NMDC ENERGY 2025 CORPORATE GOVERNANCE REPORT

NMDC Energy - Corporate Governance Report 2025

01 At a Glance

Corporate governance in the UAE encompasses the frameworks and processes that govern and control corporate entities, ensuring a balance between the interests of shareholders, management, and broader societal stakeholders.

NMDC Energy aligns with NMDC Group's core principles of ethical business conduct, strong governance, and steadfast accountability. These principles form the foundation of the Company's commitment to creating lasting value for all stakeholders and ensuring long-term, sustainable success. In 2024, NMDC Energy established an independent Board of Directors representing the highest governing body at the organization. The Board and executive management are responsible for defining the organization's strategic direction, overseeing risk management and compliance practices, and ensuring adherence to the company's Articles of Association. They are also entrusted with upholding NMDC Energy's commitments to shareholders and all other stakeholders, ensuring transparency, accountability, and sustainable value creation.

Through the application of these stringent corporate governance practices, NMDC Energy remains firmly committed to operating in the best interests of its stakeholders, positioning itself for enduring growth. Throughout the year, the Board has continued to strengthen governance practices, uphold ethical conduct, and ensure effective oversight of operations, financial reporting, and compliance, in line with evolving regulatory requirements and leading international practices. Looking ahead, the Company is focused on strategic geographic expansion into regions such as Africa, Southeast Asia, and India, while diversifying its portfolio into offshore wind, energy transition initiatives, module fabrication, and decommissioning. This strategic diversification aligns with the Company's long-term sustainability objectives and global energy transition goals.

This Corporate Governance report outlines the framework adopted by NMDC Energy during the financial year, in compliance with the requirements of the UAE Commercial Companies Law, the Capital Market Authority (CMA) Corporate Governance Regulations, and the rules of the Abu Dhabi Securities Exchange (ADX). The report provides an overview of the roles and responsibilities of the Board of Directors, its committees, executive management, and the internal control and risk management frameworks implemented across the Company.

MR. MOHAMED HAMAD ALMEHAIRI
Chairman of the Board of Directors

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MR. TALAL SHAFFIQUE AL DHIYEBI
Audit Committee Chairman

MR. NASSER MOHAMED AL MHEIRI
Nomination and Remuneration Committee Chairman

MR. AKSHAY ANANT BHAT
Senior Internal Audit Manager

NMDC Energy - Corporate Governance Report 2025

02 Corporate Governance Practices

2.1 General Brief

NMDC Energy acknowledges its responsibility as a corporate entity and is fully committed to adhering to best practices and the highest standards of corporate governance. This commitment is demonstrated through transparent business ethics, strong accountability, and adherence to established governance frameworks across all operations. The Company conducts its operations in strict compliance with established corporate governance frameworks and continuously seeks to enhance and strengthen the practices.

The Company recognizes that robust governance structures enable effective oversight and strategic direction by management and the Board of Directors, thereby supporting the achievement of its objective to optimize long-term value for stakeholders. Accordingly, the Corporate Governance Manual, including Insider Trading Policy and the relevant Board Committee Charters were developed during 2025. The manual incorporates the latest amendments issued by the Capital Market Authority (CMA) to the Governance Guide for Public Joint Stock Companies (PJSCs), in accordance with Federal Decree-Law No. 32 of 2021 on Commercial Companies.

The Company remains steadfast in its commitment to identifying and pursuing avenues for sustainable growth and expansion. Through strategic investments in emerging technologies and collaborative initiatives, including strategic partnerships and memoranda of understanding, the Company aims to support geographic expansion and foster collaboration with multiple entities, while mitigating exposure to market volatility, aligning with global sustainability trends, and ensuring compliance with evolving environmental regulatory requirements.

NMDC Energy's leadership is guided by its core values of integrity, transparency, honesty, and accountability, under the oversight of an independent Board of Directors. The Company prioritizes proactive engagement with shareholders and stakeholders, fostering long-term value through responsible business practices, corporate social responsibility, and a strong focus on health, safety, and environmental stewardship.

In line with its commitment to governance excellence, NMDC Energy maintains a strong internal control and compliance framework designed not only to meet, but where possible exceed, applicable legal and regulatory requirements. By promoting collaboration, accountability, and continuous improvement across the organization, the Company continues to strengthen its governance culture and resilience for the future.

The Company is in the process of adopting the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control–Integrated Framework, reaffirming its commitment to global best practices and local legislation. As part of this effort, a company-wide internal controls gap assessment was initiated in 2025.

2.1.1 Corporate Rules Governance

NMDC Energy P.J.S.C. Board of Directors (the "Board") is committed to the implementation of corporate governance that involves the establishment of policies, structures, and practices that ensure transparency, accountability, and ethical conduct throughout the organization. It includes defining roles and responsibilities at all levels of the Company, ensuring compliance with applicable laws and regulations, and fostering a culture of integrity and responsibility.

The corporate culture of NMDC Energy P.J.S.C is driven by:

- An informed and effective Board of Directors responsible for guiding the Company's direction and establishing its strategic objectives.
- Clearly defined roles and responsibilities for the Board of Directors, its members, Committees, and key officers and executives within the Company.
- Formulation and execution of strategic initiatives, alongside proactive risk management.
- Appropriate delegation and diligent oversight of responsibilities to Management, ensuring accountability.
- Transparent and timely disclosures to meet the needs and interests of stakeholders.
- Full adherence to regulatory compliance requirements.
- Effective management and control of the Company's performance and financial reporting through a robust internal control system.
- Active and constructive engagement with the community.
- Upholding the highest ethical standards and practices across the Company, its officers, and employees.

The Board of Directors is responsible for the Company's overall performance, ensuring that Management effectively balances achieving short-term goals and fostering long-term growth.

2.2 Corporate Governance Procedures

In the context of commitment to the Corporate Governance system for PJSC companies, the Company has taken the following steps as part of the Corporate Governance plan for 2025.

1. In 2025, the NMDC Energy' Board of Directors oversaw the activities of the Nominations and Remuneration Committee and the Audit Committee in accordance with the established governance rules and regulatory requirements.
2. The Board / Audit Committee received reports from ethics and compliance, QHSE, risk management and Internal Audit department during the year in accordance with the objectives, requirements and controls that govern the work of the internal control system as per the CMA regulations for Corporate Governance.
3. The performance of the Investor Relations section was reviewed to ensure compliance with legal requirements.
4. The Insider Trading Supervision Committee oversaw transactions involving directors, employees, and other relevant parties in accordance with Corporate Governance rules and regulations.
5. The Company ensured completion of the annual integrated report, the corporate governance report, Audit Committee report and the financial statements to present in the General Assembly Meeting for the review and decisions of the shareholders.
6. The Board acknowledged the transparency controls required from CMA and Corporate Governance report and have declared independence through signed declarations.

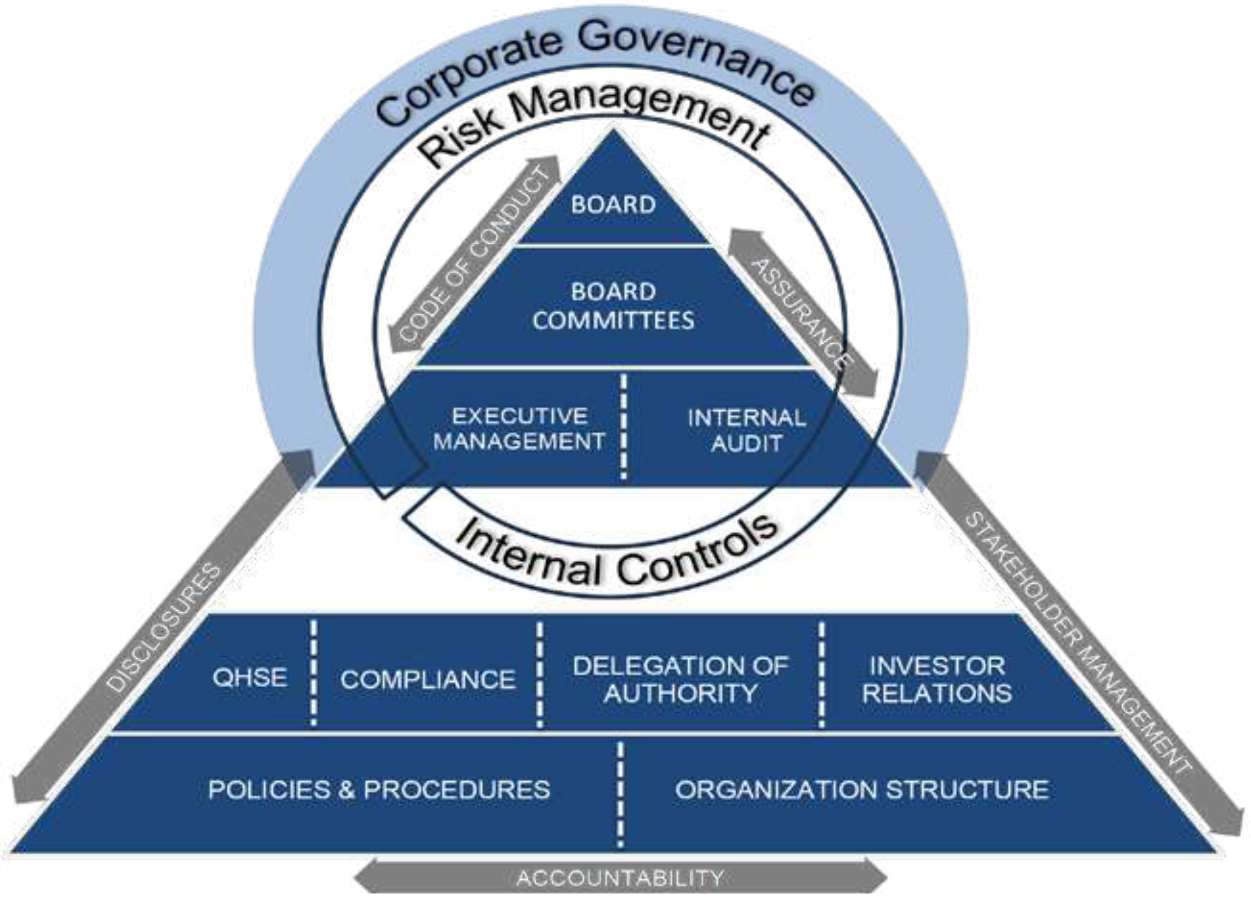
2.3 Governance Legalization

This Report has been prepared in compliance with the requirement of our market regulator, the United Arab Emirates ("UAE") Capital Market Authority ("CMA"), as set out in its Chairman's Decision No. (02/R.M) of 2024 on the Joint Stock Companies Governance Guide (the "Governance Guide") and Federal Law No. (32) of 2021.

2.4 Governance Framework

The NMDC Energy's governance framework, led by the Board of Directors, the highest governing authority, defines the company's strategic direction, oversees risk management, ensures compliance, and promotes integrity throughout the organization. This approach reflects the Board's commitment to delivering strong risk-adjusted returns for shareholders, enhancing the Company's long-term resilience, and driving sustainable value creation for both internal and external stakeholders.

In 2025, and as part of the company-wide exercise, NMDC Energy enhanced its governance practices with a focus on reinforcing structural frameworks implementing proactive policy enhancements that align NMDC Energy's actions with its core values and strategic goals. In alignment with best practices and to further enhance transparency and stakeholder confidence, NMDC Energy ensured that policy statement and codes of conduct are publicly available on its website.



2.5 Disclosure Practices

The Company is fully committed to meeting all disclosure obligations, including those to the CMA and ADX, and its shareholders, ensuring transparency and informed market trading. In 2025, the Company proactively provided regular disclosures to the CMA and ADX, covering Board meetings and decisions, the Annual Financial Report, and other key financial and operational updates. All disclosures were promptly made available and consistently updated on the Company's website.

2.6 Delegation of Authority

The Board of Directors holds ultimate responsibility for the Company's operations. Following the Articles of Association, UAE Companies Law, and approved Corporate Policies and Procedures, the Board has the authority to delegate its powers to Committees and senior management.

The Board has approved the NMDC Energy Delegation of Authority, which defines the authority limits delegated to the Board, Board Committees, Executive Management, and employees to manage the Company's operations both in the UAE and internationally.

2.7 Board Evaluation

To ensure robust performance measurement, accountability, and continual enhancement of governance practices, a comprehensive Board assessment and evaluation process is conducted under the oversight of the Nomination and Remuneration Committee or the Board Chairman, with the support of the Board Secretary. This process establishes clear performance expectations and provides a structured framework for assessing the Board's effectiveness in fulfilling its roles, duties, and responsibilities.

The evaluation covers key performance criteria, including the effectiveness of individual Board members , their level of engagement and diligence, responsiveness to the Board's strategic direction, and alignment with the Company's long-term objectives, in full compliance with the regulatory requirements issued by the Capital Market Authority (CMA).

During the reporting period, the Company initiated its Board evaluation process, with the final results expected to be completed by April 2026. The outcomes of the evaluation, together with any recommended improvement actions, will be submitted to the Board of Directors for review. The implementation of approved action plans will be closely monitored to ensure timely and effective execution, thereby strengthening the Board performance and governance standards across the Board and its Committees.

2.8 Board of Director's Induction Policy

The Company's Director induction policy mandates that all newly appointed Board members participate in an induction program aimed at providing a comprehensive understanding of the Company's strategic objectives, organizational framework, financial and operational activities, business units, departments, and key personnel. The primary objective is to ensure new Board members fully understand their duties, obligations, liabilities, the rights of Board members under applicable laws, the Company's corporate governance framework, and its operational policies.

2.9 Business Code of Conduct

The Business Code of Conduct reflects Company's core values of knowledge, accountability, morality, alliance and leadership, and establishes a zero-tolerance approach to bribery, corruption, fraud, and unethical conduct. All employees are required to formally acknowledge the Code upon joining the Company and to confirm their acknowledgment of any subsequent updates to ensure ongoing awareness and compliance.

NMDC Energy P.J.S.C. is committed to upholding the highest standards of ethical conduct across all business operations, supported by a comprehensive Business Code of Conduct and related policies that clearly define the Company's values and ethical principles.

2.10 Share Dealing Policy

The objective of the Company's Share Dealing Policy is to ensure that the Board of Directors, employees, and their connected persons do not engage in trading or transactions involving the Company's securities, or those of its subsidiaries or affiliate companies, based on non-public, material information or in circumstances that may lead to a conflict of interest.

In accordance with this policy, Board members and Insiders are prohibited from dealing in the Company's securities while in possession of information that could affect the price of the Securities, unless such information has not been disclosed to the ADX.

Board members and Insiders who are not in possession of such information may deal in the Company's securities only with the prior written consent of the Insider Trading Supervision Committee or the Company Secretary.

This policy does not avoid the need for the ADX consent before trading in the Company's securities nor does it permit Insiders to deal in the Company's securities during Blackout Period.

Additionally, as defined in the Company's Corporate Governance Manual, this policy is supplementary to, and does not supersede, any legal requirements to comply with applicable laws and regulations. Members of the Board of Directors and employees retain personal liability for non-compliance with these legal obligations.

2.11 Insider Trading Supervision Committee

2.11.1 Acknowledgement

Mr. Rahul Agarwal, Chairman of Insider Trading Supervision Committee recognizes his responsibility concerning the oversight and supervision of the insider transaction follow-up system within the Company. He is committed to reviewing its operational mechanisms and ensuring its overall effectiveness.

2.11.2 Committee Function and Duties

The objective of the Company's share dealing policy is to safeguard against the trading of securities issued by the Company or its subsidiary and sister companies based on undisclosed confidential information or potential conflicts of interest. The policy stipulates that no member of the Board of Directors or employee of the Company (or any subsidiary or other entity controlled by the Company) may engage in transactions involving the Company's securities while in possession of any information that could influence the price of said securities. This policy is designed to promote transparency and integrity in all trading activities related to the Company.

The roles & responsibilities of the Committee are as follows:

1. Monitor, follow up and supervise the transactions of the insiders and maintain their register;
2. Prepare a comprehensive register for all insiders, including persons who may be considered as temporary insiders with access to the Company internal information prior to publication;
3. Record insiders dealings and ownership in the register;
4. Notify the CMA and the Market of an updated list of insiders at the beginning of each fiscal year and any amendments during the fiscal year;
5. Provide a copy of the Insiders Register to the Authority upon request; and
6. Comply with any other requirements specified by the CMA.

