each with unique environmental, lighting, and safety needs, demanding precise MEP coordination for both exhibition and building systems.



Overview

Client
EMAAR

Built-up Area
23,439m²

Contract Period
22 months

Purpose
Explore global mobility, deliver state-of-the-art exhibition infrastructure.

Delivery
Column-free interiors, advanced MEP, integrated fit-out and technology.

Outcome
Signature EXPO venue, seamless integration of architecture, engineering, and visitor experience.



LANDMARK PROJECTS CONTINUED MUSEUMS AND PAVILIONS

KSA Pavilion – EXPO 2020 Dubai

The KSA Pavilion at EXPO 2020 Dubai showcased Saudi Arabia's vision and culture, acting as a temporary cultural ambassador.

The pavilion's design focused on providing an immersive experience for visitors over a period of six months, with an emphasis on architectural quality and operational efficiency.

The pavilion's design emphasised the interplay between traditional Saudi aesthetics and contemporary construction methodologies. The structure incorporated a substantial quantity of steel framework and utilised advanced temporary works engineering to achieve the ambitious architectural vision while meeting EXPO's stringent safety and accessibility requirements.





LANDMARK PROJECTS CONTINUED

MUSEUMS AND PAVILIONS – KSA PAVILION CONTINUED



Overview

Client

Saudi Aramco

Built-up Area

7,070m²

Contract Period

19 months

Purpose

Showcase Saudi Vision 2030, deliver a world-class, temporary structure with high visitor capacity.

Delivery

Modular steel structure, rapid assembly, integrated design and construction, completed on time and on budget.

Outcome

Iconic pavilion, seamless stakeholder coordination, affirmed ALEC's credentials in international exhibitions.

OUR APPROACH

Balancing Function, Geometric Complexity, and Heavy Materials

ALEC Construction used a design-and-build approach for the construction of the KSA Pavilion, coordinating closely with stakeholders to deliver an efficient and visually impressive pavilion on schedule, supporting Saudi Arabia's Vision 2030.

ALEC built a modular steel structure using fast assembly methods, achieving complex geometry quickly while maintaining quality and aesthetics. The Group also integrated its design, procurement, and construction processes to optimise cost and schedule and ensure consistent standards throughout the project.

The accelerated 19-month timeline required innovative project scheduling and mobilisation strategies. ALEC's approach enabled parallel execution of design refinements and site preparation, compressing critical path activities. The pavilion's successful delivery within budget and schedule solidifies the Group's extensive capabilities in delivering on international exhibition projects and its ability to coordinate multiple specialised disciplines under complex operational constraints.

ALEC units involved





LANDMARK PROJECTS CONTINUED COMPLEX RESIDENTIAL

One Za'abeel – Dubai

One Za'abeel is a flagship mixed-use development in Dubai, featuring two main towers linked by the world's largest suspended link bridge above a highway, considered a significant engineering achievement. The project integrates luxury hospitality, upscale residences, and commercial spaces in one urban location. ALEC Construction led the construction of the towers and a record-setting strand-jacking of the suspended link bridge, with support from other ALEC divisions

The primary engineering achievement was the cantilever bridge, a record-setting structure installed using large-scale strand-jacking and incorporating a long unsupported span that required precise design and construction coordination.

The development includes ultra-luxury hotels such as One&Only and SIRO, upscale residences, premium dining options, a 82-metre rooftop infinity pool, and streamlined operations for various amenities.



Overview

Client

Ithra Dubai

Built-up Area

530,000m²

Contract Period

39 months

Purpose

Iconic mixed-use development, redefine Dubai's skyline.

Delivery

Twin towers, world's largest cantilever bridge, luxury fit-out, advanced MEP, and technology.

Outcome

Landmark engineering achievement, recognised for innovation and complexity.

OUR APPROACH

360 Visibility on Highly Complex Construction and Logistics Coordination

One Za'abeel highlights ALEC Holdings' ability to manage complex, multi-disciplinary projects, integrating advanced engineering and technology. ALEC Construction led the towers and a record-setting strand-jacking of the cantilever bridge, with support from other ALEC divisions.

The project marked a global first in large-scale strand-jacking, requiring close coordination with Dubai authorities. It set new benchmarks for construction innovation, sustainability, and quality in luxury mixed-use developments.

The vertical integration of the development – with the main towers rising while construction proceeded in overlapping phases – required extraordinary logistics

planning and coordination to manage material flows, personnel movements, and equipment deployment.

One Za'abeel's successful delivery and its subsequent recognition as a landmark architectural and engineering achievement represent just one of ALEC Holdings' unique landmark developments and its role in constructing some of the world's most iconic, most complex, and ambitious projects.

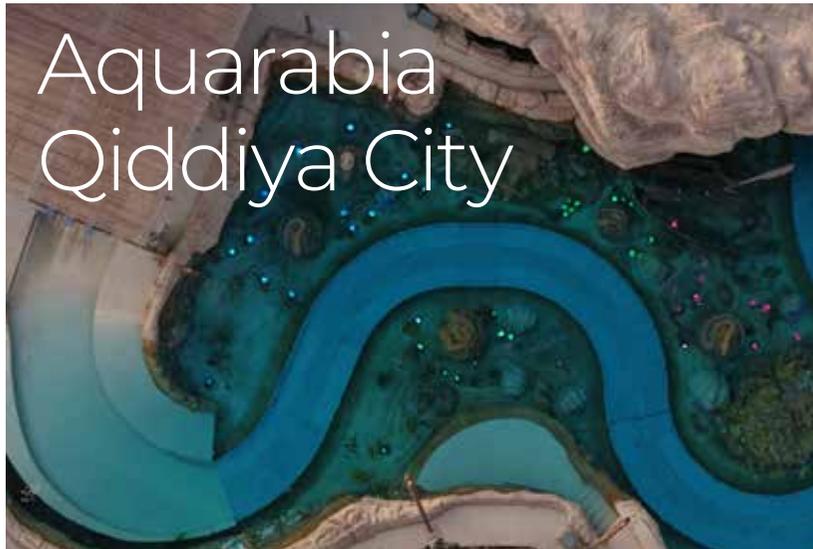
ALEC units involved





LANDMARK PROJECTS CONTINUED

LEISURE



Aquarabia Qiddiya City

OUR APPROACH

Precision Engineering and Safety-first Accountability

The design and construction of the Aquarabia Qiddiya City required a comprehensive, end-to-end development approach that combined construction, fit-out, MEP systems, theming, and operational technology under one accountable team.

Coordination and Collaboration

ALEC Saudi Arabia and El Seif jointly managed site development, structural and temporary works, and overall coordination, while ALEC FITOUT managed theming, finishes, F&B, and retail fit-out, and guest amenities.

The Aquarabia Qiddiya City is a major attraction featuring 11 themed zones with a variety of slides, pools, and rivers. Signature rock elements define the park's distinctive skyline. The design prioritises innovation, guest comfort, and sustainability through advanced water and climate systems.

As a flagship leisure destination, the park supports Qiddiya's vision for cultural and economic growth and strengthens Saudi Arabia's global tourism ambitions by offering memorable experiences for visitors and residents.

ALEC units involved



Aquarabia Qiddiya City near Riyadh, developed by a joint venture between ALEC Saudi Arabia Engineering and Contracting and El Seif Engineering Contracting for Qiddiya Investment Company, will offer water attractions, dining, hotels, shops, and connections to Qiddiya's infrastructure.

Design and Technical Highlights

The park will feature 11 themed zones with slides, pools, rivers, and adventure spaces alongside extensive theming, including the 82-metre Camel Rock spanning 94,000m². Advanced water systems and climate-adapted HVAC will meet global standards.

Overview

Client

Qiddiya Investment Company

Built-up Area

~250,000m²

Contract Period

47 months

Purpose

Flagship leisure destination aligned with Qiddiya's master plan and Vision 2030.

Delivery

End-to-end construction, fit-out, MEP, theming and operational technology under single JV accountability.

Outcome

Region's largest themed water park, 11 zones, 82-metre Camel Rock; positions JV for future Qiddiya projects.





LANDMARK PROJECTS CONTINUED LEISURE

teamLab Phenomena Abu Dhabi

teamLab Phenomena Abu Dhabi on Saadiyat Island, delivered by ALEC Construction for Miral, is a purpose-built immersive digital art venue combining projection, interactive sensors, architectural design, and visitor-responsive technology.

Design and Technical Highlights

Spaces were engineered to optimise projection sightlines and immersive effects, with tailored architectural, lighting, AV, and sensor requirements. Precise climate control, high-density power distribution, and integrated building automation protect sensitive equipment and enable continuous interactive operation.



LANDMARK PROJECTS CONTINUED
LEISURE – TEAMLAB PHENOMENA ABU DHABI CONTINUED



Overview

- Deliver a world-class immersive digital art museum using advanced projection and interactive systems.
- Provide exhibition infrastructure for projection, sensors, AV, and responsive installations.
- Showcase ALEC's capability to deliver technically demanding cultural venues in the region.
- Support flexible, evolving installations that change with each visit.

Client

Miral

Built-up area

17,000m²

Status

Completed in February 2025

Scope

Purpose-built exhibition spaces, mechanical, electrical, and plumbing (MEP); audiovisual (AV), and fit-out.

Outcome

A multi-award-winning immersive digital art destination that elevates visitor engagement and strengthens the client's cultural brand.

- MEP ME Awards: Smart Project of the Year

OUR APPROACH

Immersive Digital Architecture and Technical Coordination

ALEC Construction combined structural works, specialist fit-out, MEP, and extra low voltage (ELV) and audiovisual (AV) coordination to meet teamLab's artistic and technical brief, providing single-point delivery and close collaboration with the artist technologists.

Contractor Roles

From start to finish, the Group and its Portfolio Companies managed site development, structural and fit-out works and coordinated specialist MEP/AV suppliers. MEP systems delivered precise HVAC, power distribution, and automation. Furthermore, the Group's ELV/AV teams integrated projection, sound, and sensor networks; fit out delivered specialist mounts, finishes and visitor amenities.

Project Outcome

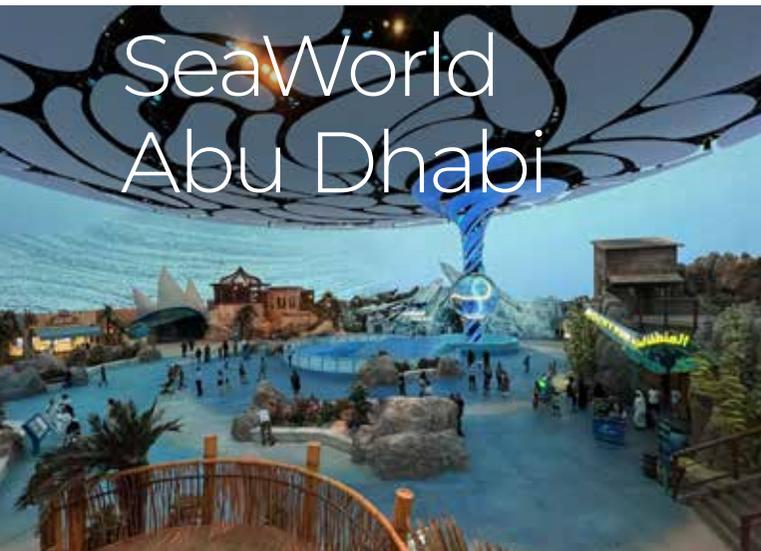
teamLab Phenomena Abu Dhabi is a complete, purpose-built immersive venue on Saadiyat Island that demonstrates ALEC's ability to deliver complex digital culture projects through tight technical coordination and iterative testing, enabling responsive, high-impact visitor experiences.

ALEC units involved





LANDMARK PROJECTS CONTINUED LEISURE



SeaWorld Abu Dhabi

SeaWorld Abu Dhabi stands as the world's largest indoor marine theme park and represents a transformational leisure project for Abu Dhabi's tourism ecosystem. Encompassing state-of-the-art marine habitats, interactive animal experiences, world-class dining, and adventure attractions, the facility combines zoological excellence with entertainment infrastructure on an unprecedented scale.

The facility hosts the world's largest aquarium with around 25 million gallons of saltwater in 8 habitat zones. Spanning 5 levels and 1.8 kilometres of pathways, it meets international animal care standards and offers restaurants, shops, meeting spaces, as well as advanced water treatment and life-support systems.

OUR APPROACH

Critical Stakeholders Engagement and Complex Aquatic Engineering

As a highly specialised facility combining architectural innovation, sophisticated mechanical systems, visitor experience design, and advanced operational technologies, SeaWorld Abu Dhabi is as exciting as it is challenging in its complexity and need for a unique architectural design and precision engineering.

ALEC Holdings orchestrated the delivery of SeaWorld Abu Dhabi, with ALEC Construction managing structural systems for vast aquarium loads, while ALEMCO implemented advanced life support and water treatment, and ALEC FITOUT delivered high-quality hospitality and visitor amenities.

ALEC Technologies provided sophisticated monitoring and safety systems, with ALEC Energy installing solar PV for sustainability and AJI Rentals supplying bespoke access solutions. This unified expertise enabled seamless integration of mechanical, structural, and operational systems, ensuring marine welfare and visitor experience.

The 42-month schedule allowed for thorough design, testing, and improvement with marine biology experts, ensuring a well-developed facility. ALEC Holdings brought together the critical needs for animal welfare, visitor safety, and operational standards to ensure the highest possible welfare and safety across the SeaWorld experience.

ALEC units involved



Overview

Client
Miral

Built-up Area
256,000m²

Contract Period
42 months

Purpose
World's largest indoor marine theme park, innovative habitat engineering.

Delivery
Advanced life support, water treatment, integrated guest experience, and sustainability features.

Outcome
Benchmark for marine parks, unified biological, visitor, and infrastructure excellence.





LANDMARK PROJECTS CONTINUED DATA CENTRE

Stargate Data Centre – Abu Dhabi

Once complete, Stargate Data Centre will serve as a reference point for the region's rapidly expanding artificial intelligence and hyperscale data centre sector. This landmark 200 MW Phase 1 facility – currently under construction – will sit within a 1GW campus concept, and is being developed in partnership with G42 and OpenAI.

As such, it represents the first international deployment of OpenAI's advanced AI infrastructure platform in the Middle East and anchors Abu Dhabi's ambitions to become a global AI hub.

The data centre's design emphasises rapid deployment, modular scalability, and operational efficiency. The facility is incorporating 200 MW electrical capacity, sophisticated cooling systems to dissipate 200 megawatts of heat, and infrastructure redundancy ensuring continuous operational availability. The 200 MW first phase is designed to integrate seamlessly with planned subsequent phases, creating the full 1GW campus.



LANDMARK PROJECTS CONTINUED
DATA CENTRE CONTINUED

OUR APPROACH

Phased Commissioning, Modular Construction and Advanced Cooling

ALEC Construction is managing structural works, while ALEC Data Center Solutions oversees design, modular manufacturing, and fast deployment for hyperscale data centres. ALMECO is providing advanced MEP systems, including immersion cooling, reliable power, and automation to ensure continuous operation. LINQ's modular assembly is accelerating construction, and ALEC Technologies is delivering ELV, security, and management platforms for round-the-clock control and reliability.

Stargate's 19-month delivery timeline – which is extraordinarily aggressive for a hyperscale facility – requires highly innovative, disruptive approaches that include:

- Modular prefabrication enables parallel off-site manufacturing and on-site assembly, compressing the construction critical path
- Standardised design modules reduce on-site complexity and enable rapid deployment of capacity increments
- Advanced cooling technologies, including liquid cooling and immersion approaches, optimise power efficiency and deployment speed
- Phased commissioning enables partial facility operation during construction

The 19-month schedule requires tight coordination among design, manufacturing, and assembly teams. ALEC Holdings' integrated and innovation-led approach is allowing for flexible delivery, adjusting to changing technical demands and client needs as AI infrastructure evolves in real-time.

ALEC units involved



Overview

Client

Khazna

Built-up Area

250,000m²
(Phase 1: 200MW)

Contract Period

19 months for the initial phase

Purpose

Hyperscale AI data centre, rapid deployment for global AI hub.

Delivery

Modular construction, advanced cooling, phased commissioning, 24/7 operational infrastructure.

Outcome

Positioned ALEC as a regional leader in data centre construction.





LANDMARK PROJECTS CONTINUED HOSPITALITY

Wynn Al Marjan Island – Ras Al Khaimah

Wynn Al Marjan Island represents ALEC Holdings' landmark entry into luxury resort development in the Emirate of Ras Al Khaimah, delivering one of the region's most ambitious hospitality complexes. When complete, this project will combine a world-class hotel, upscale retail, premium dining, and leisure facilities into a singular iconic destination redefining Ras Al Khaimah's position as a premier hospitality market.

The development includes a luxury hotel, branded residences, upscale retail and dining, conference facilities, and leisure amenities such as beachfront clubs and entertainment venues. The project requires careful coordination among hospitality, design, engineering, and technology to deliver a comprehensive resort experience.



Overview

Client

Wynn Resorts

Built-up Area

508,000m²

Contract Period

41 months

Purpose

Luxury integrated resort, redefining hospitality in the UAE.

Delivery

Multi-component complex, luxury fit-out, advanced MEP and technology, value chain integration.

Outcome

The Island will set new standards for luxury resorts and function as a benchmark for the seamless delivery of complex projects across disciplines.



OUR APPROACH

An Extraordinary Attention to Detail across the Entire Value Chain

Wynn Al Marjan Island requires a truly unified, 360-degree approach to major luxury hospitality development, combining structural construction, sophisticated MEP systems, ultra-premium fit-out, and advanced operational technologies. This is where ALEC Holdings and its Portfolio Companies are truly coming into their own.

ALEC Holdings is serving as the lead contractor for the project, managing structures, site development, and infrastructure for the development. Drawing on past hospitality experience, ALEC Construction is coordinating the project with ALEMCO, delivering custom MEP solutions such as

advanced HVAC, plumbing, electrical, and automation to ensure operational excellence throughout all areas. ALEC FITOUT is creating high-end interiors for suites, residences, restaurants, retail, spa, and conference spaces, and ALEC Technologies is tasked with installing modern guest management, entertainment, security, AV, and automation systems. On the logistics front, AJI Rentals is supporting the construction with specialist equipment.

The 41-month timeline requires the careful orchestration of design development, the procurement of luxury finishes and systems, construction sequencing, and fit-out execution. ALEC Holdings' end-to-end approach is enabling flexible project delivery while maintaining rigorous quality standards essential to luxury hospitality.

ALEC units involved



CHAIRMAN'S MESSAGE

Building tomorrow's landmarks today



H.E. HUSSAIN LOOTAH

Chairman of the Board of Directors
ALEC Holdings PJSC

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present ALEC Holdings' 2025 Annual Report, marking a landmark year in which we completed our initial public offering and delivered exceptional performance that establishes our standing as the region's preferred partner for iconic, mission-critical developments.

We concluded the year with record revenue growth and robust backlog of AED 30.2 billion, providing exceptional visibility over our future earnings trajectory.

This performance reflects our unwavering commitment to operational excellence, disciplined project selection, and the execution of some of the region's most iconic developments.

Strategic Alignment with Regional Ambitions

Our track record in winning strategically vital assignments across the Gulf underscores the confidence placed in us by governments and leading institutions.

We are directly engaged in the realisation of the UAE's D33 economic blueprint and the Kingdom of Saudi Arabia's Vision 2030 transformation agenda.

Across both markets, these strategic frameworks are driving economic diversification, building world-class infrastructure, and shaping the region into global hubs for technology, tourism, and sustainable development.

From the Stargate Data Centre complex supporting the UAE's AI ambitions to the Qiddiya Speed Park project and major offshore energy infrastructure, our work contributes directly to economic priorities and nation-building objectives.

We are proud to participate in landmark projects of genuine national significance – such as the pioneering Wynn Al Marjan Island in Ras al Khaimah and cultural institutions like the Natural History Museum Abu Dhabi.

Our Integrated Platform Creates Real Value

Our ability to deliver on projects of such monumental significance rests upon the inherent value in our integrated platform, which delivers tangible results in real project execution. When our construction, energy, fit-out, MEP, and specialist teams work as a single unit, we achieve historic outcomes that our competitors simply cannot match. We maintain full visibility and control over costs, quality, and supply chains. Importantly, we also deliver as one point of contact for our clients, rather than coordinating multiple contractors, allowing us to sequence our services in ways that compress timelines and reduce risk.

The evidence for this is everywhere: at SeaWorld Abu Dhabi, where our MEP specialists developed advanced life-support systems for various marine animals. At One Za'abeel, the scale and technical complexity of the world's longest cantilever, the largest strand-jacking operation in the region, and the luxury fit-out of 500 rooms required flawless integration across every business unit. These technical achievements speak to the inherent value and strength of the Group's integrated approach.

It is an approach that has earned us a win rate of approximately 46% on focused tenders, affirming our position as the first-choice contractor for the region's most sophisticated clients. It has enabled deep, recurring relationships with ADNOC, major master developers, and government-related entities across both markets.

CHAIRMAN'S MESSAGE CONTINUED

The Strength of Our People and Culture

The foundation of our competitive advantage lies in our people. ALEC Holdings has built a culture where integrity, reliability, innovation, courage, and valuing our people are the operating principles of every team member. Our management team has worked together for an average of 15 years, bringing continuity and deep knowledge to every decision. Our retention rate of 89% over the past decade reflects the commitment of our people to this company and to each other.

In 2025, we continued to invest heavily in leadership development, digital capabilities, and innovative construction methods. We sustained an industry-leading safety record, achieving a Lost Time Injury Frequency Rate of 0.097 per million man-hours, which underscores our unwavering commitment to protecting every individual on our sites. We launched ALEC Alert, our confidential whistleblowing platform, and strengthened our governance frameworks to support the scale and complexity of our operations as a listed company.

Creating Sustainable Value for Our Shareholders

The Group's financial discipline provides the foundation for sustainable growth and strong returns. Our dividend policy, targeting a minimum payout ratio of 50% of net profit, reflects our confidence in our cash-generative model and our multi-year earnings visibility. We have approved an initial dividend of AED 250 million payable in April 2026, demonstrating our commitment to delivering consistent value from the outset of our listed journey.

ALEC Holdings will remain selective in pursuing only the most technically demanding projects where our integrated capabilities, proven execution track record, and deep client relationships provide a genuine competitive advantage. We will concentrate our resources on high-growth sectors where long-term national investment programmes create sustained demand for elite-tier contractors. Above all, we will continue to consolidate shareholder value through disciplined capital deployment, margin protection, and consistent returns throughout the cycle.

To our majority Shareholder, ICD, we are grateful for your long-term support and stewardship. To our Board colleagues, thank you for your strategic guidance. To our executive management team, your disciplined execution has been outstanding, and to every member of the ALEC Holdings family, your dedication and expertise make this company what it is.

Most importantly, I extend sincere thanks to our clients for entrusting us with projects that shape the future of this dynamic region. Together, we continue to build tomorrow's landmarks today, leaving an enduring legacy on the urban landscape of the UAE and the Kingdom of Saudi Arabia.

H.E. HUSSAIN LOOTAH

**Chairman of the Board of Directors
ALEC Holdings PJSC**

“The foundation of our competitive advantage lies in our people. ALEC Holdings has built a culture where integrity, reliability, innovation, courage, and valuing our people are the operating principles of every team member.”

CEO STATEMENT

Execution of large-scale, iconic developments with confidence

“ALEC Holdings delivered a strong full-year performance in 2025, underpinned by disciplined execution of a high-quality backlog, deepening positions in strategic sectors, and a successful IPO that strengthens the platform for long-term value creation.”



CEO STATEMENT CONTINUED

2025 was a pivotal year for ALEC Holdings. The Group translated a robust pipeline and a clear strategy into strong revenue growth, expanding earnings and deeper partnerships with blue-chip clients across the region. The successful listing during the fourth quarter marked an important strategic milestone, broadening our shareholder base and further aligning the Group with the ambitions of the UAE's capital markets.

Revenue for 2025 rose 56% YoY to AED 12.6 billion, supported by an integrated platform covering Building & Construction, Energy Solutions, and related businesses. EBITDA and net profit increased YoY, tracking well against IPO guidance, underpinned by a capex-light model and robust cash generation. Importantly, our targeted growth in high-potential sectors – including data centres, entertainment, and specialist hospitality – succeeded in driving performance, with major developments including Wynn Al Marjan Island, Qiddiya Speed Park, Aquarabia Water Theme Park, and the first phase of the Stargate Data Centre advancing on schedule. With the region's data centre capacity set to triple by 2030, ALEC Holdings is well-positioned for continued expansion in this critical infrastructure segment.

The Group further entrenched its position as the preferred partner for complex, nationally significant projects in the UAE and KSA, while reinforcing its commitment to people, safety, and sustainability.

Strategy and Backlog

Our strategic priorities remained clear and consistent throughout the year: grow in the UAE, expand selectively in KSA through targeted projects and partnerships, establish leadership in data centres, enhance margins, invest in innovative construction methods, and pursue value-accretive adjacencies in related businesses.

In 2025, tangible progress was made in these areas, evidenced by strong growth in Building & Construction and Energy Solutions, in addition to a rising contribution from data centre work and deepening penetration of our KSA portfolio. The Group also secured major national developments, strengthening relationships with key clients, including government entities and national oil companies.

By year-end 2025, our order book stood at AED 30.2 billion, equating to approximately 2.4 times last twelve months revenue and reflecting the depth of long-term commitments secured from public and private sector clients. This contracted work spans Building & Construction, Energy Solutions and related businesses, predominantly in the UAE with selective presence in KSA and strong exposure to data centres, airports, hospitality and energy infrastructure.

Our strategy is clear: to focus on landmark projects where ALEC Holdings has a genuine edge, deepen our presence in high-growth sectors like data centres and energy, and create sustainable value for all stakeholders.



Selectivity in tendering and a growing share of projects awarded through bilateral negotiations or limited tenders continue to differentiate our model, enabling us to deploy resources where our integrated platform, technical capabilities, and track record command a premium. The backlog includes multiple projects with individual values in the multi-billion-dirham range and a balanced mix of contract durations, supporting both near-term delivery and multi-year visibility.

Initial Public Offering

The IPO represents a natural evolution in ALEC Holdings' journey, enhancing visibility, strengthening talent acquisition, and ensuring structured capital support for future growth to capital for future growth. As a publicly listed company, the Group remains firmly focused on selective tendering, balanced risk-sharing, and the disciplined capital allocation that has underpinned performance across multiple cycles.

REVENUE GROWTH

56% YoY

BACKLOG

AED 30.2bn

CEO STATEMENT CONTINUED

Following the listing, the Board introduced a capital returns framework that envisages returning at least half of future net profit from FY2027 onwards, and includes a proposed inaugural dividend of AED 250 million in April 2026, subject to shareholder approval. This approach is designed to combine consistent cash returns with the flexibility to reinvest in high-return opportunities in data centres and energy, while preserving the Group's conservative leverage profile.

In 2025, the Group continued to invest in leadership development, skills, innovation, and digital capabilities, while upholding world-class safety and worker welfare standards. We expanded deployment of advanced digital tools, robotics, and modular construction techniques to enhance productivity, predictability, and safety, while embedding a risk management culture throughout the organisation. ALEC Holdings' core values – integrity, reliability, courage, innovation and valuing our people – guide our actions and underpin confidence in the next phase of growth.

Environment, Social and Governance (ESG)

ALEC Holdings is deeply committed to ESG principles and sustainability, focusing on decarbonisation through low-carbon site operations, modular construction, and off-site prefabrication to reduce waste, emissions, and environmental impact. The company prioritises green building practices, achieving certifications like LEED Platinum and ISO 14001, and integrates renewable energy solutions with a solar capacity of 6.421 MWp across its facilities and project sites.

Safety and worker welfare remain non-negotiable: in 2025, ALEC Holdings sustained a world-class safety performance in line with its low lost-time injury frequency rate and maintained high closure rates for issues raised through worker grievance mechanisms, supported by independent audits and continuous engagement.

During the year, ALEC Holdings rolled out ALEC Alert, a confidential Whispli-powered channel that enables workers and stakeholders to speak up on potential misconduct, with eight reports received and managed through formal case handling processes. The Group also provided targeted fraud training for 84 Estimation and Procurement staff, and delivered comprehensive anti-corruption and compliance training across projects, meeting international regulations like the US Foreign Corrupt Practices Act (FCPA).

Governance was further strengthened through an enhanced Ethics Committee and a refreshed Ethics Framework, which updates our Anti-Bribery and Anti-Corruption standards, Code of Conduct compliance expectations, and Vendor Code of Conduct requirements. These enhancements reinforce the Group's risk management as its footprint broadens across new jurisdictions and large-scale projects, supporting long-term transparency and accountability.

Future Growth and Acknowledgements

The Board's guidance and support have been instrumental in navigating this landmark year, and sincere thanks are due to our Chairman and Board colleagues for their stewardship. On behalf of the Board, I wish to extend our sincere thanks to our industry partners and government stakeholders for their continued collaboration, and to our employees whose dedication underpins every project we deliver.

Above all, the Group is grateful to its clients for their trust in ALEC Holdings to deliver outstanding landmarks and architectural triumphs: nationally significant projects that help realise long-term ambitions across the region. With a record backlog, an enhanced capital markets profile and a focused strategy, ALEC Holdings is entering its next chapter with confidence, targeting disciplined growth, innovation and sustainable value creation in the years ahead.

BARRY LEWIS

Chief Executive Officer
ALEC Holdings PJSC



CFO STATEMENT

Sustained
profitable growth
underpinned
by disciplined
execution and a
robust, diversified
backlog

“In line with its UAE and KSA strategy, ALEC Holdings delivered a strong operational and financial performance in 2025, supported by a high-quality backlog, disciplined risk management, and a robust capital allocation framework.”



CFO STATEMENT CONTINUED

Driven by effective conversion of its sizeable backlog, ALEC Holdings continued to deliver improvements in its revenue and margin, supported by financial discipline and continued evolution into a leading, diversified Construction and Engineering platform.

Right across its Building & Construction, Energy Solutions and related businesses, the Group has maintained its long-standing focus on quality, safety and prudent risk management. The year also demonstrated the resilience of ALEC Holdings' business model, with profitable growth delivered against a backdrop of continued large-scale investment in strategic sectors in the UAE and KSA and sustained demand for complex, flagship projects.

Operations and Backlog

The Group's ability to pick up a broad portfolio of complex projects in 2025 was underpinned by a substantial, multi-year backlog of approximately AED 30.2 billion. The backlog is well diversified across sectors, with major projects awarded, including Wynn Al Marjan Island, Stargate Data Centre, ADNOC offshore EPC projects, Qiddiya Speed Park, Como Residences, and the Ilmi Science and Technology Centre.

During 2025, Building & Construction and Energy Solutions, which were supported by related businesses, delivered a broad portfolio of complex projects for blue-chip clients in the UAE and KSA.

The Group's strong revenue growth and improved margins have been driven by disciplined project selection, higher margin work in data centres and related businesses, and the ongoing integration and optimisation of Target Engineering within the Energy Solutions segment.

Cash Flow, Capital Structure and Capital Allocation

The Group generated strong operating cash flow in 2025, supported by disciplined working capital management. The balance sheet remained robust, with low gross leverage, a net cash position and substantial liquidity. This has enabled the Group to fund growth capex and investments primarily from internal resources. Within this conservative capital structure, capital allocation continued to prioritise self-funded organic growth, selective investment in modern construction methods, and sustainable dividends.

Dividends and Outlook

The Group remains committed to its dividend policy of a minimum 50% payout ratio of net profit from 2027 onwards, with a cash dividend of AED 250 million scheduled for distribution in April 2026. The Group has committed to pay a dividend of AED 500 million for the 2026 financial year. This will be paid partly in October 2026 and the balance in April 2027. Entering 2026, ALEC Holdings has a substantial, well-diversified backlog of approximately AED 30.4 billion, supported by its leading market position in its core geographies and growing exposure to high-growth areas. Strategically important, these projects represent high-value opportunities such as data centres and Energy Solutions, providing clear visibility on continued disciplined, profitable growth.

JOHN DEEB

Chief Financial Officer
ALEC Holdings PJSC



Group Key Metrics

AED Million unless otherwise noted

	FY2025 AED million	FY2024 AED million
Total Revenues	12,604	8,101
Gross Profit	1,323	836
Net Cash (Debt)	637	250
Net Debt/EBITDA	0.6x	0.4x
EBITDA	1,106	630
Operating Cash Flow	1,414	1,114
Free Cash Flow to Firm	813	660
Order Backlog	30,292	27,527
Backlog Coverage	2.4x	3.4x

CFO STATEMENT CONTINUED

BUILDING & CONSTRUCTION

In 2025, ALEC Holdings' Building & Construction segment continued to lead, with revenue of AED 6.8 billion (up 68% YoY). Additionally, gross margins in the segment remained healthy at 7.3%, driven by sustained activity across complex mixed-use, hospitality, retail and themed projects in the UAE, with increasing contributions from projects in Saudi Arabia.

Financial Review

REVENUE FY2025

AED 6,838mn

REVENUE GROWTH

68% YoY

GROSS PROFIT FY2025

AED 500mn

GROSS PROFIT GROWTH

101% YoY

GROSS MARGIN

7.3%

Operational Review

ORDER BACKLOG

AED
15,288mn

BACKLOG COVERAGE

2.2x revenue

ENERGY SOLUTIONS

Our Energy Solutions segment, comprising Target Engineering (which includes offshore and marine capabilities) and ALEC Energy, delivered exceptional growth in 2025, with revenue of AED 4.6 billion (up 64% YoY), driven by major EPC and energy infrastructure awards across oil and gas, power and marine sectors. Gross margins in this segment remained healthy at 9.0%, underpinned by selective tendering, robust risk management and the quality of our engineering and execution teams.

Financial Review

REVENUE FY2025

AED 4,626mn

REVENUE GROWTH

64% YoY

GROSS PROFIT FY2025

AED 418mn

GROSS PROFIT GROWTH

68% YoY

GROSS MARGIN

9.0%

Operational Review

ORDER BACKLOG

AED
14,530mn

BACKLOG COVERAGE

3.1x revenue

MARINE FLEET

40 vessels

RELATED BUSINESSES

The Related Businesses segment, comprising ALEC FITOUT, ALEMCO (MEP), ALEC Data Center Solutions, ALEC Technologies, ALEC Lite, LINQ Modular, ALEC Facades, AJI Rentals and INPROSERV, grew revenue to AED 3 billion in 2025 (up 53% YoY). The segment's gross margin of 12.2% reflects the inherent quality of these business units and demonstrates the Group's ability to extract profitability across the full value chain.

Financial Review

REVENUE FY2025

AED 3,050mn

REVENUE GROWTH

53% YoY

GROSS PROFIT FY2025

AED 373mn

GROSS PROFIT GROWTH

14% YoY

GROSS MARGIN

12.2%

Operational Review

KEY VERTICALS:

- ▶ Fitout
- ▶ MEP
- ▶ Data Centres
- ▶ LINQ Modular

ORDER BACKLOG

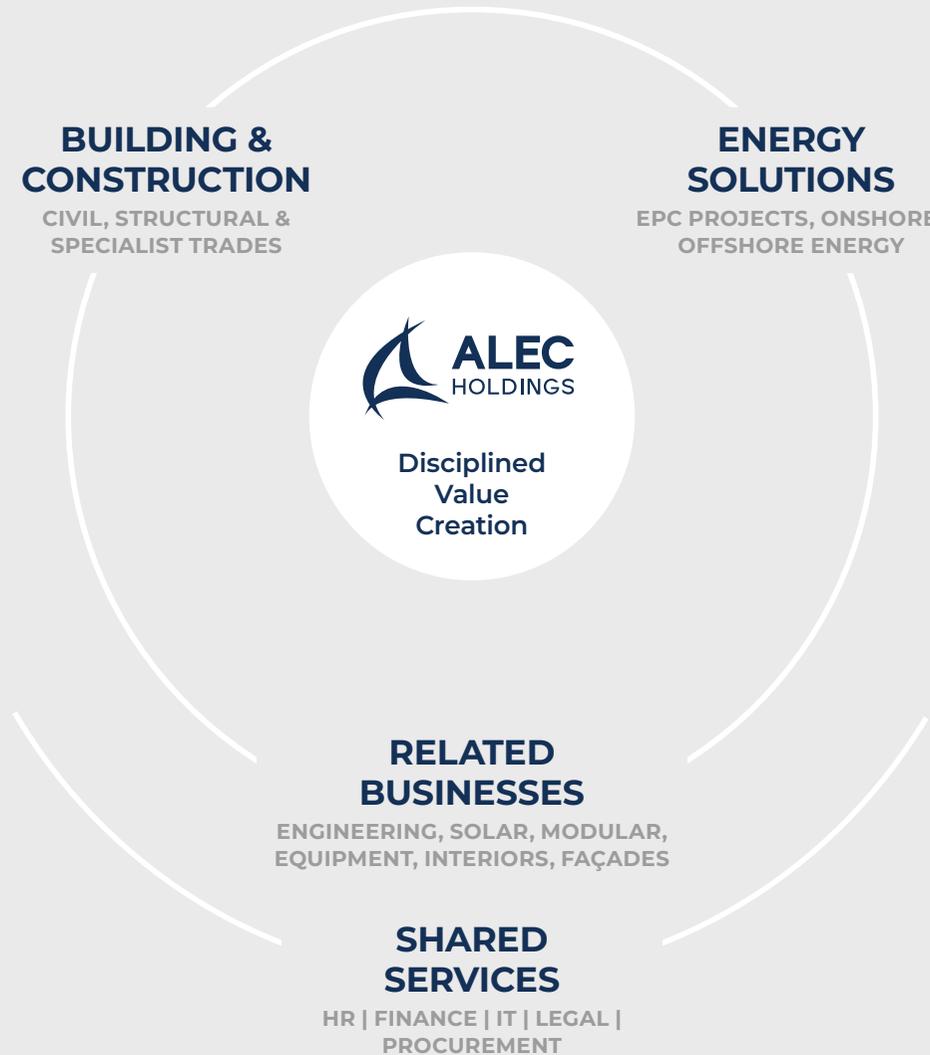
AED 474mn

OUR BUSINESS MODEL

HOW WE ORGANISE OUR BUSINESS

ALEC Holdings is an integrated construction and engineering group that combines complementary businesses on a single platform to deliver complex, large-scale projects across the UAE and Saudi Arabia.

Each business operates with specialist teams and full P&L accountability, while leveraging shared systems, governance, innovation platforms, and client relationships to drive collaboration, efficiency, and disciplined value creation.



Building & Construction

From early design coordination and value engineering to construction management, commissioning, and handover, our multi-disciplinary teams integrate civil, structural, and specialist trades. Using BIM, modular solutions, and strict cost control, we enhance predictability, shorten schedules, and deliver high-quality outcomes for leading public and private sector clients.

SEE PAGE 42

Energy Solutions

Through dedicated mechanical, electrical, civil, and marine divisions, ALEC Holdings delivers technically demanding projects for national and international energy companies – supporting regional energy security and transition priorities while diversifying earnings.

SEE PAGE 43

Related Businesses

Specialist units provide fit-out, refurbishment, theming, MEP and ELV systems, data centres, façades, modular buildings, solar solutions, and equipment rentals and maintenance. Working alongside core operations, they deepen client relationships, deliver higher-margin technical capabilities, support repeat work, and enhance project economics through integrated turnkey solutions.

SEE PAGE 43

OUR BUSINESS MODEL CONTINUED

OUR RELATED BUSINESSES



ALEMCO, a Mechanical, Electrical and Plumbing company, provides the skill, expertise, experience and resources essential to meet the demands of today's fast track projects.



Enter the era of seamless connectivity with ALEC Data Center Solutions. Our state-of-the-art facilities ensure unparalleled reliability, security, and performance, empowering businesses to thrive in the digital age.



ALEC Technologies specialises in integrated technology solutions for complex, large-scale projects. From commercial infrastructure to luxury residential developments, we provide tailored solutions that deliver excellence.



ALEC FITOUT specialises in delivery of luxury hotels and resorts, museums, cultural and themed entertainment projects in the UAE and KSA.



Executes fast-track, turnkey small-scale construction and refurbishment projects across MEP, civil and architectural services, focused on small-scale new builds and refurbishments.



Revolutionise construction with LINQ Modular. Our custom modular building solutions offer flexibility, speed, and innovation, empowering you to bring your vision to life with precision and efficiency.



Our turnkey rooftop EPC solutions and solar energy solutions pave the way for sustainable development, empowering businesses to embrace clean energy and reduce their carbon footprint.