2.11.3 Committee Members and Roles

The Insider Trading Supervision committee includes the following members:

No.	Name	Designation	Role
1	Mr. Rahul Agarwal	Finance Director	Chairman
2	Mr. Akshay Bhat	Senior Internal Audit Manager	Committee Member
3	Mr. Ashok Nishant Nair	Sr Manager -People Architecture & Total Rewards	Committee Member
4	Ms. Shaima Ali	Investor Relation Manager	Committee Member

In 2025, the Committee systematically conducted regular reviews and updated the register of insiders. Additionally, in accordance with ADX regulations and NMDC Energy Corporate Governance Manual, timely notifications regarding blackout periods were disseminated to all insiders.

2.12 Transaction in Company Securities by the Board Members

The Board of Directors, along with Company Management, recognizes their obligations concerning disclosure requirements related to transactions involving NMDC Energy securities. They are committed to maintaining compliance with all regulations established by the CMA and the ADX.

The table below provides a detailed breakdown of transactions in NMDC Energy securities and the corresponding balances as of 31 December 2025, pertaining to the current Board members and their immediate family members, including spouses, sons, and daughters.

Name	Position/Relationship	Share held as at 31/12/2025	Total Sales Transaction	Total Purchase Transaction
Eng. Yasser Nassr Zaghloul	Vice-Chairman of the Board of Directors	21,000,000	-	-

03 Board of Directors

The Board of Directors of NMDC Energy is accountable to shareholders for creating and delivering sustainable long-term value. This responsibility encompasses:

Strategic Leadership: Providing strategic direction, setting ambitious yet achievable long-term goals, and approving significant corporate transactions, including mergers and acquisitions, divestitures, and capital allocation decisions.

Management Oversight: Rigorously monitoring the performance of senior management, evaluating their strategic leadership, operational effectiveness, and compliance with ethical and legal standards. This includes assessing management's ability to identify, mitigate, and respond to emerging risks.

Internal Control Oversight: As part of its accountability for long-term value creation, the Board oversees the Company's internal control framework to ensure it is effectively designed, implemented, and maintained across operations, financial reporting, and compliance functions. This includes monitoring the identification, assessment, and remediation of control gaps, reviewing the effectiveness of key control activities, and ensuring emerging risks are addressed proactively.

Risk Oversight: Establishing and overseeing a robust risk management framework, ensuring the identification, assessment, and mitigation of all material risks facing the Company, including financial, operational, reputational, and regulatory risks.

Corporate Governance: Championing a strong corporate governance framework, ensuring transparency, accountability, and ethical business conduct. This includes upholding high standards of integrity, promoting diversity and inclusion, and ensuring compliance with all applicable laws, regulations, and best practices.

Financial Stewardship: Exercising oversight over the Company's financial performance, reviewing financial statements, monitoring key financial metrics, and ensuring the prudent allocation of capital.

Stakeholder Engagement: Fostering constructive relationships with key stakeholders, including shareholders, employees, customers, suppliers, and the community, ensuring that the Company operates in a socially responsible and sustainable manner.

The Board operates within a well-defined framework outlined in the Company's Corporate Governance Manual which has been updated during 2025. It delineates the Board's powers, authorities, and decision-making processes. While delegating appropriate operational responsibilities to management, the Board retains ultimate accountability for the Company's overall performance and long-term growth.

3.1 Formation of the Board

NMDC Energy P.J.S.C. Board comprises of five (5) Directors who collectively bring a diverse range of perspectives and expertise. All members hold non-executive position and out of them four members are independent, underscoring the Board's commitment to independent oversight. Notably, majority of the Directors meet the criteria for independence as outlined in the Corporate Governance Guide, ensuring that their decisions are free from any conflicts of interest.

Each member on our Board has been selected for their unique qualifications and extensive experience, equipping them to contribute significantly to the Board's functions. This collective knowledge and skill set enable the Board to engage in comprehensive discussions, make informed decisions, and implement effective strategies that align with the organization's goals and governance standards. Through this structure, we strive to maintain high standards of accountability, transparency, and overall effectiveness in our leadership.

Pursuant to NMDC Energy P.J.S.C. Articles of Association, each Director serves for a term of three years and may be re-elected to serve for new period(s).

3.1.1 Board of Directors Qualification, Experience and other Board Membership

MR. MOHAMED HAMAD ALMEHAIRI

Chairman, Non-Executive, Independent Board Member

Appointed as Chairman of the Board in 2024

Qualification

Mr. Mohamed Almehairi holds a Bachelor of Science in Business Administration degree from Suffolk University in Boston – USA.

Experience

Mr. Mohamed Almehairi is a seasoned executive with over 25 years of experience in investment and business sectors. Throughout his distinguished career, he has demonstrated a strong track record of success, rising to leadership positions at prominent organizations in the UAE. His career trajectory showcases a remarkable progression, starting with a foundation in market analysis and sales at ADNOC.

He steadily climbed the ranks, demonstrating exceptional leadership and strategic thinking. His expertise lies in investment management, having held Director and CEO positions at prominent organizations like IPIC, Aabar Investments, and Mubadala. He has a proven track record of managing and growing investment portfolios across various industries.

Currently, he serves as the Chief Executive Officer of the Emirates Investment Authority (EIA), leveraging his extensive experience to lead the management and investment of the UAE's strategic assets.

Other Board Memberships

Mr. Mohamed Almehairi has served as a Board member of Emarat Petroleum, Borealis, Nova Chemicals, Al Hilal Bank, Cosmo Oil and Etihad Airways.

ENG. YASSER NASSR ZAGHLOUL

Vice – Chairman, Non-Executive Board Member

Appointed as Vice -Chairman of the Board in 2024

Qualification

Currently pursuing his PhD, Eng. Yasser Nassr Zaghloul holds two master's degrees in management, including a specialized degree in Strategic Management from Cambridge College Global, and an MBA from Swiss Business School. He also holds a bachelor's degree in engineering at the University of Helwan in Egypt.

Experience

Eng. Yasser Nassr Zaghloul is the Group CEO of NMDC Group, leading the Company to significant achievements in the marine and energy sectors globally, particularly in the Middle East and North Africa region and South Asia. His strategic leadership has propelled NMDC's expansion and success, with the vision to further expand NMDC's global influence while promoting sustainable practices.

Prior to his CEO role, he was the head of operations at NMDC, enhancing operational efficiencies from 2006 to 2009. His career at NMDC started in 1998 in various managerial roles. Before joining NMDC, Eng. Yasser Nassr Zaghloul worked at the Suez Canal Authority in Egypt and began his professional journey at the Higher Institute of Technology in Egypt, focusing on engineering research and development. Eng. Yasser Nassr Zaghloul was recognized among the Top 100 CEOs in the Middle East by Forbes Middle East in 2022, 2023 and 2024, and as Best CEO in 2021 by ME Magazine. Additionally, he was named "Personality of the Year" at the 19th ShipTek International Awards 2024, further highlighting his influential presence in the maritime sector. In 2025, he was again recognized by Forbes Middle East among the Top 100 CEOs and ranked first in the Forbes Middle East Sustainability Leaders 2025 list, reflecting his continued leadership and industrial impact.

Other Board Memberships

He also serves as the Chairman of The Challenge – the Egyptian Emirates Marine Dredging Company, further demonstrating his significant role in the industry. Eng. Yasser Nassr Zaghloul recently concluded his tenure as a board member of the Abu Dhabi Chamber of Commerce and Industry (ADCCI), a prestigious role assigned by His Highness UAE President Sheikh Mohammed bin Zayed Al Nahyan.

MR. TALAL SHAFFIQUE AL DHIYEBI

Non-Executive, Independent Board Member

Appointed as Member of the Board in 2024

Qualification

Mr. Talal Al Dhiyebi is a graduate of Electrical Engineering from the University of Melbourne in Australia.

Experience

Mr. Talal Al Dhiyebi is the Group Chief Executive Officer at Aldar Properties, the UAE's leading real estate developer, investor, and manager. Under his leadership, Aldar has expanded its geographic footprint outside of Abu Dhabi to the neighboring emirates of Dubai and Ras Al Khaimah, and internationally to Egypt and Europe.

Other Board Memberships

Mr. Talal Al Dhiyebi holds the position of Chairman at a number of Aldar businesses, including Aldar Estates, Aldar Investment Properties, SODIC, and London Square, and is Vice-Chairman of Aldar Education.

Mr. Talal Al Dhiyebi also serves on the Boards of numerous companies, including Abu Dhabi Transport Company, Ethara, Miral Asset Management and Edamah, Sandooq Al Watan, the UAE's national fund focused on social contribution, the real estate arm of Bahrain Mumtalakat Holding Company, and a member of the executive Committee of Sorbonne University Abu Dhabi.

MR. NASSER MOHAMED AL MHEIRI

Non-Executive, Independent Board Member

Appointed as Member of the Board in 2024

Qualification

Mr. Nasser Almheiri holds a Bachelor's Degree in Chemical Engineering from the American University of Sharjah and a Master Degree in Business Administration from Higher Colleges of Technology, and has completed Executive Development programs in Leadership and Energy Strategy.

Experience

Mr. Nasser Almheiri currently serves as the Acting CEO of Downstream at ADNOC. He has over 15 years of experience in commercial operations, strategic planning, and portfolio optimization. Previously, Mr. Nasser served as Executive Vice President of Downstream Business Management. He also serves as Chairman of Ruwais LNG, Board member of Borouge, ADNOC Gas Processing, ADNOC LNG, ADNOC Global Trading and Navig8 reflecting his active leadership in corporate strategy and external partnerships across ADNOC's value chain.

Other Board Memberships

Mr. Nasser Almheiri has also several leadership roles with a number of ADNOC Group entities including ADNOC Distribution, Fertiglobe, ADNOC Gas, ADNOC Global Trading and Ta'ziz joint venture with ADQ.

MS. MARWA AHMED ALMARZOOQI

Non-Executive, Independent Board Member

Appointed as Member of the Board in 2024

Qualification

Ms. Marwa Almarzooqi holds a Bachelor of Science degree in Electrical Engineering from Khalifa University, Abu Dhabi.

Experience

Ms. Marwa Almarzooqi currently serves as the Sr. Director, Special Projects at the Abu Dhabi Executive Office (ADEO) previously she served as the Vice President, Special Projects at the Executive Office of ADNOC. She has over 10 years of experience in strategic planning and transformation. Prior to her role as VP Special projects, Ms. Marwa Almarzooqi held various leadership positions across the organization overseeing the Company's long-term strategy and growth.

Other Board Memberships

None

3.2 Gender Diversity

NMDC Energy recognizes that diversity and inclusion are integral to effective corporate governance and long-term organizational sustainability. The Company is committed to fostering an inclusive and equitable work environment that provides equal opportunities for career development and advancement, irrespective of gender, ethnicity, age, or cultural background, in accordance with its diversity and inclusion policies.

NMDC Energy supports gender diversity at the Board level, and female representation currently constitutes 20% of the total Board composition. In support of balanced and inclusive leadership, Ms. Marwa Ahmed Ali Almarzooqi was elected as a member of the Board in 2024.

3.3 Board of Directors Remunerations

The annual remuneration for the Board of Directors is determined by the Company's General Assembly, in accordance with the guidelines specified in the Company's Articles of Association and Corporate Governance Guide.

The Board's compensation is limited to 10% of the Company's net profits, after accounting for depreciation and statutory reserves.

Aside from the compensation mentioned below, no other payments or stipends were provided to Board members for attending Board meetings or for serving on committees established by the Board of Directors in 2025.

The Nomination and Remuneration Committee is responsible for conducting an annual review of the proposed remuneration for the Board in their roles as Directors or Committee members, and has made recommendations to the Board as necessary.

In 2025, the Board of Directors were paid remuneration of AED 2.34 million in respect to financial year 2024. As of 31 December 2025, the Company is carrying a provision of AED 96 million towards Board of Directors remuneration and employee bonuses.

3.4 Board of Directors Meetings

The Board of Directors held six (6) meetings during the year 2025 on the following dates:

No	Name	Meeting No. 1 30-01-2025	Meeting No. 2 26-02-2025	Meeting No. 3 28-04-2025	Meeting No. 4 22-07-2025	Meeting No. 5 27-10-2025	Meeting No. 6 22-12-2025
1	Mr. Mohamed Hamad Almehairi	P	P	P	P	P	P
2	Eng. Yasser Zaghloul	P	P	P	P	A	P
3	Mr. Talal Shaffique Al Dhiyebi	P	A	P	P	P	P
4	Mr. Nasser Mohamed Almheiri	A	P	P	P	P	P
5	Ms. Marwa Ahmed Almarzooqi	P	P	P	P	A	P
	P - refers to present				A - refers to absent		

No resolutions were adopted by circulation during year 2025.

3.5 Board Secretary

Mr. Ahmad Ma'abreh was appointed Secretary to the Board of Directors (the Board) in July 2025. He brings more than 15 years of UAE-based experience as a Corporate Partner at Allen & Overy Shearman Sterling LLP (AOS) in Abu Dhabi, advising on complex public and private M&A transactions, joint ventures, equity capital markets, and general corporate advisory. Mr. Ma'abreh's practice includes regular counsel to publicly listed companies on stock exchange listings, corporate governance frameworks, and compliance with UAE listing regulations and continuing obligations.

Ma'abreh has extensive experience advising Boards of publicly listed companies on their ongoing regulatory and governance responsibilities and serves as Board Secretary to several Abu Dhabi-listed companies. Ahmad is admitted to the Jordan Bar Association and is a Solicitor of the Senior Court of England and Wales.

In his capacity as Board Secretary, Mr. Ma'abreh ensures effective governance support to the Board through accurate and timely documentation of meetings and resolutions, the maintenance of statutory and corporate records, and provides advisory support on governance, policies and practices. He also assists the Directors in identifying and managing potential conflicts of interest and contributes to the Board evaluation process. Statement of their duties during the year were the following:

- Preparing and sending invitations for Board of Directors meetings;
- Distributing Board of Directors Meeting Agenda;
- Documenting the Board meetings and preparing their minutes;
- Providing legal advisory to the Board of Directors where required; and
- Coordinating between members of the Board of Directors and Executive Management.

3.6 Duties of the Board of Directors performed by Board Members or Executive Management

1. The Board of Directors by virtue of a duly executed Power of Attorney, has delegated specific authorities to the Chairman and Vice Chairman. The delegation's validity, as stipulated with the Power of Attorney, extends from 04 March 2025 to 03 March 2028. This delegation empowers them to exercise the following authorities either jointly or in conjunction with another member of the Board.
   - Oversee all matters pertaining to the Company and its subsidiaries, encompassing the full spectrum of their business operations. To represent the Company before Governmental and Local Departments, fulfilling all necessary obligations and interactions with relevant authorities.
   - Represent the Company and its subsidiaries in all matters pertaining to their legal and regulatory status, including the authority to execute and sign all relevant and required documents related to any amendment, waiver, or change (of any nature) to the Company's or its subsidiaries' legal status, capital structure, management, employee structure, or any other constitutional or corporate matter.
   - Manage the Company's financial affairs, including the authority to open, withdraw from, administer, and close bank accounts, as well as accounts with other financial institutions, trusts, and funds, on behalf of the Company or any of its subsidiaries, both within and outside the United Arab Emirates.
   - Receive on behalf of the Company any certificates or documents pertaining to such amendments or changes. To engage in all aspects of business development, including the authority to negotiate, conclude, sign, and deliver all contracts or agreements related to the acquisition and ownership of other companies or associations, both within and outside the United Arab Emirates, encompassing due diligence, drafting and reviewing relevant documentation, and closing transactions.
   - Represent the Company and its subsidiaries in all legal proceedings, including but not limited to enforcing, protecting, and defending the interests of the Company and its subsidiaries in all legal suits or other legal proceedings, engaging with legal counsel, and managing all aspects of legal proceedings.
2. Furthermore, the Board of Directors has nominated, appointed, and authorized the Company's Chief Executive Officer, Eng. Ahmed Al Dhaheri, to oversee the day-to-day operations of NMDC Energy P.J.S.C. This delegation of authority is effective from 04 April 2025 through 3 March 2028.

3.7 Related Parties Transactions

The Company has conducted transactions with entities that qualify as related parties pursuant to the Corporate Governance Guide and International Accounting Standard (IAS) 24: Related Party Disclosures. These transactions pertain to the Company's normal business operations, and comprehensive details are disclosed in Note 20 of the Company's audited financial statements for the year 2025.

04 Board of Directors Committees

The Board of Directors Committees have been established by a resolution of the Board of Directors and comprise non-executive/ independent members of the Board of Directors.

The Company has adopted formal Charters for each of these Board of Directors Committees, which details the composition, duties, and responsibilities of each committee, amongst other aspects. These Charters are also compliant with requirements of the Corporate Governance Guide.

The following conditions govern the relationship between the Board of Directors and its committees as per the Company's Corporate Governance Manual:

Reporting to the Board: Each Committee is obligated to provide periodic reports to the Board of Directors on its activities and the exercise of its delegated powers. These reports will include updates on all decisions and resolutions passed by the Committees since the preceding Board meeting, ensuring the Board is fully informed of the Committees' actions and outcomes.

Annual Evaluation: Each committee will evaluate its workings under its relevant Charters on an annual basis, with a view of improving workings of the relevant committee or its relationship with the Board of Directors.

Board Follow up: The Board of Directors will closely monitor the operations of the Committees to ensure their activities remain in compliance with the regulations and align with the Company's governance framework.

4.1 Audit Committee

The Audit Committee supports the Board of Directors through structured oversight of the Company's governance framework, risk management function, and internal control system. It oversees the financial reporting process, accounting policies, and the accuracy and integrity of financial statements and disclosures. The Committee also oversees matters related to the appointment and performance of the external auditor and ensures compliance with applicable legal and regulatory requirements, the Code of Conduct, and the whistleblowing mechanism, including confidential reporting arrangements.

The Committee oversees the integrity of the Company's financial statements, recommends the appointment of external auditors, reviews non-audit services, evaluates the effectiveness of the audit process, and assesses the adequacy of internal controls. Further details of the Audit Committee functioning in 2025 are presented in the final segment of this document. While the Board retains ultimate responsibility for the approval of annual report and financial statements, the Audit Committee ensures compliance with UAE laws and regulations, including the requirements of the CMA and ADX.

4.1.1 Acknowledgement

Mr. Talal Shaffique Abdullah Al Dhiyebi, Audit Committee Chairman, acknowledges responsibility for discharging the Committee's mandate, including review of its operating mechanisms and ensuring its effectiveness in line with approved Audit Committee Charter.

4.1.2 Audit Committee Members and Role

MR. TALAL SHAFFIQUE AL DHIYEBI
CHAIRMAN

MR. NASSER MOHAMED AL MHEIRI
MEMBER

MS. MARWA AHMED AL MARZOOQI
MEMBER

4.1.3 Function and Duties

The duties and responsibilities of the Audit Committee are in line with the Corporate Governance Guide. In particular, the Audit Committee has the following key duties and responsibilities:

- Overseeing the integrity of and reviewing the Company's financial statements including quarterly and annual reports;
- Developing and applying the policy for selection of external auditors, and following up and overseeing qualifications, independence and performance of the external auditor;
- Overseeing qualifications, independence and performance of the Company's internal audit staff, and approving the annual audit plan prepared by internal auditors;
- Reviewing the external and internal auditors' management letters, reports and recommendations, and management responses, and overseeing the implementation of action plans recommended;
- Reviewing the Company's financial control, internal control and risk management systems;
- Overseeing scope of the Company's compliance with its Business Code of Conduct and its various legal and regulatory obligations;
- Review or investigate any allegations of fraud or theft, which are brought to the Audit Committee's attention, which are made by or against Directors or employees, and make appropriate recommendations to the Board of Directors.

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4.1.4 Audit Committee Meetings

The Audit Committee held five (5) meetings during the year 2025 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide. Following are the details of meetings held during 2025:

No	Name	Meeting No. 1 30-01-2025	Meeting No. 2 25-04-2025	Meeting No. 3 22-07-2025	Meeting No. 4 27-10-2025	Meeting No. 5 10-12-2025
1	Mr. Talal Shaffique Abdullah Al Dhiyebi (Chairman)	P	P	P	P	P
2	Nasser Mohamed Omeir Yousef Al Mheiri	A	P	P	P	P
3	Ms. Marwa Ahmed Ali Abdulla Al Marzooqi	P	P	P	A	P
			P - refers to present		A - refers to absent	

4.1.5 Audit Committee Report

The Committee has effectively discharged its responsibilities and obligations in accordance with its mandated functions and duties. The annual Audit Committee Report for 2025, which constitutes a key section of the Corporate Governance Report is presented in the final segment of this document.

4.2 Nomination and Remuneration Committee

The Committee oversees and facilitates the nomination and remuneration processes for directors and senior executives, ensuring fairness, transparency, and alignment with the Company's governance principles. It is responsible for recommending Board appointments, evaluating succession planning, and ensuring that executive compensation reflects performance and long-term organizational objectives.

4.2.1 Acknowledgement

Mr. Nasser Almheiri, Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for overseeing the Committee's mandate, including reviewing its operating mechanisms and ensuring their effectiveness in alignment with the approved charter.

4.2.2 Nomination and Remuneration Committee Members and Role

MR. NASSER ALMHEIRI
CHAIRMAN

MR. TALAL AL DHIYEBI
MEMBER

MS. MARWA AHMED ALI ABDULLA AL MARZOOQI
MEMBER

4.2.3 Function and Duties

The Committee is tasked with developing and implementing policies and regulations governing the nomination process for Board of Directors and executive management positions. It is also responsible for defining the criteria and frameworks for the allocation of bonuses, privileges, incentives, and remuneration for both, the Board members and employees. Furthermore, the Committee supervises the formulation and oversight of other relevant human resources policies.

The duties and responsibilities of the Nomination Remuneration Committee are defined in the approved Nomination & Remuneration Committee Charter. In particular, the Committee is entrusted with the following key duties and responsibilities:

- Organizing and following up the Board of Directors nomination procedures in line with requirements of applicable laws and regulations and the CMA Corporate Governance Guide, in addition to determining the Company's needs for qualified staff at the level of Senior Management and the basis for their selection;
- Verifying the continued independence of independent Board of Director members; reviewing and approving, in consultation with the Chairman of the Board of Directors and/or the Chief Executive Officer, the terms and conditions of the service contracts of Executive Directors and Senior Management employees;
- Reviewing at least annually, remuneration (comprising of basic salary, other allowances, and any performance related element of salary or bonus) of the Company's employees, including the Senior Management team, and remuneration proposed to be paid to the Board Directors; and
- Preparing a succession plan for the Board of Directors and its committees, the Chief Executives, and key members of Management

4.2.4 Nomination and Remuneration Committee Meetings

The Nomination & Remuneration Committee held two (2) meetings during the year 2025 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide.

Following are the details of meetings held during 2025:

No.	Name	Meeting No. 1 24/03/2025	Meeting No. 2 21/07/2025
1	Mr. Nasser Almheiri (Chairman)	P	P
2	Mr. Talal Al Dhiyebi	P	P
3	Ms. Marwa Ahmed Ali Abdulla Al Marzooqi	P	P
	P - refers to present	A - refers to absent	

4.2.5 Nomination and Remuneration Committee Accomplishment

The Nomination and Remuneration Committee has completed the following:

- Approving the main organization structural change
- Approving the bonus mechanism and payout

05 Executive Committee

5.1 Appointment

Eng. Yasser Zaghloul, the Committee Chairman acknowledges responsibility for fulfilling the Committee's mandate, including reviewing its work mechanisms and ensuring effectiveness in accordance with the approved charter.

5.2 Executive Committee Members Formation

No.	Name	Designation	Role
1	Eng. Yasser Nassr Zaghloul	NMDC Energy Vice – Chairman	Chairman
2	Eng. Ahmed Al Dhaheri	NMDC Energy CEO	Member
3	Mr. Sreemont Barua	NMDC Group CFO	Member
4	Mr. Amjad Abdul Shukoor	Chief Officer of Shared Services	Member
5	Mr. Stefan de Kruijf	Senior Strategy Director	Secretary

5.3 Function and Duties

The main functions and responsibilities of the Committee include but are not limited to:

- Oversee performance of NMDC Energy P.J.S.C including but not limited to the NDA between related companies, Bank Mandate, related party transactions, DOA development, and the Power of Attorney from the Board to the CEO, and any other matter as deemed necessary.
- Strategic Oversight - Provide direction and guidance on NMDC Energy P.J.S.C 's overall strategy to ensure alignment with long-term goals and industry standards with timely follow up through a dedicated action tracker.
- Continued Shared Services: Ensure that the continued shared services established to date are adhered to at all times and ensuring smooth execution.
- Oversight of Projects and Tenders Monthly Forecast, Financial & Targets Review - Evaluate and review monthly forecasts to assess performance and make adjustments as necessary to meet corporate objectives and conduct financial reviews to monitor performance, manage risks, and ensure the Company's financial health.
- Key Decision-Making – Endorse key decisions before raising to the Board of Directors and make decisions in accordance with the Delegation of Authority (DOA) guidelines to drive strategic initiatives, procurement, tenders and operations.
- Oversee Risk & Opportunity Management - Review risks related to projects, operations, and market conditions to safeguard the Company's interests and also ensuring the opportunities are exploited to maximum for the benefit of NMDC Energy P.J.S.C.
- Innovation and Sustainability – Review opportunities relating to innovation and sustainability initiatives to enhance NMDC Energy P.J.S.C 's competitive edge and long-term viability.
- Maximization of value to shareholders- Oversee implementation of strategies and make decisions that focus on increasing shareholder value and improving the Company's market position.
- Capital Expenditures – Screen, Review and endorse CAPEX as per the approved DOA.
- Follow up on Board of Directors decisions and oversee completion of Board of Directors actions accordingly with an action tracker.

The Executive Committee held two (2) meetings during the year 2025 to discharge the duties as entrusted to them by the Board of Directors and the Corporate Governance Guide.

5.4 Executive Committee Meetings

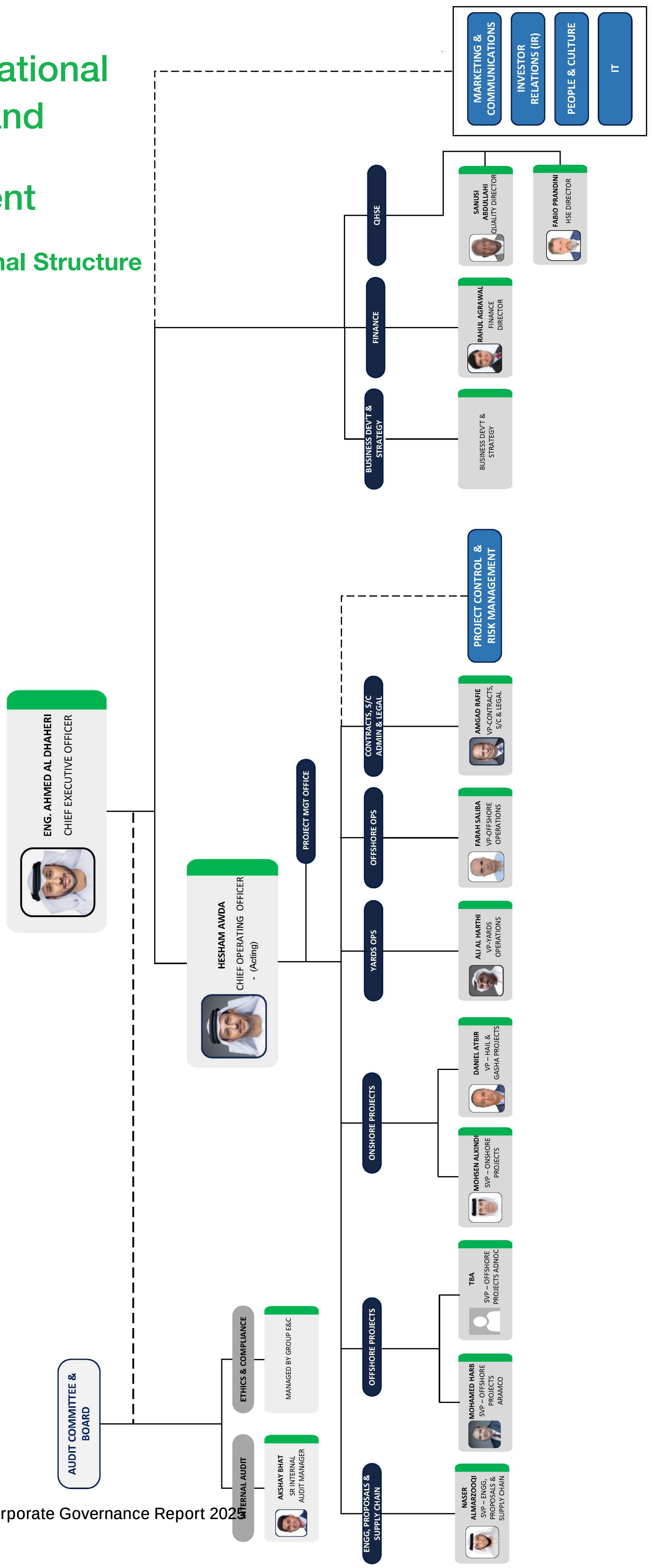
Following are the details of meetings held during 2025:

No.	Name	Meeting No. 1 15-Apr-2025	Meeting No. 2 08-Oct-2025
1	Eng. Yasser Nassr Zaghloul	P	P
2	Eng. Ahmed Al Dhaheri	P	P
3	Mr. Sreemont Barua	P	P
4	Mr. Amjad Abdul Shukoor	P	P
5	Mr. Stefan De Kruijf	P	P

P - refers to present A - refers to absent

06 Organizational Structure and Executive Management

6.1 Organizational Structure



6.2 Executive Management

ENG. AHMED AL DHAHERI

Chief Executive Officer

Eng. Ahmed Al Dhaheri is the Chief Executive Officer of NMDC Energy P.J.S.C, a position he has held since 2018. His journey started with the Company from 2009 as a board member. Mr. Al Dhaheri has over 23 years of in-depth experience in the industrial sector.

He leads the current business and transformation of the Company and oversees the growth strategy, focusing on new markets and capabilities while driving operational excellence across all levels.

In addition to his role at NMDC Energy P.J.S.C, Eng. Ahmed Al Dhaheri serves as Chairman of NTS Group and as Vice Chairman of Enersol, a joint venture between Alpha Dhabi Holding and ADNOC Drilling. He also sits on the boards of various companies and serves as Vice Chairman of GAL, NPCC Engineering Limited (NEL) and ANEWA, Board member of Abu Dhabi Aviation, PRINCIPIA France and Gordon Technologies.

Prior to joining NMDC Energy P.J.S.C, he was the Chief Commercial Officer of Emirates Steel, where he played a leading role in the delivery of the company's expansion strategy. In addition, he was spearheading all the projects related to the expansion of the business, in his role as Projects Director and subsequently as Senior Vice President, Projects at Emirates Steel. This unique experience has been instrumental to his role within NMDC Energy P.J.S.C, given the projects-based activities of the Company.

Eng. Ahmed Al Dhaheri holds a Bachelor of Science in Industrial Engineering from the University of Miami and a Master Certificate in Project Management from the George Washington University, Executive MBA with honors from UAE University, and certificate in CXO Development Programme from INSEAD.

ENG. HESHAM AWDA
Chief Operating Officer

Eng. Hesham Awda serves as Chief Operating Officer of NMDC Energy P.J.S.C since 2021. He has over 27 years of executive experience in project management, engineering, and technical support in the oil and gas industry with extensive expertise in engineering, construction, and execution of major greenfield and brownfield projects. Successfully managed a diverse portfolio of projects exceeding $12 billion, delivering operational excellence, strategic growth, and value creation across complex industrial environments.

Eng. Hesham Awda also serves as the Chairman of EMDAD Company (NMDC Group), Vice-Chairman of NMDC Energy KSA, Safeen Survey and Diving, and Board member of NEL and ANEWA.

Eng. Hesham Awda also provided strategic leadership across multidisciplinary and cross-functional teams, delivering complex projects ahead of schedule while exceeding stakeholder and client expectations. Drove talent development and succession planning to strengthen the leadership pipeline, reduce recruitment costs, and successfully lead organizational restructuring initiatives that improved operational efficiency and generated measurable cost savings.

Eng. Hesham Awda holds a Bachelor's Degree in Mechanical Engineering from the UAE University, and a Postgraduate Certificate in Engineering Systems and Management from the American University of Sharjah.

MR. RAHUL AGARWAL
Finance Director

Rahul Agarwal is the Finance Director at NMDC Energy P.J.S.C. He oversees financial strategy, reporting, and compliance, and work closely with cross-functional teams to drive sustainable growth, optimize capital allocation, investor communication and aligning finance with long-term business goals.

He is a Chartered Accountant with over 22 years of overall experience in industry, consulting (M&A advisory) and audit, predominantly with member firms of the PricewaterhouseCoopers network.

In his previous role, he was a Senior Director in the Deals Advisory team at PricewaterhouseCoopers, based out of Dubai, UAE and has worked with global private equity houses, sovereign wealth fund and conglomerates, spanning over +250 transactions in the region and India.

His experience includes financial due diligence (buy side and sell side), vendor assistance, business plan and financial model preparation and reviews, review of sale and purchase agreements and shareholder agreements, operational and forensic financial analysis and business valuations.