Define your skyline with ALEC Facades. Specialising in custom-made façades and building solutions, we merge aesthetics with functionality to create architectural masterpieces that captivate and endure.



Unlock the potential of your projects with AJI Rentals. Offering high-end and heavy access equipment rentals, we provide the tools you need to execute with precision, efficiency, and safety.



Whether it's corrosion control, fireproofing, specialised concrete repairs, flooring, or beyond, we are dedicated to exceeding expectations and setting new standards of quality and reliability.

OUR BUSINESS MODEL CONTINUED

OUR INTEGRATED VALUE CHAIN

BUSINESS DEVELOPMENT

Selective tendering and bilateral negotiations with blue-chip clients, strategic projects aligned with national agendas, disciplined capital allocation and risk-weighted pricing.

Supported by ALEC Data Center Solutions for early engagement on hyperscale and mission-critical projects, and LINQ Modular for innovative construction methods that strengthen bid competitiveness.

DESIGN AND PLANNING

BIM-enabled design, value engineering and workplan optimisation, integration of modern methods of construction, early modularisation and digital sequencing.

LINQ Modular contributes modular design expertise, while ALEC FITOUT provides early input on interior layouts and finishes to optimise space planning and cost efficiency.

PROCUREMENT

Supply chain and materials management, subcontractor selection and risk mitigation, back-to-back supplier terms, and strategic partnerships with equipment and technology providers.

ALEMCO (MEP & ELV) ensures technical compliance and sourcing for complex systems, while ALEC Facades manages procurement of advanced façade solutions.

CONSTRUCTION & PROJECT DELIVERY

On-site execution with full integration of related businesses, modular and prefabricated component assembly, real-time cost and quality control, digital tools and robotics for efficiency.

ALEC FITOUT delivers high-quality interior finishes; ALEMCO installs MEP and ELV systems; ALEC Facades executes façade works; LINQ Modular provides prefabricated units; and AJI Rentals supplies critical equipment for seamless delivery.

COMMISSIONING & HANDOVER

Project closure, systems testing and commissioning, warranty and defects management, knowledge transfer and client training.

ALEMCO leads systems commissioning, while ALEC FITOUT ensures final interior quality checks and compliance.

POST-DELIVERY & MAINTENANCE

Operations and maintenance support, asset performance optimisation, and continuous improvement feedback loops.

AJI Rentals and ALEMCO provide ongoing technical support and maintenance services, ensuring long-term asset performance.

OUR BUSINESS MODEL CONTINUED

OUR INVESTMENT CASE

Built to Outperform.

INTEGRATED SERVICE PLATFORM

ALEC Holdings brings together construction, energy, fit-out, MEP, data centres, modular solutions and equipment rental under one coordinated platform. This delivers single-point accountability, enhanced project economics, superior cost and quality control, and a broader range of services to clients.

CORE BUSINESS

2

RELATED BUSINESS

10

STRICT PROJECT SELECTION

Selective tendering and bilateral negotiations have delivered a high win rate on focused tenders (46%), enabling disciplined project selection and attractive margins. Rigorous approval frameworks and multiple checkpoints also ensure optimal resource allocation and risk discipline.

WIN RATE ON FOCUSED TENDERS

46%

STRONG REGIONAL FOOTPRINT

Market leadership in the UAE (89% of backlog) with a growing presence in the KSA (11% of backlog). Deep client relationships, institutional backing from ICD, and proven execution on nationally significant projects in both markets.

PORTION OF BACKLOG FROM UAE

89%

PORTION OF BACKLOG FROM KSA

11%

LARGE SCALE & COMPLEX PROJECTS

25-year track record of developing iconic, complex projects, including One Za'abeel, SeaWorld Abu Dhabi, Dubai Airport Concourse A, Dubai Hills Mall, Natural History Museum Abu Dhabi, and Wynn Al Marjan Island. Track record demonstrates integrated capabilities, risk management and ability to execute mega-projects in aviation, energy, data centres and cultural assets.

PROJECT TRACK RECORD

25 years

DIGITAL & SUSTAINABLE INNOVATION

Advanced BIM, modular manufacturing, robotics and digital tools (Loadgate, eForms) drive efficiency, quality and schedule compression. Modern methods of construction reduce waste and emissions. Continuous investment in technology and partnerships with universities and innovation labs support a competitive advantage.

PEOPLE AND CULTURE

60% of the Group's C-suite have been with ALEC Holdings for over 15 years. The business operates with a strong emphasis on talent development, career progression and retention (10-year retention rate). World-class health and safety culture (0.097 LTIFR in 2025) and dedicated worker welfare programmes. Shared core values of Courage, Integrity, Reliability, Innovation and Valuing Our People underpin execution excellence.

10-YEAR RETENTION RATE

89%

MARKET OVERVIEW

MACROECONOMIC DRIVERS

Shifting global trade, national strategies, urbanisation, and non-oil diversification represent just some of the powerful macroeconomic drivers supporting the Group’s highly ambitious growth objectives in a region with robust economic momentum.

1. National Strategies

Visionary national strategies such as the UAE’s D33 Agenda and KSA’s Vision 2030 aim to attract foreign investments and innovation as a route to achieving sustainable economic development, global competitiveness, the development of in-country value, and the realisation of a highly skilled population.

Our Response

ALEC Holdings is strategically positioned to deliver projects aligned with national agendas across respective markets, such as the UAE’s D33 Agenda and Saudi Arabia’s Vision 2030, alongside projects that have national significance, such as Expo 2030, Al Maktoum International Airport, and Abu Dhabi National Oil Company’s (ADNOC’s) energy initiatives.

2. Digital Infrastructure and the Digital Economy

The rapid scaling of cloud, artificial intelligence, and data-driven services in the GCC is driving substantial investment in hyperscale data centres and digital infrastructure, positioning the region as a global technology and AI hub.

Our Response

ALEC Holdings is building a regional leadership position in the data centres segment through ALEC Data Center Solutions and landmark projects such as Stargate UAE, integrating modular construction, advanced MEP, and energy-efficient design.

GCC DATA CENTER MARKET
Market forecast to grow at a CAGR of 18.2%



3. Non-Oil Sector Growth

Ambitious diversification agendas in the UAE and KSA are accelerating capital allocation into tourism, entertainment, logistics, and advanced industrial sectors. This is reducing oil dependence and creating a robust pipeline of social, cultural, and commercial assets.

Our Response

ALEC Holdings is deepening sector specialisation in leisure, museums, ultra-luxury hospitality, and industrial facilities. This is made possible by combining core construction with fit-out, MEP, modular construction, façades, and energy capabilities – an integrated approach to delivering end-to-end solutions on flagship diversification projects.

4. Population Growth and Urbanisation

Rapid population growth and accelerating urbanisation across the GCC are driving sustained demand for housing, transportation, social infrastructure, and mixed-use developments across the GCC. These factors are reinforcing the long-term prospects of regional construction and engineering investment pipelines for ALEC Holdings.

Our Response

ALEC Holdings is prioritising large, complex building and infrastructure projects across the region to support population growth and the need for new and often mixed urban communities. It is also leveraging its diversified and integrated value chain model to secure long-term projects that align with national strategies for social and economic development.

MARKET OVERVIEW CONTINUED

UAE

BUILDING AND CONSTRUCTION

DATA CENTRES



- 5GW Stargate UAE AI computing cluster – USA-UAE partnership, largest outside America.
- Major partnerships with Khazna, G42, Microsoft, Oracle, and NVIDIA delivering substantial investments.
- The GCC data centre market projected to reach AED 275bn spend between 2025–2033.

AVIATION



- Al Maktoum International Airport targeting 260 million annual passengers by under a US\$35bn expansion programme.
- Abu Dhabi and RAK airport expansions are underway.
- Tourism expenditure forecast AED 251bn by 2030, driving sustained aviation infrastructure capex.

HOSPITALITY



- Hotel room inventory expanding to 235,674 rooms by 2030, with 43% luxury 5-star supply.
- Major developments: One&Only Royal Mirage, JW Marriott Al Marjan, continued premium expansion across Dubai, Abu Dhabi, and RAK hospitality markets.

THEMED PROJECTS/
ENTERTAINMENT

- Disneyland Abu Dhabi, Sphere Abu Dhabi, and Palm Jebel Ali.
- Objectives to establish the UAE as a global leisure and entertainment destination.
- Strong department of Culture and Tourism driving strategic themed project pipeline.

RETAIL/MALLS



- UAE retail market surpassing USD 75bn in 2025.
- Major developments: Deira Mall, Reem Mall, Cityland Mall, Al Maryah Island.
- Tourism growth and urban development initiatives are sustaining the retail infrastructure expansion pipeline.

ULTRA LUXURY
HIGH RISE

- Palm Jebel Ali, and Dubai Creek Harbour represent major mixed-use developments.
- Strong investor demand and premium pricing supporting continued ultra-luxury and commercial tower pipeline.

MARKET OVERVIEW CONTINUED

UAE CONTINUED

ENERGY SOLUTIONS



OIL AND GAS

- ADNOC's AED 550bn five-year capex plan (2023–2027E) anchors sustained investment.
- Recent major awards: Zakum EPC, MMBD Offshore.
- Abu Dhabi Das Island Crude Oil Tank Farm and downstream expansion projects.



MARINE

- ADNOC offshore platform fabrication and subsea infrastructure projects drive marine engineering demand.
- Sustained pipeline for specialised marine services, installation capabilities, and integrated offshore construction supporting hydrocarbon production expansion.

PORTFOLIO BUSINESSES



MODULAR CONSTRUCTION

- Off-site manufacturing enabling time and cost efficiencies.
- Modular solutions scaling across data centre facilities, hospitality, and residential applications.
- Prefabrication reduces waste and supports the UAE's sustainability objectives across multiple project typologies.



HEAVY EQUIPMENT RENTAL

- Equipment rental demand scaling with major project activity across aviation, hospitality, themed entertainment, and data centre development.
- Rising demand for Battery Energy Storage Solutions (BESS) supporting decarbonisation.
- 40 units deployed in 2025 by AJI Rentals, replacing diesel generators.



FAÇADE SYSTEMS

- Façade demand driven by high-rise portfolio, including Palm Jebel Ali, and data centre facilities.
- Complex geometries and advanced materials requirements are sustaining specialised façade solutions and installation services.

MARKET OVERVIEW CONTINUED

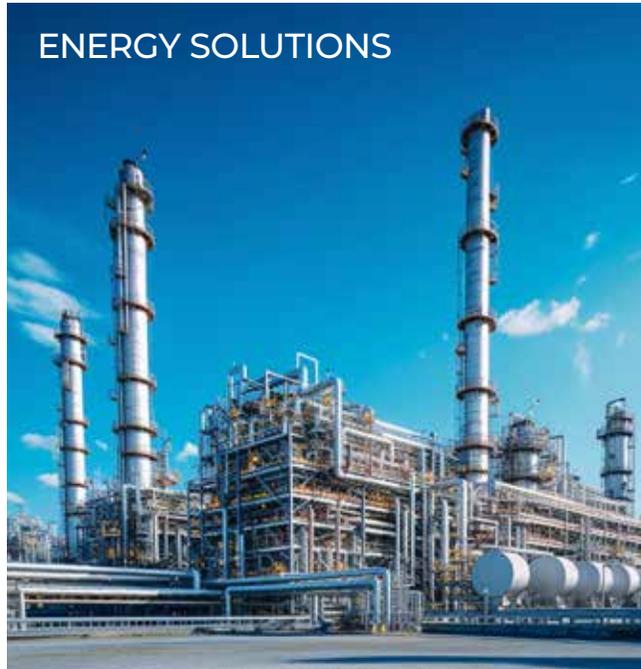
KSA

BUILDING AND CONSTRUCTION



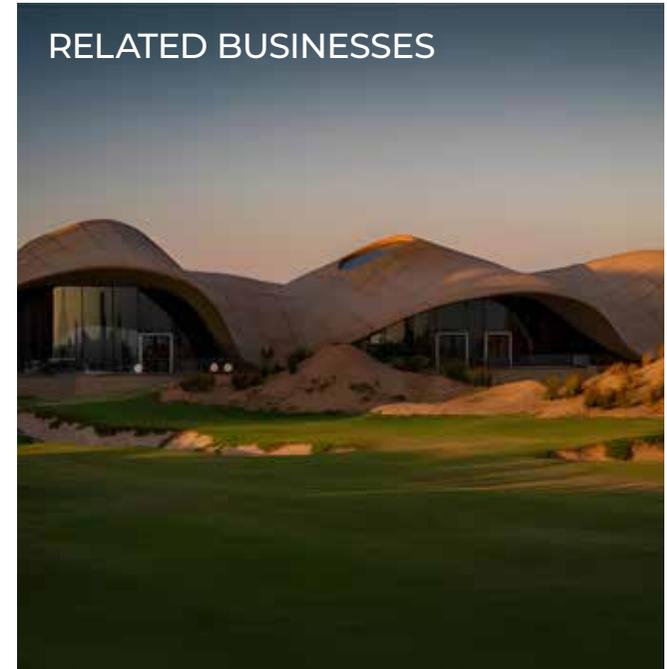
Saudi Arabia's construction market is on a long, steady upswing: output is forecast to grow about 4% in 2025, supported by a SAR 1.3 trillion budget, and then around 5%–6% a year to 2029 as the Kingdom prepares for FIFA World Cup 2024 and Riyadh Expo 2030, lifts tourism's GDP share toward 10% and targets 70% home ownership.¹

ENERGY SOLUTIONS



Energy and offshore work are set for sustained growth, with Saudi oil and gas EPC spending projected to grow at just over 5% a year and approach USD 150 billion by 2030, while the power sector EPC market is expected to climb from about USD 6.5 billion² in 2024 to nearly USD 10 billion by 2033 as renewables scale up.³

RELATED BUSINESSES



Across ALEC Holdings' specialist services, demand is rising as Saudi Arabia delivers a project pipeline of roughly USD 1.7 trillion⁴ and rolls out a USD 32 billion green energy investment programme under Vision 2030. Data centre capacity⁵ in the Gulf is expected to triple from around 1 GW today to about 3.3 GW within five years, driving the need for modular MEP, façades, and rental partners across ALEC Holdings' value chain.⁶

1 [Businesswire.com](https://www.businesswire.com)

2 [Imarc: Saudi Arabia Power EPC Market Report](#)

3 [Ken Research](#)

4 [Economy Middle East](#)

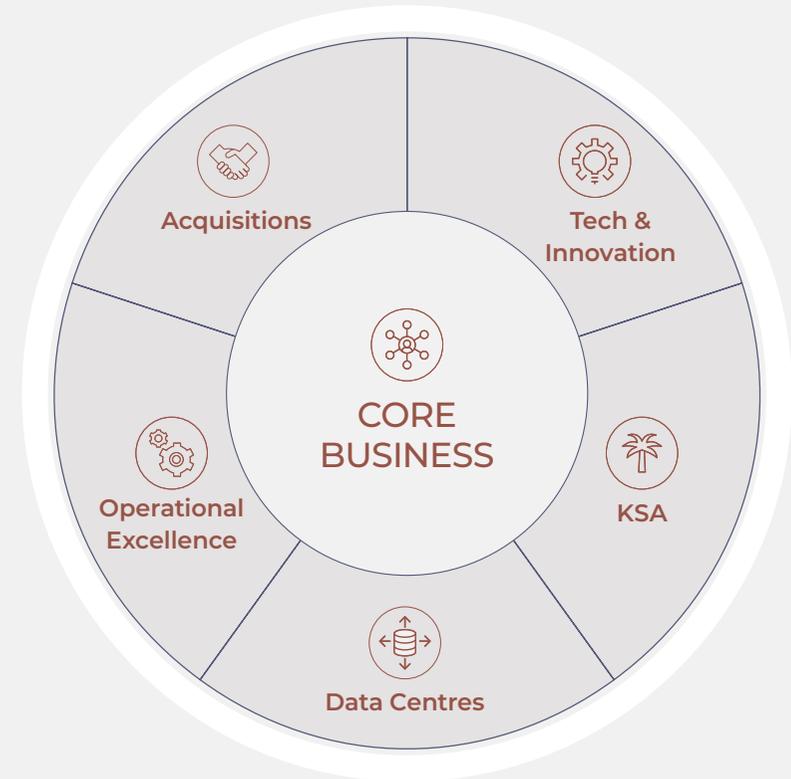
5 [PwC](#)

6 [CARE for Sustainability](#)

OUR STRATEGY

SIX PILLARS POWERING SCALABLE GROWTH

ALEC Holdings' 2025 strategy was centred on six integrated pillars that scale the UAE Core business, accelerate KSA and data centre expansion, and enhance margins through technology, operational discipline and selective, value accretive acquisitions. These pillars remain the fundamental, core value drivers for sustained growth.



CORE BUSINESS

The core building and construction platform anchored ALEC Holdings' 2025 growth, converting a substantial UAE-led backlog of complex hospitality, mixed-use, aviation and leisure projects into revenue, cash generation and strengthened market leadership in both home markets.



TECH & INNOVATION

Investment in BIM, robotics, modular construction and data-driven project controls is reshaping how projects are designed and executed, lifting productivity, shortening programmes and supporting sustainable margin expansion.



KSA

Targeted expansion in Saudi Arabia focuses on Riyadh and other Vision 2030 hubs, combining ALEC Holdings' complex building credentials with Target Engineering's energy expertise to pursue carefully selected giga projects in leisure, mixed-use, aviation and hydrocarbon infrastructure.



DATA CENTRES

A dedicated data centre solutions platform, supported by specialist related businesses, is capturing and accelerating AI-driven demand. The multi-phase Stargate cluster and a strong GCC pipeline are positioning ALEC Holdings as a go-to contractor for hyperscale, mission-critical facilities.



OPERATIONAL EXCELLENCE

Shared delivery standards, rigorous commercial and risk governance, advanced digital controls, and a mature safety and welfare culture are industrialising how projects are planned and executed, lifting productivity, stabilising margins and safeguarding balance sheet strength as activity scales.



ACQUISITIONS

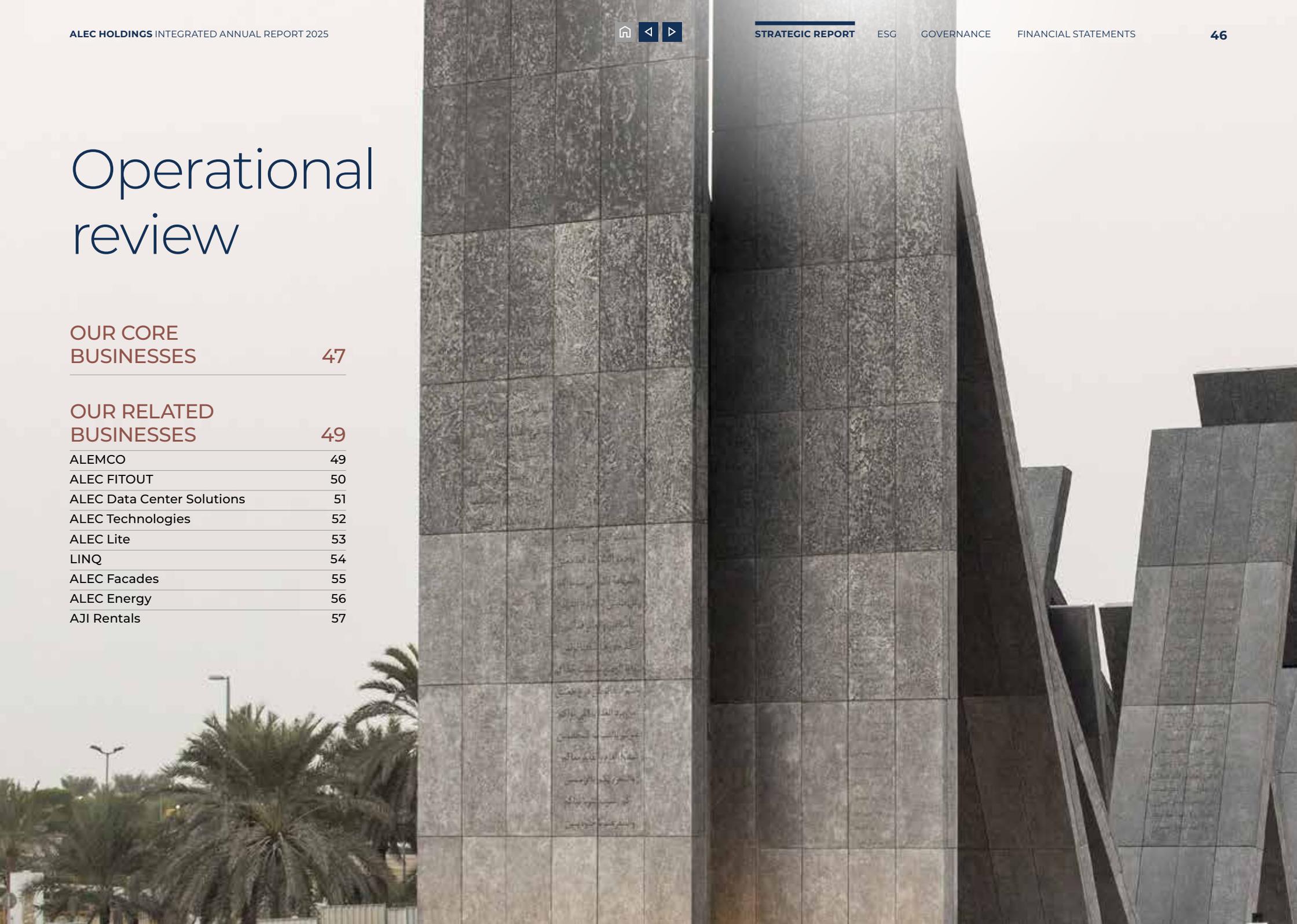
Value accretive acquisitions, such as Target Engineering, extend ALEC Holdings into large-scale energy and offshore EPC while adding specialist capabilities that enhance backlog quality, sector reach, and long-term across the integrated platform.

Operational review

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OPERATIONAL REVIEW

OUR CORE BUSINESSES

ALEC Construction and Target Engineering drive ALEC Holdings' expansion by combining top-tier construction with advanced EPC and offshore capabilities. With the acquisition of Target Engineering in 2022, the combined platform now offers broader marine, industrial, and infrastructure expertise across the UAE and KSA.

OPERATIONAL OVERVIEW

In 2025, ALEC Construction and Target Engineering set a new bar for integrated delivery, advancing flagship programmes across multiple geographies, winning tier one awards and proving the power of a unified engineering and construction platform.

Together, the two businesses combined fast, high control execution on complex projects with disciplined risk management and a substantial, diversified backlog that locks in visibility on future growth.

Collectively, ALEC Construction and Target Engineering contributed AED 11.5 billion

revenue in 2025 (up 66% YoY), representing 79% of Group revenue. ALEC Construction delivered AED 6.8 billion revenue, whilst Target Engineering achieved AED 4.6 billion revenue, demonstrating the financial and operational weight of an integrated construction and energy solutions platform. The combined order backlog of AED 30.2 billion (ALEC Construction: AED 15.3 billion; Target Engineering: AED 14.5 billion) provides clear, disciplined visibility on profitable growth through 2026 and beyond.

ALEC CONSTRUCTION

ORDER BACKLOG

AED 15,288mn

BACKLOG COVERAGE

2.2x revenue

SAFETY PERFORMANCE (LTIFR)

0.158



TARGET ENGINEERING

ORDER BACKLOG

AED 14,530mn

BACKLOG COVERAGE

3.1x revenue

MARINE FLEET

40 vessels



OPERATIONAL REVIEW

OUR CORE BUSINESSES CONTINUED

ALEC Construction

Building the Region’s Most Complex Destinations

ALEC Construction led some of the GCC’s most demanding mixed use, hospitality, retail and themed destinations in 2025, including Wynn Al Marjan, Qiddiya Speed Park, Aquarabia Water Theme Park and the first 200MW phase of the Stargate data centre cluster.

Execution discipline centred on early identification and active management of risk and opportunity, with project level KPI “early warning” controls across commercials, schedule and quality to safeguard outcomes on high-complexity-sites.

These controls, applied across all active contracts, identify schedule slippage, cost variance and quality drift within the first two weeks of occurrence, enabling rapid corrective action and protecting programme certainty. ALEC Construction also advanced productivity-focused innovation through its robotics strategy and continued SOP standardisation, embedding consistent, repeatable delivery as the portfolio scaled across multiple mega-projects.

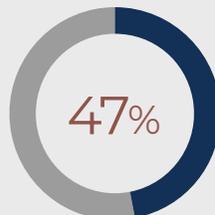
Financial Contribution to the Group

In 2025, ALEC Construction delivered revenue of AED 6.8 billion (up 68% YoY). Operating margins remained strong at 7.3%, supported by high value mixed use, hospitality, retail and themed projects in the UAE and a growing contribution from similarly complex work in Saudi Arabia. Performance reflected disciplined backlog conversion, rigorous project selection and a deliberate focus on technically demanding, higher margin sectors, including hyperscale data centres.

REVENUE (+68% YoY)
AED 6,838mn

GROSS MARGIN
7.3%

REVENUE CONTRIBUTION



Target Engineering

Commanding Scale in Energy and Offshore EPC

Target Engineering delivered step change momentum in 2025, scaling EPC and offshore scopes across oil and gas, renewables and marine infrastructure in line with ALEC Holdings’ energy strategy.

A defining milestone was securing the largest EPC award in its history at Upper Zakum, cementing Target’s position as a top tier regional EPC contractor and unlocking a run of five project awards totalling AED 6.4 billion. Capability upgrades across fabrication (Target Steel), marine assets and digital project controls translated strategy into execution.

Target’s fabrication capacity rose to 3,103 tonnes of structural steel in 2025 (from 1,450 tonnes in 2024), while marine fleet utilisation reached 100%, underpinned by the acquisition of two additional barges to support offshore construction at scale.

Digital project controls have unified cost, schedule, procurement and engineering progress into a single Oracle based system – with Power BI dashboards delivering real time visibility across major contracts and significantly reducing schedule and variation risk.

Financial Contribution to the Group

In 2025, Target Engineering delivered revenue of AED 4.6 billion (up 64% year on year). Operating margins remained healthy at 9.0%, supported by major EPC and energy-infrastructure awards across oil and gas, renewable energy and marine scopes. Net profit margins on selected key projects increased from 6% to 10%, reflecting disciplined bid selection and earlier engineering subcontractor engagement at EOI stage, which strengthened client confidence and reduced execution-phase surprises.

REVENUE (+64% YoY)
AED 4,626mn

GROSS MARGIN
9.0%

REVENUE CONTRIBUTION



OPERATIONAL REVIEW CONTINUED

ALEMCO



Delivering integrated MEP excellence across mission-critical and fast-track programmes

Mission-critical facilities demand MEP contractors capable of managing complex, interconnected mechanical, electrical, and plumbing systems with uncompromising quality and schedule certainty. ALEMCO has positioned itself as precisely this type of partner: a full-service electromechanical contractor combining early design leadership, standardised delivery protocols, and advanced manufacturing capability.

ALEMCO's performance in 2025

ALEMCO's performance 2025 has been underpinned by disciplined project selection, enhanced early-stage commercial negotiations, improved cost control, and measurable productivity gains across active sites. Furthermore, the Group's IPO and listing enhanced governance transparency, alignment of internal reporting and forecasting and strengthened risk controls across commercial and subcontractor activities.

Strategic capability initiatives in 2025

ALEMCO executed multiple capability upgrades designed to support margin-accretive growth and operational resilience. Early Design Integration Programs brought MEP leadership into tender and pre-construction phases, creating stronger client relationships and reduces rework risk on complex projects.

Additionally, MEP Process Standardisation was adopted across the Group, aligning engineering details, materials catalogues, and installation methods. This has cut variability, reduced rework, boosted productivity, and sped up approvals and commissioning. Furthermore, investments in technical authority roles for high-risk areas and improved as-built documentation with laser scanning have enhanced delivery control and client trust.

Data Centre Delivery Capability also expanded significantly in 2025, with investment in high-density cooling systems, power redundancy architecture, advanced controls integration, and rapid commissioning protocols.

Digital Transformation and Supply Chain Resilience

ALEMCO expanded its use of BIM for MEP, digital drawings, prefabrication planning, and field management in 2025. Digital quality checks and real-time tracking have improved installation, cut rework, and speeded up commissioning. A new lifecycle system has tracked materials and equipment from tender to installation, while productivity monitoring supported transparent, incentive-based workforce models. Supply chain resilience was also strengthened through expanded framework agreements with key suppliers, early allocation of manufacturing capacity for critical equipment, and multi-sourcing strategies for items where single-source suppliers created risk.

Modularisation and Sustainability Integration

ALEMCO expanded modular libraries to accelerate manufacturing, cut on-site labour, and shorten timelines. These methods also reduce waste, emissions, and energy use. Standardising efficient HVAC, low-impact refrigerants, and advanced controls further ensures sustainability across projects.

Office facilities refurbishment achievements in 2025 have included LEED Platinum certification for internal spaces.

Talent and Technical Capability Development

In 2025, ALEMCO invested heavily in technical training through expanded NVQ programs, artisan and apprentice pathways, and graduate engineer initiatives with offshore partners. Upskilling focused on engineers, commissioning specialists, energy analysts, and digital MEP modellers. Organisational changes included new pre-construction and engineering excellence teams, improved project controls, and leadership development to strengthen alignment and accountability.

Forward Strategy and Growth Opportunity

ALEMCO is well positioned to enhance its contribution to ALEC Holdings' margins and competitive differentiation through growth in mission-critical and data centre projects, scaling of design and engineering capabilities, expansion of e-house and modular solutions, and continued digital transformation.



2025 Awards and Honours ALEMCO



MEP ME AWARDS
MEP Contractor of the
Year – 2025



MEP MIDDLE EAST
POWERLIST
#1 TOP MEP Contractors – 2025

OPERATIONAL REVIEW CONTINUED

ALEC FITOUT



Crafting Immersive Experiences Through Advanced Fit-Out Solutions.

ALEC FITOUT is redefining what interiors mean in the age of advanced technologies, modular systems, and uncompromising craftsmanship. From the sculptural ambition of Aquarabia Qiddiya's 82-metre Camel Rock to the unique detailing of Jumeirah Marsa Al Arab, each engagement pushes the boundaries of what is possible, delivering spaces that stand the test of time.

Performance and Strategic Achievements in 2025

Portfolio strategy throughout the year balanced complex, iconic projects with volume aspirations whilst preserving profitability. Completion of two signature museum projects in Abu Dhabi enhanced brand equity in the cultural sector, whilst themed attractions delivered scale in a new market segment. Luxury hospitality projects, particularly in Saudi Arabia, secured enhanced profitability outcomes. Jumeirah Marsa Al Arab was crowned Hospitality Project of the Year at the Construction Innovation Awards and ranked among the world's 50 best hotels. Industry recognition throughout 2025 included the Commercial Interior Design Magazine's Fit-Out Firm Power List 2025 ranking and WSP's Best Contractor Award for HSE Performance.

The establishment of a new joinery hub in RAK represented a significant operational investment, enabling greater control over bespoke woodwork, furniture and decorative finishes. This reduces reliance on external suppliers for core fit-out elements on future projects. Recruitment and training of artisans, craftsmen and technical specialists in joinery and museums ensures ALEC FITOUT can execute highly customised finishes and deliver complex projects without outsourcing critical capability.

The ALEC FITOUT team of 300+ core professionals and 1,500+ skilled craftspeople across controlled facilities and on-site operations is unified by a single conviction: great work demands great discipline.

Integrated Platform Collaboration and Commercial Excellence

The successful completion of the Natural History Museum in Abu Dhabi exemplified highly collaborative management and coordination between ALEC, ALEMCO and ALEC FITOUT. This model proved effective and should remain the foundation for future museum and cultural projects. Wynn Al Marjan, a complex, large-scale development, will require continued collaborative, solution-oriented engagement between all three entities to ensure successful delivery and interface management on this fast-track, high-complexity programme.

Pricing models and commercial terms were calibrated to reflect market conditions and Group value creation. Accelerated payment schedules for fast-track projects secured advance payments and milestone-based releases, improving cash flow and reducing exposure.

Procurement risk mitigation was addressed through joinery capability expansion, local and regional supply chain development, and long-term strategic partnerships with niche suppliers of bespoke finishes and specialist packages, ensuring priority allocation on fast-track projects.

Forward Strategy and Growth Outlook

The Middle East is in the midst of a golden age of destination-building. Demand for world-class fit-out, theming, and experiential design is accelerating faster than supply can respond.

ALEC FITOUT will continue to deliver flagship projects across luxury hospitality, museum and themed entertainment, targeting complex, high-margin projects that reflect ALEC Holdings' strategic vision and brand values.

2025 Awards & Honours

ALEC FITOUT



FIT-OUT CONTRACTOR OF THE YEAR
Construction Week Middle East Awards



LARGE CONTRACTOR OF THE YEAR
Big Project Middle East Awards



MANAGING DIRECTOR LAURENT FARAGE RANKED #2 IN THE FIT-OUT POWERLIST
Design Middle East

Jumeirah Marsa Al Arab Hotel, UAE



HOSPITALITY PROJECT OF THE YEAR
Construction Innovation Awards



HOTEL PROJECT OF THE YEAR
MEED Projects Awards

United Nations Africa Hall, Ethiopia



BEST RESTORATION/ RENOVATION
International Architecture Award

Zayed National Museum, UAE



BEST CONTRACTOR FOR HSE PERFORMANCE
WSP in the Middle East

OPERATIONAL REVIEW CONTINUED

ALEC Data Center Solutions



Commanding the region's hyperscale infrastructure boom with precision engineering

The digital infrastructure landscape across the GCC represented one of the most compelling growth opportunities of the decade in 2025. Cumulative data centre project spend is projected to reach AED 312 billion between 2025 and 2033, with annual deployments expected to accelerate at approximately sixfold growth over that period. This expansion reflects the accelerating adoption of cloud computing, artificial intelligence, and machine learning technologies, as well as regional ambitions to establish the Gulf as a global digital hub.

Throughout 2025, ALEC Data Center Solutions positioned itself at the epicentre of this transformation. The division established itself as a credible, differentiated player through disciplined project selection and the deployment of standardised, modular construction methodologies that compressed delivery timelines without compromising technical resilience.

Strategic Market Positioning and the Stargate Catalyst

The Stargate Abu Dhabi project was a key achievement for ALEC Data Centre Solutions in 2025, marking the first international deployment of OpenAI's advanced AI infrastructure in the Middle East. Phase 1 consists of a 200MW hyperscale facility within a planned 1GW campus, delivered in partnership with G42 and OpenAI under an AED 5.2 billion contract, with completion targeted for early 2026.

ALEMCO provided advanced MEP systems like immersion cooling, and LINQ oversaw off-site prefabrication. This integrated approach reduced risk, streamlined timelines, and enabled rapid execution. Technically, Stargate required highly precise cooling and power delivery, featuring advanced liquid cooling to optimise efficiency and maintain mission-critical reliability. Additionally, phased commissioning allowed parts of the facility to operate before full construction was completed, speeding up revenue generation and minimising risks.

The 19-month compression of a hyperscale programme required systematic innovation across sequencing, procurement, and labour mobilisation in 2025. Modular prefabrication enabled parallel off-site

manufacturing and on-site assembly, and standardised design modules reduced on-site complexity and accelerated deployment of capacity increments. Furthermore, digital project controls provided real-time visibility into schedule and cost performance, and the result was a demonstration that ALEC Holdings' integrated model, combining modular construction, advanced engineering, and disciplined programme management, could deliver complexity at pace without sacrificing quality.

Market Opportunity and Competitive Positioning

ALEC Data Centre Solutions has positioned itself as the natural partner for these deployments through:

- **Technical differentiation.** Advanced cooling design, immersion technologies, and modular MEP architecture enabled scalability, rapid deployment, and operational resilience. The division's integration within ALEC Holdings provided access to structural, façades, energy, and technology expertise often unavailable through standalone data centre contractors.
- **Speed to market.** Modular construction, prefabrication, and standardised design protocols compressed delivery against traditional methodologies. This capability was material for AI infrastructure clients where time-to-capacity directly translated to competitive advantage.
- **Relationship depth.** Stargate's bilateral award reflected client confidence in ALEC Holdings' record of delivery. As the region's hyperscale

AI ambitions escalated throughout the year, relationship momentum and demonstrated delivery excellence became primary selection criteria.

Forward Strategy and 2026 Outlook

Looking ahead to 2026, ALEC Data Center Solutions will pursue three parallel strategic vectors:

- Deliver 200 MW Phase 1 of Stargate within specified time frame and prepare for Phase 2 and future 1GW growth, using insights from Phase 1 to improve cost and scheduling.
- Target data centre projects in UAE, Saudi Arabia, and throughout the region through selective tenders, prioritising those matching ALEC Holdings' expertise and margins, while participating in national digital initiatives.
- Enhance integration between ALEC Holdings businesses – ALEMCO, LINQ, ALEC Technologies, and ALEC Energy – to provide bundled client solutions and achieve premium pricing.



OPERATIONAL REVIEW CONTINUED

ALEC Technologies



Integrating ELV, security and smart systems across mission-critical infrastructure.

Service Capabilities and Market Positioning

During the year, ALEC Technologies provided comprehensive integrated ELV solutions, spanning ICT systems design and implementation, security camera and access control systems, audiovisual integration and display systems, Internet of Things and building automation platforms, guest room management systems for hospitality applications, and car park automation and revenue control systems.

The business operated as a technical solutions provider, rather than a transactional equipment supplier. Projects began with detailed requirements engineering that aligned to client operational needs. Throughout 2025, ALEC Technologies worked collaboratively with architects, engineers, and facility managers to develop integrated system architectures that optimised performance, minimised interface risk, and supported long-term operational reliability. This consultative approach differentiated ALEC Technologies and created stronger client relationships compared to traditional equipment-supply models.

2025 Delivery Across High-Value Projects

In 2025, ALEC Technologies delivered integrated ELV systems across multiple high-specification projects. Data centre projects required security infrastructure, access control, and building management system integration to support operational security and facility monitoring. Hospitality projects demanded guest room technology integration, digital signage, and audiovisual systems for conference facilities that enhanced guest experience and operational efficiency. Meanwhile, commercial projects required ICT infrastructure, security system integration, and building automation to support corporate operations and risk management.

After completion, the business provided ongoing maintenance and technical support services, generating recurring revenue and strengthening client relationships.

Integration within ALEC Holdings Platform

During the year, ALEC Technologies' positioning within ALEC Holdings created material delivery advantages. Integration with ALEMCO's MEP expertise enabled coordinated design and installation of electrical infrastructure and ELV systems, reducing interface risk and improving schedule certainty. Additionally, collaboration with ALEC Construction's project leadership ensured early involvement in technical design and provided visibility into project requirements.

This integrated approach proved particularly valuable on data centre and mission-critical projects, where ELV, MEP, and structural disciplines needed to work in close coordination. In addition, ALEC Holdings' client relationships and project pipeline provided visibility into opportunities where ALEC Technologies' integrated ELV capability added value and differentiated the Group's proposal.

Service and Maintenance Revenue

An increasingly important strategic focus during 2025 was recurring service and maintenance revenue. Post-completion maintenance contracts provided predictable revenue, strengthened client relationships, and created opportunities to identify and support facility upgrades and system enhancements. Technical support teams responded to client requests, managed system updates, and optimised performance throughout the facility's operational life. This service orientation positioned ALEC Technologies as a true technology partner, rather than merely a one-time installation contractor.

Forward Strategy and Growth Pathways

ALEC Technologies will pursue three growth vectors: expansion of integrated ELV delivery across data centre, hospitality, and advanced commercial projects where technical sophistication and operational reliability create premium pricing opportunity; growth of recurring service and maintenance revenue through expanded long-term support contracts; and development of smart building and Internet of Things capabilities that support emerging client requirements around facility intelligence and operational optimisation. As facilities become increasingly technology-dependent and clients demand integrated rather than siloed technical solutions, ALEC Technologies is well positioned for sustained growth.



OPERATIONAL REVIEW CONTINUED

ALEC Lite



Delivering agility and precision to rapid-cycle project environments.

ALEC Lite drives efficient delivery of fast-track MEP, civil, and architectural solutions, serving clients who demand turnkey execution, accelerated deployment, and reliable quality across refurbishment and small-to-medium scale capital projects.

Market Context and Operational Positioning

Small-to-medium capital projects made up a significant but often overlooked part of the GCC construction market, including hospitality upgrades, retail renovations, industrial fit-outs, and office

modernisation. ALEC Lite was created to serve this segment as a division within ALEMCO, offering integrated mechanical, electrical, plumbing, civil, and architectural services through one streamlined model for efficient, coordinated project delivery. ALEC Lite targeted hospitality brands, retail businesses, industrial owners, and corporate clients needing refurbishments or minor works, prioritising transparent terms and dependable execution from contractors familiar with their operations.