6.3 Executive Management Remuneration

The table below provides an overview of the current Executive Management team at NMDC Energy, including their appointment dates, as well as the salaries, allowances, and bonuses paid to them for the financial year 2025.

No.	Position	Appointment Year	Total Salaries and Allowances paid in 2025 (AED)	Total bonuses paid for 2024 (AED)	Any other cash \ in-kind bonuses for 2025
1	Chief Executive Officer	2018	3,612,003	2,750,000	297,411
2	Chief Operating Officer	2021	2,295,520	1,430,000	344,465
3	Finance Director Energy	2025	790,903	-	133,728

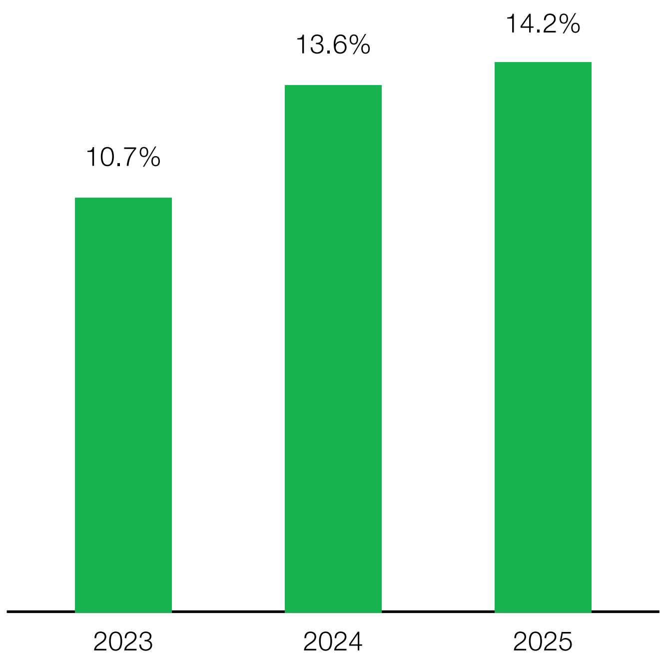
Bonuses for 2025 that are payable in 2026 are yet to be determined, however, as at 31 December 2025, the Company is carrying provision of AED 96 million towards Board of Directors remuneration and employee bonuses.

6.4 Emiratization 2025

NMDC Energy continues to play an active role in advancing Emiratization by prioritizing the recruitment, development, and retention of UAE Nationals across its operations. This commitment reflects the Company's dedication to contributing to the UAE's broader socio-economic vision and building a sustainable pipeline of national talent. Through structured programs and partnerships, NMDC Energy empowers Emirati professionals to develop the skills and leadership capabilities required to shape the nation's future.

To further strengthen Emirati representation and enhance career development opportunities for UAE Nationals, NMDC Energy being part of the NMDC Group has implemented several dedicated initiatives such as University Work Placement Program, Career Fair Engagement, Student Training and Development programs, Masar Program for providing structured leadership training, and Mahara Program for fresh graduates development.

Emiratization



07 Management Committees

NMDC Energy's management committees play a critical role in driving the development and execution of the Company's business and sustainability strategies, ensuring effective management practices and resilient operational frameworks across all business units. The contributions of the following committees are essential in maintaining seamless operations and aligning all activities with the Company's strategic objectives and long-term vision:

Strategy Committee: This committee reviews, approves, and aligns both short and long-term business strategies, business plans, special projects including investments, mergers and acquisitions (M&A), and divestiture opportunities. It also reviews, refines, and endorses matters related to business performance, innovation and knowledge management, business plan annual review as well as other strategic initiatives to ensure execution and alignment with the Company's overall objectives.

Projects Tender Committee: The committee is responsible for overseeing and finalizing the tender submission process for clients, ensuring that all tender documents included in the Tender Resume comply with both the client requirements and NMDC Energy internal standards. Its responsibilities include reviewing and approving cost estimates, uplifts, and contingencies detailed within the Tender Resume. Additionally, the committee evaluates bidding presented by the Business Development team through the prescribed Bid/No-Bid Form and determines the appropriate bidding strategy to support the company's commercial objectives.

Environment, Social and Governance (ESG) Committee: This committee comprehensively evaluates and enhances NMDC's performance in environmental, social, and governance (ESG) matters. This involves recommending strategies for seamlessly integrating ESG considerations into the broader business strategy, evaluating and addressing ESG-related risks and opportunities, reviewing and endorsing sustainability initiatives, monitoring performance against predefined goals and industry benchmarks, and ensuring accurate and transparent ESG disclosures in alignment with reporting frameworks and regulations, including effective stakeholder engagement on ESG issues.

Risk and Business Continuity & Crisis Management Committee (R&BCCM): This committee drives and enforces the implementation of the Business Continuity Management Program (BCMP) across the Company, overseeing related policies, procedures, and strategic initiatives to ensure that any BCMP is "fit-for-purpose" and conforms with UAE government standards. In addition, the committee is responsible for overseeing the Enterprise Risk Management policies to ensure the effectiveness of risk management practices and compliance with internal and external requirements.

Innovation & Technology Committee (I&T): The committee facilitates alignment between IT and business operations and oversees the implementation of strategic IT plans as part of NMDC Energy's broader initiative to embed digitalization and technology in its operations.

Asset Write-Off Committee: Reviews and ensures the proper disposal, storage preparation, or reuse of all scrap, valuable waste, salvage materials, and equipment arising from construction, fabrication, or maintenance activities. All actions must comply with applicable regulations and company policies. In accordance with the Delegation of Authority, the committee is responsible for endorsing asset write-off proposals.

Tender Opening Committee (TOC): The committee uphold the principles of fairness, transparency, integrity, and efficiency throughout the tender opening process. By maintaining these core values, the TOC ensures that all procedures are carried out to the highest standards, fostering trust and accountability across the organization. This includes establishing a central corporate independent authority responsible for receiving, opening, and registering all technical and commercial bids for the supply of materials, subcontracting, and services with an estimated value exceeding AED 1,000,000 (including late technical & Commercial bids), This authority will operate in accordance with the Delegation of Authority and supersedes this Terms of Reference (ToR). Additionally, the TOC will monitor and follow up on actions and resolutions related to non-conforming rejected bids, as well as observations raised during the opening session, to uphold the integrity, transparency, and fairness of the tendering process.

Tender Board Committee (TBC): The committee reviews recommendations submitted by end users and the commercial department for financial commitments equal to or exceeding three (3) million AED. The TBC is committed to safeguarding NMDC Energy's interests by ensuring that supplier or subcontractor selections are based on the optimal combination of price, quality, and delivery timeframe. This process guarantees that all award recommendation and the issuance of subcontracts or Purchase Orders fully compliant with NMDC Energy's policies and procedures, including Delegation of Authority policy.

08 External Auditor

8.1 Appointment

Deloitte & Touche – M.E. have been NMDC Energy external auditor for 2025.

Deloitte & Touche is one of the world's largest professional services firms. They have served as trusted advisors for clients in the Middle East for the past 95 years. Deloitte provides global services across Audit, Consulting, Tax & Legal, Enterprise Risk Services and Financial Advisory.

The Audit Committee, after consideration and evaluation, recommended the appointment of Deloitte & Touche as the External Auditors for 2025.

The Company upholds a policy to ensure the independence of its external auditors, under which the external auditor, while engaged in auditing the Company's financial statements, shall not perform any technical, administrative, or consultative services that could compromise its objectivity and independence. Additionally, the external auditor is prohibited from providing any services or performing any work that, in the discretion of CMA, is deemed inappropriate.

The Company's policy includes measures to ensure the external auditors' independence, including the following:

- The Board of Directors nominates the external auditor, generally upon the recommendation of the Audit Committee;
- The external auditor is appointed by a resolution of the Company's Annual General Meeting for a renewable term of one year;
- The external auditor should be independent from the Company and its Board of Directors and may not be a partner, agent or a relative, even of the fourth degree, of any founder or director of the Company; and
- Any proposed additional services from the external auditors are subject to review and approval by the Audit Committee.

Management ensures the independence of the appointed external audit firm by directly inquiring with the firm regarding the independence of the audit engagement team. This assurance of independence is further reaffirmed by the auditors during their quarterly presentations to the Audit Committee and the Board.

8.2 External Auditor Details

Name of auditing firm	Deloitte & Touche – M.E
Name of audit partner	Ms. Faeza Sohawon
Number of years spent as the Company's external auditor	2 Years (including 31 Dec 2025)
Number of years the partner auditor spent auditing the Company's accounts	2 Years
Total value of audit fees for 2025	AED 433,643

8.2.1 Non-Audit services received from external audit firms in 2025 include:

Details of other services provided by the Company Auditor	AED
ICV Certification	421,870
Professional Fees for Audit Services – Qatar Branch	227,707

Services received from other External Audit Firms	AED
PriceWaterHouseCoopers (PwC)	**797,240**
Due diligence and related services	240,908
Professional fees towards tax & compliance services – India Branch	256,332
EY - Professional fees towards tax services	**6,581**

8.3 External Auditors' Opinions

The Company's external auditor did not have any qualification in the opinions issued by them on the interim and annual financial statements of 2025.

09 Internal Control System

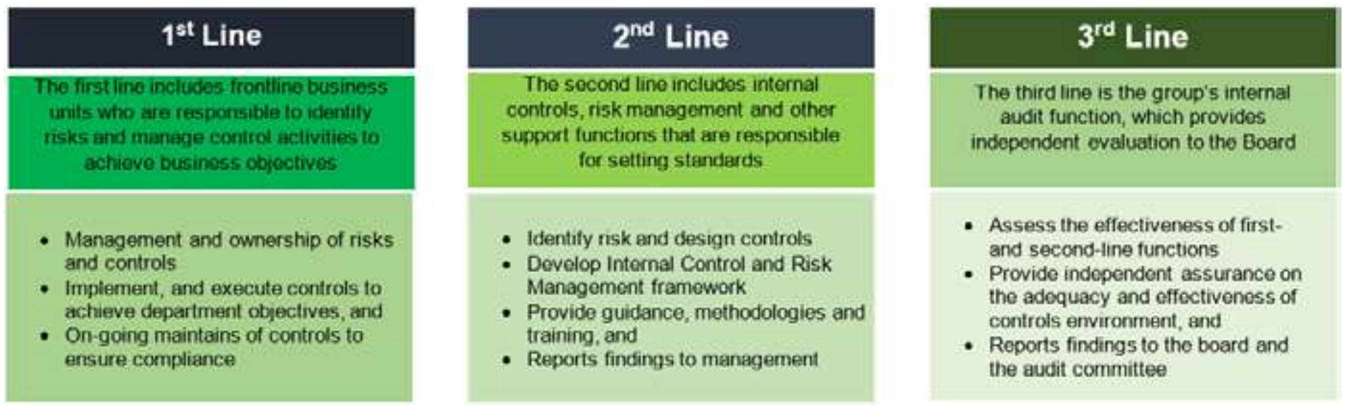
9.1 Acknowledgement

The Board of Directors acknowledges and assumes full responsibility for the Company's internal control system, including its oversight, evaluation, and effectiveness. The Board ensures that our internal control system provides reasonable assurance in achieving the Company's operational, financial, and compliance objectives.

9.2 Work Mechanism

NMDC Energy has established a comprehensive Internal Control System in accordance with CMA Resolution No. (2) of 2024. The system comprises interrelated components embedded across the Company and operating collectively to support effective governance, risk management, and oversight. The Board recognizes the inherent limitations of internal control systems and acknowledges that it provides reasonable, but not absolute assurance.

At NMDC Energy, the internal controls are embedded throughout the organization using 'Three Lines of Defense' model, providing a solid foundation for effective and sustainable governance practices across the organization.



The operation of the Three Lines of Defense model is supported through a combination of control self-assessments, testing, management oversight, and independent assurance activities.

Components of the Internal Control System

The Internal Control System is structured around five interrelated components that operate collectively and are integrated across the organization to support the achievement of operational, reporting, and compliance objectives

1. Control Environment

- **Governance Oversight and Accountability** – The Board of Directors, supported by its committees, provides oversight of the internal control system to ensure its adequacy and effectiveness. Senior Management is responsible for implementing, maintaining, and monitoring the system across the Organization. Clear accountability is established through defined roles and responsibilities, enabling effective oversight, challenge, and decision-making.
- **Tone from the Top and Control Culture** - The Board and senior management promote a strong control culture by setting the right tone from the top. Ethical behavior, accountability, and adherence to policies and procedures are emphasized, reinforcing consistent application and effectiveness of internal controls throughout the organization.
- **Integrity and Ethical Values** - Integrity, ethical conduct, and accountability are embedded across the organization. These values are reflected in leadership behavior, governance practices, and employee expectations, forming the foundation of a sound internal control environment.
- **Authority and Reporting Framework** - The organization maintains a clearly defined structure, supported by approved delegation of authority and reporting lines. This ensures segregation of duties, accountability, and effective oversight across all functions.
- **Framework, Policies, and Procedures** - The internal control framework is supported by a comprehensive set of Board-approved policies, procedures, and guidelines. These govern operational, financial, and compliance activities and are periodically reviewed to reflect business changes, regulatory requirements, and best practices.
- **Code of Conduct and Training** - The Company has adopted a Code of Conduct setting out the expected standards of behavior for all employees and stakeholders. Ongoing training programs reinforce understanding of ethical standards, policies, and control responsibilities.

2. Risk Assessment

- **Fraud Risk Management** - Controls and procedures are in place to prevent and detect fraud. This includes segregation of duties, approval controls, and monitoring mechanisms. Fraud risks are considered in operational processes and internal control assessments.
- **Business Continuity Management** - The Company has established a Business Continuity Management (BCM) framework to ensure resilience of critical operations. Business continuity and disaster recovery plans are regularly reviewed, tested, and updated to maintain operational readiness in the event of disruptions.
- **Compliance** - Compliance processes ensure adherence to applicable laws, regulations, and internal policies, including CMA requirements. This includes monitoring regulatory developments, providing guidance to the business, and supporting identification and management of compliance-related issues.

3. Control Activities

- **Information Technology General Controls (ITGCs)** - ITGCs support the integrity and reliability of systems used for financial reporting and operational processes. Controls include access management, change management, system operations, and data integrity measures.
- **Planning, Monitoring, and Reporting** - Structured planning, monitoring and reporting processes support informed decision-making and performance oversight. Management regularly reviews operational and financial performance against approved plans and reports key matters to senior management, the Audit Committee, and the Board.

- **Data and Cybersecurity** - Controls over information technology, data protection, and cybersecurity safeguard the confidentiality, integrity, and availability of information. These include access controls, monitoring, security measures, and incident response protocols.

4. Information and Communication

- **Reporting Errors and Irregularities** - Processes are in place to ensure that errors, irregularities, or deviations from internal control procedures are reported promptly and addressed.
- **Internal and External Communication** - The Company maintains effective communication channels to ensure that relevant internal and external stakeholders are informed about policies, procedures, and control-related matters.

5. Monitoring

- **Internal Audit** - Internal Audit provides independent and objective assurance on the design and operating effectiveness of the internal control system. It operates in accordance with an approved charter and risk-based audit plan and reports functionally to the Audit Committee.
- **Whistleblowing** - A whistleblowing mechanism allows employees and stakeholders to report concerns confidentially, and where appropriate, anonymously. Reported matters are reviewed and addressed according to established procedures, with oversight by the Audit Committee.

9.3 Dealing with Material Issues and Problems

The Company has established processes to ensure that any material issues or problems identified and disclosed in the annual reports and financial statements are appropriately reviewed, addressed, and monitored. Such matters are reviewed by the executive management, reported to the Audit Committee and, where appropriate, escalated to the Board. These material issues are tracked as part of a corrective action plan, with defined responsibilities and timelines, and monitored on an ongoing basis until resolution.

9.4 Independent Assessment of Internal Control System

The Internal Control systems provide a framework that ensures a reasonable level of assurance against material misstatement, omission, error, or loss. This is accomplished through a comprehensive approach that includes the identification, evaluation, and continuous monitoring of risks. The structure incorporates robust decision-making and oversight mechanisms, complemented by assurance and control functions such as External Audit, Internal Audit, Ethics & Compliance, Risk Management, and QHSE (Quality, Health, Safety, and Environment) management. Each component plays a critical role in maintaining the integrity and effectiveness of the internal control framework, thereby fostering an environment of accountability and transparency within the organization.

9.4.1 Company Internal Audit Director Qualifications

Department	Name	Date of Appointment	Qualification	Experience
Internal Audit – NMDC Energy	Mr. Akshay Anant Bhat (Senior Internal Audit Manager)	23-Oct-2024	• Certified Internal Auditor (IIA) • Certified Fraud Examiner (CFE) • Certified Board Director (Hawkamah) • Bachelor of Engineering (Electronics) • -Master of Business Administration	Over 18+ years of professional experience in the fields of Internal Audit, Corporate Governance, Project Management and Business Process reviews.

Management is accountable for the implementation and maintenance of comprehensive internal control frameworks, encompassing both financial and operational aspects, to ensure the effective safeguarding and prudent management of the Company's assets. These controls are designed to optimize operational efficiency while mitigating risks and ensuring compliance with regulatory and organizational standards. NMDC Energy Internal Audit has issued 10 reports during 2025.

9.5 Ethics and Compliance Function

NMDC Energy is supported by NMDC Group's Ethics and Compliance function, with all applicable legal and regulatory requirements. During 2025, the Ethics and Compliance Manager departed the Company, and the Group is actively progressing in the recruitment process to fill this position.

The Company has established and implemented a robust Ethics and Compliance Program, which includes key policies such as Business Code of Conduct, Anti-Bribery & Corruption, Whistleblowing, Conflict of Interest, Fraud Control, and Investigations. These policies are purposefully designed to uphold the highest ethical standards and provide employees with a secure and confidential means to report, in good faith, any unethical or improper conduct within the organization.

The Company has conducted a comprehensive fraud risk assessment, covering key operational and support processes. This assessment carried out as part of the Company's 2025 Ethics & Compliance Plan was designed to evaluate exposure to bribery, fraud, and other forms of corruption. The preliminary results have been reviewed with management, and the final outcomes will be integrated into the Company's internal control framework and monitoring activities by the time this report is issued.

All operations are subject to periodic compliance reviews and internal audits to assess the effectiveness of existing controls and ensure ongoing alignment with anti-bribery, fraud- prevention, and ethical-conduct standards. The Company's Whistleblowing Speak Up channels remain active and accessible, with no material incident of corruption reported during the reporting period.

NMDC Energy's anti-corruption policies and procedures including the Business Code of Conduct, Fraud Control Policy, and Anti-Bribery & Corruption Policy have been formally communicated to all governance-body members, senior management, and employees through regular briefings and targeted training sessions.

Through these initiatives, NMDC Energy reaffirms its strong commitment to fostering a workplace free from any form of corrupt practices. The Company's comprehensive ethics and compliance framework promotes ethical business conduct while strengthening stakeholder trust, reinforcing NMDC Energy's position as a responsible, transparent, and accountable leader within the industry.

9.6 Risk Management

In 2025, the NMDC Energy transitioned from framework design to a state of operationalized resilience. Against a backdrop of shifting geopolitical standpoints and the rapid evolution of global risks, our overall stance, attitude, and readiness for handling risks has moved beyond simple mitigation towards a proactive model. This evolution includes formal introduction of a dedicated External Risk Category, allowing monitoring of macro-environmental factors that exist outside our immediate operational control. This ensures that the Company does not merely survive volatility but uses its stability as a strategic lever for international expansion. Enterprise Risk Management (ERM) acts as primary filter for all strategic decisions.

The Risk Management Function has matured into a Governance role. A key driver for enhanced risk maturity were Combined Risk Assurance meetings and inclusion of Risk Function in HSE Steering Committee meetings. These sessions break down traditional corporate silos by bringing together Internal Audit, Risk Management, and HSE into a single forum.

Sustainability is now inextricable from overall resilience; NMDC Energy formally established a dedicated ESG Function within the Risk Management framework. This department is tasked with identifying long-horizon risks—ranging from decarbonization mandates to supply chain ethics—ensuring that NMDC Energy remains the partner of choice for global stakeholders who prioritize ESG-aligned capital deployment. To ensure our internal mechanisms remain world-class, the Company has institutionalized independent reviews of our ERM framework. The revised ERM framework remains structured into two distinct but interconnected layers: Corporate/ Business Unit Portfolio Management and Project-Level Risk Control. The Risk Management Function continues to define the Company's risk profile by establishing Key Risk Indicators (KRIs).

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The Risk Management Function continues to define the risk profile by establishing Key Risk Indicators (KRIs). These processes are not static; they are under constant review by the Senior Management and Audit Committee, ensuring that the highest levels of leadership remain agile in their oversight and that the Company's risk exposure remains strictly within its defined appetite.

Department	Name	Date of Appointment	Qualification	Experience
Shared Services - Project Control & Risk Management	Mr. Amjad Abdul Shukoor (Chief Officer of Shared Services)	11-Feb-2025	• Certified Portfolio Management Professional • Certified Risk Management Professional • Certified Project Management Professional • BE. Civil Engineering • Certified Practicing Engineer - Dept. of Municipalities & Transport - UAE for Managing an Engineering Facility	Over 26 Years of professional experience in the fields of Corporate Project Controls, Planning, Cost Control, Enterprise & Portfolio Risk management functions.

9.7 Quality, Health Safety and Environment

At NMDC Energy, health and safety are deeply embedded in the Company's culture and operations. The Company's approach goes beyond compliance; it is about safeguarding every individual involved in its activities and fostering a workplace where people feel safe, valued, and supported. This enduring commitment is reflected in the way NMDC Energy designs its safety systems, delivers specialized training, and promotes collective responsibility for well-being across employees, contractors, and partners. For our organization, HSE is not a standalone metric but a fundamental component of our operational DNA.

In 2025, NMDC Energy reached a new pinnacle of operational excellence, proving that rapid organizational growth and world-class safety performance go hand-in-hand. By prioritizing the wellbeing and health of our people, we have set a global benchmark across the energy and construction sectors. These results were achieved while delivering multiple mega-projects across diverse geographies.

Integrating HSE Excellence into Core Operations

For NMDC Energy, HSE is not a standalone metric but a fundamental component of our operational DNA. Throughout 2025, the organization has moved beyond traditional compliance, focusing on the seamless integration of our Health, Safety, and Environmental Management System (HSEMS) through four key strategic pillars: Governance, Culture, Stewardship, and Capability.

Leadership -Driven Governance & Safety Culture

NMDC Energy's safety culture is underpinned by visible leadership commitment. In 2025, the Offshore Operations Senior Management HSE Steering Committee completed its governance cycle through 11 monthly meetings, ensuring consistent oversight.

Leadership exceeded engagement targets, achieving 110.1% of High-Profile Tour (HPT) goals, with 218 tours conducted across vessels and barges against a target of 198. These visits enabled direct engagement with offshore crews, including on-site interface meetings and the recognition of employee safety commitment. Overall, the 2025 HSE cycle demonstrated strong top-down accountability, with senior management actively verifying the effective implementation of the HSEMS at the operational level.

Environmental Stewardship & Marine Conservation

NMDC Energy has proven that large-scale EPC projects can coexist with fragile ecosystems. A primary focus in 2025 was the protection of Abu Dhabi's marine treasures, specifically the Green Turtle (Chelonia mydas).

- **Collaborative Impact:** Through the "Leave Only Footprints" initiative with Saudi Aramco, project teams restored coastal health via massive beach cleanup days for the CRPO-136/137 projects.
- **Biodiversity Protection:** The Company implemented strict Nesting Protection Guidelines (March–August) and deployed Marine Mammal and Reptile Observers (MMROs) across offshore vessels.
- **Digital Oversight:** The MERAM Project introduced AI-assisted analysis and real-time tracking, allowing for data-driven environmental monitoring with unprecedented accuracy.

Competency Development and Emergency Preparedness

To strengthen long-term sustainability, NMDC Energy continues to invest in building internal capability and workforce preparedness. In 2025, the HSE Training Section launched the Highfield International Award in Delivering Training (IADT) Level 3, a "Train the Trainer" programme that certifies HSE Officers to deliver site-specific, competency-based training internally.

In parallel, Emergency Response Team (ERT) members from NEMY and PCY completed Advanced Fire Emergency Training, enhancing hands-on response capabilities while ensuring compliance with civil defense requirements. This shift toward in-house capability building ensures training remains operationally relevant, competency-based, and adaptable to the evolving risk profile of NMDC Energy's offshore and onshore projects.

Strategic Pillar	Key Achievement	Impact Operations
Governance	218 High Profile Tours	Increased Management visibility in high-risk zones.
Safety Culture	"End Strong, Stay Safe"	Behavioral safety reinforcement at all operational hubs.
Environment	MERAM Digitalization	Real-time tracking and AI-assisted risk mitigation.
Capability	Level 3 IADT Program	100% in-house site specific competency training.
The World Class HSE Performance	Manhours	Over 105 million
	Training Hours	102 million
	LTIF	0.02
	TRIR	0.17

In 2025, NMDC Energy launched the "End Strong. Stay Safe." campaign across all project sites, vessels, and yards to reinforce its commitment to zero incidents and a proactive safety culture. Implemented during the final quarter of the year, the initiative addressed key incident drivers through enhanced Life-Saving Rule compliance, workforce competency, and supervisory leadership. The campaign also established the foundation for the 2026 "Stronger Every Step" program, aimed at strengthening safety maturity and continuous improvement across all operations.

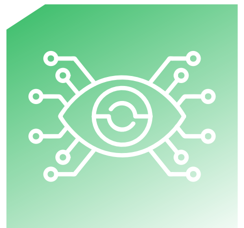
As NMDC Energy moves into 2026, the guiding philosophy remains "Great Day, Every Day," ensuring that every employee returns home safety while the Company continues to deliver world-class, sustainable energy infrastructure.

Technology: The New Frontier of Care

This year, we embraced the future by making technology a central partner in our safety mission. We give our teams better tools to protect themselves.

We are now using “smart” safety measures to watch over our workforce:

AI-Driven Guardians:
Our cameras now act as a second pair of eyes, using AI to instantly spot hazards.



Seeing the Unseen:
We’ve equipped our heavy equipment with 360-degree sensors and blind-spot detection.

9.7.1 Details of Head of HSE Function

Department	Name	Date of Appointment	Qualification	Experience
HSE	Mr. Fabio Prandini HSE Director	March 2023	• Diploma In Mechanical Engineering, • BSC International Certificate-Level 4, NEBOSH IGC, • Lead Investigator Taproot Certification, Lead Auditor Certification-ISO 14001, 45001 & • 9001, PMP, Asbestos Mgmt, Occupational Health Course, Leading In Safety (BST).	30 YEARS

10 Company Contribution

NMDC Energy is committed to operating responsibly, with a clear focus on environmental stewardship and the well being of the communities in which it operates. In support of this commitment, the Company has established a dynamic Corporate Social Responsibility (CSR) strategy that addresses social and environmental priorities, fosters impactful partnerships with local stakeholders, and contributes meaningfully to society. The strategy is grounded in Company's core values: Knowledge, Accountability, Morality, Alliance, and Leadership (KAMAL), and is guided by a strategic objective to deliver initiatives that generate lasting benefits for the broader community.

The CSR strategy is subject to ongoing review and refinement to ensure it remains aligned with evolving community needs, stakeholder expectations, and business priorities. Complementing this approach, Company's QHSE policy reinforces its commitment to protecting people and assets, safeguarding the environment, preventing pollution, promoting energy efficiency, and mitigating the environmental impact of its operations. The policy also emphasizes the importance of full compliance with customer specific requirements, as well as adherence to applicable laws, regulations, industry standards, and recognized best practices.

10.1 Financial Commitment to Community & Environment

In 2025, NMDC Energy significantly scaled its financial contribution to local development and environmental preservation. This investment is split between direct community support and high-impact sponsorships.

- **UAE Investment:** Reinjected AED 17 billion into the UAE's local economy and achieved a high ICV score, emphasizing support for local suppliers and economic diversification
- **Agreement with KEZAD:** Signed a 50-year agreement with Khalifa Economic Zones Abu Dhabi (KEZAD) Group to establish a $100M manufacturing facility, creating 3,000 jobs and enhancing industrial capacity.

10.2 Material Events and Important Disclosures

- Taiwan: Awarded a subsea gas pipeline project from TaiPower
- Lower Zakum Mega Project by ADNOC
- NMDC Energy Inaugurates Ras Al Khair Fabrication Yard
- NMDC Energy inaugurates Shanghai and Taiwan Offices
- NMDC Energy Signs Several MoUs at ADIPEC 2025
- QMM appointed as Liquidity Provider

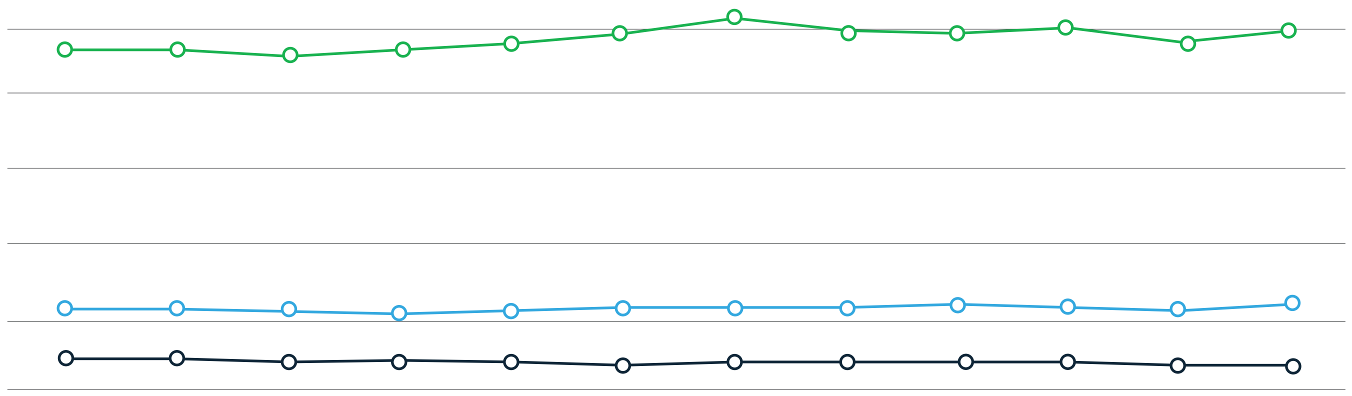
11 General Information

11.1 Monthly Shared Price

Statement of comparative performance of the Company's share with the Market Index and sector index to which the Company belongs at the end of each month during 2025 was as follows:

Security Trading Summary 2025									
Regular Trades									
Month	Open (AED)	Close (AED)	High (AED)	Low (AED)	Value (AED)	Volume	Trades	Change	Change (%)
Jan.	2.82	2.85	2.96	2.80	76,005,315	26,539,772	4,344	0.03	1.06
Feb.	2.85	2.90	2.92	2.75	183,893,619	64,330,616	6,327	0.05	1.75
Mar.	2.89	2.61	2.89	2.49	47,048,225	17,147,526	3,621	(0.29)	(10.00)
Apr.	2.61	2.50	2.62	2.22	81,787,493	34,330,460	4,403	(0.11)	(4.13)
May	2.51	2.50	2.56	2.46	39,102,383	15,623,089	2,391	0.00	0.00
Jun.	2.50	2.39	2.50	2.25	63,974,024	26,587,128	3,043	(0.11)	(4.40)
Jul.	2.39	2.63	2.77	2.35	91,135,852	35,928,398	5,173	0.24	10.04
Aug.	2.63	2.51	2.64	2.47	37,992,681	15,086,563	2,838	(0.12)	(4.56)
Sep.	2.51	2.43	2.55	2.41	21,520,224	8,695,371	2,362	(0.08)	(3.19)
Oct.	2.43	2.50	2.65	2.43	60,482,200	23,717,351	4,016	0.07	2.88
Nov.	2.51	2.37	2.51	2.32	29,216,807	12,131,392	2,195	(0.13)	(5.20)
Dec.	2.36	2.33	2.46	2.32	56,848,519	23,720,028	2,935	(0.04)	(1.69)
Total					**789,007,342**	**303,837,694**	**43,648**		

11.2 Chart of the comparative performance of the Company share with General Index and Company's Sector Index Company share with General Index and Company's Sector Index



Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
9,586.12	9,564.62	9,368.81	9,534.33	9,685.10	9,957.52	10,370.66	10,094.67	10,014.60	10,099.90	9,747.17	9,992.72
2,272.59	2,262.02	2,158.59	2,106.95	2,199.70	2,290.32	2,302.60	2,264.33	2,339.04	2,315.32	2,226.13	2,342.15
2.85	2.9	2.61	2.5	2.5	2.39	2.63	2.51	2.43	2.5	2.37	2.33

General Index   Industrial Sector   NMDC Energy Share

11.3 Shareholder's Distribution as of 31 December 2025

Shareholder Classification	Percentage of Owned Shares		
	Individual	Companies	Total
Local	6.09	84.87	90.96
GCC	0.06	0.027	0.09
Arabs (other than GCC)	0.04	0.37	0.41
Foreigners	1.10	7.45	8.55
Total	**7**	**93**	**100**

11.4 Shareholders who hold 5% or more of the Company's capital as of 31 December 2025

Name	Number of Shares Owned	Percentage of Owned Shares of the Company's Capital (%)
NMDC Group PJSC	3,850,000,000	77.00%

NMDC Energy - Corporate Governance Report 2025

11.5 Shareholder's Distribution by the Size Equity as of 31 December 2025

Ownership of the Share (Shares)	Number of Shareholders	Number of Owned Shares	Percentage of Shares Owned from the Capital
Less than 50,000	14,611	35,581,849	0.71%
From 50,000 to less than 500,000	497	82,177,898	1.68%
From 500,000 to less than 5,000,000	197	283,631,842	5.67%
More than 5,000,000	24	4,598,608,411	91.97%
Total	**15,329**	**5,000,000,000**	**100%**

11.6 Investors' Relations Details

Ms. Hanzada Nessim is the Group Head of Investor Relations & Financial Communications.