Service Offerings and Execution Model

ALEC Lite's service portfolio in 2025 spanned:

- **MEP solutions.** Turnkey mechanical, electrical, and plumbing design and installation for new facilities or asset modernisation. This included HVAC systems, power distribution, water systems, and integrated building services aligned to client operational requirements.
- **Civil and structural.** Minor works such as foundation repairs, structural reinforcement, and site preparation for new facilities. The division subcontracted major structural packages to ALEC Construction, while retaining direct control of smaller-scale civil services.
- **Architectural and fit-out.** Interior reconfiguration, finishes, and architectural enhancement aligned to client brand standards and functional requirements. ALEC Lite maintained established relationships with specialist material suppliers and craftspeople to ensure quality without unnecessary cost inflation.
- **Project management.** Unified delivery oversight, cost control, scheduling, and client coordination throughout

the project lifecycle. Direct senior management engagement ensured early identification of risks and rapid resolution of emerging issues.

Project Selectivity and Margin Discipline

In 2025, ALEC Lite operated within disciplined parameters that protected margin and operational capacity. Typical project values ranged from AED 50 million to AED 500 million – a segment above pure small-works contractors but well below mega-project scale. This positioning enabled the division to command competitive pricing, reflecting demonstrated capability and quality standards, while maintaining manageable complexity and staff deployment ratios.

Project Selection Criteria Throughout the Year:

- Priority was given to established clients with solid payment histories; new or unknown partners faced stricter due diligence and payment security requirements.
- Projects with well-defined scopes were preferred, while those with vague briefs or an elevated risk of scope creep were avoided unless compensation justified the risk.
- Preference went to work ALEC Lite had delivered successfully before, with known subcontractors and supply chains; unfamiliar projects or locations were managed cautiously with conservative margin expectations.

Operational Performance and 2025 Delivery

During the year, ALEC Lite maintained a disciplined focus on client satisfaction and margin protection.

The division also invested in standardised MEP design libraries and prefabrication protocols aligned to common project types, such as hotel room modernisation, retail refreshes, and office refurbishment. These standardised approaches began to compress design timelines and reduce on-site labour requirements, supporting both cost reduction and faster deployment.

Building Forward Momentum

ALEC Lite's 2026 strategy focuses on gaining market share in UAE hospitality asset modernisation, as hotel operators refresh older properties. Leveraging strong relationships and operational expertise, ALEC Lite aims to secure a sizeable portion of these projects. Expansion into Saudi Arabia will target select hospitality and retail developments in cities like Riyadh, Jeddah, Diriyah Gate, and other areas. The division also supports industrial and light manufacturing fitouts, offering agile and transparent solutions for rapid facility upgrades – an underserved market. Additionally, investments in prefabricated MEP modules, modular kits, and standardised designs will speed up project delivery and improve efficiency, driving growth and client value.



OPERATIONAL REVIEW CONTINUED

LINQ



Accelerating project delivery through factory-controlled modular construction.

LINQ delivered factory-controlled manufactured housing and modular construction solutions throughout 2025, with standardised quality protocols, significantly reduced project timelines, and material waste reduction that position the business as ALEC Holdings' primary platform for scalable, rapidly deployable infrastructure.

In 2025, LINQ supported multiple ALEC Holdings projects through modular delivery solutions. Applications throughout the year ranged from accommodation modules for remote construction sites and industrial facilities to integrated housing solutions for hospitality and residential developments. Each application during the year demonstrated LINQ's flexibility and its ability to adapt standardised modular principles to diverse client requirements.

Construction programmes across the year leveraged LINQ's modular capability to compress schedules and reduce on-site labour requirements. Data centre projects, in particular, benefited from the rapid deployment of accommodation and support facilities at Stargate and related sites during 2025. Fit-out and hospitality projects utilised modular room modules and pre-fabricated service cores, which accelerated interior delivery and reduced interface complexity with ALEC's structural and MEP teams.

Schedule Compression and Waste Reduction

A core value proposition for LINQ, demonstrated throughout 2025, was schedule compression without quality compromise. Factory manufacturing enabled parallel site preparation and component fabrication, compressing overall project duration versus sequential traditional construction. The pre-assembly of mechanical, electrical, and plumbing systems within modules reduced on-site commissioning complexity and timelines during numerous projects during the year.

Material waste was also substantially reduced through controlled factory manufacturing, systematic materials management, and design-for-assembly protocols. Scrap rates in factory environments were typically 2%-3% versus 5%-8% for traditional site-based fabrication.

Standardised modular designs have enabled material procurement at scale, creating cost advantages and reducing supply chain complexity. These efficiencies were observed repeatedly throughout the year.

Competitive Advantages

LINQ's positioning within ALEC Holdings created material competitive advantages during 2025. Access to ALEC Construction's project management discipline and client relationships provided visibility into project opportunities where modular solutions added value.

ALEMCO's MEP expertise supported the development of integrated utility cores and pre-fabricated service modules. AJI Rentals' equipment fleet supported rapid assembly and on-site logistics. Internal yard facilities provided staging and assembly support for modular components prior to transport and deployment, supporting several projects throughout the year.

This integrated platform positioned LINQ to capture modular opportunities across the Group's extensive project pipeline during 2025 and enabled it to offer bundled modular solutions that enhanced client value and commanded premium pricing.

Forward Strategy: Remote and rapid-Deployment Focus

Throughout the year, LINQ focused its forward strategy on three growth vectors: expansion of modular solutions for remote industrial and energy sector facilities where schedule compression and logistics simplification created measurable client value; acceleration of modular deployment across ALEC Holdings' data centre, hospitality, and commercial project portfolio; and selective pursuit of market opportunities where standardised modular solutions addressed client sustainability and schedule constraints.

As the GCC's infrastructure ambitions require ever-faster project delivery, LINQ's factory-controlled manufacturing and systematic assembly capability positioned the business for sustained growth and profitability.



OPERATIONAL REVIEW CONTINUED

ALEC Facades



Connecting developers with global façade expertise and advanced suppliers.

Building façades represent one of the most visible and technically complex elements of modern construction. Throughout 2025, ALEC Facades needed to balance aesthetic ambition, weather protection, maintenance requirements, and cost, often within compressed project schedules. Traditional façade procurement models can fragment responsibility across multiple consultants and suppliers, which can create coordination complexities and cost inefficiencies.

In 2025, ALEC Facades operated as an integrated trading and delivery platform, combining supplier network coordination with direct project delivery capability. This approach simplified procurement, improved quality, and enhanced cost predictability.

Platform Business Model and Supplier Network

A core strategy of ALEC Facades in 2025 was the delivery of technology-enabled supplier coordination. During the year, the platform connected developers with a consortium of skilled, motivated façade suppliers and specialists from across global markets. It brought together proven suppliers, innovative manufacturers, and specialist trades to address the full spectrum of building envelope requirements.

This network approach created material advantages for developers throughout the year. Access to multiple competing suppliers in each category improved pricing power and drove innovation.

Specialist suppliers from Europe, Asia, and the Middle East introduced diverse technical approaches and material innovations. Additionally, the curation and vetting of suppliers by ALEC Facades ensured quality standards and financial stability. Coordinated procurement across multiple projects in 2025 also created scale benefits, which reduced component costs and improved delivery timelines.

2025 Commercial Outcomes and Client Engagement

Throughout 2025, ALEC Facades supported multiple large-scale projects with complex façade requirements. Specialist solutions delivered during the year included high-performance glazing systems for energy-critical applications, bespoke screening and shading systems that enhanced aesthetic outcomes, and innovative metal cladding solutions that addressed durability and maintenance requirements.

For each project, ALEC Facades' combination of supplier network access and integrated delivery capability reduced cost, compressed schedule, and improved quality outcomes when compared to traditional fragmented approaches.

Client engagement throughout the year demonstrated growing market recognition of the platform's value proposition. Developers increasingly regarded ALEC Facades as a trusted advisor for integrated façade solutions rather than merely a traditional façade contractor, valuing the combination of supplier access, technical expertise, and cost predictability.

Supply Chain Resilience and Sustainability

During 2025, supply chain resilience was strengthened through a diversified global supplier network and long-term supplier partnerships that secured capacity allocation for critical items. This diversification has insulated developers from single-source dependencies and geopolitical supply chain disruption.

ALEC Facades also maintained a complementary focus on sustainability, sourcing high-performance, low-carbon façade materials where possible and delivering innovative solutions that reduced building operational carbon intensity.

Forward Strategy and Growth Opportunity

ALEC Facades will focus its forward strategy on the expansion of its platform to reach additional developers and projects across the UAE and Saudi Arabia. It will also develop innovative façade and building envelope solutions that address emerging sustainability and performance requirements; and will continue direct project delivery on flagship ALEC Holdings assignments that reinforce technical credibility and platform value.

As building envelope complexity and sustainability importance grow, ALEC Facades is well positioned to capture market share through its unique combination of global supplier network and integrated project delivery capability.



2025 Awards and Honours



CONSTRUCTION
INNOVATION AWARDS KSA
Best Contractor of
Innovation in Construction
Techniques – 2025

OPERATIONAL REVIEW CONTINUED

ALEC Energy



Establishing renewable infrastructure as a decarbonisation accelerator.

ALEC Energy delivered multiple solar PV installations and hybrid energy architectures throughout 2025, establishing credibility as a bespoke renewable solutions provider aligned to regional decarbonisation mandates and corporate sustainability commitments.

Regional decarbonisation commitments and corporate pressure to reduce carbon intensity created accelerating demand for renewable energy infrastructure across the GCC in 2025. Commercial and industrial clients increasingly viewed on-site renewable generation and hybrid energy systems as strategic infrastructure investments, delivering energy cost reduction, operational resilience, and demonstrating sustainability commitment throughout the year.

2025 Operational Delivery and Market Positioning

ALEC Energy executed multiple renewable energy installations during 2025, spanning commercial, industrial, and hospitality sectors. Projects ranged from rooftop solar retrofits for corporate clients to façade-integrated solar systems for new developments. The portfolio demonstrated technical versatility and growing market traction through the year.

Beyond external delivery, ALEC Energy embedded renewable integration across ALEC Holdings' own operations in 2025. Hybrid power solutions combining renewable generation with battery storage were deployed at construction sites to reduce diesel consumption and operational carbon intensity – providing proof points that validated internal technical credibility and client value proposition throughout the year.



The business also invested in standardised design templates and modular system architectures for common project types during 2025. These approaches generated operational leverage: reducing engineering hours per project, improving installer productivity, and cutting costs across the portfolio.

Service Scope and Technology Positioning

Throughout 2025, ALEC Energy delivered building-integrated photovoltaic (BIPV) systems, rooftop and ground-mounted solar installations, solar façade solutions, and hybrid energy architectures combining solar, storage, and grid integration.

The business maintained a deliberately technology-agnostic positioning – specifying equipment based on client requirements, total cost-of-ownership analysis, and long-term performance expectations rather than proprietary solutions. This approach enhanced client confidence, expanded the addressable market, and positioned ALEC Energy as a trusted advisor rather than a transactional equipment supplier during the year.

Integration within ALEC Holdings Platform

Integration created material competitive advantages throughout 2025. Access to ALEC Construction's structural expertise, ALEMCO's MEP design capability, and internal project management discipline enabled complex integrated solutions without external dependencies. Large-scale renewable installations required building system coordination, and domain expertise that ALEC Energy commanded directly during the year.

ALEC Construction's project portfolio also provided organic demand for renewable integration throughout 2025. Hotels, retail centres, office buildings, and industrial facilities under development presented opportunities for systematic renewable inclusion. This captive demand base provided revenue stability and operational scale through predictable, recurring project work during the year.

Forward Strategy: Three Expansion Pathways

01

Commercial market penetration will systematically target corporate clients across hospitality, retail, and industrial sectors with energy cost reduction and sustainability value propositions throughout 2025.

02

Hybrid energy system development will expand beyond standalone solar to integrated systems combining renewable generation, battery storage, and grid integration – addressing emerging client requirements around energy resilience and premium-priced addressable segments throughout the year.

03

Portfolio integration will embed renewable solutions systematically across ALEC Construction and FITOUT project specifications, positioning renewable integration as the standard sustainability delivery across the Group's building portfolio in 2025.

OPERATIONAL REVIEW CONTINUED

AJI Rentals



Leading in safety excellence and data-driven fleet management.

Equipment rental in the GCC construction sector requires contractors capable of providing safe, well-maintained, and readily available machinery across diverse equipment categories and operational environments. Traditionally, rental operators prioritised asset availability over quality and safety.

Safety and Quality Positioning

AJI Rentals was established with the explicit goal of improving safety standards and elevating quality across rental equipment available in the GCC market, and this positioning remained central to the business strategy and operational culture during 2025.

Every piece of equipment in the AJI Rentals fleet underwent systematic preventive maintenance protocols throughout the year. Equipment utilisation data was tracked continuously, enabling predictive maintenance that identified potential issues before equipment failed or became unsafe.

Operator training and certification programmes ensured that equipment was operated safely and efficiently. In 2025, AJI Rentals offered equipment rental with or without trained operators, recognising that client safety depended on operator competency as well as equipment condition. Safety certification and rigorous operator selection continued to differentiate AJI Rentals from competitors and justified premium pricing for clients prioritising risk management.

Fleet Composition and Low-Emission Innovation

During the year, the AJI Rentals fleet comprised access platforms and lift equipment, heavy machinery, temporary power systems, and support equipment spanning thousands of individual items. Access platform categories included spider lifts, boom lifts, scissor lifts, and telehandlers across multiple capacity ranges. Lift categories consisted of tower

cranes, mobile cranes, and construction hoists. Temporary power equipment included generators, distribution systems, and, increasingly in 2025, hybrid and low-emission power solutions.

A strategic focus throughout 2025 was the development and deployment of low-emission temporary power solutions. Hybrid generator sets combining diesel engines with battery storage and renewable integration reduced fuel consumption and emissions on construction sites. These solutions addressed the growing client demand for sustainable site operations and aligned with ALEC Holdings' ESG commitments.

Support for ALEC Holdings Projects and External Clients

Throughout the year, AJI Rentals operated a dual-revenue model serving both ALEC Holdings projects and external commercial clients.

Internal support for ALEC Holdings projects included the provision of access equipment, hoisting machinery, temporary power, and logistical support across the Group's construction sites. This internal demand base provided revenue stability and enabled AJI Rentals to align fleet capacity to Group project requirements.

External commercial clients included contractors, developers, and facilities operators across the UAE, Saudi Arabia, and the region. Strong client relationships and a reputation for safety and quality supported consistent external demand.

Data-led Operations and Predictive Management

In 2025, AJI Rentals increasingly operated as a data-led business, using real-time fleet tracking, utilisation monitoring, and predictive maintenance analytics to optimise fleet composition, reduce downtime, and improve customer service delivery. Equipment monitoring systems tracked operational hours, duty cycles, and maintenance events, enabling the predictive identification of maintenance requirements before equipment became unavailable.

This analytical approach improved profitability by maximising equipment utilisation rates and reducing downtime costs, while also enhancing customer value by improving equipment availability and reliability. Customers benefited from reduced project delays and improved cost predictability through reliable equipment supply during the year.

Forward Strategy and Growth Opportunity

Throughout 2025, AJI Rentals pursued three growth vectors: expansion of the low-emission temporary power platform to support the industry transition toward sustainable site operations; growth of the external commercial rental business through continued emphasis on safety, quality, and reliability that differentiated AJI Rentals in a competitive market; and digital-led fleet management that leveraged data analytics to optimise asset utilisation and customer service delivery.



STAKEHOLDER PROPOSITIONS

Authentic engagements build collective momentum

In 2025, ALEC Holdings deepened its relationships with shareholders, employees, customers, suppliers, partners and communities through transparent dialogue and shared purpose. These critical engagements have powered our integrated platform's delivery of landmark projects while fostering trust that has propelled strategic decisions and backlog leadership. Our commitment to our stakeholders has, and will, sustain long-term mutual growth.



SHAREHOLDERS



How We Connect

We engage shareholders through structured financial reporting aligned with the regulations of the Securities and Commodities Authority (SCA), the guidelines set forth by the Dubai Financial Market IFRS, and active investor relations. The Board of Directors provides governance oversight and strategic direction, while our dividend framework signals confidence in earnings trajectory and balance sheet strength.

Building Value

ALEC Holdings has maintained 19 consecutive years of profitability across multiple economic cycles, entering 2025 with one of the strongest balance sheets and backlogs in the UAE construction sector. Our historic backlog provides multi-year earnings visibility, positioning us as a market leader by the value of work under execution in the UAE. Our strategic expansion into projects linked with Saudi Arabia's Vision 2030 and focused investment decisions are also helping us to deliver industry-leading returns.

19

CONSECUTIVE YEARS OF PROFITABILITY

AED 30.2bn

YEAR-END BACKLOG

52%

NEW AWARDS THROUGH
BILATERAL NEGOTIATIONS

EMPLOYEES



How We Connect

Supporting the careers and welfare of approximately 57,600 employees in the UAE and Saudi Arabia, ALEC Holdings prioritises its workforce through development programmes like AHLAN, DRIVE, and Elevate. Our worker welfare specialists maintain high grievance resolution rates, while our employee well-being platform offers mental health support and rewards. We connect through a range of engagement channels, including hotlines, champions networks, and mandatory inductions.

Building Value

Career pathways, safety leadership, and an inclusive culture define our employment proposition, and we have maintained an excellent health and safety record, consistently achieving strong performance in ISO 45001 audits. Strong retention rates and a stable management team reflect the quality of the working environment we create, and we have seen our DRIVE leadership programme reach 1,200 managers with a 93% completion rate and high participant satisfaction. Our benefits include comprehensive medical coverage and discounted insurance, while our well-being programmes offer on-site clinics, health screenings, sports events, and trained Mental Health First Aiders.

57,600

EMPLOYEES IN THE UAE AND SAUDI ARABIA

1,200

MANAGERS COMPLETED DRIVE
LEADERSHIP PROGRAMME

0.097

LOST TIME INJURY FREQUENCY RATE (LTIFR)

STAKEHOLDER PROPOSITIONS CONTINUED

AUTHENTIC ENGAGEMENTS BUILD COLLECTIVE MOMENTUM CONTINUED

CUSTOMERS

**How We Connect**

Long-standing relationships with leading regional clients reflect our ability to deliver tailored solutions for high-complexity assignments. A significant portion of the 2025 project awards came through negotiated partnerships rather than open tender. Integrated digital platforms provide clients, contractors, and project teams with unified visibility into schedules and progress.

Building Value

For over 25 years, ALEC Holdings has been a preferred partner for complex developments, integrating core construction skills with nine specialised services for seamless project delivery. The Group has received more than 250 industry awards, including multiple Contractor of the Year titles. Customers include aviation, leisure, mixed-use, and retail projects, with notable developments including the Natural History Museum Abu Dhabi, Aquarabia Qiddiya City (Saudi Arabia), Dubai International Airport Concourse A, One Za'abeel, Dubai Hills Mall, and large-scale oil and gas EPC engineering works for the Abu Dhabi National Oil Company (ADNOC).

250+

INDUSTRY AWARDS
RECEIVED

52%

AWARDS THROUGH
NEGOTIATED PARTNERSHIPS

SUPPLIERS AND PARTNERS

**How We Connect**

We engage suppliers and partners through a range of processes and procedures, including Worker Welfare pre-qualification mandates, structural onboarding processes, formal engagement frameworks, and clear communication on standards and expectations. All subcontractors are audited before onboarding to confirm alignment with our worker welfare and safety standards, and annual external audits ensure ongoing compliance with company and legislative requirements. We also provide supplier training opportunities in labour practices, safety, and ethics.

Building Value

Our capability-building partnerships and regional procurement strategies have been proven to drive mutual growth. A significant proportion of our vendor network is locally based, ensuring economic benefits remain within operating markets. We have introduced structured ESG criteria and training modules covering HSE, quality, and ethics, raising performance standards across the supply base and contributing to resilient supply chains.

3,132

VENDORS FORMALLY CERTIFIED
COMPLIANCE WITH CODE OF CONDUCT

100%

SUBCONTRACTOR PRE-AUDIT
COMPLIANCE RATE

COMMUNITIES

**How We Connect**

The Group integrates community impact principles throughout its operations. Worker Welfare oversight and independent audits underpin our ethical standards, and we engage local communities through partnerships with charitable organisations across the UAE and Saudi Arabia. Our formal channels at the project and corporate levels enable us to receive, record, and address community concerns, while our structured supplier development programmes support local small and medium enterprises at the community level.

Building Value

Economic inclusion, social investment, and responsible operations define our community approach. Procurement strategies prioritise regional vendors and small enterprises, which is channelling project spend into local economies. During 2025, our employee-led initiatives distributed care packages to vulnerable households and workers during Ramadan, mobilising over 1,800 employees, subcontractors, and partners. A total of 64 ALEC Holdings corporate-level employee volunteers packaged and distributed care hampers during the programme.

1,800+

PARTICIPANTS IN THE RAMADAN
CARE INITIATIVE

11,034

TOTAL BENEFICIARIES OF
COMMUNITY IMPACT PROJECTS

ESG summary

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ESG SUMMARY

SUSTAINABILITY OVERVIEW

ALEC Holdings went public in 2025. The listing on the Dubai Financial Market brought sustainability under the same governance scrutiny as financial performance, transforming how ESG risks are measured, disclosed, and integrated into project decisions. Clients, regulators, and financiers evaluate ESG performance alongside technical capability and price.

This year brought enhanced governance structures, external validation through ratings and measurable progress across material topics identified through our double materiality assessment.

The Head of ESG now reports directly to the CEO, and the expanded Sustainability Committee is chaired by the CFO, with representatives from all business units, putting climate, social and ethics criteria into project delivery decisions and stakeholder engagement across the UAE and Saudi Arabia, not just compliance checklists.

With 100% of senior executive management completing ESG 101 training, sustainability has shifted from a compliance function to a strategic driver embedded in how ALEC Holdings operates, innovates, and grows.

100%

OF SENIOR EXECUTIVE MANAGEMENT
COMPLETING ESG 101 TRAINING



ESG SUMMARY CONTINUED

SUSTAINABILITY FRAMEWORK

ALEC Holdings' ESG framework rests on a Group Sustainability Policy approved in November 2024, setting commitments across environmental stewardship, social responsibility and governance aligned with UAE and KSA national priorities, UN Sustainable Development Goals and The Ten Principles of the UN Global Compact.

The framework establishes four core objectives: lower environmental footprint, advance worker welfare and inclusion, strengthen ethics and governance, and build digital systems that track progress rather than rely on annual surveys.

The Group implements the framework through five elements: quarterly ESG data collection via ERP systems and digital tools; structured internal and external communication; long-term partnerships with NGOs, clients, regulators, and suppliers; extensive capacity-building and training programmes for staff, workers, and management; and annual sustainability disclosures aligned with GRI, DFM ESG guidelines and UN Global Compact principles. As a UN Global Compact signatory since 2023, ALEC Holdings commits to annual public reporting on how these ten principles are embedded across strategy, culture, and operations.

The framework supports national priorities, including the UAE Energy Strategy 2050, Abu Dhabi Environmental Vision 2030, RAK Energy Efficiency and Renewable Energy Strategy, and Dubai Clean Energy Plan 2050.

Through structured double materiality assessment, ALEC Holdings has identified 16 priority ESG topics balancing financial significance with impact on stakeholders and environment, refreshed through internal workshops and web-based surveys involving employees, communities, clients, and partners.

External recognition validated our progress in 2025, including the Dubai Chamber ESG Label at Advanced maturity level, an EcoVadis "Committed" badge, first place for Labour Accommodation from the Ministry of Human Resources and Emiratization (MOHRE) for companies with fewer than 10,000 workers, and an award from Dubai Holding as the Best Welfare Company.



ESG SUMMARY CONTINUED

CORE OBJECTIVES



LOWER ENVIRONMENTAL FOOTPRINT



ADVANCE WORKER WELFARE AND SOCIAL IMPACT



STRENGTHEN GOVERNANCE



BUILD DIGITAL SYSTEMS TO IMPROVE REPORTING AND TRACK PROGRESS

IMPLEMENTATION

FOCUSED DECARBONISATION PROJECTS ACROSS AREAS WITHIN OPERATIONAL CONTROL

LONG-TERM PARTNERSHIPS

CAPACITY-BUILDING AND TRAINING PROGRAMMES

ANNUAL DISCLOSURES ALIGNED TO GRI, UN GLOBAL COMPACT AND DFM GUIDELINES

INTEGRATE ERP-ENABLED SUSTAINABILITY REPORTING



ENVIRONMENTAL STEWARDSHIP



SOCIAL RESPONSIBILITY



GOVERNANCE



ACCOUNTABILITY & VALIDATION

UN GLOBAL COMPACT SIGNATORY SINCE 2023

MATERIAL TOPICS IDENTIFIED VIA DOUBLE MATERIALITY ASSESSMENT

PUBLIC DISCLOSURES

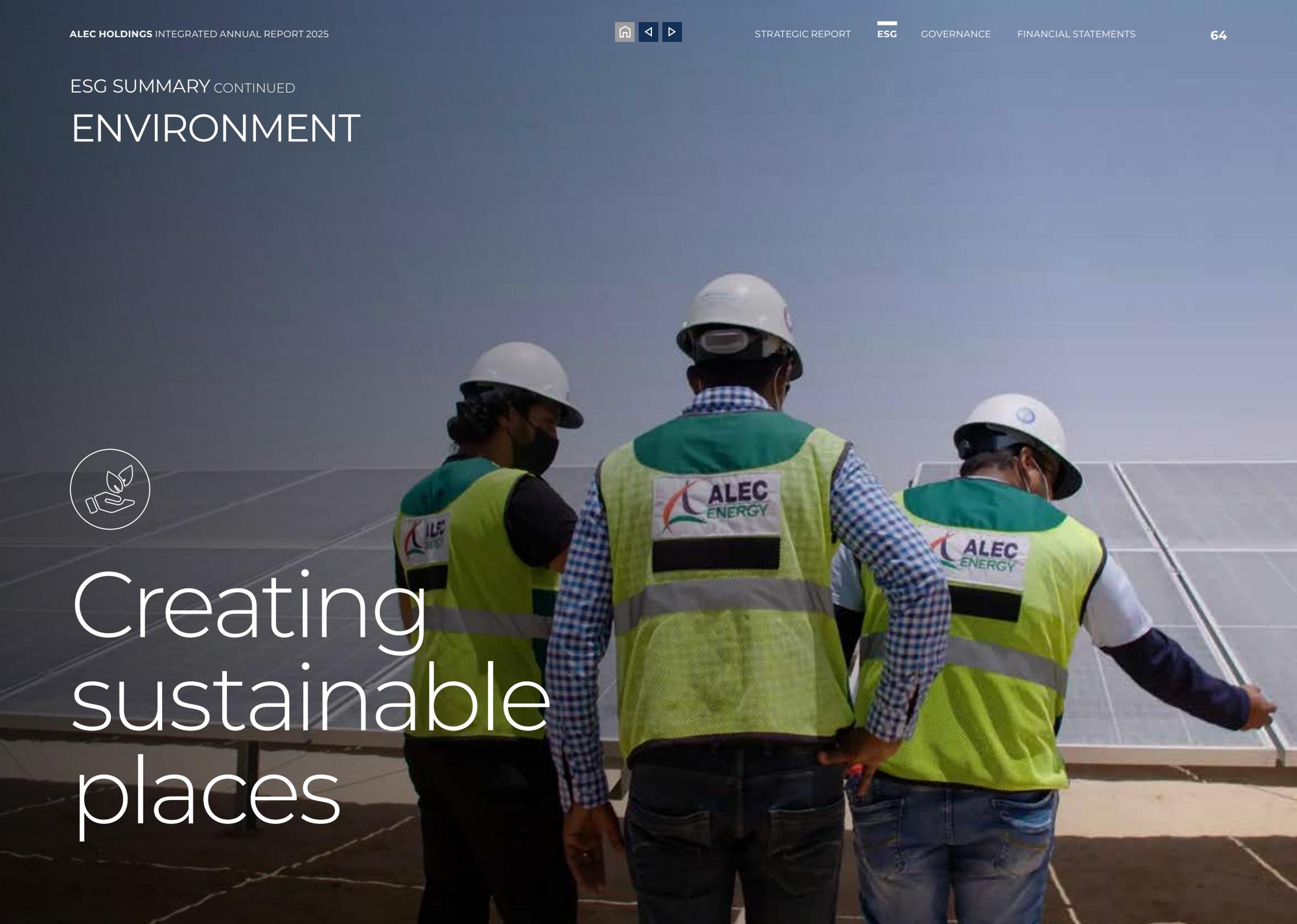
EXTERNAL RECOGNITION AND RATINGS

ESG SUMMARY CONTINUED

ENVIRONMENT



Creating sustainable places



ESG SUMMARY CONTINUED



Leading by example: certifying our own assets

ALEC Holdings applies the same sustainability benchmarks it advocates for the construction industry to its own operational assets. In 2025, the Group’s headquarters achieved LEED Platinum certification (Interior Design + Construction). ALEMCO Headquarters and DIC Yard secured LEED Gold, confirming improved performance on energy, water, materials, and indoor environmental quality relative to conventional baselines.

The results: 25% lighting energy savings and 55% water savings against ASHRAE 90.1-2010 standards. High-efficiency lighting, low-flow water fixtures, enhanced commissioning, occupancy-based controls, and low-VOC materials delivered measurable reductions across offices where ALEC controls operations, not just aspirational targets in documents.

25%

LIGHTING ENERGY SAVINGS

55%

WATER SAVINGS

EXPANDING SOLAR ACROSS OPERATIONAL ASSETS

Solar PV anchors decarbonisation where ALEC controls operations. Solar capacity across UAE assets reached 5.558 MWp with new installations at AJI rental facility, TARGET GNC Camp and BIF Camp.

Entity	Location/Asset	Capacity (MWp)	Year
ALEC HOLDINGS UAE Assets	DIC Yard, Camps 11 & 12	1.448	2022-2024
ALEC HOLDINGS UAE Assets	AJI Rentals	0.115	2025
TARGET UAE Assets	GNC Camp	2.431	2025
TARGET UAE Assets	BIF Camp	1.564	2025
Combined ALEC HOLDINGS + TARGET	All UAE Assets	5.558	2025

The cumulative installed solar PV capacity across ALEC Holdings assets and projects stood at 6.421 MWp by year-end. These installations reduce grid electricity demand and diesel reliance across owned facilities and projects, and support reduction in Scope 2 emissions.

ESG SUMMARY CONTINUED



ALEC HOLDINGS PULSE: TRANSFORMING BUILDING PERFORMANCE THROUGH DATA

ALEC Technologies' Pulse platform drives environmental performance across a few operational assets. Across three ALEC Holdings offices, facilities teams can now monitor electricity and water consumption in real time, detect inefficiencies such as phase imbalance and equipment overruns, and act within hours rather than waiting for monthly utility bills or scheduled maintenance visits that reveal problems weeks after they start. Across the three offices where Pulse has been deployed, the platform delivered a total power consumption reduction of 122,294 kWh against 2023 baselines despite higher occupancy.

Built on open-source frameworks and open-protocol standards, Pulse can connect HVAC, lighting, solar, water, access, and security systems into a unified intelligence layer. The platform's rule engine, analytics and drag-and-drop tools let engineers and facility management teams act quickly. Operational efficiency is now even more closely aligned with sustainability objectives through visible, measurable outcomes.

122,294 kWh

ELECTRICITY REDUCTION ACHIEVED

DELIVERING GREEN BUILDING EXCELLENCE FOR CLIENTS

ALEC Holdings' track record in sustainable construction provides clients with independently verified environmental credentials that align with national sustainability visions and investor ESG expectations. Up to 2025, ALEC Construction has delivered eight projects with LEED certifications, including two at Platinum level (KSA Pavilion and UAE Pavilion at EXPO 2020), four Gold (ADNOC New Headquarters, City Centre Mirdif, Mobility Pavilion, One Za'abeel), one Silver and one Certified. Five projects secured Estidama Pearl ratings, with four achieving Pearl 2 (SeaWorld Abu Dhabi, Transfer Baggage Facility Abu Dhabi Airport, Arrivals Hall & Tunnel Abu Dhabi Airport, ADIA Carpark).

An additional five projects entered the LEED certification pipeline (Triple Bay Red Sea Marine Life Institute, Triple Bay Red Sea Six Senses Resort, Misk Ilmi Science Discovery and Innovation Centre, UAE Stargate Phase 1 and RAK Central), with Wynn Al Marjan Island pursuing Green Globe certification.

Green building delivery requires coordination between design consultants, specialist subcontractors, materials suppliers, and certification bodies, with ALEC Holdings' project teams managing documentation, testing and verification throughout construction. Quality teams provide central oversight to ensure consistent performance.

8 PROJECTS

DELIVERED WITH
LEED CERTIFICATIONS



ESG SUMMARY CONTINUED

CLOSING THE LOOP: PARTNERSHIP FOR GYPSUM RECYCLING

ALEC Holdings partnered with Saint-Gobain Gyproc Emirates Industries to divert 158,620 kg of gypsum waste from landfill in 2025, bringing total waste recycled to 287,300 kg between 2024 and 2025 through a closed-loop programme where collected material enters Saint-Gobain's in-house facility for full recycling into new gypsum board production. Gypsum boards no longer go to landfill. Saint-Gobain takes them back and manufactures new boards, proving circularity works at scale.

Gypsum boards — widely used for interior partitions and ceilings — traditionally end up in landfill after demolition or construction rework. Through structured collection at project sites, ALEC Holdings ensures this material re-enters manufacturing, reducing demand for virgin gypsum and associated extraction impacts. The model could apply to other high-volume waste streams. The initiative reflects how sustainability performance depends on partnerships that extend responsibility beyond the site boundary to encompass material lifecycles and value chain collaboration.



158,620 kg
OF GYPSUM WASTE
DIVERTED FROM
LANDFILL IN 2025



MODERN METHODS FOR REDUCING RESOURCE INTENSITY

Modern Methods of Construction advanced through ALEMCO's off-site prefabrication in 2025. The facility produced around 13,000 modules for three UAE projects and fabricated 183,000 sq.m. of insulated duct in controlled factory conditions. TARGET Steel Industry's 104,000 sq.m. facility has fabrication capacity of 7,500 metric tons of steel annually. Electric CNC cutting replaced conventional oxy-acetylene flame methods, eliminating 800 oxygen cylinders and 350 acetylene cylinders, which has reduced Scope 1 emissions and enhanced workplace safety by removing flame-based operations.

Off-site fabrication reduces material waste through precision cutting, minimises rework from quality issues and shortens on-site construction time, bringing down overall project emissions, boosting predictability and improving safety outcomes. As climate disclosure requirements expand and clients demand evidence of supply chain emissions management, factory-based production provides better data visibility and control compared to dispersed site-based fabrication.

7,500
METRIC TONS OF STEEL
FABRICATION CAPACITY

183,000 sq.m.
OF INSULATED DUCT
FABRICATED

ESG SUMMARY CONTINUED

CUTTING DIESEL TO COMPLEMENT GRID INFRASTRUCTURE

Remote greenfield and brownfield sites covering onshore and offshore scope for the energy sector drive high diesel demand where grid power or alternative fuels remain unavailable. Rather than announcing Group-wide targets before data systems mature, the Group spent 2025 scaling practical decarbonisation levers. Unified site offices avoid multiple generator banks. Integrated offshore logistics services eliminate redundant diesel-powered transport. Early grid connection programmes target nine-month timelines to transition sites off temporary generation.

Solar-diesel hybrid generators and Battery Energy Storage Systems were deployed at selected projects, cutting diesel reliance. They have also maintained power reliability for safety-critical operations. Digital load monitoring and activity scheduling optimise generator runtime. Equipment operates at efficient loads rather than idling during low-demand periods.

ALEC Holdings' fleet transition also continues. Up to 2025, 23 vehicles were converted to electric and hybrid models as existing assets reached end-of-life, supported by lifecycle extensions through proactive maintenance that delayed premature replacement. TARGET complemented fleet transition with in-vehicle monitoring systems tracking driving behaviour, idling and route optimisation for vehicles used on projects, delivering fuel savings without compromising safety or service quality — a critical balance for projects where equipment failure can halt construction schedules and trigger penalty clauses that dwarf the cost of diesel.

23

VEHICLES CONVERTED TO ELECTRIC AND HYBRID MODELS



ESG SUMMARY CONTINUED

SOCIAL



Creating societal value

ESG SUMMARY CONTINUED

Safety leadership driving performance

ALEC Holdings' ISO 45001:2018 Occupational Health & Safety Management System certification, covering 100% of businesses, anchors a Group-wide approach to risk management, safe systems of work and continual improvement. The Lost Time Injury Frequency Rate improved 52% to 0.097 per million man-hours in 2025 from 0.203 in 2024, with Lost Time Injuries falling from 26 to 19 across a total of 195 million man-hours worked by ALEC Holdings and subcontractors across ALEC Construction and TARGET sites.

31.1 million

MAN HOURS WITHOUT
LOST TIME INJURY AT
WYNN AL MARJAN ISLAND

868

HSE & WORKER WELFARE
TRAINING ATTENDEES

1,098,027

HSE & WORKER WELFARE
TRAINING HOURS



Milestone achievements demonstrated that high-risk, technically complex work can be executed under strong safety governance. The Wynn Al Marjan Island project reached 31.1 million man-hours without a Lost Time Injury. The Natural History Museum project delivered approximately 20 million LTI-free man-hours. Daily engagement through toolbox talks, targeted risk campaigns, and scenario-based demonstrations, referred to as industrial theatre, delivered by workforce members in multiple languages, reinforced critical safety behaviours, turning abstract policies into concrete actions that workers could visualise, practise, and apply before encountering hazards on live construction sites.

The Group maintains an independent HSE Compliance Division staffed by two full-time certified auditors conducting structured assessments of ALEC Holdings operations and 144 subcontractors' work on sites. Audit outcomes directly inform risk-based training programmes.

In 2025, HSE training content was tailored to high-risk project activities such as working at height, lifting operations and confined space entry, with refreshers scheduled in line with incident trends and audit observations.

Tragically, the Group recorded one fatality in 2025, a loss that weighs heavily but that drives us towards continuous improvement in safety leadership, hazard identification and frontline training across every project. Total HSE and Worker Welfare training reached 868 thousand attendees across 1.1 million hours, embedding safety and wellbeing into our operations.

ESG SUMMARY CONTINUED



WORKER WELFARE: FROM AUDIT TO ACTION

ALEC Holdings established a dedicated Worker Welfare Department and appointed worker welfare inspectors to monitor conditions across projects and camps. Worker welfare training rolled out across the Group's construction and TARGET UAE projects, with thousands receiving induction on welfare standards alongside HSE training, informing workers of their rights and confidential grievance channels. The Group achieved 99% close-out rate on worker welfare issues recorded during the year, supported by dedicated inspectors monitoring conditions and escalating unresolved matters.

As part of the ESG framework, subcontractor compliance with the Group's Worker Welfare Standards is embedded across procurement, onboarding, and mobilisation. All subcontractors receive the ALEC Holdings Worker Welfare Standards at the tender stage and submit self-declarations of compliance during pre-qualification. Shortlisted subcontractors undergo formal pre-qualification audits to independently verify compliance before onboarding, assessing alignment against defined welfare criteria and identifying gaps categorised by risk severity — high, medium, or low. Any high-risk non-compliances must be fully mitigated before subcontractor onboarding; those with unresolved high-risk findings cannot mobilise.

A total of 76 subcontractors underwent corporate compliance audits to verify alignment with ALEC Holdings Worker Welfare Standards in 2025, with remaining non-compliances managed through corrective action plans featuring clear responsibilities, timelines, and evidence-based close-out requirements. Progress against corrective actions is tracked and verified to ensure continuous improvement and sustained compliance, supporting

ethical labour practices and responsible supply chain management as key components of ESG governance.

ALEC Holdings operates a Group-wide grievance framework. Workers can raise concerns confidentially, safely and without fear of retaliation. Grievance channels cover delayed wages, passport retention, living conditions and treatment at work, communicated through induction and refresher training.

Mechanisms include first-line contacts at accommodation and project sites, designated Welfare Officers independent of line management, welfare hotlines and happiness call numbers, suggestion boxes, workers' welfare committees, face-to-face interviews, regular surveys, and centralised digital grievance registers that track every complaint from submission through investigation to resolution. In 2025, 99.1% of grievances were closed, with 0.9% remaining open.