Furthermore, the Company website has a dedicated page for investors, which includes information related to Investor Relations, Board of Directors Reports, Financial Statements, Annual Reports, Corporate Governance Reports, and Annual General Meeting.

Contact Information of Investor Relations Head

Website: Investor Relations
Email: hanzada.nessim@nmdc-group.com
ir@nmdc-group.com
Office No.: +971 2 566 4316

11.7 Statement of the Significant Events Encountered by the Company

1. In January, NMDC Energy has inaugurated its state-of-the-art fabrication yard in Saudi Arabia – Ras Al Khair. This milestone marks a significant step in the Company's strategic efforts to strengthen its regional and global presence with investment value of AED 200 million.
2. In November, NMDC Energy expands Asian Operational Footprint with New Taiwan Branch and Shanghai Commercial Office. These steps are part of NMDC Energy's international expansion strategy, improving supply chain reliability, building strategic vendor relationships, increasing proximity to key projects, and enhancing its access to future opportunities across Southeast Asia.
3. NMDC Energy announced a partnership with Baker Hughes in the Kingdom of Saudi Arabia. The collaboration will focus on offshore products and associated services to serve the dynamic offshore market. This will include an Emergency Pipeline Repair System (EPRS) project, alongside a logistics base associated with solutions for offshore flexible pipeline systems to serve the Kingdom and the wider MENATI markets.

11.8 Innovative Projects and Initiatives

NMDC Energy continues to strengthen its decarbonization pathway through targeted investments in high-efficiency equipment, electrification of fossil-fuel-based processes, advanced control systems, and digital energy management solutions. These initiatives collectively demonstrate the company's commitment to operational excellence, cost efficiency, and alignment with national and global climate objectives. A significant portion of the investment has been directed toward energy-intensive operations, including air compression systems, welding equipment, lighting infrastructure, and HVAC systems. The replacement of conventional fixed-speed compressors with VSD compressors equipped with IE5 motors, coupled with the installation of advanced compressor controllers, has optimized energy consumption by matching output with actual demand and eliminating unloaded running losses.

In parallel, NMDC Energy has transitioned legacy rectifier welding machines and diesel-driven gouging machines to electric inverter-based technologies, substantially improving efficiency while eliminating direct combustion emissions. Lighting upgrades from sodium vapor to LED tower lights and HVAC retrofits using high efficiency split and VRF systems have further reduced electricity consumption across accommodation, recreational, and office facilities. Complementing these hardware upgrades, the enhancement of power monitoring software enables real-time energy visibility, benchmarking, and data-driven decision-making—laying the foundation for continuous improvement and future AI-enabled energy optimization.

Overall Investment Value

- Total clean technology & innovation investment:
- AED 8.74 million

This investment reflects a balanced portfolio spanning:
- Process efficiency and electrification
- Building energy performance improvements
- Digital energy management and monitoring

11.9 Additional CSR projects and initiatives

- **Renewable Energy Integration:** Partnered with Byrne Equipment Rental to power the Sir Baniyas Island residential camp with solar energy, reducing CO2 emissions by 475 tons annually and limiting pollution exposure for workers.
- **Beach clean ups:** During 2025, NMDC Energy supported 17 initiatives, reinforcing the Company's commitment to marine environmental protection. In collaboration with Saudi Aramco, the organization also conducted a massive Beach Cleanup Day titled 'Leave Only Footprints' for the CRPO-136/137 project. This initiative was designed to raise awareness about coastal ecosystem preservation and reinforce shared accountability between partner organizations.

11.10 Violations

No violations have been committed by NMDC Energy P.J.S.C during the year 2025.

NMDC Energy - Corporate Governance Report 2025

12 Audit Committee Report

The Audit Committee is pleased to provide the annual report on the activities of the Audit Committee for the year 2025. The Committee is dedicated to ensuring robust governance, internal controls, risk management, financial and operational compliance, to support NMDC Energy's long-term success and strategic objectives.

The Audit Committee conducted five (5) meetings in 2025 to effectively discharge its responsibilities in accordance with the regulatory obligations and played a crucial role in ensuring financial reporting integrity, overseeing internal controls, and strengthening governance. The Audit Committee also regularly updated the Board about its activities through quarterly reports.

Task Description	Meeting No. 1	Meeting No. 2	Meeting No. 3	Meeting No. 4	Meeting No. 5
Review of NMDC Energy's Financial Results and External Auditor's Report	√	√	√	√	
Review of External Audit Fees and Independence Declaration	√				
Approval for Non-audit Services by External Auditor			√		
Internal Audit Reports					√
Internal Audit Plan Approval Status Update			√		√
Internal Audit Follow-up Status and Performance Update			√		√
Internal Controls Review Project Status			√		
Ethics and Compliance Plan Approval and Status Update			√		√
Update on Whistleblowing Cases					√
Corporate Governance Report 2024	√				
Audit Committee Report to Board 2024	√			√	
Corporate Governance Manual and Board Committee Charter		√		√	
Company Key Performance Indicator (KPI's)		√		√	
Risk Management		√		√	
HSE Performance		√		√	
Enterprise Risk Management (ERM)		√		√	

Financial Reporting & External Auditors

The Audit Committee is responsible for ensuring the accuracy and integrity of the Company's financial reporting. To fulfill this responsibility, the Committee works closely with the external auditors, who provide assurance on the accuracy of financial reporting and the effectiveness of internal control processes.

In 2025, Deloitte & Touche (M.E) were reappointed as NMDC Energy External Auditors at the Annual General Meeting, based on recommendation and assessment by the Audit Committee, and endorsement from the Board, in line with regulatory requirements and based on continued satisfactory performance. The external auditors on quarterly basis provided confirmation of their integrity, independence and objectivity in line with International Standard on Auditing (ISA 260) to the Audit Committee. The Audit Committee reviewed the fees for external auditor as per the annual process, and recommendations were submitted for the Board endorsement. The committee also reviewed audit approach, accounting matters, audit adjustments and related party transactions (as detailed in Section 3.7 Related Parties Transactions of this report) to ensure compliance with IFRS and regulations.

The revenue recognition and management override of controls were identified by the external auditor as key audit matters, i.e. the matter of most significance in audit of consolidated financial statements of the audit period (FY 2025) and included as part of external audit opinion. Procedures performed by the external auditor in addressing these key audit matters along with other significant matters were reviewed by the Audit Committee. The Audit Committee had independent access to the external auditors and reviewed the non-audit services provided by the external auditors to ensure that they were free of any conflicts.

Internal Audit

Internal controls were a key focus, with the committee reviewing risk management frameworks, audit findings, management action status, compliance measures, and fraud prevention mechanisms. Internal Audit function operated under an independent reporting model, with Mr. Akshay Anant Bhat leading Internal Audit for NMDC Energy and serving as the secretary to the Audit Committee. The Internal Audit Department's independence was reinforced through annual declarations, and the committee approved the department's Strategic Plan, and KPIs.

The 2025 audit plan's progress was monitored, and the 2026-2028 Internal Audit plan was approved based on risk assessments, organizational changes, and management concerns.

In 2025, ten (10) internal audits were conducted, identifying 138 observations (18 high, 90 medium, and 30 low-risk findings) and were reviewed by the Audit Committee as part of quarterly reporting to the committee. Furthermore, the management action plans arising from these audits, to address deficiencies or improvements in the internal controls, were regularly followed up for timely implementation, and out of total management actions due, 86% were addressed by year end 2025. The Audit Committee reviewed the Internal Audit function's comprehensive evaluation of the organization's operations and control systems based on significance ranking, control ranking and mapping of the recommendations to the Company's strategic pillars. The Committee closely monitored follow-up actions, supported by an escalation procedure and a Power BI dashboard for tracking implementation.

Ethics and Compliance

Ethics and Compliance oversight included approval of the 2026 Ethics & Compliance Plan, monitoring whistleblowing cases, and ensuring anti-fraud frameworks were in place. The committee also reviewed key oversight matters, including updated Business Code of Conduct and related policies, thus enabling a culture of integrity and fraud resilience.

NMDC Energy conducted a comprehensive fraud risk assessment, covering key operational and support processes. This assessment carried out as part of the Company's 2025 Ethics & Compliance Plan was designed to evaluate exposure to bribery, fraud, and other forms of corruption. The preliminary results have been reviewed with management, and the final outcomes will be integrated into the Energy's internal control framework and monitoring activities by the time this report is issued.

Assurance Activities

The Audit Committee enhances its assurance through quarterly reporting on Company's Enterprise Level Risk Management ensuring focus on business excellence, people safety and operational assurance.

The Audit Committee also reviewed the ERM framework and significant business risks, ensuring risk maturity, strategic resilience, and that audit priorities aligned with risk assessments.

2026 Priorities

The Audit Committee schedule in 2026 will include a minimum of four (4) meetings focused on, amongst other things, the integrity of NMDC Energy's financial statements, IFRS 9 governance practices, emerging risks, assessment and oversight of the activities and performance of Internal Audit and Compliance functions as well as the performance of NMDC Energy's External Auditor. The Committee is committed to maintaining transparency, accountability, and compliance while adapting to emerging risks and business priorities.

FINANCIAL STATEMENTS

NMDC Energy - Corporate Governance Report 2025

NMDC Energy PJSC

Directors' report
for the year ended 31 December 2025

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

Principal activities

The Group is primarily engaged in the execution of engineering, procurement and construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

Results and appropriation of profits

The Group's revenue for the year was AED 18,662 million (2024: AED 14,440 million) and net profit after tax of AED 1,602 million (2024: AED 1,406 million). Profit attributable to the shareholders of the Company amounted to AED 1,600 million (2024: AED 1,404 million). The movement in the retained earnings for the year was:

	AED'000
At 1 January 2025	**2,556,336**
Profit for the year attributable to the Owners of the Company	**1,600,511**
Dividend paid	**(700,000)**
Transfer to statutory reserve	**(160,051)**
At 31 December 2025	**3,296,796**

Directors

The Directors of the Company are as follows:

Mohamed Hamad Ghanem Hamad Almehairi	Chairman
Yasser Zaghloul	Vice chairman
Talal Shaffique Abdullah Al Dhiyebi	Member
Nasser Mohamed Omier Yousef Almheiri	Member
Marwa Ahmed Ali Abdalla Almarzooqi	Member

Release

The Directors release the management and the external auditor from any liability in connection with their duties for the year ended 31 December 2025.

NMDC Energy PJSC

Directors' Report
for the year ended 31 December 2025 (continued)

Approval

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 2 February 2026.

Acknowledgement

To the best of our knowledge, the financial information included in these consolidated financial statements presents fairly, in all material respects, the financial position, results of operations and cash flows of the Group as of, and for, the years presented therein.

for and on behalf of the Board of Directors

Mohamed Hamad Ghanem Hamad Almehairi
Chairman

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of NMDC Energy PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the United Arab Emirates. We have also 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 judgement, were of most significance in our audit of consolidated financial statements of the current period. These matters were discussed 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter

Revenue recognition
 	
The Group reported revenue of AED 18,622 million during the year ended 31 December 2025.
 	
The Group's business involves entering into contractual relationships with customers to provide a range of engineering, procurement and construction (EPC) services with a significant proportion of the revenues derived from long term contracts. The Group principally recognises revenue over a period of time and measures the progress using the input method by measuring 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.
 	
The measurement of the amount of revenue, including variation orders, to be recognised requires management to apply significant judgements and make significant estimates. These judgements and estimates also include the determination of the expected cost to meet the performance obligations under a contract.
 	
The nature of these judgements and estimates results in them being susceptible to management override. In addition, revenue is quantitatively significant to the consolidated financial statements. Consequently, we have identified revenue recognition as a key audit matter.
 	
Management has also recognised contract assets of AED 4,412 million and contract liabilities of AED 840 million in the consolidated statement of financial position. Contract assets represent revenue that had been earned by the reporting date but had not yet been billed to customers. Contract liabilities represent the excess of cash received from customers for contracts over the revenue earned for those contracts.
	We performed the following procedures, inter alia, in respect of revenue recognition:
	
	• We obtained an understanding of the business process adopted by management to measure and recognize revenue and performed walkthroughs to understand the key processes and identify key controls;
	• We assessed the abovementioned controls to determine if they had been designed and implemented appropriately and tested these controls to determine if they had been operating effectively;
	• We challenged management's key judgements applied in the determination of forecast costs to complete the project under the percentage of completion method;
	• We obtained a sample of contracts and reviewed the contract terms and conditions, including variation orders and ensured these were appropriately recorded in the accounting records;
	• We performed, for a sample of contracts, analytical procedures by comparing the current year margins with their prior year margins. Where we identified an unexpected margin, we carried out more focused testing on these contracts;
	• We reperformed the mathematical accuracy of the calculations used to determine revenue recognised under the percentage of completion method;
	• We performed the following procedures in respect of contract assets and contract liabilities:
	  ◦ We agreed the amounts reported in the consolidated statement of financial position to a report prepared by management;
	  ◦ We recalculated, on a sample basis, the amounts recorded with reference to the underlying contracts with customers and the cash amounts received; and
	  ◦ We determined, for contract liabilities, for a sample of cash receipts in bank statements prior to the reporting date, that the related credit had been correctly recorded in revenue, trade receivables or contract liabilities.
	• We reconciled the list of the actual costs for the current year to the total costs of the projects under the percentage of completion;

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (continued)

Key Audit Matters (continued)

Revenue recognition (continued)	**How our audit addressed the key audit matter** (continued)
The Group's revenue recognition accounting policy is included in note 3 to the consolidated financial statements. Details about key estimates and judgements relating to revenue are disclosed in note 4 to the consolidated financial statements. Further details about revenue are included in note 21 to the consolidated financial statements.	• We performed test of details for the actual costs related to the contracts; • We performed procedures to assess whether the revenue recognition criteria adopted by Group are in accordance with the requirements of IFRS Accounting Standards; • We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions; and • We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which is expected to be made available to us after that date. 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 and will not express any form of assurance 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.

When we will read the Group's Annual Report, if we conclude that there is material misstatement therein, we will be required to communicate the matter to those charged with governance and consider whether a reportable irregularity exits in terms of the auditing standards, which must be reported.

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 IFRS Accounting Standards as issued by the IASB and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (continued)

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

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 judgment and maintain professional skepticism 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's internal control.
- 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC ENERGY PJSC (continued)

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

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, related safeguards.

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 and regulations preclude 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 Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended;
- The Group has maintained proper books of account;
- The financial information included in the Directors' report is consistent with the books of account and records of the Group;
- As disclosed in note 1 to the consolidated financial statements, the Company has made investments during the financial year ended 31 December 2025;
- Note 20 to the consolidated financial statements discloses material related party transactions and 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 Company 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 of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Deloitte & Touche (M.E.)

Faeza Sohawon
Registration No. 5508
4 February 2026
Abu Dhabi
United Arab Emirates

NMDC Energy PJSC

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	5	**3,761,502**	3,452,735
Right-of-use assets	6	**600,650**	437,477
Investment in equity accounted investees	7	**22,262**	22,895
Goodwill	8	**5,057**	5,057
Total non-current assets		**4,389,471**	3,918,164
Current assets			
Inventories	9	**278,074**	250,480
Trade and other receivables	10	**6,829,188**	5,032,523
Due from a related party	20	**1,961**	-
Contract assets	11	**4,412,239**	3,106,102
Derivative financial assets		**19,543**	12,056
Cash and bank balances	12	**4,485,989**	4,215,465
Total current assets		**16,026,994**	12,616,626
Total assets		**20,416,465**	16,534,790
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**2,500,000**	2,500,000
Statutory reserve	14	**350,461**	190,410
Restricted reserve		**1,291**	1,291
Currency translation reserve		**(23,699)**	(20,454)
Hedging reserve		**20,208**	(14,541)
Retained earnings		**3,296,796**	2,556,336
Equity attributable to the shareholders of the Company		**6,145,057**	5,213,042
Non-controlling interest		**7,673**	6,061
Total equity		**6,152,730**	5,219,103

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025 (continued)

	Notes	2025 AED'000	2024 AED'000
Liabilities			
Non-current liabilities			
Term loan	15	**51,419**	315,853
Provision for employees' end of service benefits	16	**342,588**	302,549
Derivative financial liability		**-**	15,222
Lease liabilities	6	**420,825**	363,949
Total non-current liabilities		**814,832**	997,573
Current liabilities			
Trade and other payables	17	**11,874,212**	8,744,670
Term loan	15	**264,434**	264,434
Due to a related party	20	**-**	70,180
Derivative financial liability		**-**	11,375
Lease liabilities	6	**197,474**	86,432
Contract liabilities	18	**839,865**	937,350
Income tax payable	19	**272,918**	203,673
Total current liabilities		**13,448,903**	10,318,114
Total liabilities		**14,263,735**	11,315,687
Total equity and liabilities		**20,416,465**	16,534,790

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in these consolidated financial statements.