External recognition validated these efforts: first place for Labour Accommodation from the Ministry for companies with fewer than 10,000 workers and an award from Dubai Holding as Best Welfare Company.

ESG SUMMARY CONTINUED

COMMUNITY INVESTMENT WITH LASTING IMPACT

ALEC Holdings expanded community reach in 2025, with initiatives benefiting 11,034 individuals — a 75% increase from 2024. Additionally, employee participation more than doubled to 2,567 staff compared to 1,190 the previous year. The number of active volunteers doubled to 231, with total community investment of AED 522,020 supporting education, healthcare and welfare initiatives across the UAE and home countries of the workforce.

ALEC Holdings donated AED 200,000 under Dubai Cares' Volunteer Emirates initiative to refurbish classrooms and provide new furniture and educational tools at the National Charity School in Sharjah, improving the learning environment for 900 students. The Group's AED 186,000 commitment to build a three-classroom school in Nepal's Western Region will improve access to education for 90 children in a region with limited educational infrastructure.

The Ramadan Donation Drive expanded to KSA, distributing 4,167 care packages to blue-collar workers and low-income households, engaging 1,830 employees and 64 volunteers. ALEC Holdings matched employee donations with AED 95,000 directed to Emirates Red Crescent's Gaza Relief and King Salman Humanitarian Aid Relief Centre's Palestine campaigns.

A further AED 65,000 supported SmartLife NPO's Smart Medic programme. The programme provides critical treatments, telemedicine kiosks, and medicines not covered by insurance for UAE labourers. Blood donation campaigns with DHA, SEHA, EHS, King Faisal Specialist Hospital and Saudi German Hospital engaged 534 participants, impacting approximately 1,602 beneficiaries across the UAE and KSA.

AED 200,000

DONATED UNDER DUBAI CARES'
VOLUNTEER EMIRATES INITIATIVE

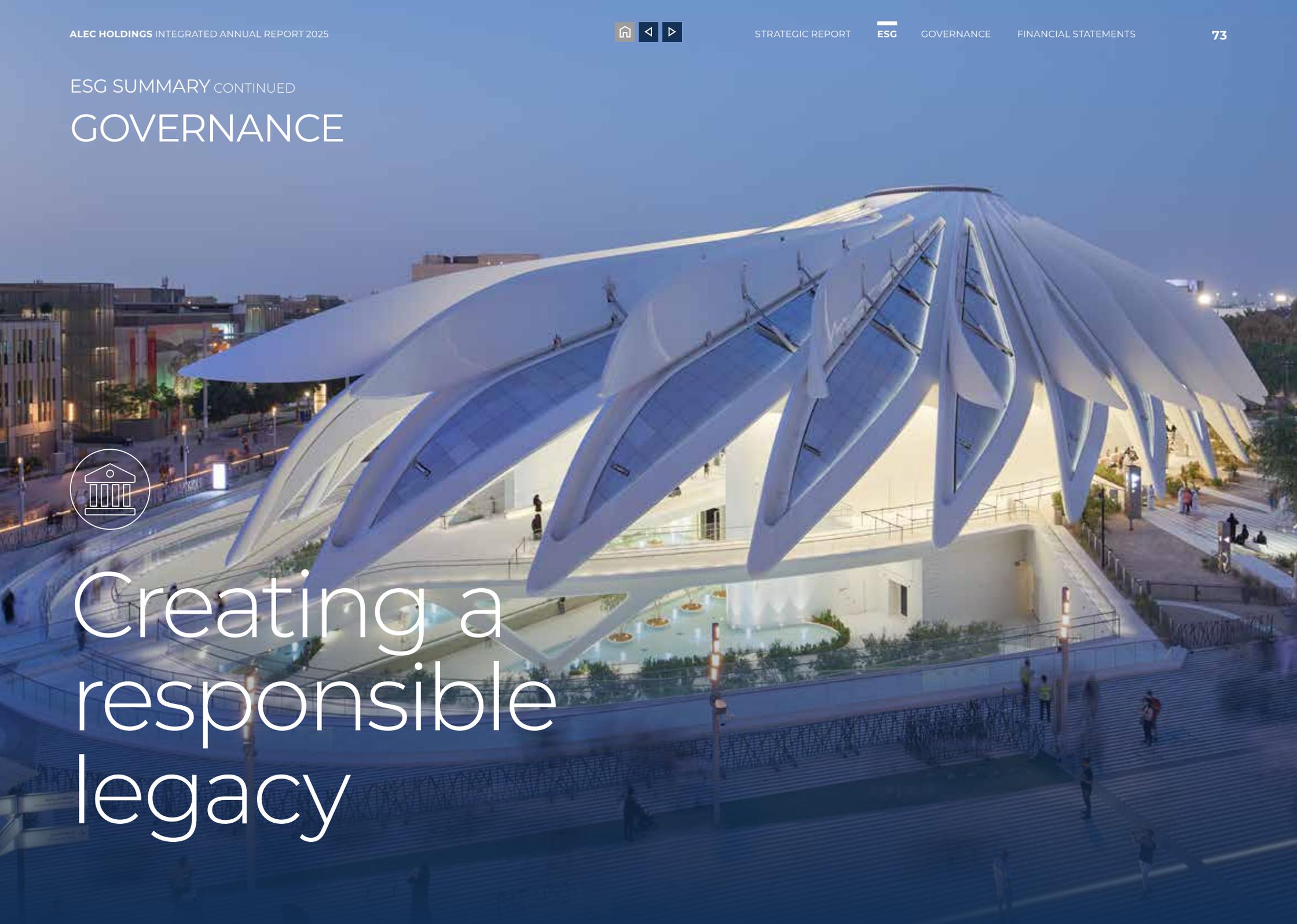


ESG SUMMARY CONTINUED

GOVERNANCE



Creating a responsible legacy



ESG SUMMARY CONTINUED

GOVERNANCE FOR A LISTED COMPANY

ALEC Holdings launched ALEC ALERT in January 2025. A confidential whistleblowing platform for employees, vendors and subcontractors received eight reports during the year, with 100% resolution. The platform strengthens grievance mechanisms, addressing corruption risk across the value chain and providing stakeholders with accessible channels to raise concerns without retaliation. Enhanced Enterprise Risk Management integrated ESG, supply chain and human capital risks into strategic planning, not just operational hazards that generate insurance claims. Anti-bribery and Code of Conduct procedures underwent updates to meet the expectations of publicly listed companies.

Key governance policies were updated in 2025: Anti-Bribery and Anti-Corruption Policy, Code of Conduct Compliance Procedures, unified Vendor Code of Conduct across ALEC Construction and TARGET, Ethics Framework introduced Q4 2025, and enhanced standard purchase order terms covering HSE, anti-bribery and cybersecurity. The updated purchase order terms ensure full alignment with UAE and KSA legal and regulatory requirements, incorporate enhanced provisions on tax compliance, HSE performance, data protection and anti-corruption, and introduce clearer, streamlined clauses to support risk mitigation and define vendor obligations more effectively.

41

WYNN EXECUTIVES AND PROJECT MANAGERS COMPLETED FCPA ANTI-CORRUPTION TRAINING

Fraud training reached 84 employees in Estimation and Procurement, addressing risks including informal agreements, material misuse and reliance on verbal approvals. A total of 41 individuals, including the Wynn Project team, Legal, Risk and Internal Audit Departments, completed FCPA anti-corruption training in collaboration with KL Gates.

The Group maintained ISO 9001:2015 certification across 100% of businesses, reinforcing quality management alongside environmental (ISO 14001:2015) and occupational health and safety (ISO 45001:2018) standards.

The Sustainability Committee, chaired by COO and CFO John Deeb with representatives from all business units and key operational departments, oversees ESG strategy, reporting, and performance through at least three meetings per financial year. The Committee monitors initiative progress, approves relevant projects, safeguards the integrity of sustainability disclosures, and updates the Executive Committee and Board on regulatory changes impacting business and sustainability strategy. With the Head of ESG reporting directly to the CEO, sustainability risks shape strategic decision-making at the highest level.

100%

OF BUSINESSES MAINTAINED ISO 9001:2015 CERTIFICATION



PROCUREMENT: FROM TRANSACTIONAL TO STRATEGIC

ALEC Holdings began implementing a unified, governance-driven procurement model in 2025, enhancing vendor accountability, expanding local partnerships, and embedding ESG criteria into supply chain decisions. The establishment of a Group Strategic Procurement Department under the Group CFO consolidated indirect procurement, introduced vendor segmentation, and developed a Group-wide procurement strategy integrating governance, risk and ESG reporting across ALEC Holdings entities.

Our supply chain risk management was also improved in 2025. Focus areas include labour and welfare compliance, environmental performance, data integrity and regulatory change. Mitigation actions include framework agreements, enhanced contract terms, vendor segmentation, collaboration with HSE and Worker Welfare teams, and preparation for ESG clauses in long-term agreements. 3,132 vendors (suppliers and subcontractors) were formally certified and compliant with the Code of Conduct. Sustainability questions are now embedded into indirect procurement RFPs, with full integration into strategic supplier RFPs planned for 2026-2027.

ESG training for procurement teams covered a wide range of topics, including Scope 3 emissions reporting, green building requirements, waste management circularity, governance fraud risks and health safety worker welfare risks, laying the foundation for advanced sustainable procurement.

ESG SUMMARY CONTINUED



DIGITAL RESILIENCE AND DATA PROTECTION

ALEC Holdings recorded zero critical security breaches and zero substantiated data privacy violations across the entire Group in 2025. A Security Operations Centre was deployed, providing around-the-clock monitoring of all endpoint devices and critical assets, with escalation, containment and remediation processes integrated with the SOC. A comprehensive Incident Response Plan was developed in consultation with senior executives. Several key policies underwent updates to strengthen IT access controls, data lifecycle management, and protection of information assets

Finance, Internal Audit & Risk, Legal and Information Technology jointly oversee cybersecurity governance, integrating security with enterprise risk management and ensuring executive-level attention and resource allocation. ALEC Holdings is targeting ISO 27001 certification in 2026, achieving independent validation of cybersecurity governance, risk management, incident response and data protection practices. A mandatory security awareness training programme is provisioned across the Group, with multiple campaigns targeting different user segments, including specialised workshops for executives and phishing simulation campaigns tested on new joiners, existing users and those identified as vulnerable.

ECOVADIS RECOGNITION AND CONTINUOUS IMPROVEMENT

ALEC Holdings achieved the “Committed” badge from EcoVadis, a global leader in business sustainability assessments, scoring 58/100 and placing the Group in the 61st percentile globally. The EcoVadis assessment evaluates 21 sustainability criteria across four core themes — Environment, Labour & Human Rights, Ethics and Sustainable Procurement — based on international sustainability standards such as The Ten Principles of the UN Global Compact, ILO conventions, GRI standards and ISO 26000 guidance. The EcoVadis process validates sustainability commitments, practices, and performance, offering a clear roadmap for continuous improvement.

61st
PERCENTILE GROUP
PLACEMENT GLOBALLY

58/100
ECOVADIS BUSINESS SUSTAINABILITY
ASSESSMENT SCORE



ESG SUMMARY CONTINUED

LOOKING AHEAD

The focus for 2026 centres on the continued decarbonisation of our assets and operations, greater safety and worker development and enhanced reporting practices.

We will advance our decarbonisation programme by increasing the deployment of Battery Energy Storage Systems, solar-diesel hybrid generators and on-site solar systems, where feasible. Additionally, we will expand hybrid and electric fleet adoption and pursue LEED certifications for our owned and long-leased facilities.

Offsite construction will continue to be scaled through ALEMCO, TARGET and LINQ Modular, which will provide clients with faster, safer, and more resource-efficient project delivery.

Data quality will also be a focus, and we will expand our Scope 3 coverage, align with national climate policies, and consider sector benchmarks before formalising Group-wide targets.

Furthermore, we look forward to carrying out a detailed climate risk assessment in 2026, which will serve to provide us with a deeper understanding of physical and transition risks across the asset base and project portfolio.



Corporate Governance

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CHAIRMAN'S INTRODUCTION

Building Tomorrow's Landmarks Today

H.E. HUSSAIN LOOTAH

CHAIRMAN OF THE BOARD OF DIRECTORS
ALEC HOLDINGS PJSC



“It is through steadfast adherence to transparency, accountability, and ethical leadership that we continue to create sustainable value for our shareholders and stakeholders.”

Dear Stakeholders,

2025 was a defining year for ALEC Holdings (PJSC). We listed on the Dubai Financial Market on 8 October, and with that step came a new level of accountability – to you, our shareholders, and to the regulatory standards that govern public companies in the UAE.

The Board approved a comprehensive Corporate Governance Manual, refined the Delegation of Authority matrix, and embedded formal disclosure protocols across the organisation. We launched the ALEC Alert whistleblowing platform in January 2025 and introduced a Group-wide Ethics Framework in Q4 – two initiatives that signal our intent to operate with transparency at every level.

Our Board comprises six non-executive directors – four of whom are independent – alongside our Executive Director and CEO, Mr Barry Lewis. This composition gives us the independence, challenge, and diverse expertise that a newly listed company requires.

The board met once in 2025 and deliberated at its meeting, covering matters from IPO governance preparations to the appointment of Deloitte & Touche (M.E.) as external auditor.

Two Board committees became operational following the listing. The Audit & Risk Committee, chaired by Ms Farah Foustok, held its inaugural meeting on 7 November 2025 and immediately took ownership of internal audit oversight, the Enterprise Risk Management framework, and financial reporting controls. The Nomination & Remuneration Committee, chaired by Mr Nabil Al Kindi, met on 13 November 2025 to approve its charter, review Board composition, and establish remuneration governance for executive management.

The year also saw the establishment of a formal Internal Audit function, the appointment of Mr Aser Mokhtar as Investor Relations Officer, and the implementation of blackout trading periods and insider declaration protocols – all first-time structures for the Group.

Following the evolution of our governance architectures, work will continue in embedding them consistently and across every subsidiary. This focus and our guiding principles will continue to steer our strategic direction, support operational resilience, and position the company for sustainable growth in the years to come.

GOVERNANCE AT A GLANCE

In 2025, ALEC Holdings (PJSC) governance structures were further reinforced through ISO-certified management systems, a revitalised Code of Conduct, and expanded oversight by the Ethics Committee, ensuring robust escalation, investigation, and reporting mechanisms.

Key enhancements also included the introduction of a formal whistleblowing platform, targeted anti-corruption training, and strengthened procurement governance to increase supplier accountability and incorporate ESG criteria into supply chain decisions.

Governance structures were further reinforced through ISO certified management systems, a revitalised Code of Conduct, and expanded oversight by the Ethics Committee, ensuring robust escalation, investigation, and reporting mechanisms. Collectively, these developments positioned ALEC HOLDINGS (PJSC) to operate with greater discipline, integrity, and risk resilience as it entered public markets, while supporting sustainable value creation for shareholders and stakeholders.

NUMBER OF BOARD MEETINGS

1

BOARD MEETING ATTENDANCE

100%

COMMITTEE MEETINGS:

1

Audit and Risk Committee

(100% Attendance)

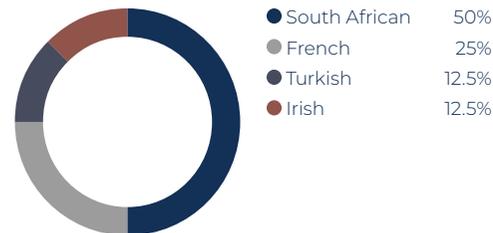
1

NRC Committee

(100% Attendance)

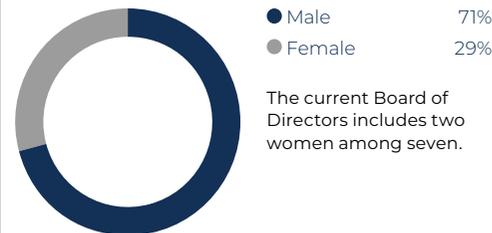
Senior management

Senior management nationality

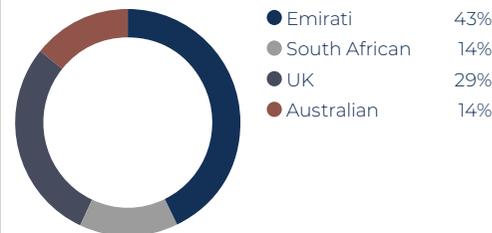


Board

Gender diversity

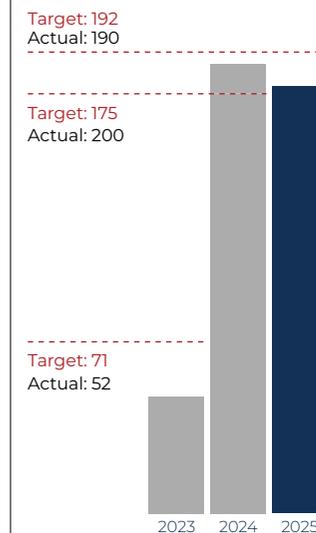


Board nationality



Employees

Emiratisation (Targets vs Actual):



GOVERNANCE AT A GLANCE CONTINUED

Governance Initiatives 2025

Introduction of the Ethics Framework (Q4 2025)

ALEC Holdings (PJSC) formally introduced a comprehensive Ethics Framework to enhance ethical oversight, define clear roles and escalation protocols, and ensure consistent management of ethics matters from initial report to resolution.

The framework strengthens transparency, reinforces accountability, and provides structured reporting to the Executive Committee and the Board.

Launch of the Whistleblowing Platform

An upgraded, confidential reporting platform managed by an independent third party service provider was implemented to support safe disclosure of unethical, illegal, or suspicious activities.

The platform is overseen by the Head of Risk & Internal Audit, with investigations escalated in line with the Ethics Framework.

Strengthening of Procurement Controls & Responsible Supply Chain Governance

A transformation from project-led purchasing to a unified, governance-driven procurement model was completed.

This shift enhanced supplier accountability, increased local sourcing, and integrated ESG criteria into supplier selection and evaluation.

Targeted Anti-Corruption & Compliance Training

ALEC Holdings (PJSC) delivered specialised anti-corruption and compliance training across multiple departments, including project teams and corporate office staff, reinforcing employees' understanding of ALEC Holdings (PJSC)'s Code of Conduct and regulatory requirements.

Enhanced Policy Governance & Updates

Key policy documents - such as the Anti Bribery & Anti Corruption Policy, Vendor Code of Conduct, and Compliance Procedures - were updated to reflect regulatory requirements and strengthen internal accountability.



Governance Readiness for Listing

ALEC Holdings (PJSC) embedded heightened levels of accountability, transparency, and risk discipline across the organisation to meet the expectations of a publicly listed entity. This included enhanced disclosure practices, improved internal control mechanisms, and alignment with regulatory governance standards.

Expanded Role of Governance Committees

The Ethics Committee - chaired by the CFO/COO - played a central role in governance oversight, ensuring adherence to the Code of Conduct, monitoring investigations, and promoting a culture of ethical behaviour across all business units.



GOVERNANCE AT A GLANCE CONTINUED

Governance Challenges Overview

ALEC Holdings (PJSC)'s governance challenges revolve around scaling the governance framework, increasing transparency, strengthening ethical and ESG oversight, and enhancing internal coordination as the organisation matures into a publicly listed entity. These challenges are being actively addressed through policy updates, improved reporting mechanisms, strengthened committee structures, and enhanced Board governance processes.

As ALEC Holdings (PJSC) strengthened its governance maturity in preparation for becoming a publicly listed company, several structural, operational, and cultural governance challenges emerged. These challenges reflect the rapid scaling of the Group and the heightened expectations of regulators, investors, and internal stakeholders.

Scaling Governance for a Newly Listed Entity

Transitioning from a private to a public company created significant demands on ALEC Holdings (PJSC) governance systems. The organisation needed to embed higher standards of transparency, risk discipline, and oversight to satisfy DFM, SCA, and shareholder expectations. The Governance Chapter highlights intensified requirements around reporting integrity, policy updates, and Board-level oversight structures - areas that required rapid enhancement and consistent application across business units.

Enhancing ESG Governance and Disclosure Capabilities

ESG reporting expectations increased significantly, especially in relation to governance indicators such as Board diversity, board performance metrics, climate risk oversight, and stakeholder engagement. The ESG team requested improved data availability and evidence for Board-level ESG discussions, emphasising the need for stronger internal tracking systems, clearer ownership of ESG disclosures, and more structured Board engagement on sustainability matters.

Embedding the Ethics Framework and Strengthening Ethical Culture

Although ALEC Holdings (PJSC) introduced an Ethics Framework in Q4 2025 and launched the ALEC Alert whistleblowing platform in January 2025, the company still faced challenges in ensuring that ethics oversight was consistently applied across departments and subsidiaries. Strengthening investigation procedures, clarifying escalation pathways, and ensuring confidentiality were key governance priorities that required deeper integration into everyday decision-making.

Internal Controls, Audit Oversight & Financial Governance

Audit & Risk Committee communications, meeting minutes, and financial reporting workflows show recurring challenges around:

- ensuring Board and Committee packs are circulated with sufficient notice,
- maintaining timely sign-off on financial statements, and
- aligning updates across finance, risk, and audit teams.

Emails from the Audit & Risk Committee process illustrate pressures on coordinating reviews, delivering complete materials, and improving clarity in documentation.



CONTINUED ►

GOVERNANCE AT A GLANCE CONTINUED

Governance Challenges Overview continued

Governance Consistency Across Business Units

The rollout of new governance policies - such as the revised Delegation of Authority (DoA) - required consistent adoption across business units with different maturity levels. Communicating accountabilities, aligning approval limits, and ensuring correct application of the DoA were identified as areas needing further reinforcement.

Regulatory alignment and discipline (IPO & Capital Markets Requirements)

Emails relating to the IPO highlight the complexity of regulatory submissions, disclosure requirements, stability mechanisms, and investor documentation. Coordinating legal, finance, Board, and external advisers require higher levels of governance discipline and strengthened internal processes.

Procurement, Supply Chain and Compliance Challenges

Strengthening procurement governance surfaced as a key area of improvement. The Sustainability & ESG training indicated ongoing issues with:

- supplier accountability,
- ESG risk management,
- documentation of responsible sourcing,
- ensuring Group-wide adherence to updated procurement controls was necessary to mitigate governance and reputational risks.

Data Management, Digital Governance & Transparency Gaps

Internal initiatives around data governance and digital tools revealed challenges such as:

- fragmented reporting systems,
- lack of visibility over IT projects,
- difficulty prioritising digital initiatives, and
- inconsistent communication across teams. These governance gaps affected decision-making efficiency and transparency.



FUTURE GOVERNANCE PLANS

In 2026, the Board will commission its first independent Board effectiveness evaluation, extend the Enterprise Risk Management framework to all subsidiaries, and hold ALEC Holdings PJSC's inaugural Annual General Assembly.

The Audit & Risk Committee will oversee the first full-year internal audit cycle, and the NRC will conduct its first annual review of executive remuneration against market benchmarks. The Company will also implement a formal shareholder engagement programme ahead of results announcements.

CORPORATE GOVERNANCE REPORT

Governance Framework

ALEC Holdings PJSC place significant emphasis on robust corporate governance, recognising its essential role in reinforcing the company's leadership both locally and internationally. ALEC is dedicated to fostering a corporate culture that encourages Board members, executives, and employees to uphold the highest standards of professional conduct. Our governance framework comprises comprehensive regulations and legislation that define the professional relationships

among management, the Board of Directors, shareholders, and other stakeholders. This framework establishes the foundation for setting company objectives, determining strategies to achieve them, and monitoring performance. Effective corporate governance is not merely a goal, but a guiding principle that promotes sound practices within ALEC and across the industry, thereby strengthening market confidence and ensuring integrity in all business activities.



CORPORATE GOVERNANCE REPORT CONTINUED

Board Composition

The Board was formed on 8 October 2025 after the listing date:



**HE HUSSAIN
NASSER LOOTAH**

CHAIRMAN, NON-
EXECUTIVE/
INDEPENDENT



Experience and Qualifications

H.E. is a civil engineering graduate of Arizona State University, H.E. Lootah began his career with the Federal Ministry of Electricity and Water before joining Dubai Municipality in 1985. He progressed through several senior leadership roles, including Assistant Director General for Environment and Public Health Affairs and later for Planning and Building Affairs. In December 2005, he was appointed Deputy Director General. In 2008, by Decree of His Highness Sheikh Mohammed bin Rashid Al Maktoum, H.E. was appointed Director General of Dubai Municipality and Mayor of Dubai, a position he held until 2018. During his tenure, he oversaw the Municipality's operations across multiple sectors and departments and chaired numerous strategic and technical committees. His leadership contributed to the Municipality receiving approximately 30 local, regional, and international awards.

H.E. also played a key role in national and emirate-level initiatives, serving on and chairing several government councils and committees, including infrastructure, economic, strategic, climate change, and security bodies.

H.E. was a founding contributor to the UAE Engineers Society and served as its Chairman from 1992 to 1996.

His tenure was marked by landmark projects such as the Dubai Frame, the deep tunnelling project, the Mohammed bin Rashid Library, Dubai Safari, the Quranic Garden, and the development of several specialized markets.

He also oversaw major heritage preservation initiatives, including Saruq Al Hadid and the revitalization of historic districts such as Shindagha and the Old Souks.

Under his leadership, Dubai Municipality achieved strong revenue growth and introduced key regulatory frameworks enhancing transparency and governance.

Following his retirement, H.E. continues to serve in prominent leadership roles.

H.E. is Chairman of the Board of ALEC Holdings, part of the Investment Corporation of Dubai, a board member of Dubai Investment, and a trustee of Dubai Medical College, among other appointments.

H.E. chairs the Al Ma' Capital Oversight Committee and leads the Hussain Lootah Group, with interests spanning robotics, engineering consultancy, real estate, and hospitality.



**MR KIERON
TAYLOR**

FOUNDER AND
VICE CHAIRMAN,
NON-EXECUTIVE



Experience and Qualifications

Mr Taylor has more than 35 years of experience in the construction sector. He served as Group CEO of ALEC from 2001 until 2023, and before that was a Director at Grinaker-LTA.

He has overseen the completion of more than 100 projects in the UAE, Qatar, Saudi Arabia, Mauritius, Zambia, and Ethiopia - including airports, shopping centres, hospitality facilities, and high-rise towers - while leading a workforce of over 11,000. He holds a Bachelor of Science with Honours in Construction Management from the University of the Witwatersrand.

Board appointments to other Public Joint Stock Companies

None

Board appointments in other key regulatory, governmental or commercial positions

None

CORPORATE GOVERNANCE REPORT CONTINUED

Board Composition continued**MR BARRY LEWIS**

EXECUTIVE

**Experience and Qualifications**

Mr Lewis joined the Group in 2002 as a Contracts Manager on the Mina Al Salam project and progressed to Managing Director, overseeing all construction operations. He has delivered multiple landmark projects, including Mina Al Salam, Mirdif City Centre, Dubai Airport Concourses A and D, Bluewaters Retail, Doha City Centre, Bvlgari Hotel and Resort, One Za'abeel, and SeaWorld Abu Dhabi. He led the integration of Target Engineering following its acquisition. Mr Lewis was appointed CEO in October 2023. He began his career with Grinaker-LTA South Africa after graduating from the University of Witwatersrand in 1993 with a Bachelor of Science Degree in Building (Honours).

Board appointments to other Public Joint Stock Companies

None

Board appointments in other key regulatory, governmental or commercial positions

None

**MS. FARAH FOUSTOK**NON-EXECUTIVE/
INDEPENDENT**Experience and Qualifications**

Ms Foustok has three decades of experience in financial services across the UK, EU, Latin America, and the Middle East. She most recently served as Vice Chair of Lazard Saudi Arabia and CEO of Lazard Asset Management's Middle East business, where she led the regional growth strategy for a decade.

She previously held C-suite roles at ING Investment Management Middle East and established the Asset Management division at the National Bank of Dubai. As former Chair of the UAE Financial Services Association and the DIFC Pension working group, she was instrumental in shaping the UAE's asset management industry. She holds executive qualifications in Fintech, Sustainable Finance, and Design Thinking, and was named International Investment Woman of the Year by Investment Week (London) in 2019.

Board appointments to other Public Joint Stock Companies

Non-Executive Director, ESAS (Turkey)

Board appointments in other key regulatory, governmental or commercial positions

Chairperson, Audit & Risk Committee, ALEC Holdings (PJSC)

Operating Partner and Senior Advisor,
Energy Impact Partners (MENAT)Advisory Council Member, Dubai International Chamber
Strategic Advisor and Founding Investor, ALARA Partners
Board Member, Room to Read (Middle East)**MS. KAMILLIA ALMARASHI**

NON-EXECUTIVE

**Experience and Qualifications**

Ms Al Marashi has 20 years of experience in finance and investment. She is Head of Portfolio Management at the Investment Corporation of Dubai (ICD), the principal investment arm of the Government of Dubai, where she oversees a diverse portfolio of assets integral to Dubai's economy.

She joined ICD in 2010 on the mergers and acquisitions team, participating in investment decisions that contributed to the transformation of Dubai's economy. Prior to ICD, she spent four years at Ernst & Young Dubai in audit and assurance. She is the first Emirati woman to obtain the ACCA qualification, is a Fellow of the association, and is a CFA Charterholder. She holds a Bachelor's degree in Accounting and Financial Management from the University of Essex.

Board appointments to other Public Joint Stock Companies

Member, Audit & Risk Committees for several ICD portfolio companies

Board appointments in other key regulatory, governmental or commercial positions

None

* None of the prospective Board members hold any employment positions with the Company's subsidiaries and/or other joint stock companies in the UAE, except for Mr Barry Roy Lewis, who is serving as the Chief Executive Officer of the Company.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Composition continued



**MR MOUSTAFA
FAHOUR**

NON-EXECUTIVE/
INDEPENDENT



Experience and Qualifications

Mr Fahour is Chief Operating Officer for the Middle East at Plenary Group, where he has secured and led major public-private partnership (PPP) projects, including the UAE's first schools PPP and the largest student accommodation PPP in the GCC. His career began in banking, with a focus on wealth management, project finance, and capital markets, before he transitioned into construction and infrastructure. He is a recipient of the Order of Australia Medal (OAM) and was Highly Commended by the Victorian Government in 2021 for community response and recovery. He holds a Bachelor of Business Administration from La Trobe University.

Board appointments to other Public Joint Stock Companies

None

Board appointments in other key regulatory, governmental or commercial positions

Founder and Board Member, Islamic Museum of Australia
Advisory Board Member, Australia-UAE Chamber of Commerce



**MR NABIL
AL KINDI**

NON-EXECUTIVE/
INDEPENDENT



Experience and Qualifications

Mr Al Kindi has over 20 years of experience in senior management across the UAE's real estate and development sector. He is Group Chief Executive Officer of Dubai South, where he leads multi-sector operations and oversees strategy, governance, and performance across the group's subsidiaries. He also serves as CEO of Duserve Facilities Management, South Energy, and Dubai South Community Management. He previously served as CEO of Dubai South Properties and as Chief Real Estate Officer at Dubai International Financial Centre (DIFC), where he led the Gate Avenue development and initiated the DIFC 2.0 strategy. He is also the Founder and Managing Director of STUDIOI, an architectural and engineering consultancy operating in the UAE, Egypt, Bosnia, and Saudi Arabia.

Board appointments to other Public Joint Stock Companies

None

Board appointments in other key regulatory, governmental or commercial positions

Group CEO, Dubai South (DACC subsidiary)
CEO, Duserve Facilities Management
CEO, South Energy
CEO, Dubai South Community Management
Founder and Managing Director, STUDIOI

* None of the prospective Board members hold any employment positions with the Company's subsidiaries and/or other joint stock companies in the UAE, except for Mr Barry Roy Lewis, who is serving as the Chief Executive Officer of the Company.



**MS. RUBA
ALAJDAD**

BOARD SECRETARY



Board Secretary

Ms. Ruba Alajdad has served as Board Secretary of ALEC Holdings (PJSC) since 2025, supporting the Board in the effective implementation of corporate governance, regulatory compliance, and oversight of organisational culture in accordance with SCA, ADX and DFM Corporate Governance Regulations.

With extensive experience in company secretarial practice and governance advisory roles across listed and regulated entities, she supports the Board and its Committees in maintaining robust governance structures, effective decision making processes, and transparent disclosures.

Ms. Alajdad plays a key role in enabling Board oversight of culture by supporting the Ethics Framework, whistleblowing and escalation mechanisms, delegation of authority structures, and governance policies that promote integrity, accountability, and ethical conduct across the Group. Her role includes close coordination with management, assurance functions, and external stakeholders to ensure that cultural expectations are clearly articulated, consistently applied, and embedded within ALEC Holdings (PJSC) governance and leadership framework.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Composition *continued*

BOARD MEMBERS SHARE OWNERSHIP

No.	Name	Position/Nature of the Relationship	Shares Owned as of 31 December 2025	Volume of bought shares	Volume of sold shares
1.	H.E. Eng. Hussain Nasser Lootah	Chairman	0	0	0
2.	Mr Kieron Taylor	Deputy Board Member	571,429	571,429	0
3.	Mr Barry Roy Lewis	CEO/Executive Director	714,286	714,286	0
4.	Ms. Farah Foustok	Board Member	0	0	0
5.	Ms Kamillia Ahmed AlMarashi	Board Member	0	0	0
6.	Mr Moustafa Fahour	Board Member	0	0	0
7.	Mr Nabil Al Kindi	Board Member	0	0	0

* Other than the Board members listed above, neither their spouses nor their children held any shares in the Company during 2025.

Bonuses, allowances, and fees received by members of the Board of Directors**A. Board bonuses (2025).**

None.

B. Proposed Board remuneration for board members for 2025.

ALEC Holdings (PJSC) proposes to grant remuneration to the members of the Board of Directors, from the date of listing and the formation of the Board and its committees, until the end of the financial year ended 31 December 2025, in the form of fixed Board fees and committee attendance allowances, structured to reflect the responsibilities, time commitment, and fiduciary duties associated with Board and committee service.

Allowances for attendance at meetings of permanent Board committees, including the Audit & Risk Committee and the Nomination & Remuneration Committee, were paid in accordance with approved committee mandates and are disclosed separately in this report. No additional allowances, salaries, benefits in kind, or exceptional payments were granted to Board members during the year other than those expressly disclosed.

Board fees are fixed and not linked to the company's financial performance, protecting director independence. The proposed total remuneration of AED 925,000 for 2025 (covering 8 October to 31 December) will be presented to shareholders for approval at the Annual General Assembly.

C. Committee attendance allowances:

Attendance Allowances for Meetings of Permanent Board Committees

Audit & Risk Committee			
Name	Position	Number of meetings	Allowance (AED)
Ms. Farah Foustok	Chairperson	7 November 2025	45,000
Ms. Kamillia Ahmed AlMarashi	Member		35,000
Mr Moustafa Fahour	Member		35,000
NRC Committee			
Mr Nabil Al Kindi	Chairperson	13 November 2025	35,000
Ms. Farah Foustok	Member		25,000
Ms. Kamillia Ahmed AlMarashi	Member		25,000

*This proposal will be presented to the Company's shareholders at the upcoming Annual General Assembly for approval.

D. Other Board compensation

None.

E. Board meetings held in 2025

ALEC Holdings PJSC held its first board meeting on 14 November 2025

No.	Meeting Date	Number of Attendees	Number of Attendees by Proxy	Names of Absent Members
	14 November 2025	Seven Members	None	None

F. Board decisions by circulation (2025)

The Board of Directors did not issue any decisions for circulation during the fiscal year 2025.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Composition continued

Board Effectiveness

Key Board Responsibilities & Tasks at ALEC HOLDINGS (PJSC)

The following list consolidates the Board's core tasks as evidenced across ALEC Holdings (PJSC)'s governance documents, committee charters, and operational governance practices:

1. Strategy & Long-Term Direction

- Approving the Group's strategy and ensuring alignment with long-term objectives.
- Overseeing the execution of large-scale and nationally significant projects through Board updates and performance reviews.

2. Governance Oversight

- Ensuring ALEC HOLDINGS (PJSC) maintains a robust corporate governance framework, including adherence to the Code of Conduct and key governance policies.
- Reviewing the company's governance system annually and approving updates, frameworks, and policies.

3. Board & Committee Evaluation

- Approving and participating in the annual evaluation of the Board, Committees, and Executive Management.
- Assessing the effectiveness of independent decision-making, diversity, committee structures, and oversight capabilities.

4. Oversight of Financial Integrity

- Reviewing and approving quarterly and annual financial statements and ensuring the integrity of reporting.
- Oversight of internal controls, external audits, and risk management structures through the Audit & Risk Committee.

5. Risk Management

- Ensuring implementation of disciplined risk management, including ethics investigations, whistleblowing channels, and internal controls.

6. ESG & Sustainability Oversight

- Monitoring ESG performance, climate risk updates, stakeholder engagement, and compliance with DFM ESG reporting requirements.
- Reviewing ESG-related content, training, and reports submitted to the Board.

7. Ethics, Compliance & Integrity

- Providing oversight through the Ethics Committee and ensuring the Group upholds ethical conduct standards.
- Ensuring implementation of anti-corruption training and policy updates.

8. Appointment, Succession & Board Composition

- Reviewing composition, independence, tenure, and diversity of the Board.
- Approving appointments, renewals, and committee restructurings.

9. Review & Approval of Major Transactions

- Approving key corporate decisions, shareholder resolutions, and regulatory submissions (e.g., IPO related processes, disclosures, stabilisation agreements).

10. Oversight of Internal & External Communication

- Ensuring timely and accurate communication with regulators such as DFM, SCA, and market participants.
- Approving disclosures, announcements, and governance-related reporting.

Board Diversity

ALEC Holdings (PJSC) recognises that an effective Board is one that reflects a balance of skills, experience, independence, and diverse perspectives. Board diversity is an essential component of strong governance, supporting high-quality decision-making, constructive debate, and enhanced oversight across the Group's operations.

In line with emerging regulatory expectations and ESG best practice standards, ALEC HOLDINGS (PJSC) incorporates diversity considerations into Board composition reviews, director appointments, and future succession planning. As part of its governance development roadmap, the Group will begin reporting key diversity indicators - including the percentage of women on the Board, independent directors, and executive vs. non executive representation - in alignment with the disclosure requirements requested through ESG and DFM governance guidelines.

The Board's composition is regularly reviewed to ensure it maintains an optimal mix of industry expertise, financial acumen, strategic capability, regional knowledge, and demographic diversity. This approach helps ensure that Board deliberations benefit from a broad set of viewpoints, reflecting both the evolving needs of the Group and expectations of its stakeholders.

ALEC Holdings (PJSC) remains committed to enhancing gender diversity and strengthening representation across multiple dimensions - professional backgrounds, leadership experience, nationality, and sector knowledge - while ensuring that all appointments continue to meet the highest standards of competence and integrity.

As ALEC Holdings (PJSC)'s governance maturity advances, Board diversity metrics will be formally integrated into the Board and Committee evaluation process and will support ongoing development of succession pipelines, director onboarding, and continuous upskilling initiatives. This ensures that diversity is embedded in Board composition and in the long-term sustainability of ALEC Holdings (PJSC)'s leadership structures.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Oversight of Culture at ALEC HOLDINGS (PJSC)

The Board of ALEC Holdings (PJSC) plays a central role in shaping, overseeing, and reinforcing the culture of integrity, accountability, and ethical conduct across the Group. As ALEC HOLDINGS (PJSC) transitioned into a publicly listed entity, the importance of cultural governance intensified, driven by heightened regulatory expectations and the need for consistent behaviours that reflect the company's values and governance commitments.

Embedding an Ethical and Accountable Culture

ALEC Holdings (PJSC)'s governance documents emphasise that fostering an ethical culture is a strategic priority - particularly as the organisation scales. The introduction of the Ethics Framework and the deployment of the ALEC Alert whistleblowing platform demonstrate the Board's commitment to establishing a culture where transparency, fairness, and responsible behaviour are the norm. These initiatives were introduced to strengthen ethics oversight and ensure consistent application of ethical standards across departments and subsidiaries.

Board Level Structures Supporting Culture

Through the Ethics Committee - chaired by the CFO/COO - the Board maintains oversight of all ethics-related matters, ensuring that escalation protocols, investigation processes, and corrective measures are clearly defined and consistently implemented. This structure fosters a culture where ethical expectations are unambiguous, and employees feel confident raising concerns.

Culture Integrated Into Governance and Leadership

The Group faced a variety of cultural governance opportunities during its 2025 listing preparations - including developing consistent practices across subsidiaries, compliance with new policies, and addressing gaps in ethical escalation protocols.

The Board now monitors culture through three mechanisms: quarterly People & Culture reports covering training completion, Code of Conduct adherence, and whistleblowing statistics; Audit & Risk Committee review of ethics investigations and employee grievances; and annual climate surveys measuring employee trust, leadership integrity, and values alignment. The People & Culture function also delivers training programs, manages the ALEC Alert whistleblowing platform, and coordinates the Ethics Framework across all business units.

Continuous Improvement and Transparency

In 2026, the Board will introduce a formal culture dashboard, consolidating whistleblowing case volumes, Code of Conduct training completion rates, ethics investigation outcomes, and climate survey scores into a single quarterly report.

The Ethics Committee will benchmark these indicators against prior-period data for the first time, giving the Board a measurable view of cultural progress across subsidiaries. Where gaps emerge - particularly in subsidiary-level training completion or escalation response times - the Committee will require management action plans with defined deadlines.



CORPORATE GOVERNANCE REPORT CONTINUED

Board Committees

Audit & Risk Committee



A. Ms Farah Foustok, in her capacity as Chairperson of the Audit & Risk Committee, acknowledges and accepts responsibility for the Company's committee system, including the review and oversight of its operating framework, and for ensuring the proper functioning and effectiveness of the Audit & Risk Committee.

B. Audit Risk Committee members' powers and responsibilities

The Board has granted the Committee full authority to investigate any matter within its mandate. The Committee has unrestricted access to company records, personnel, and facilities, and may engage external legal, accounting, or specialist advisors at company expense when required. The Committee regularly calls upon Internal Audit, external auditors, and executive management to provide information, attend meetings, and respond to committee inquiries.

The Committee comprises three independent non-executive directors with complementary expertise across accounting, finance, governance, and construction sector knowledge. All members meet the UAE regulatory independence criteria. Ms Farah Foustok chairs the Committee and brings significant financial and audit committee experience from her leadership roles across public and private sector organisations.

- Ms Farah Foustok – Chairperson of the Committee
- Ms Kamillia AlMarashi – Audit Committee Member
- Mr Moustafa Fahour – Audit Committee Member

C. The Committee's responsibilities cover the following areas

Ethics and Conduct

The Committee monitors implementation of ALEC Holdings (PJSC)'s Code of Conduct, oversees the whistleblowing platform launched in 2025, and ensures independent investigation of all reported concerns. It reviews cases involving misconduct, fraud, or ethics violations and ensures appropriate disciplinary action and remediation.

Risk Management

The Committee assesses the adequacy of ALEC Holdings (PJSC)'s Enterprise Risk Management (ERM) framework, reviews the Group Risk Register quarterly, and ensures that principal risks are identified, assessed, and mitigated in line with Board-approved risk appetite. It monitors risk reporting to ensure visibility of emerging threats across construction, energy, and related business operations.

Internal Controls

The Committee evaluates the design and operating effectiveness of internal controls, with particular focus on Internal Control over Financial Reporting (ICFR). It oversees fraud risk management and ensures that control deficiencies identified through internal audit or ERM assessments are remediated within agreed timelines.

Regulatory Compliance

The Committee monitors compliance with UAE commercial law, DFM listing rules, SCA governance requirements, and sector-specific regulations. It reviews material legal or regulatory developments and ensures timely disclosure of compliance matters. Following ALEC Holdings (PJSC)'s October 2025 listing, the Committee strengthened oversight of public company disclosure obligations.

Internal Audit Oversight

The Committee approves the Internal Audit Charter, annual audit plan, and resource allocation. It reviews all internal audit reports, management responses, and remediation progress. The Committee appoints and evaluates the Chief Audit Executive and ensures the Internal Audit function operates with full independence from management.

External Audit Management

The Committee recommends the appointment, removal, and remuneration of external auditors to shareholders. It approves the annual audit scope and plan, monitors auditor independence and objectivity, and reviews audit findings, management letters, and significant audit adjustments. Deloitte & Touche (M.E.) was appointed as the external auditor in November 2025 following shareholder approval.

Financial Reporting

The Committee reviews annual and interim financial statements before Board approval, ensuring accuracy, completeness, and compliance with IFRS and DFM disclosure standards. It discusses significant accounting policies, judgments, and estimates with management and external auditors, and ensures transparent communication of financial performance to stakeholders.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Committees continued

Audit & Risk Committee continued

C. The Committee's responsibilities cover the following areas continued

Related-Party Transactions and ESG Reporting

The Committee reviews all related-party transactions to ensure arm's length pricing, appropriate disclosure, and compliance with applicable regulations. It also oversees ESG and sustainability reporting aligned with DFM requirements and emerging international frameworks.

D. Post-listing meetings held by the Audit & Risk Committee during 2025

The Audit & Risk Committee held its inaugural meeting on 7 November 2025, attended by Ms Farah Foustok (Chairperson), Mr. Moustafa Fahour (Member) and Ms Kamillia Al Marashi (Member). The meeting took place shortly after the Company's listing on 8 October 2025 and focused on establishing the Committee's work plan, reviewing pre-listing governance preparations, and setting oversight priorities for the remainder of the fiscal year.

E. Annual Audit & Risk Committee report

1. Significant matters reviewed by the Committee concerning the financial statements and the manner in which these matters were addressed:

In the course of its review of the financial statements, the Audit & Risk Committee considered the significant accounting and financial reporting matters, including critical accounting judgments and estimates, the appropriateness and consistency of accounting policies, the application of new or revised accounting standards, the clarity and completeness of financial disclosures, and any significant adjustments identified during the audit process. These matters were addressed through detailed discussions with management and the external auditor, review of supporting documentation and analysis, and assessment of the auditor's findings and recommendations, following which the Committee was satisfied that the financial statements present a true and fair view in accordance with applicable accounting standards.

2. Independence, effectiveness and processes related to the appointment of the external auditors

The Committee evaluated the external auditor's independence by reviewing confirmations of independence provided in accordance with applicable professional and regulatory requirements. This included an assessment of relationships between the audit firm and the Group, the level and nature of non-audit services provided, and the safeguards in place to mitigate any potential threats to independence. The Committee was satisfied that the provision of non-audit services, where permitted, remained immaterial and did not compromise the auditor's objectivity.

The effectiveness of the external audit was assessed through multiple mechanisms, including:

- Review of the external auditor's audit plan, scope and materiality thresholds;
- Evaluation of the auditor's understanding of the Group's business, key risks and internal control environment;
- Assessment of the quality, timeliness and clarity of audit communications, including reporting of significant judgements, estimates and control deficiencies;
- Feedback from management on the audit process and working relationship, without compromising auditor independence;
- Consideration of the auditor's responsiveness to Committee queries and professional scepticism demonstrated during the audit.
- Based on this assessment, the Audit & Risk Committee concluded that the external audit was conducted effectively and with appropriate professional rigour.

3. Appointment, reappointment, or dismissal of the external auditor

The Audit & Risk Committee is responsible for making recommendations to the Board regarding the appointment, reappointment or removal of the external auditor. In reaching its recommendation, the Committee considers audit quality, independence, technical competence, industry experience, audit approach, fee competitiveness and overall performance.

Where reappointment is proposed, the Committee undertakes an annual review of the external auditor's performance and independence. The Committee also considers the need for periodic tendering of the external audit in line with the regulatory requirements and recognised best practice, to ensure continued objectivity, audit quality and value for shareholders.

The Audit & Risk Committee keeps the auditor's tenure under regular review, Recognising the need to balance continuity and institutional knowledge with the importance of maintaining independence and professional scepticism.

In accordance with applicable regulations and governance best practice, the Committee monitors compliance with partner rotation requirements and will consider the timing of a future audit tender as part of its forward-looking governance agenda.

4. Maintaining external auditor independence

The Audit & Risk Committee is responsible for overseeing the independence, objectivity and effectiveness of the external audit process. During the year, the Committee undertook a comprehensive assessment of the external auditor, covering qualitative and quantitative factors.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Committees *continued*

Audit & Risk Committee *continued*

E. Annual Audit & Risk Committee Report *continued*

5. Actions taken or planned by the committee in the event of failures in internal control or risk management

This reporting period represents the first year in which the Group has undertaken a formal Enterprise Risk Management (ERM) exercise and related disclosures. As such, the Audit & Risk Committee recognises that the control and risk management frameworks are continuing to mature and has focused on establishing a strong foundation for sustainable oversight and continuous improvement.

The Audit & Risk Committee oversees the effectiveness of the Group's internal control and risk management frameworks through a Three Lines of Defence model, comprising management as the first line, Risk Management and compliance oversight as the second line, and Internal Audit as the independent third line of assurance.

Recognising that the ERM and internal control environment are in their early stages of maturity, the Audit & Risk Committee has agreed on the following forward-looking actions:

- The Committee will continue to support the integration of top-down strategic risk oversight with bottom-up operational and project-level risk identification, ensuring that insights from the first line of defence inform Group-level risk assessments and Board decision-making.
- Remediation efforts will increasingly prioritise preventive and automated controls in higher-risk areas to reduce reliance on manual processes and enhance control sustainability.
- Targeted training and awareness initiatives will be rolled out to reinforce control ownership, risk awareness and ethical behaviour across the organisation, supporting the effective operation of the first and second lines of defence.
- The Audit & Risk Committee will continue to provide the Board with clear, structured reporting on material control deficiencies, remediation progress and residual risks, with increasing depth and sophistication as the ERM framework matures in subsequent years.

6. Review of medium and high-risk internal audit findings

The Audit & Risk Committee confirms that it has reviewed all Internal Audit reports issued during the year containing medium and high-risk findings. Each report was formally presented to the Committee by Internal Audit, with a particular focus on determining whether the identified findings represented significant violations of policies, laws or regulations, or material weaknesses in the Group's internal control environment.

Where findings were assessed as representing significant control weaknesses or serious policy breaches, the Audit & Risk Committee ensured that these matters were escalated to the Board, reflected in the Group's risk register, and monitored through enhanced reporting until remediation was complete.

Based on this process, the Audit & Risk Committee is satisfied that all medium and high-risk Internal Audit findings have been appropriately reviewed, assessed and addressed, and that no unresolved issues remain that would materially impair the effectiveness of the Group's internal control framework as at the reporting date.

7. Internal control corrective action plan

ALEC Holdings (PJSC)'s inaugural Enterprise Risk Management exercise and newly established Internal Audit function identified substantial deficiencies through three channels: internal audit reviews of medium and high-risk processes and projects; risk assessments conducted as part of the ERM rollout; and ongoing monitoring by Risk Management and executive management.

These deficiencies stemmed from control design gaps, inconsistent control implementation, limited formalisation of risk assessment processes, and evolving governance structures – expected characteristics of an organisation building institutional-grade frameworks for the first time as a publicly listed company. None arose from isolated control failures.

The corrective action plan addresses each deficiency with clear ownership, root-cause targeting, and measurable progress milestones:

- **Root-Cause Remediation** – Each deficiency has a dedicated corrective action targeting its root cause, with the objective of strengthening control design and operational adequacy.
- **Three Lines of Accountability** – Corrective actions are owned by first-line management, monitored by second-line Risk Management, and independently validated by third-line Internal Audit.
- **Risk-Based Prioritisation** – Actions are sequenced by severity and potential impact on financial reporting, regulatory compliance, and operational resilience.
- **Integrated Tracking** – All deficiencies and remediation actions are recorded in the relevant process risk registers, with updated risk ratings and treatment plans.

The Audit & Risk Committee is satisfied that a robust corrective action plan is in place. While certain actions remain in progress, appropriate mitigating measures are operating, and the overall control environment is strengthening as the ERM framework matures.

8. Related-party transaction reviews

The Audit & Risk Committee confirms that it has reviewed and audited all transactions conducted with related parties during the year, in accordance with applicable laws, regulations and the Group's Related Party Transactions Policy.

As part of its oversight responsibilities, the Audit & Risk Committee ensured that all related party transactions were identified, disclosed, reviewed and approved through appropriate governance processes, and that such transactions were conducted on an arm's length basis and in the best interests of the Group.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Committees continued

Nomination and Remuneration Committee (NRC)



The Nomination & Remuneration Committee (NRC) oversees Board composition, director independence, executive remuneration, and succession planning. Mr Nabil Al Kindi chairs the Committee, and Ms Farah Foustok and Ms Kamillia Ahmed AlMarashi serve as members — all three are independent non-executive directors. The NRC met once in 2025, on 13 November, where it approved its charter, verified that four of five non-executive directors meet SCA independence criteria, and established remuneration governance procedures for senior management. In 2026, the Committee will conduct its first annual review of executive compensation against market benchmarks and begin developing a formal Board succession pipeline.

A. Mr Nabil AlKindi, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the Committee system in the company, for his review of its working mechanism, and for ensuring the committee's efficiency

B. Nominations and Remuneration Committee members and their responsibilities

- Mr Nabil AlKindi – Chairperson
- Ms Farah Foustok – Member
- Ms Kamillia Ahmed AlMarashi – Member

C. Powers and assigned tasks

The Nomination and Remuneration Committee supports the Board in developing, implementing, and overseeing policies related to Board and senior management nominations, remuneration, and overall governance. The Committee's mandate includes reviewing senior management appointments, assessing the composition and effectiveness of the Board and its committees to ensure the appropriate balance of skills, experience, and knowledge, and monitoring the continued independence of Independent Directors. The Committee also reviews the Board's structure, identifies qualified candidates for Board or committee positions when required, and advises the Board on executive remuneration policies, compensation governance principles, and the determination of remuneration and benefits for senior management in alignment with the Company's Articles and strategic objectives.

Roles and Responsibilities

1. Regularly verify the independence of Independent Directors to ensure full and ongoing compliance with applicable governance standards.
2. Develop and maintain remuneration policies governing bonuses, benefits, incentives, and salaries for Board members and staff, ensuring that Executive Management's remuneration is reasonable, performance aligned, and consistent with the Company's overall objectives.
3. Identify and define competency requirements for Executive Management and employees, including establishing clear selection and evaluation criteria.
4. Prepare, monitor, and annually review the Company's human resources and training policies to support organisational development and ensure effective implementation.
5. Organise, oversee, and supervise Board nomination procedures in accordance with applicable laws, regulations, and the Company's internal governance framework.
6. Review annually the skills, qualifications, and capabilities required for Board membership, including evaluating the time commitment necessary for Directors to fulfil their responsibilities effectively.
7. Review the Board's structure and recommend changes to enhance governance effectiveness, diversity, and alignment with the Company's strategic direction.
8. Develop a Board membership policy promoting gender diversity, actively encouraging female nominees through targeted incentives, training programmes, and development opportunities.
9. Consider and address any additional matters assigned or referred to the Committee by the Board from time to time.

CORPORATE GOVERNANCE REPORT CONTINUED

Board Committees continued

Insider Trading Supervision Committee



A. Mr John Deeb, chairman of the committee, Chairman of the Committee acknowledges his responsibility for the committee system within the company, for his review of its working operations and ensuring its effectiveness.

B. Names of the members of the Committee tasked with monitoring and supervising transactions of stakeholders, along with a statement detailing its powers and assigned tasks.

Mr John Deeb	Chairperson
Ms Ruba AlAjdad	Member
Mr Aser Mokhtar	Member

Summary of the Committee’s work report for 2025

1. Ensured full compliance with ALEC HOLDINGS (PJSC) policies and all applicable regulatory requirements relating to insider trading and information management.
2. Reviewed and endorsed the Company’s Insider Trading Policy, recommending updates where necessary.
3. Reviewed and approved updates to the insider list in response to changes in roles and responsibilities.
4. Monitored insider trading activities, addressed potential violations, and ensured the presence of robust controls to protect confidential and sensitive information.
5. Oversaw the accuracy and timeliness of public disclosures in accordance with regulatory obligations.
6. Supervised investigations into potential insider trading breaches, ensuring appropriate corrective measures and timely regulatory reporting.
7. Identified and assessed risks related to insider trading and information management.
8. Ensured proper classification and safeguarding of insider information in line with applicable laws and Company policies.
9. Maintained formal declarations for permanent and temporary insiders with access to internal, price-sensitive information.
10. Updated the register of insiders during 2025 and circulated the governing rules for securities transactions.
11. Announced blackout periods applicable to trading in the Company’s shares and secured signed declarations from all insiders acknowledging their access to internal information and associated legal responsibilities.
12. The Committee met once in 2025, on 13 November. All three members attended.

* Held one Committee meeting during the year, on 13 November 2025, with full attendance by all members.

CORPORATE GOVERNANCE REPORT CONTINUED

Stakeholder and Related Party Transactions

No.	Statement of the Relevant Party	Explanation of the Nature of the Relationship	Transaction Type	Transaction Volume AED'000
1	Transactions with related parties	Companies under common control	Purchase of materials and services	63,915
2	Transactions with related parties	Companies under common control	Revenue from related parties	47,974
3	Transactions with related parties	Compensation of key management personnel	Short-term benefits	10,078
4	Transactions with related parties	Compensation of key management personnel	Long-term benefits	312
5	Transactions with related parties	Compensation of key management personnel	Directors' fees	3,140
6	Transactions with related parties	Dividends paid to shareholders	Dividends paid to shareholders	265,000
7	Balances and transactions with affiliated entities under the Ultimate Parent Company	Cash and cash equivalents held at related party banks	Cash and cash equivalents held at related party banks	376,748
8	Balances and transactions with affiliated entities under the Ultimate Parent Company	Borrowings from related party banks	Borrowings from related party banks	480,278
9	Balances and transactions with affiliated entities under the Ultimate Parent Company	Interest and commission paid to related party banks	Interest and commission paid to related party banks	31,910
10	Balances with related parties	Parent company	Due from related parties	300
11	Balances with related parties	Joint ventures	Due from related parties	11,793
12	Balances with related parties	Joint operations	Due from related parties	2,494
13	Balances with related parties	Other affiliated entities	Due from related parties	15,093

No.	Statement of the Relevant Party	Explanation of the Nature of the Relationship	Transaction Type	Transaction Volume AED'000
14	Balances with related parties	Joint operations	Due to related parties	39,761
15	Balances with related parties	Other affiliated entities	Due to related parties	11,705
16	Balances with related parties	Retention receivables	Retention receivables	107,867
17	Balances with related parties	Retention payables	Retention payables	1,002
18	Balances with related parties	Advances from customers	Advances from customers	39,147
19	Balances with related parties	Gross amounts due from customers on construction contracts	Gross amounts due from customers on construction contracts	231,791
20	Balances with related parties	Gross amounts due to the customer on construction contracts	Gross amounts due to the customer on construction contracts	384

DELEGATION OF RESPONSIBILITIES

The Board delegated day-to-day management of the Company to Mr Barry Lewis, Executive Director and CEO. Mr Lewis is authorised to execute Board-approved strategy, manage operational and financial performance, appoint and oversee senior executives, and represent the Company — all within the monetary and approval thresholds set out in the Delegation of Authority framework. He reports to the Board on performance, risk, and compliance matters at each Board meeting. The Board retains ultimate accountability for all delegated authority.

BOARD EVALUATION

In alignment with its commitment to best-in-class corporate governance and continuous improvement, ALEC Holdings PJSC is planning to introduce a comprehensive assessment plan and performance evaluation process for its Board of Directors, Board committees, and executive management in 2026.

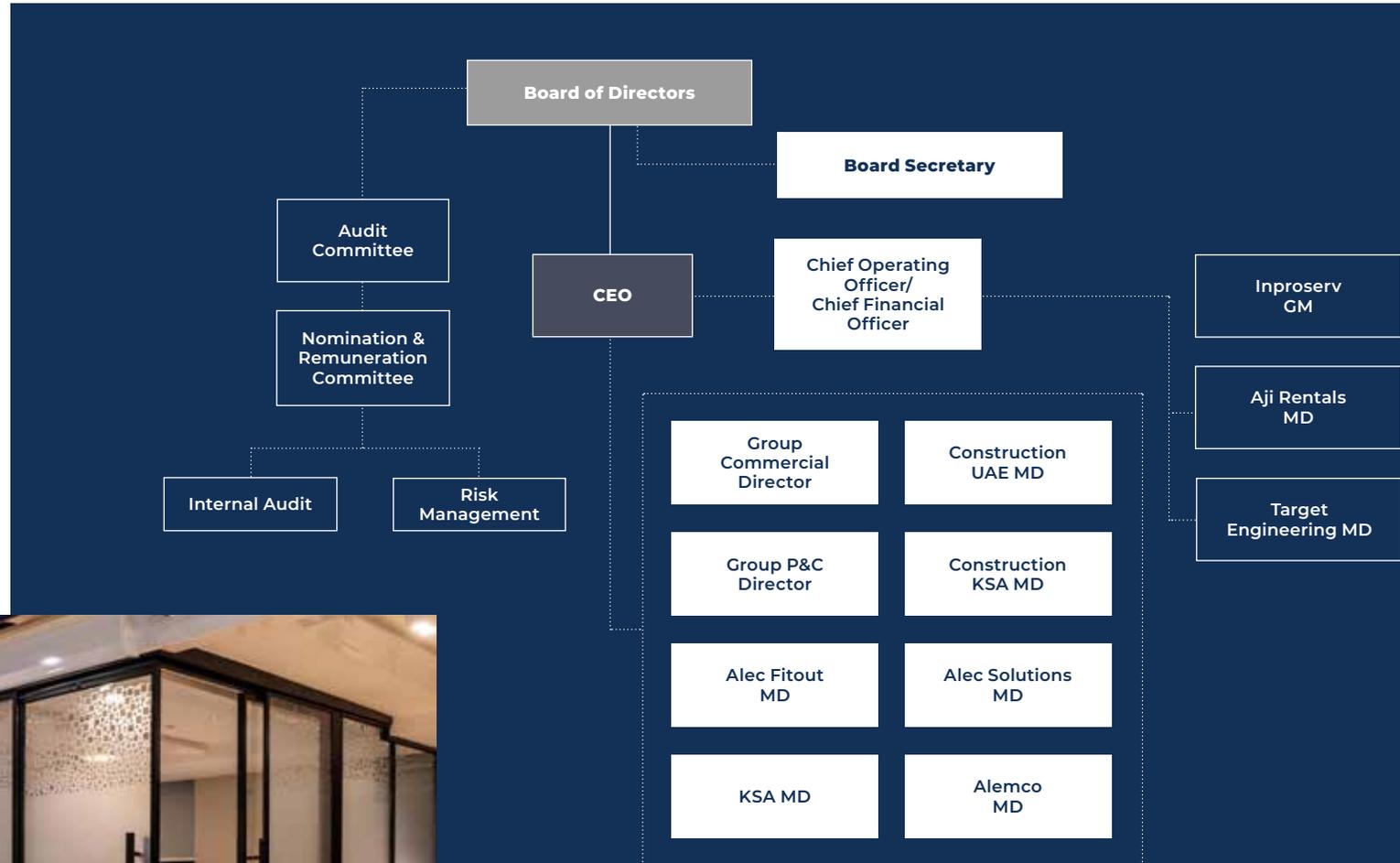
The Board will conduct its first formal effectiveness evaluation in 2026 using questionnaires and one-on-one interviews. The assessment will examine Board composition and diversity, committee performance, executive management effectiveness, and decision-making processes. Results will inform Board development priorities and any required adjustments to governance structures.

CORPORATE GOVERNANCE REPORT CONTINUED

Group Structure and Executive Management

Senior executive appointments and remuneration:

Senior Management received total remuneration of AED 15,344,580 for the 2025 fiscal year. The package consisted of fixed remuneration (base salary and employer pension contributions) and variable remuneration linked to performance against strategic objectives. The structure is designed to attract and retain experienced executives while aligning compensation with shareholder interests and discouraging excessive risk-taking.



CORPORATE GOVERNANCE REPORT CONTINUED

Group Structure and Management continued

Senior Executive Management



**MR JOHN
DEEB**

CHIEF FINANCIAL
OFFICER

**Experience and Qualifications**

Mr Deeb joined the Group in 2011 to assume the role of Chief Financial Officer. He brings more than 35 years of professional experience across the finance, accounting, and construction sectors, where he oversees the Group's financial, legal, risk management, tax, and capital control functions.

Mr Deeb began his career at Deloitte after graduating from the University of Pretoria in South Africa in 1985 with a Bachelor of Commerce degree in Accounting (Honours). He passed the board examination, qualifying him as a Chartered Accountant (South Africa). In 1995, he joined Murray & Roberts as Chief Financial Officer, contributing to the establishment of contracting operations across Africa and the Middle East. He was later appointed Group Financial Controller at Murray & Roberts in 2000.

In 2001, he completed the "Global Leadership Program" at Harvard Business School. In 2004, he joined Advtech Limited - a publicly listed company operating in the education and recruitment sectors - as Group Chief Financial Officer. Over the following five years, he also served as Chief Executive Officer of the Higher Education Division and as Group Commercial Director.

In 2009, he was appointed Group Chief Financial Officer at Sanyati Holdings, a publicly listed construction company in South Africa, where he remained until joining ALEC HOLDINGS (PJSC) in May 2011.



**MR KOBUS
DREYER**

GROUP COMMERCIAL
DIRECTOR

**Experience and Qualifications**

Mr Dreyer joined the Group in 2003 and currently serves as Group Commercial Director, overseeing the Group's commercial operations.

His career began at Grinaker-LTA in 1998. In 2003, he moved to Dubai to join ALEC HOLDINGS (PJSC), which at the time was a subsidiary of Grinaker-LTA. He played a major role in ALEC Holdings (PJSC)'s dynamic growth journey and has been instrumental in the company's remarkable trajectory since its establishment.

He specialises in delivering integrated construction solutions for large and complex projects. Mr Dreyer holds a degree in Quantity Surveying from Cape Peninsula University of Technology, South Africa.



**MR SEAN
MCQUE**

GENERAL MANAGER –
CONSTRUCTION

**Experience and Qualifications**

Mr McQue joined the Group in 2008 as a Project Manager and currently serves as General Manager – Construction.

He has more than 30 years of international experience in the construction sector and has played a key role in delivering some of the Group's most technically complex and high-profile projects in the region.

He began his career in South Africa after graduating in 1996 with a degree in Construction Management. Throughout his career, he has gained extensive experience across several geographies, including South Africa, Mozambique, Seychelles, the United Kingdom, Mauritius, and the United Arab Emirates.

His leadership in project delivery has been crucial in strengthening the Group's reputation for construction excellence across diverse sectors.

CORPORATE GOVERNANCE REPORT CONTINUED

 Group Structure and Management continued
Senior Executive Management continued

**MR DARREN
BURKE**

 GENERAL MANAGER –
KSA
**Experience and Qualifications**

Mr Burke joined the Group in 2008 and currently serves as General Manager – Kingdom of Saudi Arabia. He oversees the Group's operations in Saudi Arabia, drawing on more than 30 years of experience in the construction sector.

He has worked on construction and interior fit-out projects across Europe and the United Arab Emirates.

Among the major projects he delivered are the UAE Pavilion and the Saudi Pavilion at Expo 2020. He holds a Bachelor of Science degree in Civil Engineering from the University of Glamorgan, Wales.


**MR CHAOUCI
YASSINE**

 CHIEF EXECUTIVE
OFFICER – TARGET
ENGINEERING
**Experience and Qualifications**

Mr Yassine joined Target Engineering in 2002 as Head of the Civil Engineering and Buildings Division. He has more than 40 years of cumulative experience in the construction sector. He served as Chief Operating Officer from 2011 to 2014 and has been CEO of Target Engineering since February 2014.

Mr Yassine has worked on numerous oil & gas and high-rise building projects. He possesses extensive knowledge and expertise across a wide range of engineering disciplines, including mechanical, oil & gas, energy, instrumentation and control, marine and civil infrastructure, and onshore and offshore construction.

He began his career with SAE International – Evag Group after graduating with a Master's degree in Civil Engineering from ESTP Paris. He started as a Site Engineer and later served as a Project Manager for more than 17 years before joining Target Engineering in 2002.

He also serves as Chairman of Idrotec S.R.L. (Italy) and Target Steel Industries, and he is Chairman and Board Member of Target Construction in the Kingdom of Saudi Arabia.


**MR LAURENT
FARGE**

 MANAGING DIRECTOR –
ALEC FITOUT
**Experience and Qualifications**

Mr Farge joined the Group in 2008 and currently serves as Managing Director of ALEC FITOUT. He has more than 24 years of professional experience in luxury interior fit-out projects across Europe, the Middle East, and the GCC region.

His notable projects include the fit-out of the National History Museum Exhibition (UAE), the design and build of the Diriyah Gate Experience Centre (Saudi Arabia), and the ultra-luxury One&Only One Za'abeel Hotel and Residences (UAE). He holds a degree in Commercial and Strategic Marketing.

He holds a degree in Commercial and Strategic Marketing.

CORPORATE GOVERNANCE REPORT CONTINUED

 Group Structure and Management continued
Senior Executive Management continued

**MR NATHAN
HANNS**

 MANAGING DIRECTOR –
ALEMCO

Experience and Qualifications

Mr Hanns has more than 30 years of experience in the mechanical, electrical, and plumbing (MEP) engineering sector, including over 23 years with ALEC.

He joined the Group in 2002 and has served as Managing Director of ALEMCO since 2007.

He holds a Higher National Diploma in Engineering from Technikon Witwatersrand University, South Africa.

His extensive expertise and strong leadership have significantly contributed to the continued growth and success of ALEMCO across the region.


**MR BASHAR
KAYALI**

 MANAGING DIRECTOR –
ALEC SOLUTIONS

Experience and Qualifications

Mr Kayali has 29 years of experience in building façades and architectural steel, delivering landmark projects across the Middle East. His experience includes iconic developments such as the Burj Khalifa façade, Dubai Opera envelope, Dubai Frame, and major projects in the Kingdom of Saudi Arabia, including Digital City.

He has a strong expertise across technical and management disciplines within façade engineering and project delivery. Mr Kayali is highly experienced in innovative construction methods, particularly modular construction and off-site manufacturing, enabling the delivery of high-quality buildings. He brings strong knowledge in integrating smart technologies into modern construction solutions. He holds a Master's degree in Construction Management, with a specialisation in project management.

CORPORATE GOVERNANCE REPORT CONTINUED

External Auditor

Deloitte & Touche ME

Deloitte & Touche (M.E.) was appointed as external auditor on 10 November 2025 following shareholder approval at the Constitutional Assembly. The firm is registered in the Ministry of Economy's register of approved independent auditors. Deloitte has unrestricted access to all Company books, records, assets, and personnel, and may engage specialist advisors where needed. The auditor reports directly to the Audit & Risk Committee and has no other commercial relationship with the Group.

A. Fees and costs incurred for the audit or services provided by the external auditor:

Name of the audit firm	Deloitte & Touche ME – Dubai
Name of the partner auditor	Cynthia Corby
Number of years spent as the Company's external auditor	Since November 2025
Number of years the partner auditor spent auditing the Company's accounts	Since November 2025
Total value of audit fees for 2025 (in AED)	To be Approved by AGM 2026
Details and nature of other services provided by the Company's auditor	AUP Report (Financial Extracts, Financial Workbook submitted to Abu Dhabi Municipality, ICV Certification) and UAE Taxable Entities – Aggregated Financial Statements
The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED), if any. In the event that there are no other fees, this shall be stated explicitly.	NONE
Statement of other services that an external auditor, other than the company auditor, provided during 2025 (if any). In the event that there are no services provided by another external auditor, this shall be stated explicitly.	NONE

* The Auditors of the Company made no reservations regarding the interim and annual financial statements for the year 2025.



CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System

A. Acknowledgment by the Board of its responsibility for the Company's internal control system and for reviewing its operations and ensuring its effectiveness

The Board has overall responsibility for ensuring the effectiveness of ALEC Holdings internal control system and for establishing a clear framework to achieve this. This ensures effective and efficient operations, accurate financial reporting, and compliance with laws and regulations.

B. The name, qualifications, and date of appointment of the department director:



**AMANI
MANSOUR**
HEAD OF RISK AND
INTERNAL AUDIT



Experience and Qualifications

Amani Mansour is a senior Risk and Internal Audit professional with over 20 years of experience across Internal Audit, Enterprise Risk Management, Financial Reporting, Corporate Governance, and compliance within multinational organisations. She has a strong track record in strengthening organisational resilience, enhancing internal controls, and supporting strategic decision-making through effective risk oversight.

As Head of Risk and Internal Audit at ALEC Holdings, Amani leads the development and execution of a three-year, risk-based internal audit plan across multiple business units and subsidiaries. She oversees the Group's Enterprise Risk Management (ERM) framework and has led key initiatives including the implementation of a Group-wide Business Continuity Plan, internal controls optimisation, and the coordination of Federal Audit Authority reviews, contributing to reduced risk exposure and improved governance and financial reporting reliability.

Previously, Amani served in the Risk and Internal Audit department at the Investment Corporation of Dubai (ICD), where she established internal audit frameworks, led enterprise risk programmes, and supported technology-enabled reporting enhancements. She has also served on audit committees, providing governance oversight for large and semi-government entities.

Her career includes senior roles with PepsiCo Australia & New Zealand, PepsiCo International, and EY, where she led multinational teams, delivered risk and control frameworks, conducted investigations, and ensured compliance with IFRS and US GAAP. A Chartered member of the Institute of Internal Auditors, Amani holds an MBA from Cardiff University and a Bachelor's Degree in Accounting and Finance from the University of Wales.

C. Internal Control Department

The Internal Audit Department plays an independent and objective role in identifying, assessing and reporting significant issues affecting the Group, including matters disclosed in the annual reports and financial statements. Internal Audit operates in accordance with its approved Charter and within the framework of the Three Lines of Defence, providing independent assurance to the Audit & Risk Committee and the Board on the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

For the year under review, no major company issues or material weaknesses were identified by Internal Audit that required qualification of the financial statements or disclosure as significant failures in internal control. Findings identified through Internal Audit activities were addressed through management remediation plans and did not rise to the level of major issues.

Internal Audit will continue to apply a risk-based approach and maintain close coordination with management and the Audit & Risk Committee to ensure that emerging risks and issues are identified early and addressed in a timely manner.

Risk Management

In the latter part of 2024, ALEC formally commenced its Enterprise Risk Management (ERM) journey, marking a key milestone in the strengthening of the Group's governance, oversight, and control environment.

The introduction of ERM reflects ALEC's commitment to embedding a structured, consistent, and forward-looking approach to risk management that is aligned with its strategic objectives, operating environment and evolving regulatory expectations.

ALEC's ERM framework was developed using a combined top-down and bottom-up approach, providing strategic oversight at the Board and Executive level while reinforcing clear risk ownership across Business Units and functions.

Governance and Oversight

The Board of Directors holds ultimate responsibility for overseeing Risk Management and the effectiveness of Internal Controls. The Board is supported by the Audit & Risk Committee, which reviews principal risks, mitigation plans, risk movements and Internal Audit reports on a regular basis.

The Executive Management is accountable for implementing the ERM framework and embedding risk management into strategic planning, operational decision-making, and performance management. Individual risk owners are assigned for each material risk within the Group Risk Register, ensuring accountability for risk treatment and ongoing monitoring.

The Risk and Internal Audit function provides independent assurance on the adequacy and effectiveness of ALEC's governance, Risk Management, and Internal Control processes. This three-line defence model clarifies the distinction between risk ownership, oversight, and independent assurance across the Group.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Enterprise Risk Management Framework

ALEC's ERM framework emphasises proactive risk identification, consistent assessment, and effective mitigation. It is aligned with recognised best practice and integrated with ALEC's governance model to ensure risks are understood, evaluated, and managed consistently across all Business Units and functions.

Risks are identified through a combination of enterprise risk workshops, management interviews, project reviews, incident reporting and Internal Audit engagements. Each risk is assessed based on likelihood and impact across strategic, operational, compliance, technological, and ESG dimensions and prioritised using a risk matrix.

All risks are captured in the Group Risk Register, together with assigned risk owners, mitigation actions, implementation timelines and residual risk ratings. The Board-approved risk appetite provides clear guidance on acceptable levels of exposure and informs decision-making across the Group.

During 2025, Group-wide Key Risk Indicators (KRIs) were defined for the principal risks, giving management earlier sight of emerging issues and supporting more timely intervention.

Establishing the ERM Baseline

With 2025 representing the first year of structured ERM implementation, ALEC conducted its initial enterprise-wide risk assessment during the year. This exercise established a baseline risk profile for the Group.

As expected in a first-year ERM cycle, movements in risk ratings remain limited. However, the exercise provided valuable insight into ALEC's principal risks and created a consistent foundation against which future risk trends, movements and the effectiveness of mitigation actions will be assessed.

From 2026 onwards, changes relative to this baseline will allow the Board and management to track how strategic choices, market conditions and mitigation measures reshape ALEC Holdings' overall risk profile over time.

Principal Risks Overview

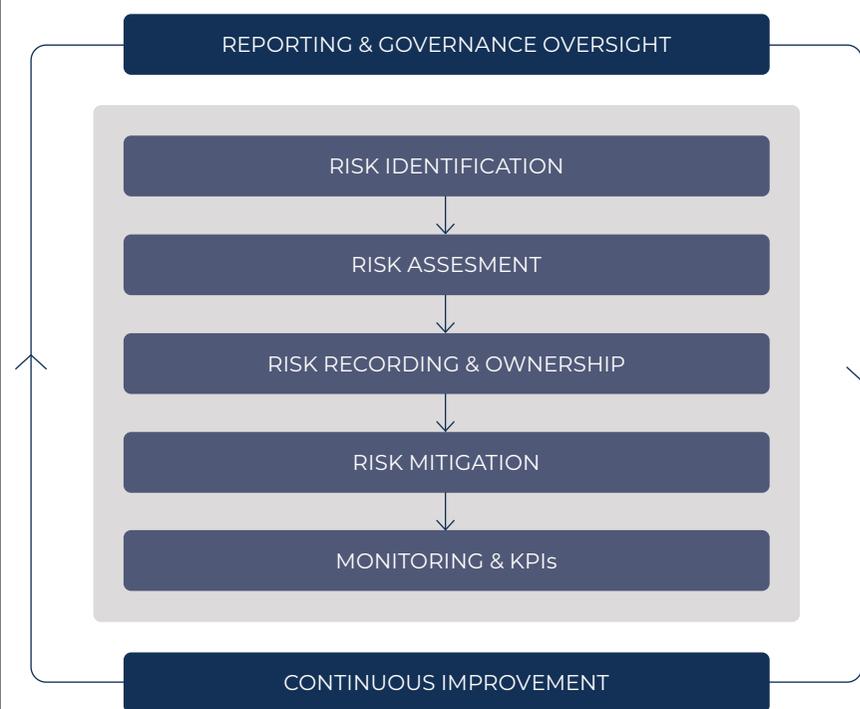
ALEC's Principal Risks represent the most material internal and external risks that may impact the Group's ability to achieve its strategic objectives. The identified risks are not intended to be exhaustive, but rather provide a snapshot of ALEC's overall risk profile based on the ERM exercise undertaken during the year.

The Principal Risks are grouped under ALEC's Strategic Pillars and include Strategic, Operational, Technological, Regulatory, and ESG risks. Residual risk scores reflect the level of exposure remaining after considering the effectiveness of existing controls and agreed treatment plans. In the detailed Group Risk Register, each principal risk is linked to specific controls, KRIs and mitigation actions, with named risk owners and target completion dates to support clear accountability.

Operational and Project-Level Risk Ownership

Risk ownership resides with management within the first line of defence. Business units, functions and project teams are responsible for identifying and managing risks arising from day-to-day operations and project execution. This includes assessing inherent and residual risks, implementing controls, monitoring emerging risks, and escalating issues where defined thresholds are exceeded.

Risk Management Process:



In 2025, ALEC Holdings scaled an enterprise-wide risk framework that links Board oversight, project-level ownership, and ESG, giving investors a clearer view of exposures across ambitious regional expansion.