Mohamed Hamad Ghanem Hamad Almehairi Chairman	**Ahmed Al Dhaheri** Chief Executive Officer	**Rahul Agarwal** Finance Director

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Contract revenue	21	**18,662,040**	14,440,106
Direct costs		**(16,464,214)**	(12,643,369)
Gross profit		**2,197,826**	1,796,737
Other operating expenses		**(277,222)**	(272,842)
General and administrative expenses		**(160,447)**	(122,828)
Other (expenses)/income, net	24	**(16,916)**	141,070
Finance income	22	**109,116**	117,451
Finance costs	23	**(39,070)**	(61,895)
Foreign currency exchange losses, net		**(12,943)**	(18,535)
Share of results from equity accounted investees	7	**2,238**	1,406
Profit before tax		**1,802,582**	1,580,564
Income tax expense, net	19	**(200,459)**	(174,314)
Profit for the year		**1,602,123**	1,406,250
Non-controlling interests		**(1,612)**	(2,146)
Profit for the year - attributable to the Shareholders of the Company	25	**1,600,511**	1,404,104
Basic and diluted earnings per share (in AED) attributable to equity holders of the Company	26	**0.32**	0.28

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	2025 AED'000	2024 AED'000
Profit for the year	**1,602,123**	1,406,250
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/ (loss) arising on hedging instruments during the year	**34,749**	(29,353)
Foreign exchange difference on translation of foreign operations	**(3,245)**	(6,395)
Total comprehensive income for the year	**1,633,627**	1,370,502
Non-controlling interests	**(1,612)**	(2,146)
Total comprehensive income for the year - attributable to the Shareholders of the Company	**1,632,015**	1,368,356

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

	Share capital AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Equity attributable to the shareholder of the Company AED'000	Non-controlling interest AED'000	Total equity AED'000
Balance at 1 January 2024	100,000	50,000	1,291	(14,059)	14,812	4,442,642	4,594,686	3,915	4,598,601
Profit for the year	-	-	-	-	-	1,404,104	1,404,104	2,146	1,406,250
Other comprehensive loss for the year	-	-	-	(6,395)	(29,353)	-	(35,748)	-	(35,748)
Total comprehensive (loss)/income for the year	-	-	-	(6,395)	(29,353)	1,404,104	1,368,356	2,146	1,370,502
Issue of share capital (note 1)	2,400,000	-	-	-	-	(2,400,000)	-	-	-
Dividend paid (note 27)	-	-	-	-	-	(750,000)	(750,000)	-	(750,000)
Transfer to statutory reserve (note 14)	-	140,410	-	-	-	(140,410)	-	-	-
Balance at 1 January 2025	**2,500,000**	**190,410**	**1,291**	**(20,454)**	**(14,541)**	**2,556,336**	**5,213,042**	**6,061**	**5,219,103**
Profit for the year	-	-	-	-	-	1,600,511	1,600,511	1,612	1,602,123
Other comprehensive (loss)/income for the year	-	-	-	(3,245)	34,749	-	31,504	-	31,504
Total comprehensive (loss)/income for the year	-	-	-	**(3,245)**	**34,749**	**1,600,511**	**1,632,015**	**1,612**	**1,633,627**
Dividend paid (note 27)	-	-	-	-	-	(700,000)	(700,000)	-	(700,000)
Transfer to statutory reserve (note 14)	-	160,051	-	-	-	(160,051)	-	-	-
Balance at 31 December 2025	**2,500,000**	**350,461**	**1,291**	**(23,699)**	**20,208**	**3,296,796**	**6,145,057**	**7,673**	**6,152,730**

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit before tax		**1,802,582**	1,580,564
Adjustments for:			
Depreciation of property and equipment	5	**244,458**	198,028
Depreciation of right-of-use assets	6	**172,159**	48,815
Gain on disposal of property, plant and equipment	24	**(1,704)**	(8,323)
Allowance for expected credit losses, net	10, 11	**54,867**	494
Allowance for slow moving and obsolete inventories	9	**3,147**	1,383
Finance income	22	**(109,116)**	(117,451)
Finance costs		**50,349**	65,829
Employees' end of service benefit charge	16	**65,185**	63,191
Share of profit of investment in associate	7	**(2,238)**	(1,406)
Operating cash flows before movements in working capital changes		**2,279,689**	1,831,124
Employees' end of service benefit paid	16	**(25,146)**	(20,985)
Income tax paid, net	19	**(98,745)**	(43,259)
		2,155,798	1,766,880
Working capital changes			
Change in inventories		**(30,741)**	(15,974)
Change in trade and other receivables		**(1,848,565)**	(1,857,490)
Change in due from /to a related party, net		**(72,141)**	328,451
Change in contract assets		**(1,341,573)**	(898,393)
Change in contract liabilities		**(97,485)**	796,063
Change in trade and other payables		**3,128,790**	2,716,889
Net cash generated from operating activities		**1,894,083**	2,836,426
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	5	**(553,498)**	(609,510)
Proceeds on disposal of property, plant and equipment		**1,768**	8,323
Movement in short-term deposits placed with bank	12	**590,722**	(85,205)
Interest received		**109,116**	117,451
Dividend received from equity accounted investee	7	**2,871**	2,645
Net cash generated from/ (used in) investing activities		**150,979**	(566,296)
Cash flows from financing activities			
Repayments of term loan	15	**(264,434)**	(264,434)
Repayment of lease liabilities	6	**(188,796)**	(73,282)
Dividend paid	27	**(700,000)**	(750,000)
Interest paid		**(27,550)**	(49,458)
Net cash used in financing activities		**(1,180,780)**	(1,137,174)
Net increase in cash and cash equivalents		**864,282**	1,132,956
Cash and cash equivalents at the beginning of the year		**3,624,743**	2,498,069
Net foreign exchange difference		**(3,036)**	(6,282)
Cash and cash equivalents at the end of the year	12	**4,485,989**	3,624,743
Non-cash transaction			
Increase in share capital	1	**-**	2,400,000

The accompanying notes form an integral part of these consolidated financial statements.

NMDC Energy PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025

1 General information

NMDC Energy PJSC (formerly "National Petroleum Construction Company") ("NMDC Energy" or the "Company") was established on 2 April 1973 as a limited liability Company in the Emirate of Abu Dhabi, UAE. In 1987, the legal status of the Company was changed to a Public Joint Stock Company by the application of the Abu Dhabi Law No. (2) of 1987. The registered address of the Company is P.O. Box 3649, Abu Dhabi, United Arab Emirates.

These consolidated financial statements include the financial performance and position of the Company, its subsidiaries and joint ventures (collectively referred to as the "Group').

The principal activities of the Group include engineering, procurement and construction (EPC) services in the development of offshore and onshore oil and gas fields for the Arabian Gulf and the regional markets.

In 2021, NMDC Group PJSC (formerly National Marine Dredging Company) ("NMDC" or "Parent Company") acquired all the share of the Company and became the sole shareholder of the Company. The Parent Company is a public shareholding company incorporated in the Emirate of Abu Dhabi by Law No. (10) of 1979, as amended by Decree No. (3) and (9) of 1985 issued by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, who was then the Deputy Ruler of the Emirate of Abu Dhabi.

In prior year, the name of the Company was changed from National Petroleum Construction Company to NMDC Energy PJSC. This change of name was registered with the concerned authority on 6 February 2024.

In August 2024, the Company announced its intention to float its shares on the Abu Dhabi Securities Exchange ("ADX") through an Initial Public Offering (IPO), pursuant to the resolution of the shareholder of the Company. The shareholder approved the listing and the sale by way of offer to the public of part of its share capital in the Company. The subscription period commenced on 30 August 2024 and closed on 4 September 2024 and trading of the shares commenced on 11 September 2024.

Prior to the IPO, the Board of Directors of the Parent Company approved the updated Article of Association dated 23 August 2024, with the adoption of the following:

- the nominal value of the shares to be reduced to AED 0.50 per share from AED 1 per share;
- the share capital of the Company to be increased to AED 2,500,000 thousand from AED 100,000 thousand, by the way of capitalising from the retained earnings of the Company amounting to AED 2,400,000 thousand;
- the number of shares to be increased to 5,000,000 thousand shares from 100,000 thousand shares;
- all the Company's shares, including the new shares, shall be of equal ranking to one another in rights and obligations.

Upon completion of the IPO, the Parent Company continues to own a majority 77% stake in the Company, and 20.15% are subscribed through ADX. Furthermore, the Parent Company transferred 2.85% of shares as in kind consideration in connection with acquisition of certain plots of land for commercial use.

The Group has made investments as disclosed below as of the reporting period 31 December 2025.

NMDC Energy PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

1 GENERAL INFORMATION (continued)

The Company has investments in the following subsidiaries, joint ventures, associates and joint operations:

Name	*Country of incorporation*	*Percentage holding 2025*	*Percentage holding 2024*	*Principal activities*
Subsidiaries				
NMDC Energy Saudi LTD. (formerly National Petroleum Construction Co. (Saudi) Ltd.)	Saudi Arabia	**100%**	100%	Engineering, Procurement and Construction
NPCC Engineering Limited	India	**100%**	100%	Engineering
ANEWA Engineering Pvt. Ltd.	India	**80%**	80%	Engineering
NPCC Service Malaysia SDN*	Malaysia	**100%**	100%	Engineering, Procurement and Construction
Al Dhabi for Construction Projects*	Iraq	**100%**	100%	Engineering, Procurement and Construction
NMDC Marine Services L.L.C. S.P.C*	UAE	**100%**	100%	Marine Logistics Services
*dormant entities				
Branch				
NMDC Energy PJSC	Taiwan	**Branch**	-	Engineering, Procurement and Construction
Joint Ventures				
NT Energies L.L.C	UAE	**51%**	51%	Engineering and Consultancy
Associates				
Principia SAS	France	**33.33%**	33.33%	Engineering and consultancy
Joint Operations				
Saipem – NPCC - Hail and Ghasha		**50%**	50%	Engineering, Procurement and Construction.
Technicas – NPCC – MERAM		**50%**	50%	Engineering, Procurement and Construction
Technip – NPCC - Satah Full Field		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip - UZ-750 (EPC-1)		**40%**	40%	Engineering, Procurement and Construction.
NPCC – Technip UL -2		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip AGFA		**50%**	50%	Engineering, Procurement and Construction.
NPCC – Technip JV – US GAS CAP FEED		**50%**	50%	Engineering, Procurement and Construction.
TJN Ruwais LNG*		**20%**	20%	Engineering, Procurement and Construction.

NMDC Energy PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Amendment to IAS 21— Lack of Exchangeability

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

2.2 New and revised IFRSs in issue but not yet effective

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

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2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

NMDC Energy PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026

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.

Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

3 Material accounting policy information

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by IASB and applicable provision of the UAE Federal Decree Law no. (32) of 2021, as amended.

3.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration given in exchange for assets.

These consolidated financial statements are presented in United Arab Emirates Dirhams (AED) which is the functional and presentation currency of the Group and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies adopted are set out below:

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company 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 Company has less than a majority of the voting rights of an investee, 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

3 Material accounting policy information (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to 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. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are 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 the carrying amount of the unit, 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 on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3 Material accounting policy information (continued)

3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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 and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment 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 an associate or a joint venture is recognised initially 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 associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or 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 associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or 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 the investment, after reassessment, is recognised immediately in consolidated statement of profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. 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.

3 Material accounting policy information (continued)

3.5 Investments in associates and joint ventures (continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a 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 in accordance with IFRS 9. The difference between the carrying amount of the associate or 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 associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

In addition, the Group accounts for all amounts previously recognised in consolidated statement of comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in consolidated statement of comprehensive income by that associate or joint venture would be reclassified to consolidated statement of profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to consolidated statement of profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to consolidated statement of profit or loss the proportion of the gain or loss that had previously been recognised in consolidated statement of comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to consolidated statement of profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee.

Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

3 Material accounting policy information (continued)

3.6 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.

When 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 operation; and its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, 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 assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

3.7 Revenue recognition

Revenue is recognised to the extent that it is probable economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria also apply Engineering, Procurement & Construction (EPC) revenues from fixed-price lump sum contracts are recognised using the percentage-of-completion method, by reference to the progress towards completion method, based on entity's efforts or inputs to the satisfaction of performance obligation (e.g. resources consumed, labour hours expended, cost incurred, time elapsed or machine hours used) relative to the total expected inputs required in order to satisfy the performance obligation. In the early stages of contract completion, when the outcome of a contract cannot be estimated reliably, contract revenues are recognised only to the extent of costs incurred that are expected to be recoverable.

Provision is made for all losses expected to arise on completion of contracts entered into at the reporting date, whether or not work has commenced on these contracts.

Incentive payments are included in revenue when the contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and the amount of the incentive payments can be measured reliably.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

Revenue recognition on construction contracts

The Group provides lump-sum engineering, procurement and construction project services to the oil and gas production and processing industry.

Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation. The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customized for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Contract modifications, e.g. approved variation orders, are accounted for as part of the existing contract, with a cumulative catch up adjustment to revenue.

Liquidated damages, penalties and similar payments, price concession (discounts) or deductions are accounted for as variable considerations. When management concludes on the existence of variable consideration, the Group estimates the amount of variable consideration at contract inception by using either (i) the expected value approach or (ii) the most likely amount. The Group use the method that best predicts the amount of consideration to which it will be entitled based on the terms of the contract. This would also apply to contractual incentive payments or early completion bonuses, if any.

Variable consideration is recognised to the extent it is 'highly probable' that a significant revenue reversal will not occur in future periods, when the related uncertainty associated with the variable consideration is subsequently resolved.

If there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.7 Revenue recognition (continued)

Warranty Obligations
The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.7.1 Other income

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

3.8 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the ssdates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

The assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

3 Material accounting policy information (continued)

3.9 Employees' benefits

Accrual is made for 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 each reporting period.

A provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of each reporting period. An accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Agency in accordance with the Abu Dhabi Retirement Pensions and the Benefit Funds and covered by Pension and Leaving Benefits Law No. 2/2000 for Pension and Social Security. Such contributions are charged to the statement of financial performance during the employees' period of service.

3.10 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

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 other years 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 Group 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.10 Taxation (continued)

Deferred tax (continued)

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.

The group has applied the mandatory temporary exception regarding the accounting requirements for deferred taxes in IAS 12, relating to Pillar Two. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.11 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 expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates used for this purpose are as follows:

	Years
Buildings	25
Plant, barges and vehicles	4-40
Furniture and office equipment	3-5

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.11 Property, plant and equipment (continued)

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to investment properties or the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.12 Impairment of tangible excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible 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.

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.

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 prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving weighted average method.

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3 Material accounting policy information (continued)

3.14 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 the consolidated statement of 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

(i) Debt instruments designated at amortised cost

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.

Amortised cost and effective interest rate method

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 effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

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.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, 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 always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

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:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) 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.

<u>(ii) Definition of default</u>

The Group employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

<u>(iii) Credit-impaired financial assets</u>

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:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) 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;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

<u>(iv) Write-off policy</u>

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.

<u>(v) Measurement and recognition of expected credit losses</u>

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. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend.

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.

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial assets (continued)

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

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as 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.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Hedge accounting (continue)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses’ line item.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.14 Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges (continued)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

3.15 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 that 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 reporting date, 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3 Material accounting policy information (continued)

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 12. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash.

3.18 Leases

The Group as lessee

The Group assesses whether 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.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.18 Leases (continued)

The Group as lessee (continued)

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.

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 revise 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 Group did not make any such adjustments during the periods presented.

The 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 line in the 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 'Other expenses' in the statement of profit or loss.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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4 Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

<u>Revenue recognition</u>

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognised at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

<u>Contract variations</u>

Contract variations are recognised as revenues only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management considers prior experience, application of contract terms and the relationship with the customers in making their judgement.