CORPORATE GOVERNANCE REPORT CONTINUED

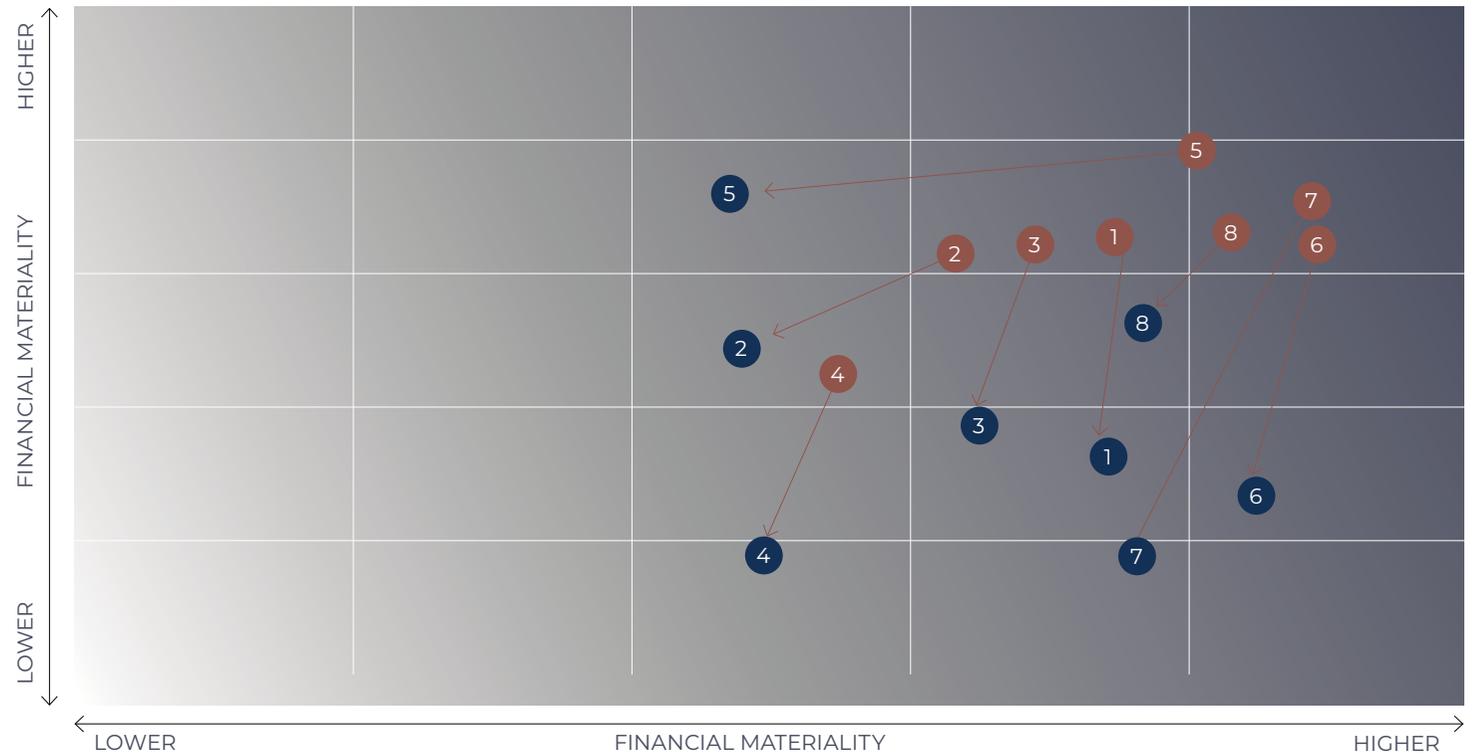
Internal Control System continued

Risk Map

The following map provides a visual representation of the Group's principal risks. The position of each risk on the grid reflects its relative likelihood and impact (based on inherent assessments). This allows management and the Board to focus on those risks that require the greatest level of oversight. The 2025 risk map shows Regulatory Breach (R7), Reputation Damage (R6) and ESG Non-compliance (R5) as having the highest combined impact and likelihood, with strategy, talent, innovation, and cyber risks also mapped as material exposures.

Principal Risks

<i>Strategic risks</i>	
Strategic Execution	R1
Reputation Damage	R2
<i>Operational risks</i>	
Role Ambiguity	R3
Talent Shortages	R4
<i>Technological risks</i>	
Innovation Gap	R5
Cyber Vulnerability	R6
<i>Compliance</i>	
Regulatory breach	R7
<i>ESG</i>	
ESG Non-Compliance	R8



Key: ● Current Rating ● Target Rating

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Risk Management Achievements and Key Successes in 2025

ALEC Holdings made progress in establishing its Risk Management capabilities, enhancing governance maturity, and embedding a culture of proactive risk identification and ownership across the business. Key achievements include:

1

Establishing the Enterprise Risk Management (ERM) Framework and Governance structure

ALEC achieved major progress in institutionalising a robust ERM environment and ensuring effective Board-level oversight. Key achievements include:

- Rollout of an ERM Framework aligned to COSO, SCA requirements, DFM listing rules, and Federal Audit Authority guidance.
- Formalisation of risk governance, including clarified roles for the Board, Audit & Risk Committee, Executive Management, and risk owners.
- Enabling better alignment between strategy, performance, and risk decisions by defining risk appetite and tolerance levels.
- Integration of risk management into strategic planning and budgeting.

2

Development of a Comprehensive Group Risk Register

A key 2025 milestone was the creation and implementation of an updated Group-wide Risk Register reflecting ALEC's evolving organisational structure.

- Establishment of risk categories, mapped to Strategic, Operational, Financial, Regulatory, Compliance, ESG, HSE, Information Technology, Cyber, and Reputational risks.
- Risk scoring and risk map prepared using a consistent methodology for probability and impact.
- Assignment of ownership and accountability to functional heads.
- Inclusion of Key Risk Indicators (KRIs) to enable early-warning capabilities and objective monitoring.
- Improved linkage between risks, controls, and treatment plans, ensuring traceability and closure of gaps.

3

Enhancement of Internal Controls

To support IPO readiness and strengthen Corporate Governance, ALEC made significant improvements in the Internal Control environment:

- Development or updates of policies and procedures across Finance, HR, Procurement, Information Technology, HSE, Operations, and Legal.
- Launch of a formal Delegation of Authority (DoA) and removal of legacy informal practices.
- Clear remediation actions assigned with timelines and responsible owners for any control gaps identified.

4

Improved Risk Culture and Awareness

Building a risk-conscious workforce was a priority in 2025. ALEC delivered:

- Group-wide ERM awareness training for senior leadership, managers, and project leaders.
- Targeted workshops for risk owners, focusing on risk identification, root-cause analysis, and treatment planning.
- Integration of risk discussions into monthly management meetings and project reviews.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Risk Management Achievements and Key Successes in 2025 continued

5

Strengthening of Operational Risk Management

Several proactive measures were implemented to mitigate risks across construction and operations:

- Formalisation of succession planning, organisational structure reviews, and capacity planning.
- Monitoring performances of suppliers and subcontractors against dynamic scorecards.

6

Cybersecurity and Technology Risk Enhancements

Recognising increased threats across the industry, ALEC delivered:

- Updated Cybersecurity policies and procedures, including Access Control, Network Security, Confidential Data, Third-Party Access, and Incident Response Plans.
- Strengthened system acquisition pre-qualification to ensure alignment with Data Security requirements.
- Regular Cybersecurity awareness training for employees.

7

Increased Focus on Regulatory Compliance and Ethics

To ensure readiness for post-listing compliance obligations, the Company:

- Rolled out company-wide Ethics, Conflict of Interest, and Anti-Corruption training.
- Launched updated whistleblowing and investigation procedures, aligned with FAA Article 31 and SCA guidelines.
- Conducted Ethics Risk Assessments and developed an Ethics Committee oversight structure.

8

Business Continuity and Crisis Management Advancements

2025 saw meaningful improvements in ALEC's resilience:

- Initiation of a full Business Continuity Management System (BCMS) in line with ISO 22301.
- Mapping of critical processes, recovery time objectives, and business impact analyses across business units.

9

Measurable Impact and Performance Improvements

Across the year, risk management contributed to tangible improvements:

- Reduction in high-rated risks due to the implementation of targeted treatments.
- Increase in Key Risk Indicator compliance and monitoring, enabling early corrective actions.
- Improved audit findings closure rate across the business.
- Greater consistency in decision-making, owing to formal controls and structured governance.
- Enhanced transparency and accountability, supporting investor confidence.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Integration of ESG into Risk Management

ESG considerations are integrated into ALEC's ERM process. Risk identification and assessment explicitly consider environmental impact, labour, and people risk, governance compliance and ethical conduct.

This integrated approach ensures ESG risks are assessed holistically and supports responsible decision-making, long-term value creation and alignment with ALEC's sustainability objectives. Furthermore, within the principal risk set, ESG Non-compliance and Reputation Damage are treated as Group-level exposures, underlining their importance for stakeholders and ALEC's long-term licence to operate.

Risk Mitigation and Monitoring

ALEC applies tailored risk treatment strategies including avoidance, mitigation, transfer, and acceptance. Risk treatment plans include defined actions, ownership, target completion dates and expected outcomes.

Progress against mitigation plans is monitored through periodic risk reporting, Key Risk Indicators (KRIs), management reviews and Internal Audit assessments. ALEC maintains a continuous improvement cycle, refining controls, updating policies, and enhancing reporting to ensure ongoing effectiveness.

Looking Ahead

As ALEC continues to mature its ERM framework, the Group's focus for 2026 remains on strengthening integrated risk management, governance discipline and balanced growth, ensuring that strategic expansion is supported by financial strength, operational excellence and proactive oversight.

During 2026, ALEC will further broaden its ERM framework to incorporate additional high-impact but lower-likelihood risks. While many of these risks are currently well mitigated through established controls, their more formal inclusion within the principal risk assessment will enhance Board visibility. Expanding the scope of the ERM framework will strengthen preparedness and ensure that resilience remains embedded even in extreme but plausible scenarios.

Market Expansion

The Group will continue to manage revenue concentration risk by reducing reliance on a limited number of mega projects through diversifying its client base and strengthening long-term partnerships with sovereign-backed and master developers. Growth in high-potential sectors, particularly in KSA, will be supported by strong localisation controls, regulatory compliance and embedded ESG standards to ensure sustainable and responsible expansion.

Financial Resilience

Protecting margins remains a priority in a competitive and inflation-sensitive market. Disciplined tender governance and executive oversight will support risk-based pricing decisions. Liquidity management through rolling cashflow forecasting, monitoring of receivables and diversified banking facilities will help maintain financial flexibility. Capital allocation discipline and structured claims management processes will continue to mitigate earnings volatility and safeguard financial reporting integrity.

Project Execution

Execution excellence across complex projects will remain a core priority for the Group. Structured project governance, digital monitoring controls and regular performance reviews will support delivery performance. Strengthened supply chain oversight, workforce planning and HSE practices will help reduce operational disruption and protect the Group's reputation.

ALEC enters 2026 with a stronger risk and governance framework to support sustainable growth. By strengthening the integration between strategy and operations, broadening ERM coverage and maintaining financial and operational discipline, the Group aims to remain resilient and continue delivering sustainable long-term value to its stakeholders.

ALEC's priorities for 2026 include deepening ERM integration into business planning, refining risk appetite metrics and extending coverage further into its regional growth pipeline.



CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars

-  **Core Business**
-  **Tech & Innovation**
-  **KSA**
-  **Data Centres**
-  **Operational Excellence**
-  **Acquisitions**

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
Strategic Risks					
Strategic Execution	R1	     	Strategic objectives approved by the Board may not be consistently formalised, translated into clear operational strategies, or cascaded across business units with defined ownership and measurable performance indicators, potentially limiting alignment, accountability, and effective execution across ALEC Holdings.	A comprehensive Communication Management Plan is in place. An Enterprise Risk Management (ERM) framework is established enforcing periodic BU and functional-level risk assessments to ensure that risks are captured proactively rather than reactively. Risk awareness and culture-building training is rolled out across the ALEC Holdings to enhance employees' understanding of risk concepts, risk appetite, early warning indicators, escalation pathways, and the importance of forward-looking risk management.	In 2026, ALEC Holdings will develop and implement a formal KPI governance framework that clearly outlines the processes for KPI formulation, cascading, ownership, and periodic review, ensuring alignment with strategic priorities and operational requirements. Training sessions will be delivered to senior officials and department heads to enhance their understanding of the OGSM methodology, KPI-setting principles, and performance reporting obligations. A quarterly performance review cycle will be established, during which KPI owners will present progress, performance gaps, and improvement recommendations, ensuring ongoing feedback and corrective action where required.
Reputation Damage	R2	     	Adverse events, control failures or inconsistent stakeholder engagement may damage ALEC Holdings' brand, market positioning and reputation, potentially impacting client confidence, investor perception and future business opportunities.	The Company maintains a comprehensive Crisis Communication Strategy that clearly outlines the steps to be taken when responding to negative external scrutiny, media inquiries, reputational risks, or public criticism. We ensure that new joiners are briefed thoroughly about the ALEC code of conduct standard through Marhaba, the ALEC induction programme.	ALEC will establish clear and comprehensive social media guidelines that outline acceptable behaviour, content standards, confidentiality expectations, and rules regarding the representation of the organisation on personal or professional accounts.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars



Core Business



Tech & Innovation



KSA



Data Centres



Operational Excellence



Acquisitions

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
Operational Risks					
Role Ambiguity	R3	     	<p>Following ALEC Holdings' targeted growth and evolving organisational structure, unclear definition and communication of roles, responsibilities and decision-rights may result in delays in operational execution and decision-making, impacting efficiency and management oversight.</p>	<p>The Company continues to ensure that all policies and procedures are regularly reviewed and updated to reflect the latest business processes, regulatory requirements, and operational changes. This process helps maintain compliance, standardise practices across departments, and ensure operational efficiency.</p> <p>The Delegation of Authority (DoA) framework is revised to align with the ALEC Holding's current structure, operating model, and decision-making requirements. The revised DoA clearly defines approval limits, roles, and responsibilities, ensuring that decision-making authority is assigned appropriately and transparently across all levels.</p> <p>A formal, structured succession plan is in place for all key roles within the organisation to ensure business continuity and preparedness for future leadership transitions.</p>	<p>As the organisation continues to grow, we will continuously clarify and update definitions of roles and reporting lines for all personnel to address any ambiguities that may arise from structural changes. These updates will support effective communication, clarify accountability, and ensure that each employee fully understands their responsibilities and reporting relationships.</p>

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars

-  **Core Business**
-  **Tech & Innovation**
-  **KSA**
-  **Data Centres**
-  **Operational Excellence**
-  **Acquisitions**

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
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Operational Risks continued

Talent Shortage R4



ALEC Holdings may face challenges in attracting, developing, and retaining the appropriate mix of skilled and experienced resources across key functions and projects, which could adversely affect operational performance, succession planning and the achievement of strategic objectives.

The Company continue to enhance our talent acquisition strategy by developing stronger partnerships with universities, technical institutes, and reputable recruitment agencies to ensure access to a continuous pipeline of skilled resources.

The Company maintains a workforce planning approach that forecasts manpower requirements enabling proactive hiring rather than relying on reactive recruitment.

A structured onboarding programme is implemented to ensure that new employees integrate smoothly into the organisation.

The Company conducts comprehensive compensation benchmarking.

A comprehensive grievance management framework is implemented that clearly outlines reporting channels, investigation procedures, resolution timelines, and confidentiality safeguards.

Human rights and labour standards are regularly monitored, ensuring compliance with legal requirements and internal policies related to working conditions, fair treatment, and welfare standards.

Mental health support programme is in place where The Company provides access to professional counselling, stress management workshops, and awareness sessions promoting mental well-being.

Recruitment key performance indicators—such as time-to-hire, offer acceptance rate, quality of hire, and new-hire retention—will be monitored and improved to strengthen overall recruitment effectiveness.

Clear and transparent career progression pathways will be introduced, supported by role-based competency frameworks and well-defined promotion criteria, ensuring employees understand their development opportunities.

Identified geopolitical risks will be incorporated into the Enterprise Risk Management (ERM) framework, with risk owners assigned to manage and report on mitigation actions and key risk indicators.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars

-  **Core Business**
-  **Tech & Innovation**
-  **KSA**
-  **Data Centres**
-  **Operational Excellence**
-  **Acquisitions**

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
Technological Risks					
Innovation Gap	R5		An insufficiently embedded innovation-driven culture may limit ALEC Holdings' ability to adapt to and adopt disruptive technologies and emerging industry practices, potentially reducing competitiveness, efficiency gains and long-term value creation.	<p>ALEC Holding fosters a strong culture of innovation by encouraging employees at all levels to think creatively, challenge conventional approaches, and propose new ideas that add value to the organisation.</p> <p>The organisation allocates sufficient resources — including time, tools, and funding — to enable experimentation and pilot testing of innovative ideas without fear of failure.</p> <p>A structured recognition programme is implemented to reward employees who contribute meaningful innovations, ensuring that individuals and teams are acknowledged for their creativity, problem-solving abilities, and enhancements to operational performance.</p> <p>The Innovation Team collaborates closely with departments and expands its role to coach and mentor teams in generating, refining, and operationalising innovative concepts.</p> <p>Internal communication platforms are consistently used to promote success stories, highlight innovative initiatives, and reinforce the message that innovation is valued across the organisation.</p> <p>ALEC Holding formalises innovation as a core organisational value by embedding it into the company's mission, vision, competency frameworks, performance evaluations, and long-term strategic plans.</p> <p>Leaders across the business champion innovation, role-model creative problem-solving, and actively encourage their teams to explore new approaches and technologies that drive business improvement.</p> <p>The organisation provides targeted capability-building programmes — such as design thinking workshops, innovation labs, and idea-generation sessions — to strengthen employees' skills in creativity, experimentation, and solution design.</p> <p>A structured monitoring and reporting system is introduced to track innovation initiatives, measure their impact, and ensure that innovative solutions are continually refined to maximise value.</p>	ALEC Holding to continuously reassess existing innovation governance processes to identify procedures that may be unnecessarily rigid, time-consuming, or restrictive, ensuring that approval mechanisms remain effective without discouraging new ideas.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars

-  **Core Business**
-  **Tech & Innovation**
-  **KSA**
-  **Data Centres**
-  **Operational Excellence**
-  **Acquisitions**

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
Technological Risks continued					
Cyber Vulnerability	R6		Inadequate integration, governance and monitoring of ALEC Holdings' IT applications and systems may increase exposure to data privacy breaches, cybersecurity incidents and data integrity issues, potentially leading to regulatory sanctions, financial loss and business interruption.	ALEC maintains an established suite of policies, such as Data Privacy and Cybersecurity policies—including Access Control, Network Access, Confidential Data Classification, Third-Party Access, Incident Response, and Information Security — to ensure full alignment with regulatory requirements and international standards such as ISO 27001.	ALEC will implement the Digital Governance Process to ensure that all proposed technologies undergo mandatory review and approval, confirming compliance with security architecture, data protection standards, and integration requirements. Mandatory annual cybersecurity competency requirements will be introduced, requiring all employees to complete recurring training to maintain a minimum standard of cyber awareness.
Regulatory Breach	R7	   	Non-compliance with applicable laws, regulations, industry standards or contractual obligations across jurisdictions in which ALEC Holdings operates may result in financial penalties, contractual disputes, operational disruption, and reputational harm.	An established, dedicated regulatory compliance function responsible for continuously interpreting new and existing laws and regulations and implementing a monitoring system to track rapid regulatory changes across all operating regions is in place.	To strengthen capacity and ensure timely compliance with increasing regulatory demands, the Legal Department will hire an additional qualified legal professionals, ensuring sufficient expertise and coverage for the organisation's expanding operational footprint. ALEC will set up a formal framework for reviewing applicable laws and regulations and communicating all relevant updates to the business in a timely and structured manner. A contract lifecycle management system will be introduced. Periodic post-award contract compliance reviews will be carried out to verify adherence to contractual terms and identify any emerging risks or deviations.

CORPORATE GOVERNANCE REPORT CONTINUED

Internal Control System continued

Our Strategic Pillars

-  **Core Business**
-  **Tech & Innovation**
-  **KSA**
-  **Data Centres**
-  **Operational Excellence**
-  **Acquisitions**

Principal Risk	Risk Ref	Link to Group strategy	Risk Details	Risk controls and mitigation	Actions in 2026
ESG Risks					
ESG Noncompliance	R8	     	<p>Failure to effectively design, implement and monitor ALEC Holdings' sustainability and ESG initiatives may result in missed strategic commitments, reduced stakeholder confidence, and increased regulatory, reputational, and operational risks.</p>	<p>The Company engages key local stakeholders — including project teams, and regional leadership — to ensure that sustainability initiatives reflect local challenges, regulatory requirements, and market maturity levels.</p> <p>Specific sustainability measures are adapted to each regional context to account for variations in climate, labour markets, supply chain availability, environmental expectations, and industry benchmarks.</p> <p>The implementation plan outlines clear milestones, responsibilities, and performance indicators to ensure consistent execution and tracking of sustainability objectives across all business units.</p> <p>ALEC develops clearly defined ESG compliance requirements for subcontractor selection, ensuring that all subcontractors adhere to the organisation's environmental, social, and governance standards before being approved to work on any project.</p> <p>ESG criteria are incorporated into subcontractor pre-qualification forms, contractual agreements, and procurement workflows, making compliance a mandatory condition for engagement.</p>	<p>ALEC will further tailor a sustainability implementation plan that aligns with its diverse organisational structure across the operating regions.</p> <p>Management may consider appointing an external sustainability or ESG consultant to independently validate data accuracy, audit data processing systems, and confirm the reliability and integrity of sustainability reports issued to clients and regulators.</p>

CORPORATE GOVERNANCE REPORT CONTINUED

Violations in 2025

The Company did not commit any violations with respect to the Governance Guide and other applicable regulations during the year ended on 31 December 2025.



Community and Environmental Contributions

ALEC Holdings discloses below the voluntary cash and in-kind contributions made during the financial year ended 31 December 2025 in support of community development, education, humanitarian relief, and environmental preservation initiatives. ALEC Holdings' community investments are aligned with national priorities, the UN Global Compact principles, and the Group's ESG Framework, with contributions directed toward programmes that create measurable social and environmental impact across the UAE and the wider region.

1. Cash Contributions (AED)

Total Cash Contributions in 2025: AED 522,020

(Matches the total CSR/community investment disclosed in the Sustainability Highlights.)

2. In Kind Contributions

ALEC Holdings provided several non financial contributions that supported community welfare, environmental preservation, and worker well being. These contributions are valued based on internal cost estimates and procurement records.

a. Ramadan Care Packages

- 4,167 care packages distributed across UAE and KSA
- Beneficiaries: blue collar subcontractors, low income households, and vulnerable communities
- Contents included food staples, hygiene items, and essential supplies
- In kind value: Included within total CSR investment; non-cash contribution

b. Blood Donation Campaigns

- Organised in partnership with DHA, SEHA, EHS, King Faisal Specialist Hospital, and Saudi German Hospital
- 534 blood donors
- 1,602 estimated beneficiaries
- ALEC provided logistics, facilities, and volunteer mobilisation
- In kind value: Non-cash contribution

CORPORATE GOVERNANCE REPORT CONTINUED

Community and Environmental Contributions continued

2. In Kind Contributions continued

c. Environmental Preservation Initiatives

- Tree planting programmes in partnership with Miral and Abu Dhabi City Municipality
- 300 trees planted (Ghaf, Neem, Flame trees)
- ALEC HOLDINGS (PJSC) provided volunteers, equipment, and logistics

d. Global Recycling Day – DULSCO Partnership

- Employee engagement campaign
- 264 kg of recyclables diverted from landfill
- ALEC HOLDINGS (PJSC) provided venue, coordination, and awareness materials
- In kind value: Non-cash contribution

3. Compliance Statement

All contributions were approved in accordance with ALEC Holdings' Delegation of Authority, ESG Framework. No political contributions were made during the year. All contributions were directed toward registered charities, recognised NGOs, UAE & KSA-licensed businesses, and government approved initiatives.

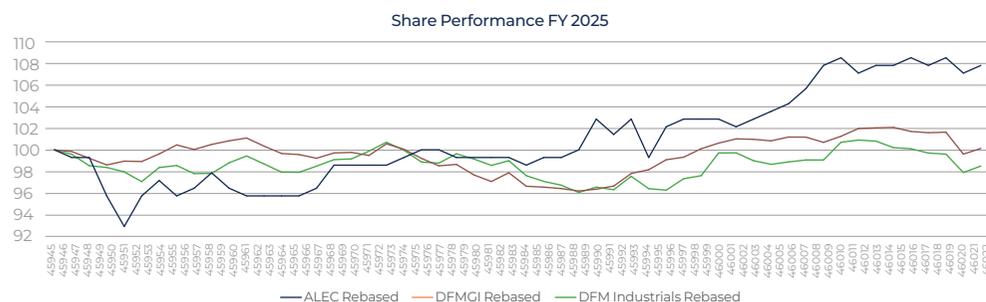
4. Disclaimer:

Whilst the values disclosed within this report accurately represent the contributions ALEC Holdings has made in favour of community support and to support environmental preservation that can be reliably measured, verified, and recorded in accordance with ALEC Holdings' internal controls and reporting processes. ALEC Holdings recognises that through its operations it generates a wide range of social and environmental benefits through ongoing welfare programmes, community partnerships, and environmental stewardship initiatives which are not currently tracked in the same way. While the Company reports all verified cash contributions and material in kind support recorded through its ERP and financial systems, additional non-financial or operational contributions occur across project sites and business units. These contributions - such as volunteer time, on site welfare enhancements, environmental clean ups, tree planting activities, medical outreach, and other forms of operational support - are often embedded within project delivery costs or managed directly by site teams. As such, they are not systematically tracked, or recorded as discrete CSR expenditures within the ERP. The Company continues to strengthen its ESG data systems and may expand the scope of tracked community and environmental contributions in future reporting cycles.



CORPORATE GOVERNANCE REPORT CONTINUED

General information

A. Statement of the Company's share price in the market at the end of each month during the fiscal year 2025

Month Name	ALEC HOLDINGS (PJSC)	DFMGI	INDUSTRIALS
Oct-25	1.350	6059.43	4411.26
Nov-25	1.430	5836.89	4304.81
Dec-25	1.520	6047.09	4404.89

B. Comparative performance statement of the Company's share relative to the general market index and the sector index to which the Company belongs during 2025

Month	Closing Price	Highest Price	Lowest Price
Oct-25	1.35	1.50	1.41
Nov-25	1.43	1.49	1.43
Dec-25	1.52	1.54	1.52

C. Statement of the distribution of shareholder ownership as of 31/12/2025 (individuals, companies, governments) classified as follows: local, Gulf, Arab, and foreign:

Shareholder Classification	Percentage of Shares Owned			Total
	Individuals	Companies	Governments	
Local	2.9%	3.7%	83.2%	89.8%
Arab	0.9%	2.6%	0.8%	4.3%
Foreign	0.9%	4.1%	0.9%	5.9%
Total	4.7%	10.4%	84.9%	100.0%

D. Major shareholders: 5% + Holdings (31 Dec 2025)

Name	Number of Shares Owned	Percentage of Shares Owned in the Company's Capital
INVESTMENT CORPORATION OF DUBAI	4,081,684,642	81.6%

E. Shareholder distribution by Holding size (31 Dec 2025)

Category	Number of Investors	Owned Quantity	Owned %
Less than 50,000	17,950	48,527,785	0.97%
Between 50,000 and 500,000	292	49,211,872	0.98%
Between 500,000 and 5,000,000	100	153,178,374	3.06%
Greater than 5,000,000	39	4,749,081,969	94.98%
Total	18,381	5,000,000,000	100%

CORPORATE GOVERNANCE REPORT CONTINUED

General information continued

F. Investor relations

ALEC Holdings (PJSC) established a dedicated Investor Relations function in 2025 to ensure transparent, timely communication with shareholders, analysts, and the investment community, in compliance with SCA Decision No. 03/R.M of 2020 and DFM disclosure requirements.

The Company’s investor relations page – accessible via the corporate website – provides direct access to financial statements, annual reports, earnings announcements, share price data, governance disclosures, and regulatory filings. The page is designed to give investors and financial analysts clear, reliable information and to reinforce ALEC Holdings (PJSC)’s commitment to institutional transparency.

Investor Relations Officer

Mr Aser Mokhtar was appointed Investor Relations Officer in September 2025. Mr Mokhtar brings experience from listed entities in the UAE and Egypt. He holds a Master’s degree in Finance from the Frankfurt School of Finance and Management (Germany) and a Bachelor’s degree in Economics from Pennsylvania State University (United States).

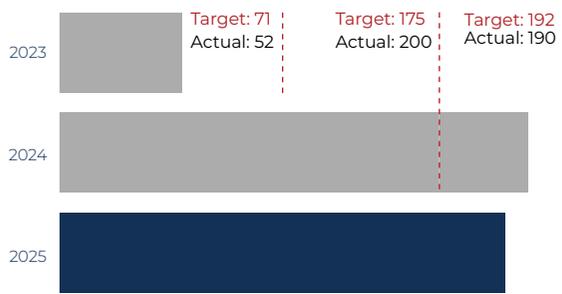
Contact Information

Mr Aser Mokhtar, Investor Relations Officer
 Email: investor.relations@alec.ae
<https://ir.alec.ae/>

G. Detailed statements of the fundamental events and important disclosures that the Company encountered during 2025:

NONE

H. Nationalisation rates for 2023, 2024, and 2025

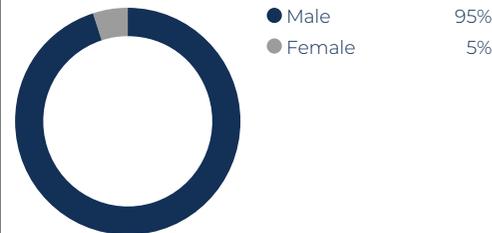


I. Innovative projects and initiatives undertaken or in development during 2025.

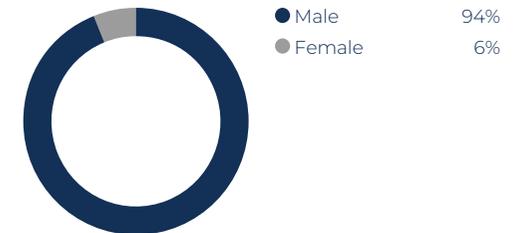
ALEC Holdings embeds innovation through a structured framework, a performance-based rewards system, and the Bright Ideas platform, which generated over 1,200 ideas with 170 implemented in 2025. The Group is advancing robotics to achieve 5% automation by 2030 and maintains strong digital delivery capabilities through ISO 19650-aligned BIM. Its open innovation model continues to expand, supported by 56 external partners and 28 completed pilots to date. Further detail can be found in the dedicated ‘Built on Innovation’ section on pages 10 to 13.

J. Gender Diversification

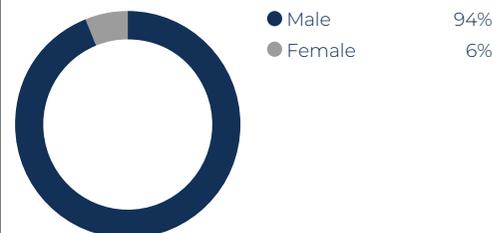
2023



2024



2025

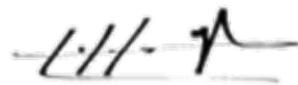


CORPORATE GOVERNANCE REPORT CONTINUED

General information continued



Chair of the Audit & Risk Committee



Chair of the Nomination & Remuneration Committee



Head of Internal Control Department



Chairman of the Board

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors have the pleasure of submitting their report, together with the audited consolidated financial statements of the ALEC Holdings PJSC (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group include engineering and construction contracting related to installations, industrial process plants, building construction and infrastructure developments, earth and civil works, building construction, structural steelwork, mechanical works, process piping, electrical works, as well as maintenance, shutdown, and turnaround services for all types of industrial process plants. In addition, 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. The Group also provides scaffolding installation, building maintenance, and engages and in investment, establishment, and management of industrial projects.

RESULTS AND MOVEMENT IN RETAINED EARNINGS

Revenue for the year is AED 12,604 million as compared to AED 8,101 million for the year ended 31 December 2024. Total comprehensive income for the year attributable to owners of the Company is AED 640 million compared to AED 343 million for the year ended 31 December 2024.

Movement in retained earnings:

	2025 AED'000	2024 AED'000
Retained earnings at the beginning of the year	913,066	817,885
Total profit attributable to the Owners of the Company	686,202	362,418
Transfer to statutory reserves	(122)	-
Acquisition of non-controlling interest in a subsidiary (Note 1)	(13,539)	-
Dividends paid to shareholders (Note 9)	(265,000)	(242,537)
Restatement of retained earnings and other equity as explained in Note 1 on page 17	-	(24,700)
Retained earnings at the end of the year	1,320,607	913,066

AUDITORS

Deloitte & Touche (M.E.) is eligible to be re-appointed as the auditor for the year ending 31 December 2026 and has expressed its willingness to be re-appointed. Deloitte & Touche (M.E.) were reappointed on 11 February 2026.

On behalf of the Board

HIS EXCELLENCY HUSSAIN NASSER LOOTAH
Chairman

BARRY ROY LEWIS
Chief Executive Officer

11 February 2026

INDEPENDENT AUDITOR'S REPORT



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The Shareholders

ALEC Holdings PJSC

Dubai

United Arab Emirates

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of **ALEC Holdings PJSC** (the "Company") **and its subsidiaries** (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters

How our audit addressed the key audit matter

Revenue recognition and measurement from construction contracts

The Group recognized construction revenue (excluding lease income and sale of goods) of AED 12.5 billion during the year.

This revenue is recognised over the period that the related services are rendered and is measured based on the proportion of total costs incurred for the work performed as at the reporting date, relative to the estimated total costs of the contract at completion multiplied by the contract price.

The recognition and measurement of revenue requires management to make significant estimates and apply significant judgments. These include determining the stage of completion and costs to complete construction contracts. These are based on historical experience on work to be performed beyond the reporting date.

Revenue from construction contracts may also include variations and claims, which are stipulated by either the variable consideration or contract modification requirements contained within IFRS Accounting Standards. These are recognised on a contract-by-contract basis when evidence supports that it is highly probable that a significant reversal in the amount of revenue recognised will not occur when the uncertainty associated with it is subsequently resolved.

We performed the following procedures, inter alia, to address the key audit matter:

- obtained an understanding of the processes adopted by management to recognise and measure revenue and contract costs, including the key controls in these processes;
- assessed the abovementioned key controls to determine if they were appropriately designed and implemented;
- assessed the Group's policy for recognising and measuring revenue against the requirements of IFRS Accounting Standards;
- met with operational project management to understand contract performance;
- challenged judgements applied and estimates made by management in their determination of the costs to complete contracts which were ongoing at the reporting date, by performing the following procedures:
 - reviewed contract terms and conditions on a sample basis;
 - tested the valuation of claims and variations, on a sample basis, both within contract revenue and contract costs by inspecting customers' instructions and contracts with customers and suppliers;

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key Audit Matters

How our audit addressed the key audit matter

Revenue recognition and measurement from construction contracts (continued)

The Group is subject to construction contracts that include provisions for liquidated damages in the event of delays or failure to meet contractual milestones. The measurement of these damages, which results in a reduction of revenue, also requires management to apply significant judgement and make significant estimates to determine if the Group is liable for these damages as well as the extent of the damages.

We identified the recognition and measurement of revenue from construction contracts as a key audit matter due to:

- The quantitative significance of the amount to the consolidated financial statements;
- The level of estimates and judgements applied and estimates made by management;
- The stipulation contained within ISAs which requires us to presume that revenue is materially misstated due to fraud; and
- The level of audit effort required.

The Group's material accounting policy information for revenue recognition on construction contracts is included in note 3 to the consolidated financial statements. Details about the revenue recognised during the year are disclosed in note 24 to the consolidated financial statements.

- utilised our internal construction specialists to review, on a sample basis, management's position on the Group's entitlement to and quantification of variable consideration;
- assessing, on a sample basis, the specific contractual and commercial risks to determine the reasonableness of the completeness and accuracy of the management forecasts and assessments of these risks in the project cost estimates;
- reperformed, on a sample basis, the mathematical accuracy of the calculations, on a samples basis, used to determine revenue; and
- assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards as issued by the IASB.

Key Audit Matters

How our audit addressed the key audit matter

Recoverability of project related financial and contract assets

Certified receivables, retention receivables and gross amounts due from customers on construction contracts are reported in the consolidated statement of financial position at AED 1.4 billion, AED 1.0 billion and AED 3.8 billion respectively.

Management applies significant judgement and estimates in assessing the recoverability of these assets, including assessing the recoverability of financial assets and contract assets based on the progress of contract completion and the likelihood of collecting outstanding amounts.

These amounts are based on contracts with customers or formal agreements relating to variations and claims. There is uncertainty over the ability of customers to settle these amounts.

The Group also has long overdue balances from certain customers for ongoing and completed projects. The Group is currently in discussions with these customers to recover these balances.

We performed the following procedures, inter alia, to address the key audit matter:

- obtained an understanding of the process adopted by management to determine the recoverability status and measure project related financial and contract assets, including the key controls in this process;
- assessed the abovementioned key controls to determine if they were appropriately designed and implemented;
- assessed the recoverability of project related financial assets and contract assets, on a sample basis, through discussion with management, inspection of confirmation of the Group's legal counsel, correspondence with the customer, our knowledge of the industry and cash receipts which occurred subsequent to the reporting date and recalculated the allowance for ECL based on this assessment;

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key Audit Matters

How our audit addressed the key audit matter

Recoverability of project related financial and contract assets (continued)

We identified the recoverability of project related financial assets and contract assets as a key audit matter due to:

- The quantitative significance of the amount to the consolidated financial statements;
- The level of estimates and judgment made by management which contain reasonable outcomes; and
- The level of audit effort required.

The Group's material accounting policy information for impairment of financial assets and contract assets is included in note 3 to the consolidated financial statements. Details about the financial assets and contract assets are disclosed in notes 10, 11 and 12 to the consolidated financial statements.

- performed a retrospective review of allowances for ECL recognised at the previous reporting date against the actual amounts recovered; and
- assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards as issued by the IASB.

Other Information

Management is responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable provisions of the Memorandum of Association of the Company and the UAE Federal Decree Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended;
- the Group has maintained proper books of account;
- the financial information included in the Report of the Directors is consistent with the books of account of the Group;
- as disclosed in notes 1 and 30 to the consolidated financial statements, the Group has purchased or invested in shares during the financial year ended 31 December 2025;
- note 9 to the consolidated financial statements discloses material related party transactions, balances, and the terms under which they were conducted; and
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended or in respect of the Company, its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2025.

DELOITTE & TOUCHE (M.E.)

Cynthia Corby
 Registration No. 995
 11 February 2026
 Dubai
 United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,267,604	929,244
Intangible assets	7	94,447	104,075
Goodwill	22	23,055	23,055
Gross amounts due from customers on construction contracts	12	27,438	–
Retention receivables	11	187,349	233,522
Advances to suppliers and subcontractors		260,350	49,062
Total non-current assets		1,860,243	1,338,958
Current assets			
Inventories	13	53,761	44,879
Contract and other receivables	10	3,303,749	2,800,118
Gross amounts due from customers on construction contracts	12	3,786,095	2,254,086
Prepayments		43,308	52,028
Cash and bank balances	23	1,574,529	1,254,244
Total current assets		8,761,442	6,405,355
Total assets		10,621,685	7,744,313
EQUITY AND LIABILITIES			
Equity			
Share capital	14	50,000	50,000
Statutory reserves	15	93,099	92,977
General reserve	16	409	409
Retained earnings		1,320,607	913,066
Foreign currency translation reserve		(208)	(420)
Remeasurement loss on employees' defined benefit obligations		(69,797)	(23,602)
Equity attributable to owners of the Company		1,394,110	1,032,430
Non-controlling interests		(284)	890
Total equity		1,393,826	1,033,320

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

	Notes	2025 AED'000	2024 AED'000
Non-current liabilities			
Provision for employees' end-of-service benefits	17	402,315	309,839
Retention payables	18	167,119	98,527
Advances from customers	18	1,328,632	595,476
Borrowings	27	250,000	303,777
Lease liabilities	21	225,218	148,372
Long term incentive provision		14,614	–
Asset retirement obligation	21	3,000	2,656
Total non-current liabilities		2,390,898	1,458,647
Current liabilities			
Contract and other payables	18	6,012,571	4,366,487
Gross amounts due to customers on construction contracts	18	263,656	309,915
Current tax liabilities	25	98,747	23,465
Borrowings	27	384,420	524,978
Lease liabilities	21	77,567	27,501
Total current liabilities		6,836,961	5,252,346
Total liabilities		9,227,859	6,710,993
Total equity and liabilities		10,621,685	7,744,313

HIS EXCELLENCY HUSSAIN NASSER LOOTAH
Chairman

BARRY ROY LEWIS
Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AED'000	2024 AED'000
Contract revenue	24	12,603,996	8,101,085
Contract costs		(11,281,003)	(7,264,892)
Gross profit		1,322,993	836,193
Administrative expenses		(463,780)	(348,683)
Share of results of joint ventures	8	(1,816)	(26)
Profit from operations		857,397	487,484
Expected credit loss allowance on financial assets and contract assets		(20,759)	(20,871)
Finance costs – net	20	(71,468)	(100,378)
Finance income		21,905	16,140
Other income – net		3,157	4,041
Profit before tax		790,232	386,416
Income tax expense	25	(103,143)	(23,508)
Profit for the year	19	687,089	362,908
Attributable to:			
Owners of the Company		686,202	362,418
Non-controlling interests		887	490
		687,089	362,908
Earnings per share			
Basic and diluted (AED)	26	0.137	0.072

	Notes	2025 AED'000	2024 AED'000
Profit for the year	19	687,089	362,908
Other comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Net change in foreign currency translation reserve		212	311
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Remeasurement loss on employees' defined benefit obligations – net of tax	17 and 25	(46,195)	(19,501)
Total comprehensive income for the year		641,106	343,718
Attributable to:			
Owners of the Company		640,219	343,228
Non-controlling interests		887	490
		641,106	343,718

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital AED'000	Statutory reserves AED'000	General reserve AED'000	Retained earnings AED'000	Foreign currency translation reserve AED'000	Remeasurement gain/(loss) on employees' defined benefit obligations AED'000	Other equity AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interest AED'000	Total AED'000
Balance at 1 January 2024	300	92,977	409	817,885	(731)	(4,101)	25,000	931,739	900	932,639
Profit for the year	-	-	-	362,418	-	-	-	362,418	490	362,908
Other comprehensive income/(loss) for the year	-	-	-	-	311	(19,501)	-	(19,190)	-	(19,190)
Total comprehensive income/(loss) for the year	-	-	-	362,418	311	(19,501)	-	343,228	490	343,718
Increase in share capital (Note 14)	49,700	-	-	-	-	-	(49,700)	-	-	-
Dividends paid to shareholders (Note 9)	-	-	-	(242,537)	-	-	-	(242,537)	-	(242,537)
Dividends paid to non-controlling interest shareholder of a subsidiary	-	-	-	-	-	-	-	-	(1,000)	(1,000)
Capital contribution of the non-controlling interest shareholder of a subsidiary	-	-	-	-	-	-	-	-	500	500
Restatement of retained earnings and other equity as explained in Note 1 on page 17	-	-	-	(24,700)	-	-	24,700	-	-	-
Balance at 31 December 2024	50,000	92,977	409	913,066	(420)	(23,602)	-	1,032,430	890	1,033,320
Balance at 1 January 2025	50,000	92,977	409	913,066	(420)	(23,602)	-	1,032,430	890	1,033,320
Profit for the year	-	-	-	686,202	-	-	-	686,202	887	687,089
Other comprehensive income/(loss) for the year	-	-	-	-	212	(46,195)	-	(45,983)	-	(45,983)
Total comprehensive income/(loss) for the year	-	-	-	686,202	212	(46,195)	-	640,219	887	641,106
Transfer to statutory reserves	-	122	-	(122)	-	-	-	-	-	-
Acquisition of non-controlling interest in a subsidiary (Note 1)	-	-	-	(13,539)	-	-	-	(13,539)	(2,061)	(15,600)
Dividends paid to shareholders (Note 9)	-	-	-	(265,000)	-	-	-	(265,000)	-	(265,000)
Balance at 31 December 2025	50,000	93,099	409	1,320,607	(208)	(69,797)	-	1,394,110	(284)	1,393,826

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AED'000	2024 AED'000
Operating activities			
Profit before tax		790,232	386,416
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment and amortisation of right-of-use assets	6	250,582	145,482
Provision for employees' end-of-service benefits	17	56,719	52,139
Finance costs – net	20	71,468	100,378
Finance income		(21,905)	(16,140)
Impairment loss on financial assets and contract assets	19	20,759	20,871
Amortisation of intangible assets	7	15,667	13,513
Gain on disposal of property, plant and equipment and gain arising from cancellation of lease	6	(2,464)	(2,714)
Share of results of joint ventures	8	1,816	26
Cash from operating activities before movements in working capital		1,182,874	699,971
(Increase)/decrease in inventories		(8,882)	3,056
Increase in contract and other receivables, including non-current retention receivables and advances to suppliers and subcontractors		(654,819)	(830,032)
(Increase)/decrease in gross amounts due from customers on construction contracts		(1,579,022)	198,266
Decrease/(increase) in prepayments		8,720	(8,323)
Decrease/(increase) in margin deposits under lien	23	52,371	(54,417)
Increase in contract and other payables, including non-current portion of retention payables and advances from customer and long-term provisions		2,459,063	972,003
(Decrease)/increase in gross amounts due to customers on construction contracts		(46,259)	133,755
Cash generated from operations		1,414,046	1,114,279
Employees' end-of-service benefits paid	17	(31,574)	(29,061)
Income tax paid		(23,901)	(5,327)
Net cash generated from operating activities		1,358,571	1,079,891
Investing activities			
Payments for purchases of property, plant and equipment	6	(386,688)	(349,553)
Finance income received		21,905	16,140
Acquisition of non-controlling interest in a subsidiary	1	(10,000)	–
Payments for purchases of intangible assets	7	(6,039)	(71)
Proceeds from disposal of property, plant and equipment	6	3,485	2,506
Net cash used in investing activities		(377,337)	(330,978)

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

	Notes	2025 AED'000	2024 AED'000
Financing activities			
Repayment of borrowings	27	(2,514,839)	(2,172,422)
Proceeds from borrowings	27	2,320,504	2,066,200
Dividends paid to shareholders	9	(265,000)	(242,537)
Repayment of principal portion of lease liabilities	21	(73,344)	(20,144)
Finance costs paid	20	(76,039)	(76,987)
Dividends paid to non-controlling interest		–	(1,000)
Capital contribution by non-controlling interest		–	500
Net cash used in financing activities		(608,718)	(446,390)
Net increase in cash and cash equivalents		372,516	302,523
Cash and cash equivalents at the beginning of the year	23	1,164,823	861,989
Less: Effect of foreign exchange rate changes		212	311
Cash and cash equivalents at the end of the year		1,537,551	1,164,823
Less: Expected credit losses on cash and bank balances		(205)	(133)
Cash and cash equivalents at the end of the year, net of expected credit loss	23	1,537,346	1,164,690
Non-cash transactions:			
Purchase of property, plant and equipment which is right-of-use asset with corresponding lease liability	6 and 21	(214,728)	(105,161)
Reallocation of share of loss in excess of investment in joint venture to due from related parties and accruals as included in the contract and other payables	8	(1,816)	(26)
Contingent consideration on acquisition of non-controlling interest in a subsidiary	1	(5,600)	–
Increase in share capital with corresponding debit to other equity	14	–	(49,700)
Cancellation of right-of-use asset and corresponding lease liability	6 and 21	11,453	–
Transfer of property, plant and equipment to intangible assets	6 and 7	–	16,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, United Kingdom, Italy, and Egypt through its subsidiaries, joint operations, joint ventures and branches.

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

By virtue of a Share Purchase Agreement dated 6 June 2024, the Immediate Parent Company acquired 100% shareholdings of ALEC Industries LLC from ALEC Engineering and Contracting LLC – S.P.C. and Binaa Dubai LLC for a total consideration of AED 299 thousand and AED 1 thousand, respectively. On the same date, the Memorandum of Association of ALEC Industries LLC was amended and the name of the Company was changed from ALEC Industries LLC to ALEC Holdings LLC.

On 23 August 2024, the Memorandum of Association of ALEC Holdings LLC was amended for the increase in share capital of the Company from AED 300 thousand to AED 50,000 thousand.

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 to offer part of the Company’s capital to the public.

On 19 September 2025, the Articles of Association of the Company were approved and notarised 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 re-organisation and business combinations under common control

By virtue of a Share Purchase Agreement dated 20 August 2024, the Company acquired 100% shareholdings of ALEC Engineering and Contracting LLC – S.P.C. from Binaa Dubai LLC and Manzil Investments LLC (“the Transaction”) for a total consideration of AED 1,211,423 thousand and AED 242 thousand, respectively.

ALEC Engineering and Contracting LLC – S.P.C. and the subsidiaries, joint operations and branches listed below and in Note 29 are now effectively owned by the Company.

As the reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, it is not considered as a business combination as defined in IFRS 3 *Business Combinations*.

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 consolidated financial statements 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 CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. GENERAL INFORMATION (CONTINUED)

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries and branches (together referred as “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 (%)	
			2025	2024	2025	2024
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%

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2025	2024	2025	2024
ALEC Engineering and Contracting (UK) Ltd. (6)	Construction activities	United Kingdom	–	100%	–	100%
AES Building Materials Trading LLC (5)	Building and construction materials trading	United Arab Emirates	100%	80%	100%	80%
ALEC Engineering and Contracting Egypt LLC	Construction activities	Egypt	100%	100%	100%	100%
ALEC Doha Contracting W.L.L. (6)	Rental of heavy and light machines and equipment	State of Qatar	–	100%	–	100%
ALEC EPC Holding LLC – S.O.	Investment activities	United Arab Emirates	100%	100%	100%	100%
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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. GENERAL INFORMATION (CONTINUED)

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2025	2024	2025	2024
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%
Idrotec S.r.l. (Italy) (6)	Engineering, design and consultancy	Italy	–	100%	–	100%
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%
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%

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2025	2024	2025	2024
AES Aluminium and Glass Works LLC	Aluminium installation works, machining and forming of metals and glass plates installation works.	United Arab Emirates	100%	82%	100%	82%
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 (4)	Central air conditioning requisites manufacturing, ventilation equipment manufacturing and central air conditioning equipment manufacturing.	United Arab Emirates	100%	–	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. GENERAL INFORMATION (CONTINUED)

Name of subsidiary	Principal activity	Country of incorporation and operation	Proportion of ownership interest (%)		Proportion of beneficial interest (%)	
			2025	2024	2025	2024
Altrons Integrated Security Equipment Installation LLC (4)	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%	-
Idrotec Marine Consultancy LLC – SPC (4)	Civil engineering consultancy, onshore and offshore oil and gas fields and facilities services	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
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
Idrotec S.r.l. – Abu Dhabi Branch (4)	Engineering, design and consultancy	United Arab Emirates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

1. GENERAL INFORMATION (CONTINUED)

- (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 Group is exercising control over this subsidiary.
- (4) During the current year, the Group has invested in three newly incorporated entities in 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.
- (6) During the year, the Group liquidated three subsidiaries namely ALEC Doha Contracting W.L.L., ALEC Engineering and Contracting (UK) Ltd. and Idrotec S.r.l. (Italy) and its branch. These entities did not constitute a major line of business, and their liquidation did not have a material impact on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)**2.1 New and amended IFRS Accounting Standards as issued by the IASB applied with no material effect on the consolidated financial statements**

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Effective for annual periods beginning on or after

New and revised IFRS Accounting Standards as issued by the IASB

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* 1 January 2025 relating to Lack of Exchangeability

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

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) (CONTINUED)

2.2 New and amended IFRS Accounting Standards as issued by the IASB in issue but not yet effective and not early adopted

New and revised IFRS Accounting Standards as issued by the IASB	Effective for annual periods beginning on or after
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding purchase power arrangements The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11 The pronouncement comprises the following amendments: <ul style="list-style-type: none"> IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>: Hedge accounting by a first-time adopter IFRS 7 <i>Financial Instruments – Disclosures</i>: Gain or loss on derecognition IFRS 7 <i>Financial Instruments – Disclosures</i>: Disclosure of deferred difference between fair value and transaction price IFRS 7 <i>Financial Instruments – Disclosures</i>: Introduction and credit risk disclosures IFRS 9 <i>Financial Instruments</i>: Lessee derecognition of lease liabilities IFRS 9 <i>Financial Instruments</i>: Transaction price IFRS 10 <i>Consolidated Financial Statements</i>: Determination of a "de facto agent" IAS 7 <i>Statement of Cash Flows</i>: Cost method 	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i> IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027

New and revised IFRS Accounting Standards as issued by the IASB	Effective for annual periods beginning on or after
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.	1 January 2027
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Translation to a Hyperinflationary Presentation Currency The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures (2011)</i> The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.
Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), except for combining of the entities under common control and ownership as detailed in the basis of consolidation.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis with the exception of the provision for employees' end-of-service benefits which is recognised at the present value of future obligations using the projected unit credit method. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are set out below.

These consolidated financial statements are 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.

Going concern

The Board of Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they the Group has applied the going concern basis of accounting in preparing the consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by the Group, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions, balances, income, expenses and cash flows relating to the transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (continued)

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified.

Common control transactions

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have substance, the Group adopts the pooling of interests method. Under the pooling of interests method, the carrying value of assets and liabilities in the books of the transferor, are used to account for these transactions. No goodwill is recognised as a result of the transfer. Any difference between the consideration paid and the net assets acquired is recognised within the retained earnings.

A number of factors are considered in assessing whether the transaction has substance including the following:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transaction is conducted at fair value;
- the existing activities of the entities involved in the transaction; and
- whether or not the transaction brings entities together into a 'reporting entity' that did not exist before.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations (continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible asset other than Goodwill

Intangible assets with finite useful lives

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The principal annual rate used for this purpose is:

	%
Computer software	10

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their costs). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (straight-line method) and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The principal annual rates used for this purpose are:

	%
Trade name	10
License	10
Customer contracts	10

These intangible assets have been recognised as a result of a business combination.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis over the expected useful economic lives of the assets concerned. Leasehold improvements are depreciated over the shorter of the lease period and their expected useful economic life. The principal annual rates used for this purpose are:

	%
Buildings and improvements	2.5–33
Plant, machinery and equipment	7–100
Office furniture, fixtures and equipment	20–100
Motor vehicles	25

The estimated useful lives, residual values and depreciation methods are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of tangible and intangible assets excluding goodwill

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is calculated as the difference between sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in a prior year. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in a prior year. Any increase in excess of this amount is treated as a revaluation increase.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments in joint ventures (continued)

If there is objective evidence that the group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the investment in a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operations; and
- its expenses, including its share of any expenses incurred jointly.

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

When a group entity transacts with a joint operation in which a group entity is a joint operator (such a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operations, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of asset), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

A provision is also made for the full amount of end-of-service benefit due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with the respective labour laws of United Arab Emirates, Kingdom of Saudi Arabia and State of Qatar as applicable, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end-of-service benefit is disclosed as a non-current liability.

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. Past-service costs are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

The defined benefit liability comprises the present value of the defined benefit obligations using a discount rate based on market yield rates. The Group has not allocated any assets to such plans.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000, for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(i) Contract revenue and revenue from sale of goods

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has concluded that for the majority of its arrangements, it is either creating or enhancing an asset controlled by the customer or it is creating an asset with no alternative use and has an enforceable right to payment for work completed. Therefore, it meets the criteria to recognise revenue overtime and measure progress of its projects through the cost to complete method (input method) as it best depicts the transfer of control of products and services under each performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

(i) Contract revenue and revenue from sale of goods (continued)

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent, the Group has concluded that it is acting as a principal in all of its revenue arrangements.

Variations which are, by nature, of extension of the existing scope of work, are accounted for using cumulative catch up adjustments to the cost to complete method of revenue recognition. Variation orders which require additional or distinct goods and services to the scope at discounted prices are accounted for prospectively and variation orders which require addition of distinct goods and services to the scope at standalone selling prices are accounted for as new contracts with the customers.

Claims are accounted for as variable consideration and represent a critical accounting judgement for the group as explained in (note 4) to these consolidated financial statements. They are included in contract revenue using the expected value or most likely amount approach (whichever is more predictive of the amount the entity expects to be entitled to receive) and it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainly associated with the claim is subsequently resolved.

A loss is recognised in the Consolidated statement of profit or loss and other comprehensive income when the expected contract costs exceed the total anticipated revenue.

The Group combines two or more contracts entered into at or near the same time with the same customer and accounts for the contracts as a single contract if one or more of the following criteria are met:

- The two or more contracts entered into at or near the same time with the same customer are negotiated as a package, with a single commercial objective;
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

If the above criteria are met, the arrangements are consolidated and accounted for as a single arrangement for revenue recognition.

Pre-contract costs of obtaining a contract with a customer are recognised as an asset if those costs are expected to be recovered.

Revenue is recognised in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ("EIR") applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(iii) Dividend income

Dividend income from investments is recognised when the rights to receive payment have been established.

(iv) Lease income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

(v) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, alignment and filling services, etc.). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Contract costs

Contract costs comprise direct contract costs and other costs relating to the contracting activity in general and which can be allocated to contracts, or are specifically chargeable to the customer under the terms of the contracts. Costs that cannot be related to contract activity or cannot be allocated to a contract are excluded from the costs of the construction contract and are included in the administrative expenses.

Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer. The costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred. If those costs are explicitly chargeable to the customer regardless of whether the contract is obtained, the Group recognises the incremental costs of obtaining a contract as an asset.

Fulfilment costs

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, an entity recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- a. The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- b. The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- c. The costs are expected to be recovered under the terms of the contract with the customer.

Provision for maintenance expenses

The Group generally offers a one year warranty for defects on work carried out during the contractual defects liability period and does not provide extended warranties or maintenance services in its contracts with customers. Management estimates the related provision for the costs associated with rectifying defects based on historical information, as well as recent trends that might suggest that past cost information may differ from future defects costs. These costs are included in estimated contract costs. As such, the Group expects that such defects costs will be assurance-type warranties which will continue to be accounted for under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with its current practice.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate section within the property, plant and equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of machinery and equipment.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Foreign currencies

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates. For the purpose of the consolidated financial statements, the results and financial position of the Group are expressed in United Arab Emirates Dirhams (AED), which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (continued)

In preparing the consolidated financial statements, transactions in currencies other than the Group's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in consolidated profit or loss for the year.

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions or average exchange rate of the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in another year and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (continued)

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Corporate tax in United Arab Emirates

Income tax expense for the period relates to current tax on profit relating to the Group's operations mainly in the United Arab Emirates and Kingdom of Saudi Arabia.

The Group is also 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.

As per the Group's assessment, there is no material deferred tax impact on account of the CT Law in the Group consolidated financial statements for the year ended 31 December 2025.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest method (continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “finance income” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses – (ECL) on contract and other receivables, lease receivables, amounts due from customers under construction contracts, retention receivables, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises Lifetime ECL for contract receivables, amounts due from customers under construction contracts (contract assets), lease receivables and related party balances. The expected credit losses on these financial assets are estimated based on the Group’s historical credit loss experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises Lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether Lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of Lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'.

Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of contract receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above and as set out in the critical accounting judgements in note 4. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to Lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for Lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgments

In the process of applying the Group's accounting policies described in Note 3 to the consolidated financial statements, the management of the Group are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Contract variations

Contract variations are recognised as revenue only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management constrains revenue from variations based on prior experience, application of contract terms and the relationship with the customers when making their judgement.

At the reporting date, management has recorded unapproved variations to the extent they will not result in significant reversal of revenue in a subsequent period. This assessment is done based on the past history of agreeing variations and the probability of expected outcome from current on-going discussions with the employers, as well as the fact that unapproved variations are supported by the client appointed engineer's instructions, drawing changes issued by the customer representatives or formal instruction as set out in the contractual terms and conditions.

Contract claims

A claim is an amount that the contractor seeks to collect from the customer or another party as reimbursements for costs not included in the contract price. A claim may arise from, for example, customer caused delays, prolongation costs, costs of acceleration of projects, program errors in specifications or design, and disputed time impact of variations on contract work. The measurement of the amounts of revenue arising from claims is subject to a high level of uncertainty and often depends on the outcome of negotiations. Therefore, claims are only included in contract revenue when:

- the amount has been accepted by the customer or the customer's representative;
- there is a clear contractual entitlement, and/or
- negotiations have reached such a stage that it is highly probable that a significant reversal of revenue will not occur and management can accurately determine the compensatory value of the claim based on industry recognised principles.

Based on the above, management have recorded extension of time claims in certain projects and which are included in the gross amounts due from customers on construction contracts balance in Note 12.

Cost-to-cost (input) method to measure progress of construction contract

The Group uses the cost-to-cost (input) method in accounting for its construction contract revenue. At each reporting date, the Group is required to estimate the stage of completion and costs to complete on its construction contracts. This requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the period in which the estimates are revised. When the expected contract costs exceed the total anticipated contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts. The Group uses its commercial team to estimate the costs to complete of construction contracts. Factors such as delays in expected completion date, changes in the scope of work, changes in material prices, labour costs and other costs are included in the construction cost estimates based on best estimates which are updated on a regular basis.

The measurement of revenue is affected by a variety of uncertainties that depend on the outcome of future events. The estimated contract value may need to be revised as events occur and uncertainties are resolved. In making this judgment, management has considered the criteria prescribed in IFRS 15 *Revenue from Contracts with Customers* in determining whether the amount can be recognised as part of the estimated contract revenue of the Group. In particular, consideration was given as to whether the outcome of a construction contract can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Recording of contra charges

A contra charge is where the amount of cost incurred on behalf of a subcontractor is deducted from their liability. Being a main contractor, the Group incurs costs on behalf of its subcontractors such as direct payments to suppliers of subcontractors and/or provision of Group's resources to assist with work completion. These contra charges are deducted by the Group on the payment certificates of its subcontractors. The right to set off the claim against the liability arises only by agreement of both parties involved. Furthermore, the measurement of the amounts arising from the contra-charge is subject to a high level of uncertainty and often depends on the outcome of negotiations between the two parties. Therefore, the contra-charges are recorded and offset against liabilities only when the amount has been accepted by the subcontractor and/or negotiations have reached an advanced stage such that the contra charge that would be agreed by the subcontractor can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting judgments (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 3). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measures, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or Lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Classification of joint arrangements and joint ventures

Management has assessed the classification of Service and Trade and Al Jaber LEGT Company LLC in consideration of the provisions of IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*. Although ALEC Engineering and Contracting Oman LLC, one of the Group's subsidiaries, holds half of the voting rights of the entity, by virtue of the Shareholders Agreement between ALEC Engineering and Contracting Oman LLC and the other shareholder, decisions about the relevant activities of the entity require the unanimous consent of both parties. Accordingly, Service and Trade and Al Jaber LEGT Company LLC has been classified as a joint venture of the Group.

Management has assessed the classification of Qatar International Trading/IMAR Trading & Contracting Joint Venture and Al Jaber L.E.G.T. Engineering W.L.L., IMAR & Al Jaber Trading & Contracting Company, and Gulf Contracting Company W.L.L. & ALEC L.E.G.T. Contracting W.L.L. in consideration of the provisions of IFRS 11 *Joint Arrangements*.

Although such arrangements except Gulf Contracting Company W.L.L. & ALEC L.E.G.T. Contracting W.L.L., have been structured through separate legal entities, it is the intention of the parties to the joint arrangements to have the rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, Qatar International Trading/IMAR Trading & Contracting Joint Venture and Al Jaber L.E.G.T. Engineering W.L.L., IMAR & Al Jaber Trading & Contracting Company, and Gulf Contracting Company W.L.L. & ALEC L.E.G.T. Contracting W.L.L. have been classified as joint operations of the Group.

Management has assessed the classification of ALEMCO Zawawi LLC in consideration of the provisions of IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*. Although ALEMCO Electromechanical Contracting LLC, one of the Group's subsidiaries, holds more than half of the voting rights of the entity, by virtue of the Shareholders Agreement between ALEMCO Electromechanical Contracting LLC and the other shareholder, decisions about the relevant activities of the entity require the unanimous consent of both parties. Accordingly, ALEMCO Zawawi LLC has been classified as a joint venture of the Group.

Management has assessed the classification of the investment in Expo Contracting DWC LLC in consideration of the provisions of IFRS 11 *Joint Arrangements*. The Group holds 50% of the voting rights of Expo Contracting DWC LLC. Moreover, by virtue of the shareholders' agreement between the parties, decisions about the relevant activities requires the unanimous approval of the board of directors, with a minimum of one representative to be present for each shareholder for the meeting to qualify as a valid board meeting. Also, profit sharing is on a 50%:50% basis. Consequently, Expo Contracting DWC LLC does not fall under the provisions of IFRS 10 due to the lack of the Group's control over Expo Contracting DWC LLC. IFRS 10 identifies control (requiring both power and exposure to risks and rewards) as the single basis for consolidation. Accordingly, Expo Contracting DWC LLC has been classified as a joint venture of the Group.

Management has assessed the classification of Saudi Constructioners Ltd. and ALEC Saudi Arabia Engineering and Contracting LLC (SAUDICO-ALEC JV) in consideration of the provisions of IFRS 11 *Joint Arrangements*. SAUDICO-ALEC JV is an unincorporated joint venture and it is the intention of the parties to the joint arrangements to have the rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, SAUDICO-ALEC JV has been classified as a joint operation of the Group.

Management has assessed the classification of APIO Solutions Limited in consideration of the provisions of IFRS 11 *Joint Arrangements*. APIO Solutions Limited is structured through a separate legal entity which is a limited liability company. By virtue of the shareholders' agreement between the parties, decisions about the relevant activities requires the unanimous approval of the board of directors, with a minimum of two representatives to be present for each shareholder for the meeting to qualify as a valid board meeting. Also, profit sharing is on a 50%:50% basis. Accordingly, APIO Solutions Limited has been classified as a joint venture of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting judgments (continued)

Classification of joint arrangements and joint ventures (continued)

Management has assessed the classification of El Seif Engineering Contracting Company Ltd and ALEC Saudi Arabia Engineering and Contracting LLC (El Seif ALEC Joint Venture) in consideration of the provisions of IFRS 11 *Joint Arrangements*. El Seif ALEC Joint Venture is an unincorporated joint venture and it is the intention of the parties to the joint arrangements to have the rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, El Seif ALEC Joint Venture has been classified as a joint operation of the Group.

Management has assessed the classification of ALEC Engineering and Contracting LLC and BUTEC s.a.l. (ALEC-BUTEC JV) in consideration of the provisions of IFRS 11 *Joint Arrangements*. ALEC-BUTEC JV is an unincorporated joint venture and it is the intention of the parties to the joint arrangements to have the rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, ALEC-BUTEC JV has been classified as a joint operation of the Group.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed as below:

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management have applied judgment that the lease term will be extended for a period of five (5) year on its two leases of land where its labour camp was constructed.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR") at the commencement of the leases, which is ranging from 5% to 8 % for all leases where implicit rates are not mentioned.

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leased over different terms and different ranges of values. The Majority of the leases are present in the UAE and accordingly no adjustment for the economic environment is deemed to be required.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Project cost to complete estimates

At the end of each reporting period, the Group is required to estimate costs to complete contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the end of the reporting period. The Group uses internal quantity surveyors together with project managers and the group's commercial team to estimate the costs to complete for construction contracts. Factors such as changes in material prices, labour costs, defects liability costs and other costs are included in the contract cost estimates based on best estimates of the contract progress and remaining works at the year-end. These estimates also include the cost of potential claims by contractors and the cost of meeting other contractual obligations to the customer.

Defects liability period and provision for maintenance

The Group provides a one-year defects liability commitment to customers from the date of handover of the project. These are assurance-type warranties and are not sold separately. Management's estimates of the related provision to record for the future cost of rectifying any defects is based on historical experience of costs incurred in providing maintenance services as well as recent trends that might suggest that past cost may not be an accurate measure of potential future costs.

Liquidated damages

The Group provides for liquidated damages where there have been significant delays against defined contractual delivery dates or contractual milestones and it is considered probable that the customer will successfully pursue these penalties. This requires management to estimate the amount of liquidated damages payable under the contract based on a combination of an assessment of the contractual terms, the reasons for any delays and evidence of cause of the delays to assess who is liable under the contract for the delays and consequently whether the Group is liable for the liquidated damages or not.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Liquidated damages (continued)

Furthermore, there is an assessment by management of any liquidated damages, which can be recovered against subcontractors or the supply chain due to late delivery against contractual delivery dates, or milestones which are the direct cause of the delays under the contract with the customer and which the supply chain is liable for.

In making this judgement, management considered the following:

- a) The outcome of ongoing constructive discussions with the customer regarding certain key delivery dates and how the delays to the progress of works can be mitigated without impacting any related contractors or any other project activity which minimises the risk of these related contractors pursuing liquidated damages against the customer, which the customer would in turn seek to recover; and
- b) The outcome of the discussions to date with the customers due to which management believes the risk of liquidated damages being levied has been mitigated.

Provision for taxation

The Group has provided for estimated income tax based on the estimated profit margins on the revenue earned from projects in United Arab Emirates, Kingdom of Saudi Arabia, Ethiopia and State of Qatar based on relevant tax laws. 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 higher/lower tax liabilities.

Employees' end of service indemnity

The cost of the end of service benefits and the present value of these benefits obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Allowance for inventory obsolescence

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices and volumes.

Estimated useful lives of property, plant and equipment

The costs of items of property, plant and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/or category of assets based on the following factors:

- Expected usage of the assets;
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property, plant and equipment at the end of their useful lives as these have been deemed to be insignificant.

Impairment of intangible assets

The Group assesses goodwill and intangibles with an indefinite useful life for impairment annually and other assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists, the group makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets ('cash generating unit' or 'CGU'). An asset group's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

5. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5. 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
31 December 2025						
Contract revenue	6,837,668	4,626,024	3,050,434	-	(1,910,130)	12,603,996
Contract costs	(6,337,925)	(4,207,901)	(2,677,452)	-	1,942,275	(11,281,003)
Gross profit	499,743	418,123	372,982	-	32,145	1,322,993
Administrative expenses	(64,195)	(98,820)	(113,421)	(187,344)	-	(463,780)
Share of results of joint ventures	-	-	(1,816)	-	-	(1,816)
Expected credit loss allowance on financial assets and contract assets	17,750	(19,784)	(6,243)	1,109	(13,591)	(20,759)
Finance costs – net	31,090	(61,112)	(7,178)	(37,754)	3,486	(71,468)
Finance income	716	2,057	1,799	24,108	(6,775)	21,905
Other income – net	346	2,566	875	(630)	-	3,157
Net segment results – profit/(loss) before tax	485,450	243,030	246,998	(200,511)	15,265	790,232
31 December 2024						
Contract revenue	4,075,769	2,813,760	1,999,100	-	(787,544)	8,101,085
Contract costs	(3,826,928)	(2,564,558)	(1,672,157)	-	798,751	(7,264,892)
Gross profit	248,841	249,202	326,943	-	11,207	836,193
Administrative expenses	(53,000)	(63,728)	(104,085)	(127,870)	-	(348,683)
Share of results of joint ventures	(1,648)	-	1,622	-	-	(26)
Expected credit loss allowance on financial assets and contract assets	(22,920)	(680)	3,365	-	(636)	(20,871)
Finance costs – net	(17,875)	(51,840)	(5,518)	(26,443)	1,298	(100,378)
Finance income	41	1,253	435	15,358	(947)	16,140
Other income – net	(136)	4,617	1,090	4,197	(5,727)	4,041
Net segment results – profit/(loss) before tax	153,303	138,824	223,852	(134,758)	5,195	386,416

The Group conducts its business mainly in the UAE and KSA. The following table presents geographical information based on the location of customers and non-current assets.

	United Arab Emirates AED'000	Kingdom of Saudi Arabia AED'000	Others AED'000	Total AED'000
31 December 2025				
Contract revenue	9,985,297	2,615,170	3,529	12,603,996
Total non-current assets *	1,433,283	239,565	46	1,672,894
	United Arab Emirates AED'000	Kingdom of Saudi Arabia AED'000	Others AED'000	Total AED'000
31 December 2024				
Contract revenue	5,923,542	2,127,855	49,688	8,101,085
Total non-current assets *	981,504	123,864	68	1,105,436

* For the purpose of geographical disclosure, non-current assets comprise property, plant and equipment, intangible assets, goodwill, gross amounts due from customers on construction contracts and advances to suppliers in accordance with IFRS 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings and improvements AED'000	Plant, machinery and equipment AED'000	Office furniture, fixtures and equipment AED'000	Motor vehicles AED'000	Right-of-use asset – land AED'000	Right-of-use asset – building AED'000	Right-of-use asset – machinery and equipment AED'000	Capital work-in-progress* AED'000	Total AED'000
Cost									
At 1 January 2024	440,389	862,386	89,485	54,787	82,850	26,697	68,739	70,978	1,696,311
Additions	49,520	190,523	20,855	16,353	49,599	12,587	42,975	72,302	454,714
Disposal/write off	–	(22,664)	(3)	(2,425)	–	–	(5,480)	–	(30,572)
Disposal arising from lease cancellation (Note 21)	–	–	–	–	(14,642)	–	–	–	(14,642)
Transfer to intangible assets (Note 7)	–	–	–	–	–	–	–	(16,718)	(16,718)
Transfers	36,708	14,125	–	1,008	–	–	–	(51,841)	–
31 December 2024	526,617	1,044,370	110,337	69,723	117,807	39,284	106,234	74,721	2,089,093
Additions	8,659	242,632	18,823	42,694	72,082	101,765	40,881	73,880	601,416
Disposal/write off	–	(8,489)	(17,972)	(1,293)	–	–	(672)	–	(28,426)
Disposal arising from lease cancellation (Note 21)	–	–	–	–	(17,328)	–	–	–	(17,328)
Transfers	76,286	48,055	–	–	–	–	–	(124,341)	–
31 December 2025	611,562	1,326,568	111,188	111,124	172,561	141,049	146,443	24,260	2,644,755
Accumulated depreciation and amortisation									
At 1 January 2024	192,633	682,564	78,215	28,488	20,548	10,148	34,849	–	1,047,445
Charge for the year	34,079	70,549	7,917	8,514	4,211	11,833	8,379	–	145,482
Eliminated on disposal/write off	–	(22,327)	(3)	(2,425)	–	–	(4,301)	–	(29,056)
Eliminated on disposal arising from lease cancellation	–	–	–	–	(4,022)	–	–	–	(4,022)
31 December 2024	226,712	730,786	86,129	34,577	20,737	21,981	38,927	–	1,159,849
Charge for the year	48,761	126,182	14,114	15,262	9,504	23,153	13,606	–	250,582
Eliminated on disposal/write off	–	(8,394)	(17,055)	(1,284)	–	–	(290)	–	(27,023)
Eliminated on disposal arising from lease cancellation	–	–	–	–	(6,257)	–	–	–	(6,257)
31 December 2025	275,473	848,574	83,188	48,555	23,984	45,134	52,243	–	1,377,151
Carrying amount									
31 December 2025	336,089	477,994	28,000	62,569	148,577	95,915	94,200	24,260	1,267,604
31 December 2024	299,905	313,584	24,208	35,146	97,070	17,303	67,307	74,721	929,244

* Capital work-in-progress mainly comprises costs relating to office refurbishments and a labour camp under construction at project sites. During the year, amounts relating to completed assets were transferred to buildings and improvements under property, plant and equipment when they were ready for their intended use. The remaining balance relates to projects that are ongoing as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant, and equipment are assets with a cost of AED 742,400 thousand (2024: AED 667,282 thousand), that are fully depreciated but still in use as at 31 December 2025.

Right-of-use assets – machinery and equipment include assets secured by a mortgage over the financed machinery and equipment (Note 21).

The Group leases several assets including machinery and equipment, building and land. The average lease terms are as follows:

	Number of months
Land	55 to 420 months
Building	22 to 60 months
Machinery and equipment	36 to 60 months

The right of use land includes AED 3,000 thousand (2024: AED 2,656 thousand) related to asset retirement obligations (Note 21).

Amounts recognised in profit or loss related to leases

	2025 AED'000	2024 AED'000
Depreciation expense on right-of-use assets	46,263	24,423
Finance cost related to lease liabilities (Notes 20 and 21)	12,552	7,580
Rental expense relating to short-term leases and leases of low value assets	88,390	85,776

7. INTANGIBLE ASSETS

	Tradename AED'000	License AED'000	Customer contracts AED'000	Computer software AED'000	Total AED'000
Cost					
1 January 2024	49,600	7,000	58,300	739	115,639
Additions	–	–	–	71	71
Transfers from property, plant and equipment (Note 6)	–	–	–	16,718	16,718
31 December 2024	49,600	7,000	58,300	17,528	132,428
Additions	–	–	–	6,039	6,039
31 December 2025	49,600	7,000	58,300	23,567	138,467
Accumulated amortisation					
1 January 2024	6,200	875	7,288	477	14,840
Charge for the year	4,960	700	5,830	2,023	13,513
31 December 2024	11,160	1,575	13,118	2,500	28,353
Charge for the year	4,960	700	5,830	4,177	15,667
31 December 2025	16,120	2,275	18,948	6,677	44,020
Carrying amount					
31 December 2025	33,480	4,725	39,352	16,890	94,447
31 December 2024	38,440	5,425	45,182	15,028	104,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. 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	
			2025	2024	2025	2024
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%
APIO Solutions Limited	Modular solutions	United Kingdom	50%	50%	50%	50%

The above joint ventures are accounted for in these consolidated financial statements using the equity method.

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. Hence, this joint venture's assets and liabilities are not included in the table below.

Summarised financial information in respect of the Group's material joint ventures is set out below. These represent amounts shown in the joint ventures' financial statements prepared in accordance with IFRS Accounting Standards.

	2025 AED'000	2024 AED'000
Current assets	28,988	64,033
Non-current assets	-	1,263
Current liabilities	165,513	195,182
Non-current liabilities	-	4,045
Net liabilities	136,525	133,931
	2025 AED'000	2024 AED'000
Group share of net liabilities	76,885	75,069
Less: Cumulative amount allocated to due from related parties	(65,978)	(64,069)
Less: Cumulative amount recognised as a accruals as included in the contract and other payables	(10,907)	(11,000)
Carrying amount of investment in joint ventures	-	-
<i>Revenue and loss:</i>		
Revenue for the year	-	-
Loss for the year	(2,594)	(979)
Group's share of losses*	(1,816)	(26)

* Total share of results from the Group's joint ventures for the year ended 31 December 2025 is a loss of 1,816 thousand (2024: loss of AED 26 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 recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9. 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 (IAS) 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 year arose from the normal operations of the Group:

	2025 AED'000	2024 AED'000
Purchase of materials and services		
Companies under common control	63,915	9,780
Revenue from related parties (Note 24)		
Companies under common control	47,974	82,114
Compensation of key management personnel		
	2025 AED'000	2024 AED'000
Short-term benefits	10,078	8,068
Long-term benefits	312	266
	10,390	8,334
Directors' fees	3,140	3,250
Dividends paid to shareholders		
	2025 AED'000	2024 AED'000
Dividends paid to shareholders	265,000	242,537

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.

On 29 April 2024, prior to the Group reorganization on 23 August 2024 (Note 1), by virtue of a board resolution, the shareholders approved and declared a cash dividend of AED 48,507 per share amounting to AED 242,537 thousand. The dividends were paid in full in May 2024.

Balances and transactions with affiliated entities under the Immediate Parent Company

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

	2025 AED'000	2024 AED'000
Cash and cash equivalents held with related party banks (Note 23)	376,748	292,026
Borrowings from related party banks (Note 27)	480,278	575,925
Interest and commission paid to related party banks (Note 20)	31,910	40,968

Balances with related parties

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

	2025 AED'000	2024 AED'000
Due from related parties (Note 10)		
Immediate Parent Company	300	300
Joint ventures	11,793	11,601
Joint operations	2,494	72,051
Other affiliated entities	15,093	38,108
	29,680	122,060
Less: Expected credit losses	(12,101)	(10,307)
	17,579	111,753

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.

	2025 AED'000	2024 AED'000
At 1 January	10,307	11,435
Change in loss allowance	1,794	(1,128)
At 31 December	12,101	10,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Balances with related parties (continued)

	2025 AED'000	2024 AED'000
Due to related parties (Note 18)		
Joint operations	39,761	23,596
Other affiliated entities	11,705	2,145
	51,466	25,741
Retention receivables (Note 11)	107,867	202,451
Retention payables (Note 18)	1,002	63
Advances from customers (Note 18)	39,147	39,341
Gross amounts due from customers on construction contracts (Note 12)	231,791	312,778
Gross amounts due to customers on construction contracts (Note 18)	384	10,302

10. CONTRACT AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Contract receivables	1,401,729	1,251,727
Less: Allowance for expected credit loss	(69,082)	(70,585)
	1,332,647	1,181,142
Due from related parties – net (Note 9)	17,579	111,753
Retention receivables – net (Note 11)	824,267	747,303
Advances to suppliers and subcontractors	1,037,575	724,308
Other receivables	91,681	35,612
	3,303,749	2,800,118

The average credit period on sale of goods or services is 90 days (2024: 90 days). No interest is charged on past due contract receivables.

Before accepting any new customers, the Group assesses the potential credit quality of the customer. Out of the contract receivable balance at the end of the year, an amount of AED 255,599 thousand (2024: AED 615,134 thousand) is due from the Group's two major customers (2024: four major customers). There are no other customers whose balance exceeds more than 10% of the contract receivables as at reporting date.

Included in the Group's contract receivables balance are debtors with a carrying amount of AED 396,570 thousand (2024: AED 305,623 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:

	2025 AED'000	2024 AED'000
Past due for 90 to 120 days	41,766	67,308
Past due for 121 to 180 days	105,527	7,561
Past due for more than 180 days	249,277	230,754
	396,570	305,623

The Group always measures the loss allowance for contract receivables at an amount equal to Lifetime ECL using the simplified approach.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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:

	2025 AED'000	2024 AED'000
At 1 January	70,585	74,871
Change in loss allowance	(1,473)	(4,286)
Write-off of loss allowance	(30)	–
At 31 December	69,082	70,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

11. RETENTION RECEIVABLES

	2025 AED'000	2024 AED'000
Current portion, net of expected credit losses (Note 10)	824,267	747,303
Non-current portion, net of expected credit loss and fair value adjustment	187,349	233,522
	1,011,616	980,825

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

Retention receivables are classified as follows:

	2025 AED'000	2024 AED'000
Related parties, net of expected credit losses (Note 9)	107,867	202,451
Third parties, net of expected credit losses	903,749	778,374
	1,011,616	980,825

The management always measure the loss allowance on retention receivables 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 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.

	2025 AED'000	2024 AED'000
At 1 January	13,496	16,811
Change in loss allowance	791	(3,315)
At 31 December	14,287	13,496

12. GROSS AMOUNTS DUE FROM CUSTOMERS ON CONSTRUCTION CONTRACTS

	2025 AED'000	2024 AED'000
Current portion, net of expected credit losses	3,786,095	2,254,086
Non-current portion, net of expected credit loss	27,438	–
	3,813,533	2,254,086

Gross amounts due from customers on construction contracts are contract assets that arise when the Group performs work for customers that has been recognised as revenue to date but has not received certifications from its customers. Any amount previously recognised as a contract asset is reclassified to contract receivables at the point at which it is certified by the customer and invoiced to the customer.

The above balance includes gross amounts due from customers on construction contracts arising from contracts with related parties, amounting to AED 231,791 thousand (2024: AED 312,778 thousand) (Note 9).

Significant changes in the gross amounts due from and to customers on construction contracts during the year are mentioned in Note 18.

The management always measure the loss allowance on gross amounts due from customers 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 under 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.

	2025 AED'000	2024 AED'000
As at 1 January	41,220	11,669
Change in loss allowance	19,575	29,551
As at 31 December	60,795	41,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. INVENTORIES

	2025 AED'000	2024 AED'000
Raw materials and consumables	36,571	27,926
Finished goods	14,150	11,521
Work-in-progress	3,040	5,432
	53,761	44,879

14. SHARE CAPITAL

On 23 August 2024, by virtue of an amendment to the Memorandum of Association of ALEC Holdings LLC, the share capital was increased from AED 300 thousand to become AED 50,000 thousand. It is divided into 50,000 shares, with a value of AED 1 thousand each. This increase was done through a capital reorganisation (Note 1).

As at 31 December 2024, the share capital comprises 50,000 authorised, issued and fully paid shares of AED 1 thousand each.

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 notarised 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 December 2025, the share capital comprises 5,000,000,000 authorised, issued and fully paid shares of AED 0.01 each.

15. STATUTORY RESERVES

In accordance with the UAE Federal Decree Law No. (32) of 2021, as amended, concerning Commercial Companies and the Company's Memorandum of Association, 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 December 2025, the statutory reserves of subsidiaries amounted to AED 93,099 thousand (2024: AED 92,977 thousand). These reserves are not available for distribution.

16. GENERAL RESERVE

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

17. PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

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

	2025 AED'000	2024 AED'000
At 1 January	309,839	262,676
Current service cost	56,719	52,139
Finance cost (Note 20)	17,230	4,584
Total amount recognised in profit or loss	73,949	56,723
Remeasurement loss/(gain):		
Loss from changes in demographic assumptions	3,665	15,702
Loss/ (gain) from changes in financial assumptions	12,011	(4,994)
Loss from changes in experience adjustments	34,425	8,793
Total amount recognised in other comprehensive income	50,101	19,501
Payments made during the year	(31,574)	(29,061)
At 31 December	402,315	309,839

In accordance with the provisions of IAS 19 *Employee Benefits*, management has carried out an exercise to assess the present value of its obligations of the Group as at 31 December 2025 and 2024 using the projected unit credit method, in respect of employees' end-of-service benefits payable under the Labour Laws of the United Arab Emirates and Kingdom of Saudi Arabia.

Key assumptions include the discount rate, salary increase rate and mortality rates, these assumptions are summarised below:

	2025	2024
Discount rate	5.26 – 5.58 %	5.75%
Salary inflation	2 – 5 %	2 – 5%
Mortality, disability and attrition rates	6.7 – 15 %	6.4 – 15%
Mortality rates basis	AM92	AM92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS (CONTINUED)

The possible changes at the reporting date to any one of the key assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Assumption and change

	Effect of provision	
	2025 AED'000	2024 AED'000
Discount rate: (Increase) by 0.5%	(10,766)	(8,592)
Discount rate: Decrease by 0.5%	11,417	9,119
Salary increase rate: Increase by 1%	23,670	19,017
Salary increase rate: (Decrease) by 1%	(21,419)	(17,167)
Mortality, disability and attrition rates: Increase by 2%	4,245	5,092
Mortality, disability and attrition rates: (Decrease) by 2%	(5,229)	(6,234)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The weighted average duration of the unfunded scheme is 7 years (2024: 7 years).

The charge in 2026 is expected to amount to AED 95,004 thousand (2025: AED 58,236 thousand).

18. CONTRACT AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Contract payables	1,338,145	799,492
Advances from customers	2,032,098	1,120,743
Due to related parties (Note 9)	51,466	25,741
Retention payables	348,729	406,659
Accruals	2,215,599	1,977,809
Other payables	26,534	36,043
	6,012,571	4,366,487

The average credit period on purchase of goods and services is 90 days (2024: 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

	2025 AED'000	2024 AED'000
Current portion	348,729	406,659
Non-current portion, net of fair value adjustment	167,119	98,527
	515,848	505,186
Related parties (Note 9)	1,002	63
Third parties	514,846	505,123
	515,848	505,186

Gross amounts due to customers on construction contracts

	2025 AED'000	2024 AED'000
Gross amounts due to customers on construction contracts	263,656	309,915

The above balance includes gross amounts due from customers on construction contracts arising from contracts with affiliated entities, amounting to AED 384 thousand (2024: AED 10,302 thousand) (Note 9).

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

	2025 AED'000	2024 AED'000	Variance AED'000
Gross amounts due from customers on construction contracts, before ECL (Note 12)	3,874,328	2,295,306	1,579,022
Gross amounts due to customers on construction contracts	(263,656)	(309,915)	46,259
	3,610,672	1,985,391	1,625,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

18. CONTRACT AND OTHER PAYABLES (CONTINUED)**Gross amounts due to customers on construction contracts** (continued)

Significant changes are as follows:

	Variance AED'000
Conversion to contract receivables	(10,904,097)
Revenue recognition (Note 24)	12,529,378
	1,625,281

Advances from customers

	2025 AED'000	2024 AED'000
Current portion	2,032,098	1,120,743
Non-current portion	1,328,632	595,476
	3,360,730	1,716,219

Related parties (Note 9)	39,147	39,341
Third parties	3,321,583	1,676,878
	3,360,730	1,716,219

19. PROFIT FOR THE YEAR

	2025 AED'000	2024 AED'000
Profit for the year has been arrived at after charging		
Depreciation of property, plant, and equipment and amortisation of right-of-use assets (Note 6)	250,582	145,482
Amortisation of intangible assets (Note 7)	15,667	13,513
Staff costs including provision for end-of-service benefits	3,044,002	1,922,421
Gain on disposal of property, plant, and equipment, including the gain arising from lease cancellation	(2,464)	(2,714)
Net movement in loss allowance:		
Due from related parties (Note 9)	1,794	(1,128)
Contract and other receivables (Note 10)	(1,473)	(4,286)
Retention receivables (Note 11)	791	(3,315)
Gross amounts due from customers on construction contracts (Note 12)	19,575	29,551
Cash and bank balances (Note 23)	72	49

20. FINANCE COSTS – NET

	2025 AED'000	2024 AED'000
Finance costs related to lease liabilities (Note 21)	12,552	7,580
Finance costs related to bank borrowings (Note 27)	63,487	69,407
Finance cost related to provision for employees' end-of-service benefits (Note 17)	17,230	4,584
Fair value adjustment of non-current retention receivables and retention payables – net	(22,459)	18,807
Others	658	–
	71,468	100,378

The Group's finance costs for the year ended 31 December 2025 amounting to AED 31,910 thousand (2024: AED 40,968 thousand) (Note 9) are from a related party financial institution.

21. LEASE LIABILITIES

	2025		2024	
	Minimum lease payment	Present value of minimum lease payments	Minimum payment	Present value of minimum lease payments
Less than 1 year	91,853	77,567	36,544	27,501
Later than 1 year and not later than 5 years	154,766	125,177	102,929	81,072
Later than 5 years	158,198	100,041	102,197	67,300
	404,817	302,785	241,670	175,873
Less: future finance charges	(102,032)	–	(65,797)	–
Present value of minimum lease payments	302,785	302,785	175,873	175,873

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 7.3% 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21. LEASE LIABILITIES (CONTINUED)

Lease liabilities are repayable as follows:

	2025 AED'000	2024 AED'000
Current portion	77,567	27,501
Non-current portion	225,218	148,372
	302,785	175,873

Lease liabilities related to machinery and equipment are secured by a mortgage over the financed machinery and equipment (Note 6).

Asset retirement obligation as at 31 December 2025 of AED 3,000 thousand (31 December 2024: AED 2,656 thousand) (Note 6) pertains to the present value of the estimated costs of demolition of the labour 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.

Movement in lease liabilities are as follows:

	2025 AED'000	2024 AED'000
At 1 January	175,873	103,200
Additions during the year	211,728	105,161
Finance costs related to lease liabilities (Note 20)	12,552	7,580
Less: Payments made during the year	(73,344)	(20,144)
Less: Payment of finance costs related to lease liabilities	(12,552)	(7,580)
Reversal related to lease cancellation	(11,472)	(12,344)
	302,785	175,873

22. GOODWILL

	2025 AED'000	2024 AED'000
AJI Heavy Equipment Rental LLC	13,361	13,361
Target Engineering Construction Company – Sole Proprietorship L.L.C.	7,220	7,220
AES Building Materials Trading LLC	2,474	2,474
	23,055	23,055

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. No impairment loss has been recognized in 2025 (2024: AED Nil).

23. CASH AND BANK BALANCES

	2025 AED'000	2024 AED'000
Cash at bank and on hand	1,574,734	1,254,377
Less: Allowance for expected credit loss	(205)	(133)
Cash and bank balances	1,574,529	1,254,244
Less: Margin deposits – under lien	(37,183)	(89,554)
Cash and cash equivalents	1,537,346	1,164,690

The above balance includes cash held with an exchange house, amounting to AED 41,874 thousand (2024: AED 27,928 thousand).

Included in bank balances is an amount of AED 376,748 thousand (2024: AED 292,026 thousand) held with three banks which are related parties to the Group (see Note 9). These 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 measures the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. The management of the Group have assessed the impairment on cash and bank balances to be AED 205 thousand (2024: AED 133 thousand), based on historical default experience and the current credit ratings of the banks.

24. CONTRACT REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services and income derived 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:

	2025 AED'000	2024 AED'000
Construction revenue	12,529,378	8,038,033
Lease income	63,868	36,423
Sale of goods	10,750	26,629
	12,603,996	8,101,085

Construction revenue includes revenue recognised for contracts with related parties amounting to AED 47,974 thousand (2024: AED 82,114 thousand) (Note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24. CONTRACT REVENUE (CONTINUED)

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2025 and 2024, which will be recognised over time are as set out below.

	2025 AED'000	2024 AED'000
Transaction price allocated to (partially) unsatisfied performance obligations	30,291,565	27,526,771

Management expects that 58% of the transaction price allocated to partially unsatisfied contracts as of 31 December 2025 will be recognised as revenue during 2026 amounting to AED 17,698 million. The remaining transaction price will be recognised from 2027 until 2030.

25. 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 year. 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 have assessed the exposure to Pillar Two income taxes. Based on this assessment, the Group have recognised a current tax expense in the consolidated statement of profit or loss in the period of AED 37,890 thousand (2024: AED Nil) 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. 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 13.1% (31 December 2024: 6.1%).

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

	2025 AED'000	2024 AED'000
Profit before tax	790,232	386,416
Less: profit before tax on non-taxable jurisdictions	(201,194)	–
Profit before tax on taxable jurisdictions	589,038	386,416
Tax at the corporate tax rate in the United Arab Emirates	9%	9%
Income tax expense on profit relating to the Group's operations in taxable jurisdictions	53,013	34,777
Adjustments:		
Tax effect of share of results of a joint venture	–	(146)
Tax effect of expenses that are not deductible in determining taxable profit	103	289
Tax effect of income not taxable in determining taxable profit	(523)	(585)
Effect of different tax rates of subsidiaries operating in other jurisdictions	12,660	(10,827)
Pillar II top up tax	37,890	–
Income tax expense for the year recognised in profit or loss	103,143	23,508
Tax income on remeasurement loss on employees' defined benefit obligations (OCI)	(3,906)	–
Net tax expenses for the year	99,237	23,508
	2025 AED'000	2024 AED'000
Current tax liability recognised in the consolidated statement of financial position	98,747	23,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year 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:

	2025	2024
Profit for the year attributable to Owners of the Company (AED'000)	686,202	362,418
Weighted average number of ordinary shares	5,000,000,000	5,000,000,000
Basic and diluted earnings per share (AED)	0.137	0.072

27. BORROWINGS

	2025 AED'000	2024 AED'000
Term loans	429,284	445,984
Trust receipts	–	67,983
Bank overdraft	–	171,266
Acceptances	205,136	143,522
	634,420	828,755

Bank borrowings are classified and presented in the consolidated statement of financial position as follows:

	2025 AED'000	2024 AED'000
Within one year	384,420	524,978
More than one year	250,000	303,777
	634,420	828,755

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 December 2025, outstanding balance of the loan amounted to AED 300,000 thousand (31 December 2024: AED 350,000 thousand).

- b) One of the subsidiaries of the Group has obtained a loan amounting to AED 206,955 thousand (31 December 2024: AED 104,075 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 December 2025, the outstanding balance of loan is AED 129,284 thousand (31 December 2024: AED 86,771 thousand).

Trust receipt assets

Trust receipts are obtained from commercial banks, repayable in 180 days and subject to interest at 7.2% to 7.4% per annum. All trust receipts have been repaid during the period.

Bank overdrafts

Bank overdrafts represent funds received against discounting of bills receivable. Bank overdrafts are in UAE dirhams and are repayable on demand which is secured by the certified receivables of one subsidiary. Bank overdrafts are arranged at floating rates which are linked to the prevailing market rates. All bank overdrafts have been repaid during the period.

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.

Covenants

One of the Group's subsidiaries is required to comply with certain covenants in respect of its bank loans. The subsidiary has not been able to comply with certain covenants at the year end. Management, based on their ongoing relationship with the banks, is confident that this will not have any significant implications on the facilities provided by the banks. Accordingly, the balance amounting to AED 35,981 thousand has been presented as current liability.

There are no restrictive financial covenants against the other facilities above.

Reconciliation of liabilities arising from financing activities:

	2025 AED'000	2024 AED'000
Balance at 1 January	828,755	934,977
Finance costs related to borrowings (Note 20)	63,487	69,407
Proceeds from bank borrowings	2,320,504	2,066,200
Repayments of bank borrowings	(2,514,839)	(2,172,422)
Finance costs paid	(63,487)	(69,407)
Balance at 31 December	634,420	828,755

The Group's borrowings as at 31 December 2025 amounting to AED 480,278 thousand (31 December 2024: AED 575,925 thousand) (Note 9) are with a related party banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

28. CONTINGENT LIABILITIES AND COMMITMENTS

	2025 AED'000	2024 AED'000
Bank guarantees	9,011,084	7,601,106
Letters of credit	1,152,272	792,006

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 (2024: AED 6,024 thousand).

At 31 December 2025, the Group is committed to AED 39,628 thousand (2024: AED 15,128 thousand) in respect of short-term rental of the yard and staff accommodation.

29. 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	
			2025	2024
Qatar International Trading/IMAR Trading & Contracting Joint Venture and Al Jaber L.E.G.T. Engineering (ALEC Qatar) W.L.L. (QIT/IMAR – ALEC JV) *	Carrying out general contracting activities including interior design and related mechanical works	State of Qatar	-	50%
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%
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%

Name of joint operation	Principal activities	Principal place of business	Share in ownership	
			2025	2024
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.

* During the year, the Group liquidated the joint operation between Qatar International Trading/IMAR Trading & Contracting Joint Venture and Al Jaber L.E.G.T. Engineering (ALEC Qatar) W.L.L. (QIT/IMAR – ALEC JV). This joint operation did not constitute a major line of business, and its liquidation did not have a material impact on the Group's consolidated financial statements.

The following represents the share of the Group over the assets, liabilities, equity, revenue, and profit/(loss) of the joint operations that are consolidated in these consolidated financial statements

31 December 2025	Assets AED'000	Liabilities AED'000	Equity AED'000	Revenue AED'000	Profit/(loss) AED'000
GCC – ALEC JV	636	-	636	-	-
IMAR – ALEC JV	1,160	337	823	-	(34)
SAUDICO – ALEC JV	91,638	71,193	20,445	148,940	16,084
EL SEIF – ALEC JV – QWP	199,286	118,366	80,920	233,293	11,373
EL SEIF – ALEC JV – QSP	696,246	581,994	114,252	829,203	52,509
ALEC – BUTEC JV	54,489	40,564	13,925	80,214	11,578
	1,043,455	812,454	231,001	1,291,650	91,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29. JOINT OPERATIONS (CONTINUED)

31 December 2024	Assets AED'000	Liabilities AED'000	Equity AED'000	Revenue AED'000	Profit/(loss) AED'000
QIT/IMAR – ALEC JV	–	104	(104)	–	(26)
GCC – ALEC JV	636	–	636	–	–
IMAR – ALEC JV	1,160	304	856	–	(29)
SAUDICO – ALEC JV	46,442	40,207	6,235	36,890	9,030
EL SEIF – ALEC JV – QWP	276,574	205,914	70,660	505,521	34,117
EL SEIF – ALEC JV – QSP	583,322	519,792	63,530	622,098	63,530
ALEC – BUTEC JV	39,612	37,265	2,347	20,403	2,347
	947,746	803,586	144,160	1,184,912	108,969

30. FINANCIAL INSTRUMENTS

30.1 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 2024.

30.2 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.

Categories of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

	2025 AED'000	2024 AED'000
Financial assets		
Retention receivables	1,011,616	980,825
Contract and other receivables (excluding retention receivables and advances to suppliers and subcontractors)	1,441,907	1,328,507
Cash and bank balances	1,574,529	1,254,244
	4,028,052	3,563,576
Financial liabilities		
Retention payables	515,848	505,186
Contract and other payables (excluding retention payables and advances from customers)	3,631,744	2,839,085
Borrowings	634,420	828,755
Lease liabilities	302,785	175,873
Long term incentive provision	14,614	–
	5,099,411	4,348,899

30.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's contract and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties, however, significant revenue is generated by dealing with entities related to the Ultimate Parent Company, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations generally approximates their carrying value. Contract and other receivables and balances with banks are not secured by any collateral.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

30. FINANCIAL INSTRUMENTS (CONTINUED)**30.3 Credit risk (continued)**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

31 December 2025	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount AED'000	Loss allowance AED'000	Net carrying amount AED'000
Contract receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	1,401,729	(69,082)	1,332,647
Due from related parties	N/A	Note (i)	Lifetime ECL (not credit impaired)	9,680	(12,101)	17,579
Gross amounts due from customers on construction contracts	N/A	Note (i)	Lifetime ECL (simplified approach)	3,874,328	(60,795)	3,813,533
Cash and bank balances	N/A	Performing	12-month ECL	1,574,734	(205)	1,574,529
Retention receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	1,025,903	(14,287)	1,011,616
Other receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	91,681	–	91,681
				7,998,055	(156,470)	7,841,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.3 Credit risk (continued)

31 December 2025	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount AED'000	Loss allowance AED'000	Net carrying amount AED'000
Contract receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	1,251,727	(70,585)	1,181,142
Due from related parties	N/A	Note (i)	Lifetime ECL (not credit impaired)	122,060	(10,307)	111,753
Gross amounts due from customers on construction contracts	N/A	Note (i)	Lifetime ECL (simplified approach)	2,295,306	(41,220)	2,254,086
Cash and bank balances	N/A	Performing	12-month ECL	1,254,377	(133)	1,254,244
Retention receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	994,321	(13,496)	980,825
Other receivables	N/A	Note (i)	Lifetime ECL (simplified approach)	35,612	–	35,612
				5,953,403	(135,741)	5,817,662

Note (i) For contract receivables, retention receivables due from related parties, and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at Lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

30.4 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The responsibility of liquidity risk rests with the shareholders, who have built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The maturity profile of trade and other payables is monitored by management to ensure adequate liquidity is maintained.

The contractual maturities of the financial instruments, determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date, are as follows:

	Current Less than 1 year AED'000	Non-current Greater than 1 year AED'000
At 31 December 2025		
Contract and other payables (excluding current portion of retention payables and advances from customers)	3,631,744	–
Retention payables	348,729	167,119
Borrowings (fixed interest-bearing instruments)	384,420	250,000
Lease liabilities (fixed interest-bearing instruments)	77,567	225,218
	4,442,460	642,337
At 31 December 2024		
Contract and other payables (excluding current portion of retention payables and advances from customers)	2,839,085	–
Retention payables	406,659	98,527
Borrowings (fixed interest-bearing instruments)	524,978	303,777
Lease liabilities (fixed interest-bearing instruments)	27,501	148,372
	3,798,223	550,676

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

30. FINANCIAL INSTRUMENTS (CONTINUED)**30.5 Foreign currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

At the reporting date, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham. Other financial assets and financial liabilities are denominated in United States Dollars to which Arab Emirates Dirham is fixed and denominated in Qatari Rials, Omani Rials and Saudi Riyals to which these currencies are fixed with United States Dollars.

The Group was exposed to foreign exchange risk primarily through its UK subsidiary, which was liquidated during the year, and its Egyptian subsidiary, as a result of movements in the Great British Pound and the Egyptian Pound.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2025		2024	
	Assets AED'000	Liabilities AED'000	Assets AED'000	Liabilities AED'000
Great British Pound	-	-	59	1,672
Egyptian Pound	7	411	13	299
<i>Net current liabilities</i>		404		1,899

The following table details the Group's sensitivity to a 10% increase and decrease in Arab Emirates Dirham against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Arab Emirates Dirham strengthens 10% against the relevant currency. For a 10% weakening of the Arab Emirates Dirham against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	2025 AED'000	2024 AED'000
Impact to profit	40	190

30.6 Price risk

The Group is exposed to commodity price risk for its purchases of contracting material which is managed by applying the same contract terms with the Group's customer to their subcontractors. Most of the materials used in construction are subcontracted by the Group.

30.7 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of the changes in the market rates.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bank overdrafts, acceptances, trust receipts and term loans). The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

As at 31 December 2025, if interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit for the year would have been AED 634 thousand (2024: profit would have been AED 828 thousand) lower/higher, mainly as a result of higher/lower interest expense.

30.8 Fair value of financial instruments

Management considers that the fair values of the financial assets and financial liabilities approximate their carrying amounts as stated in the consolidated financial statements.

31. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorised for issue on 11 February 2026.

ESG Appendices

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2. Performance Data	172

APPENDICES

1. REPORTING SCOPE & BOUNDARIES

The following table summarises the scope, boundary and key parameters underpinning the reported ESG data.

Parameter	Details
Reporting period	1 January 2025 to 31 December 2025
Reporting boundary	Operational control approach. Covers ALEC Construction, TARGET, ALEMCO (MEP, ALEC Technologies, ALEC Data Centres, ALEC Lite), ALEC Fitout, ALEC Solutions (ALEC Facades, LINQ Modular, ALEC Energy), and ALEC Services (AJI Rentals, Inproserv)
Geographical scope	United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA)
Reporting frameworks	GRI Standards (2021), DFM ESG Reporting Guide (2025), UNGC Principles, UN SDGs
Emission factors	Scope 1: DEFRA 2025. Scope 2: DEWA grid emission factor (2024 Sustainability Report), Scope 3: DEFRA (2025), USEEIO model (2022), applied according to category relevance.
External assurance	External assurance has not been sought for ESG disclosures 2025.
Restatements	No restatements of information have been made.
Report edition	Fourth sustainability report, released in 2026 based on 2025 disclosures.

APPENDICES CONTINUED

2. PERFORMANCE DATA

The following tables present ALEC Holdings' consolidated ESG performance data for the 2025 reporting period, covering operations in the UAE and KSA. Data is reported in accordance with the operational control boundary. The DFM Metric column references the corresponding Dubai Financial Market ESG Reporting Guide (2025) indicator.

Environment

Metric	Unit	2024	2025	DFM Metric
Energy Management				
Diesel consumption	Litres	59,729,136	84,882,349.78	E3.1
Petrol consumption	Litres	1,390,362	1,859,652.04	E3.1
LPG consumption	Litres	507,825	893,584.72	E3.1
Electricity consumption	MWh	36,372	74,037	E3.2
On-site solar installed capacity (owned & long leased assets)	MWp	1.45	5.558	E5.1
Solar-diesel hybrid generators deployed at ALEC & TARGET sites	Number	1 UAE project site	2 UAE project sites	E5.1
BESS deployed at ALEC & TARGET sites	Number	3 UAE + 1 KSA site	4 UAE + 1 KSA site	E5.1
Renewable energy used (solar)	GJ	Not reported	9,614.4	E5.1
Non-renewable energy used	GJ	Not reported	3,362,553	E5.2
Direct energy use intensity	GJ / revenue in AED '000s	Not reported	0.245	E4.1
Indirect energy use intensity	GJ / revenue in AED '000s	Not reported	0.0219	E4.2
Investments to reduce energy / increase efficiency	Text	Refer to pages 14-15 of ESG Report 2024	Information to be published in our separate ESG Report	E4.3
Water Management				
Total water consumption	Litres	1,524,501,913*	474,517,860.58	E6.1
Water withdrawn	Litres	1,524,501,913	2,260,417,571.39	E6.1
Water discharged	Litres	Not reported	1,785,899,710.81	E6.2
Water intensity	Consumption in Litres/revenue in AED '000s	Not reported	37.65	E6.4

* In 2024, we reported water withdrawn as water consumed

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Environment continued

Metric	Unit	2024	2025	DFM Metric
Water Management continued				
Water recycled	%	Not reported	Not reported	E6.5
Investments to reduce water consumption	Text	Refer to pages 16 of ESG Report 2024	Information to be published in our separate ESG Report	E6.7
Material Efficiency & Waste Circularity				
Total waste generated	Tonnes	143,451.39	208,915.90	E7.1
Waste generated – Hazardous	Tonnes	Not reported	634.19	E7.1
Waste generated – Non-hazardous	Tonnes	Not reported	208,281.71	E7.1
Total waste diverted from disposal – Hazardous	Tonnes	Not reported	213.48	E7.2
Total waste diverted from disposal – Non-hazardous	Tonnes	Not reported	146,604.47	E7.2
Total waste directed to disposal – Hazardous	Tonnes	Not reported	420.71	E7.3
Total waste directed to disposal – Non-hazardous	Tonnes	Not reported	61,677.24	E7.3
Recycling rate	%	59%	68.84%	
Reuse rate	%	12.3%	1.43%	
Total number and volume of oil spills	# and Litres	Not reported	8 spills and 27 litres	E7.4
Investments to reduce waste / increase recycling	Text	Refer to pages 17 of ESG Report 2024	Information to be published in our separate ESG Report	E7.5

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Environment continued

Metric	Unit	2024	2025	DFM Metric
GHG Emissions & Carbon Management				
Total GHG emissions	tCO ₂ e	177,507*	326,457	
Scope 1 emissions (Diesel + Petrol + LPG)	tCO ₂ e	163,035	229,925	E1.1
Scope 2 emissions (Purchased electricity)	tCO ₂ e	14,472	29,352.81	E1.2
Scope 3 emissions	tCO ₂ e	Not reported	67,179.30	E1.3
Scope 3 Emissions (Category 2) – Capital Goods	tCO ₂ e	Not reported	19,780.47	E1.3
Scope 3 Emissions (Category 5) – Waste Emissions	tCO ₂ e	Not reported	14,184.55	E1.3
Scope 3 Emissions (Category 7) – Employee Commuting	tCO ₂ e	Not reported	33,214	E1.3
Investments to reduce CO ₂ emissions	Text	Refer to Pg 11-12 of the 2024 ESG report	Information to be published in our separate ESG Report	E1.4
GHG emissions intensity	tCO ₂ e/revenue in AED '000s	Not reported	0.026	E2.1
Non-GHG emissions intensity	tCO ₂ e/revenue in AED '000s	Not reported	Not reported	E2.2
On-site solar installed capacity (owned assets)	MWp	1.45	5.558	
Number of LEED-certified owned or long leased assets	#	0	2	
Low-Carbon Solutions				
LEED projects (ongoing)	Number	3	5	
Estidama projects (ongoing)	Number	3	5	
Solar installations by ALEC Energy (cumulative) up to Dec 31 of the reporting year	MWp	29.3	32.6	

* Total GHG emissions 2024 included only Scope 1 & 2. Scope 3 emissions not reported in 2024.

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Environment continued

Metric	Unit	2024	2025	DFM Metric
Low-Carbon Solutions continued				
BESS deployed across non-ALEC client sites	Number	Not reported	28	E5.1
Environmental Management				
Formal Environmental Policy	Yes/No	Yes	Yes	E8.1
Waste, water, energy and/or recycling policies	Yes/No	Not reported	Yes, within Group Sustainability Policy	E8.2
ISO 14001 certified (% of operations)	Yes/No	Not reported	Yes (100%)	E8.3
Environment, energy, water and waste targets	Yes/No	Not reported	No group targets set, but we aim for 75% waste recycling on projects	E8.4
Fines (> USD 10,000) for environmental non-compliance	USD	Not reported	Not reported	E8.5

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Environment continued

Metric	Unit	2024	2025	DFM Metric
Climate Risks, Opportunities & Governance				
Climate-related risks and opportunities	Text	Not reported	Information to be published in our separate ESG Report	E9.1
Impacts on business model and value chain	Text	Not reported		E9.2
Response to climate risks in strategy	Text	Not reported		E9.3; E9.4
Processes to identify/assess climate risks	Text	Not reported		E9.5
Climate scenario analysis	Text	Not reported		E9.6
Governance oversight of climate risks	Text	Not reported		E9.7
Climate risks in strategic oversight	Text	Not reported		E9.10
Climate metrics in remuneration	Text	Not reported		E9.11
Management-level climate oversight	Text	Not reported		E9.12
Climate-related targets (incl. GHG)	Text	Not reported		E9.13
Biodiversity				
Sites in or adjacent to protected/high biodiversity areas	Number	Not reported	0	E10.1
Significant impacts on biodiversity	Text	Not reported	Information to be published in our separate ESG Report	E10.2

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Social

Metric	Unit	2024	2025	DFM Metric
Health & Safety				
Fatalities	Number	0	1	S6.4
Lost Time Injuries (LTIs)	Number	26	19	S6.5
Lost Time Injury Frequency Rate (LTIFR)	Rate	0.203	0.097	S6.6
Total manhours – Employee	Hours	Not reported	150,669,846	S6.3
Total manhours*	Hours	Not reported	44,531,166	S6.3
Occupational health & safety policy	Yes/No	Yes	Yes	S6.1
ISO 45001 certified	Yes/No	Yes	Yes	S6.2
Internal HSE & Worker Welfare training attendees	Number	479,942	820,309	S6.7
Internal HSE & Worker Welfare training hours	Hours	531,134	866,758	S6.7
External HSE & Worker Welfare training attendees	Number	21,401	47,963	S6.7
External HSE & Worker Welfare training hours	Hours	115,659	231,269	S6.7
Participants in wellbeing and engagement activities	Number	Staff: 2,282 Workers: 20,636	Staff: 6,503 Labour: 63,208	
Human Rights & Worker Welfare				
Worker Welfare training (ALEC workers)	Number	10,870	Covered under HSE training metrics, not reported separately	S5.5
Worker Welfare training (subcontracted workers)	Number	16,304	Covered under HSE training metrics, not reported separately	S5.5

* Includes manhours worked by subcontractors' employees across our projects.

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Social continued

Metric	Unit	2024	2025	DFM Metric
Human Rights & Worker Welfare continued				
Harassment/non-discrimination policy	Yes/No	Yes	Yes	S5.1
Formal grievance mechanism	Yes/No	Yes	Yes	S5.2
Child and/or forced labour policy	Yes/No	Yes	Yes	S5.3
Human rights policy	Yes/No	Yes	Yes	S5.4
Employee Development & Engagement				
Total employees	Number	41,925	57,597	S2.1
Staff	Number	8,841	11,765	S2.1
Labour	Number	33,084	45,832	S2.1
Total employees hired – Staff	Number	3,397	5,012	S3.4
Total employees hired – Labour	Number	16,167	21,437	S3.4
Female representation (staff)	%	6%	6%	S4.1
Female representation (labour)	%	0%	0%	S4.1
Maternity leave	Number	21	36	
Parental leave	Number	95	207	
Maternity return to work rate	%	100%	100%	
Parental leave return to work rate	%	Not reported	100%	
Maternity retention rate	%	Not reported	81.0%	
Parental leave retention rate	%	94%	83.3%	
Employee survey participation	%	52%	Not reported	

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Social continued

Metric	Unit	2024	2025	DFM Metric
Employee Development & Engagement continued				
Internal training attendees (excl. HSE & WW)	Number	7,792	19,458	S7.1
External training attendees (excl. HSE & WW)	Number	1,491	735	S7.1
Internal training hours (excl. HSE & WW)	Hours	229,009	361,731	S7.1
External training hours (excl. HSE & WW)	Hours	7,834	3,923	S7.1
Training on sustainability/human rights	Hours	Not reported	Not reported	S7.2
Staff performance appraisal completion rate	%	61%	79%	
CEO pay ratio (CEO to median FTE)	Ratio	Not reported	Not reported	S1.1
CEO pay ratio in regulatory filings	Yes/No	Not reported	Not reported	S1.2
Workforce Composition by Seniority				
Executive management	Number	Not reported	33	S2.1; S4.3
Senior management	Number	Not reported	136	S2.1; S4.3
Middle management	Number	Not reported	1,260	S2.1; S4.2
Non-management (Staff)	Number	Not reported	10,336	S2.1; S4.2
Non-management (Labour)	Number	Not reported	45,832	S2.1
Part-time employees	Number	Not reported	0	S2.2
Contractors and/or consultants	Number	Not reported	Not reported	S2.3
National employees (Emiratis) ¹	Number and %	415	289	S2.4
National employees (Saudis)	Number and %		252	S2.4

¹ In 2024, national employee figures were reported on a consolidated basis and include both Saudi and Emirati nationals.

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Social continued

Metric	Unit	2024	2025	DFM Metric
YoY Employee Changes				
YoY change – FT employees by gender/age/seniority	# and %	Not reported	YoY Staff, Gender: Female 34.9% Male 33.0% YoY Staff, Seniority: Executive: 13.8% Senior: 22.5% Middle: 48.1% Non-Management: 31.7% YoY Staff, Age: 18-27: 60.2% 28-37: 36.9% 38-47: 25.8% 48-54: 22.2% 58+: 24.8% YoY Labour: 38.5% YoY, Labour, Age: 18-27: 35.9% 28-37: 26.2% 38-47: 35.3% 48-54: 107.2% 58+: 35.4%	S3.1
YoY change – PT employees	# and %	Not applicable	Not applicable	S3.2
YoY change – Contractors/consultants	# and %	Not reported	Not reported	S3.3

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Social continued

Metric	Unit	2024	2025	DFM Metric
Gender Pay Ratio				
Male to female compensation ratio – ALEC Group	Ratio	Not reported	Not reported	S4.4
Programs supporting female employees	Text	Not reported	Not reported	S4.5
Diversity, Equity & Inclusion				
Staff nationalities	Number	68	81	
Emiratisation compliance	%	100%	100%	S2.4
Saudisation compliance	%	100%	100%	S2.4
Nationals employed	Number	415	540	S2.4
Women in management positions	%	6.4%	6.7%	S4.3
Community Impact				
Number of beneficiaries	Number	6,300	11,034	
Volunteering hours	Hours	548	456	S8.2
Employees engaged in community initiatives	Number	1,190	2,567	
Number of volunteers	Number	115	231	
Total community investment	AED	586,655	522,020	S8.1

*Total employees = Staff + Labour.

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Governance

Metric	Unit	2024	2025	DFM Metric
Business Ethics & Compliance				
Ethics and/or Anti-Corruption Policy	Yes/No	Yes	Yes	G5.1
Workforce compliant with Anti-Corruption Policy	%	Not reported	Not reported	G5.2
Legal cases (bribery/money laundering)	Number	0	0	G5.3
Investigated cases of corruption	Number	0	1	G5.3
Corrective measures for corruption incidents	Text	N/A	Yes	G5.4
Employees trained on ethics & anti-corruption	Number	2,560	65.48%	
Board Diversity & Independence				
Board seats occupied by women	# and %	(2/7) 28.57%	(2/7) 28.57%	G1.1
Committee chairs by women	# and %	Not reported	50%	G1.2
CEO prohibited from serving as board chair	Yes/No	Not applicable	Yes	G2.1
Board seats occupied by independents	%	57 %	57 %	G2.2
Collective bargaining	%	Not applicable	Not applicable	G3.1
Governance & Risk Management				
Annual sustainability reports published	Number	3rd report	4th report	G8.1
Sustainability reporting frameworks used	Text	GRI, DFM, UNGC, SDGs	GRI, DFM, UNGC, SDGs	G8.2
Sustainability training for employees	Yes/No	Yes	Yes	G8.3
Sustainability disclosures externally assured	Yes/No	No	No	G9.1

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Governance

Metric	Unit	2024	2025	DFM Metric
Responsible Supply Chain				
Vendors/suppliers follow Code of Conduct	Yes/No	Not reported	Yes	G4.1
% suppliers compliant with Code	# or %	Not reported	3,132 signed Vendor Code of Conduct and confirmed compliance	G4.2
Suppliers – environmental audit	# or %	Not reported	144 No. of subcontractors on site audited for Health, Safety & Environment corporate compliance in 2025	G4.3
Suppliers – social audit	Number	Not reported	76 No. of subcontractors underwent corporate compliance audits to verify compliance to ALEC Worker Welfare standards (including reaudits)	G4.4
New suppliers receiving warnings	Text	Not reported	Not reported	G4.5
ICV Score – TARGET Engineering	%	65.36%	69.60%	
ICV Score – TARGET Steel	%	56.32%	57.94%	
Local Content score – TARGET KSA	%	25.99%	41.32%	

APPENDICES CONTINUED

2. PERFORMANCE DATA CONTINUED

Governance

Metric	Unit	2024	2025	DFM Metric
Data Privacy & Cybersecurity				
Company Data Privacy policy	Yes/No	Not reported	Yes	G6.1
GDPR or similar compliance steps	Yes/No	Not reported	No	G6.2
Substantiated breaches or data losses	Number	0	0	G6.3
Sustainability Risks, Opportunities & Governance				
Sustainability-related risks and opportunities	Text	Not reported	Information to be published in our separate ESG Report	G7.1
Impacts on business model and value chain	Text	Not reported		G7.2
Response to sustainability risks in strategy	Text	Not reported		G7.3
Effects on financial position/performance	Text	Not reported		G7.4
Processes to identify sustainability risks	Text	Not reported		G7.5
Integration into enterprise risk management	Text	Not reported		G7.6
Governance body overseeing sustainability risks	Text	Not reported		G7.7
Sustainability risks in strategic oversight	Text	Not reported		G7.8
Sustainability metrics in remuneration	Text	Not reported		G7.9
Delegated management-level oversight	Text	Not reported		G7.10
Metrics to monitor sustainability risks	Text	Not reported		G7.11



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