<u>Contract claims</u>

Contract claims are recognised as revenue only when management believes that only to the extent that it is probable that they will not result in a significant reversal of revenue in subsequent periods. Management reviews the judgment related to these contract claims periodically, and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

<u>Significant increase in credit risk</u>

ECL 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. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has not recognised any loss allowance against all receivables.

<u>Determining the lease term</u>

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). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The Group has lease contracts less than 1 year which are considered as operating leases on the judgement that the lease period will not be extended beyond the lease contracts.

<u>Joint arrangement</u>

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

<u>Offsetting of related party balances</u>

Balances due from/to related parties as disclosed in note 20 are reported on a net basis in the accompanying consolidated financial statements. Management has established that a legally enforceable right to set off such amounts exist, and the Group intends to settle on net basis or to realise the assets and settle the liabilities simultaneously.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Percentage-of-completion

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require 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 year in which the estimates are revised. When it is probable that total contract costs will exceed total 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 teams together with project managers 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, increase in labour and other costs are included in the construction cost estimates based on best estimates updated on a regular basis.

Taxation provisions

The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that these positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise.

The Group judges these positions on their technical merits on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as the current state of discussions with tax authorities, where appropriate). A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities, based on all relevant information. The liability is calculated taking into account the most likely outcome or the expected value, depending on which is thought to give a better prediction of the resolution of each uncertain tax position in view of reflecting the likelihood of an adjustment being recognised upon examination. These estimates are based on facts and circumstances existing at the end of the reporting period. The tax liability and income tax expense include expected penalties and late payment interests arising from tax disputes. Further, tax implications on unremitted earnings from foreign subsidiaries are not considered material to the Group as management currently do not intend to have remittances from its foreign operations.

Management has used its best estimate of the correct value of liability to recognise in each case, which includes a judgement on the length of the future time period to use in such assessments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

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. The Group uses estimates for the computation of loss rates.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Impairment of trade and other receivables and contract assets at 31 December 2025 are AED 19.57 million (2024: AED 1.97 million) and AED 36.94 million (2024: AED 1.50 million), respectively.

Allowance for inventory obsolescence

Management has estimated the recoverability of inventory balances and has considered the allowance required for inventory obsolescence based on the current economic environment. Accordingly, allowance for inventory obsolescence as at 31 December 2025 is AED 57.9 million (2024: AED 54.8 million).

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of the property and equipment are based on management's judgement of the historical pattern of useful live and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property and equipment in accordance with IAS 16 *Property, Plant and Equipment* and has determined that current year expectations do not differ from previous estimates based on its review.

Impairment of property, plant and equipment and right of use assets

The Group tests annually whether property, plant and equipment and right of use assets have suffered any impairment. In determining whether an impairment loss should be recorded in profit or loss, management makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows attributable to property, plant and equipment and right of use assets.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Warranty provision

Management has estimated contract warranty costs expected to arise on projects, based on management's best estimates, past experience and expected future maintenance costs.

4 Critical accounting judgements and key sources of estimation of uncertainty (continued)

Derivative financial instruments

The fair values of derivative financial instruments measured at fair value are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Legal claims and contingencies

When assessing the possible outcomes of legal claims and contingencies, the Group rely on the opinions of the legal counsel. The opinions of the Group's legal counsel are based on their professional judgment and take into consideration the current stage of proceedings and legal experience accumulated with respect to various matters. As the results of the claims may ultimately be determined by courts or otherwise settled, they may be different from such estimates.

Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group, on initial recognition of the lease, uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Management is satisfied that there is no impairment on goodwill as at 31 December 2025 and 31 December 2024.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

5 PROPERTY, PLANT AND EQUIPMENT

	Buildings AED'000	Plant, barges and vehicles AED'000	Furniture and office equipment AED'000	Capital work in progress AED'000	Total AED'000
2025					
Cost					
1 January 2025	577,094	5,856,057	136,483	705,811	7,275,445
Additions	10,490	182,823	4,196	355,989	553,498
Transfers	245,448	278,736	1,951	(526,135)	-
Disposal	-	(72,191)	-	-	(72,191)
Exchange difference	-	-	(813)	-	(813)
31 December 2025	**833,032**	**6,245,425**	**141,817**	**535,665**	**7,755,939**
Accumulated depreciation					
1 January 2025	406,873	3,298,725	117,112	-	3,822,710
Charge for the year	20,999	214,716	8,743	-	244,458
Disposal	-	(72,127)	-	-	(72,127)
Exchange difference	-	-	(604)	-	(604)
31 December 2025	**427,872**	**3,441,314**	**125,251**	**-**	**3,994,437**
Carrying amount					
At 31 December 2025	**405,160**	**2,804,111**	**16,566**	**535,665**	**3,761,502**
2024					
Cost					
1 January 2024	577,094	5,750,829	127,336	234,370	6,689,629
Additions	-	96,155	9,551	503,804	609,510
Transfers	-	32,363	-	(32,363)	-
Disposal	-	(23,290)	-	-	(23,290)
Exchange difference	-	-	(404)	-	(404)
31 December 2024	577,094	5,856,057	136,483	705,811	7,275,445
Accumulated depreciation					
1 January 2024	391,383	3,147,216	109,664	-	3,648,263
Charge for the year	15,490	174,799	7,739	-	198,028
Disposal/write-offs	-	(23,290)	-	-	(23,290)
Exchange difference	-	-	(291)	-	(291)
31 December 2024	406,873	3,298,725	117,112	-	3,822,710
Carrying amount					
At 31 December 2024	170,221	2,557,332	19,371	705,811	3,452,735

Certain items of property, plant and equipment with a carrying value of AED 1,396 million (2024: AED 1,346 million) have been pledged to secure the borrowings of the Group (note 15). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Property, plant and equipment includes fully depreciated assets costs of AED 2,711 million (2024: AED 2,335 million).

The buildings in Mussafah are constructed on land leased from Abu Dhabi Municipality (Note 6).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases several assets including equipment and land. The average lease term is 1 to 26 years. Interest rate on the leases ranges from 4% - 6.6% (2024: 4% - 6.6%)

Right-of-use assets

	Equipment AED'000	**Land AED'000**	**Total AED'000**
At 1 January 2024	-	286,599	286,599
Additions during the year	199,693	-	199,693
Depreciation expense	(34,965)	(13,850)	(48,815)
At 1 January 2025	**164,728**	**272,749**	**437,477**
Additions during the year	**219,999**	**123,886**	**343,885**
Modifications during the year	**-**	**(8,553)**	**(8,553)**
Depreciation expense	**(151,105)**	**(21,054)**	**(172,159)**
At 31 December 2025	**233,622**	**367,028**	**600,650**

Lease liabilities

	2025 AED'000	2024 AED'000
1 January	**450,381**	307,599
Additions during the year	**343,885**	199,693
Modifications during the year	**(9,970)**	-
Interest expense	**22,799**	16,371
Payments	**(188,796)**	(73,282)
31 December	**618,299**	450,381

	2025 AED'000	2024 AED'000
Analysed as:		
Non-current liabilities	**420,825**	363,949
Current liabilities	**197,474**	86,432
	618,299	450,381

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Following are the amounts recognised in the consolidated statement of profit or loss:

	2025 AED'000	2024 AED'000
Depreciation on right-of-use assets (note 25)		
Direct costs	**151,105**	34,965
General and administrative expenses	**21,054**	13,850
	172,159	48,815
Interest expense on lease liabilities		
Direct costs	**11,279**	3,934
Finance costs (note 23)	**11,520**	12,437
	22,799	16,371

	2025 AED'000	2024 AED'000
Maturity analysis		
Not later than 1 year	**205,843**	109,864
Later than 1 year and not later than 5 years	**188,098**	174,725
Later than 5 years	**434,842**	360,670
	828,783	645,259
Less: unearned interest	**(210,484)**	(194,878)
	618,299	450,381

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

The carrying amounts of the Group's investments in equity accounted investees at 31 December are as follows:

	2025 AED'000	2024 AED'000
NT Energies	**1,182**	77
Principia SAS	**21,080**	22,818
	22,262	22,895

7 INVESTMENT IN EQUITY ACCOUNTED INVESTEES (continued)

The movements in investment in equity accounted investees are as follows:

	2025 **AED'000**	2024 AED'000
Balance at 1 January	**22,895**	24,134
Share of profit for the year	**2,238**	1,406
Dividend received during the year	**(2,871)**	(2,645)
Balance at 31 December	**22,262**	22,895

During 2023, the Group signed an agreement with France-based company Technip Energies to establish a Joint Venture, NT Energies. The Group owns 51% share in the Joint Venture.

The Group acquired 33% shares of the Principia SAS ("Principia") a Company registered in Marseille, France from IGEN SARL (which owns 16.67% of the share capital of Principia) and GRENERGY SARL (which owns 16.67 % of the share capital of Principia) (together, referred to as "Sellers") in the sale purchase agreement dated 23 June 2016 with effect from 27 July 2016.

The latest available financial information in respect of the Group's equity accounted investees is set out below:

	2025		2024	
	NT Energies **AED'000**	**Principia SAS** **AED'000**	NT Energies AED'000	Principia SAS AED'000
Total assets	**27,526**	**46,699**	-	43,165
Total liabilities	**(24,554)**	**(32,355)**	-	(24,969)
Net assets	**2,972**	**14,344**	-	18,196
Group's share of net assets	**1,516**	**4,781**	-	6,065
Total revenue	**30,641**	**60,362**	-	64,051
Total profit for the year	**2,168**	**3,397**	-	4,219
Group's share in profit	**1,106**	**1,132**	-	1,406

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for the year ended 31 December 2025 (continued)

8 GOODWILL

Acquisition of subsidiary

During the year 2015, the Group acquired 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiary NPCC Engineering Limited, India.

Acquisition date fair values of the identifiable assets and liabilities of the subsidiary were determined as follows:

	AED'000
Fair value of net assets acquired	**12,749**
Goodwill arising on acquisition	**5,057**
Consideration	**7,692**

Impairment testing of goodwill
Goodwill acquired through business combination of AED 5,057 thousand is allocated to individual cash generating units for impairment testing.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. During the year no impairment was noted and recorded on goodwill.

9 INVENTORIES

	2025 **AED'000**	2024 AED'000
Materials, fuel and spare parts	**336,009**	305,268
Less: allowance for slow and obsolete inventories	**(57,935)**	(54,788)
	278,074	250,480

Movement in the allowance for slow moving inventories:

At 1 January	**54,788**	53,405
Charge for the year	**3,147**	1,383
At 31 December	**57,935**	54,788

10 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables	**2,578,480**	2,098,445
Less: allowance for expected credit losses	**(19,567)**	(1,972)
	2,558,913	2,096,473
Advances to suppliers	**2,658,401**	1,947,065
Contract retentions	**823,183**	484,345
Prepayments	**650,077**	374,245
Advances paid to employees	**62,616**	13,008
VAT and GST receivables, net	**21,044**	19,021
Other receivables	**54,954**	98,366
	6,829,188	5,032,523

Included in trade and other receivables are amounts of AED 11,461 thousand (2024: AED 84 thousand) due from entities disclosed in note 20 to the consolidated financial statements.

The average credit period on contract revenue is 45 days (2024: 45 days). No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor 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. None of the trade receivables that have been written off is subject to enforcement activities.

Movement in the allowance for expected credit losses:

	2025 AED'000	2024 AED'000
At 1 January	**1,972**	2,288
Charge/(reversal) for the year	**19,431**	(316)
Written-off during the year	**(1,836)**	-
At 31 December	**19,567**	1,972

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10 TRADE AND OTHER RECEIVABLES (continued)

Ageing of trade receivables

	2025 AED'000	2024 AED'000
1 to 90 days	**2,066,003**	2,027,798
More than 91 days	**492,910**	68,675
	2,558,913	2,096,473

11 CONTRACT ASSETS

	2025 AED'000	2024 AED'000
Construction contracts	**4,449,176**	3,107,603
Less: allowance for expected credit losses	**(36,937)**	(1,501)
	4,412,239	3,106,102

Significant changes in contract assets balance during the year:

	2025 AED'000	2024 AED'000
1 January	**3,107,603**	2,209,210
Add: Revenue recognised during the year from contracts	**18,662,040**	14,440,106
Less: Transfer of contract assets recognised to trade receivables	**(17,320,467)**	(13,541,713)
31 December	**4,449,176**	3,107,603

Invoicing to the client for fixed-price contracts is based on milestones defined in the contracts and therefore, the timing of revenue recognition is different from the timing of invoicing of the contract. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customers.

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11 CONTRACT ASSETS (continued)

Movement in the allowance for expected credit losses:

	2025 AED'000	2024 AED'000
At 1 January	**1,501**	691
Charge for the year	**35,436**	810
At 31 December	**36,937**	1,501

Contract assets are analysed as follows:

	2025 AED'000	2024 AED'000
Signed contracts		
Government of Abu Dhabi and its related entities	**2,135,314**	1,310,954
Other entities	**2,313,862**	1,796,649
	4,449,176	3,107,603

12 CASH AND BANK BALANCES

	2025 AED'000	2024 AED'000
Cash in hand	**781**	487
Cash at banks	**931,480**	1,462,920
Short-term deposits	**3,553,728**	2,752,058
	4,485,989	4,215,465
Less: short-term deposits with maturity more than three months	**-**	(590,722)
Cash and cash equivalents	**4,485,989**	3,624,743

Cash and cash equivalents comprise of short-term deposits having original maturities of three months or less. The deposits, carry interest in the range of 1.3%-5% per annum (2024: 2%-7% per annum).

Included in cash and bank balances are amounts of AED 2,775 million (31 December 2024: AED 2,954 million) held with a related party as disclosed in note 20. 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 jurisdiction. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

13 SHARE CAPITAL

As disclosed in note 1, the share capital of the Company was increased in prior year and the Company's authorised and issued share capital is 5,000,000 thousand shares with a par value of AED 0.50 each as at 31 December 2025 (2024: 5,000,000 thousand shares with a par value of AED 0.50 each);

	2025 AED'000	2024 AED'000
Authorised, issued and paid-up capital	**2,500,000**	2,500,000

14 STATUTORY RESERVE AND RESTRICTED RESERVE

In accordance with the provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, 10% of profit for the year is required to be transferred to the statutory reserve, until such reserve reaches 50% of the issued and fully paid-up capital of the Company. 10% of the current year net profit is accordingly transferred to the statutory reserve. This reserve is not available for distribution.

The statutory reserves of the subsidiaries have been transferred to the restricted reserve as these amounts are not available for distribution.

15 TERM LOAN

	2025 AED'000	2024 AED'000
Non-current portion	**51,419**	315,853
Current portion	**264,434**	264,434
	315,853	580,287

On February 27, 2020, the Company signed a syndicated loan agreement amounting to USD 500 million (AED 1,836 million), carrying effective interest rate of Term SOFR plus 0.90% (2024: Term SOFR plus 0.90%). The total syndicated loan agreement consists of two portions: Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. The outstanding amount of this loan as at 31 December 2025 is USD 86 million (31 December 2024: USD 158 million) which is equivalent to AED 316 million (31 December 2024: AED 580 million). In accordance with the terms of the agreement between the two parties, the loan is repayable in quarterly installments starting from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of 5 vessels of the Company.

The Group has complied with the financial covenants as of the reporting period.

15 TERM LOAN (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2025	2024
	AED'000	AED'000
At 1 January	**580,287**	844,721
Loan repayment	**(264,434)**	(264,434)
At 31 December	**315,853**	580,287

The contractual repayment schedule of the term loan is as follow:

	2025	2024
	AED'000	AED'000
Less than one year	**264,434**	264,434
1 to 3 years	**51,419**	315,853
	315,853	580,287

Movement in term loan:

	2025	2024
	AED'000	AED'000
Balance at 1 January	**580,287**	844,721
Loan repayment	**(264,434)**	(264,434)
Balance at 31 December	**315,853**	580,287

16 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	2025	2024
	AED'000	AED'000
At 1 January	**302,549**	260,343
Charge for the year	**65,185**	63,191
Paid during the year	**(25,146)**	(20,985)
At 31 December	**342,588**	302,549

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

17 TRADE AND OTHER PAYABLES

	2025	2024
	AED'000	AED'000
Job and other accruals	**5,543,007**	4,485,703
Advances received on contracts	**3,748,123**	3,148,175
Trade payables	**1,756,747**	568,942
Provision for employees leave salary	**224,215**	84,268
VAT payables	**216,114**	170,243
Retentions payables	**176,422**	139,980
Provision for board remuneration and employee bonus	**95,967**	71,387
Provision for air fare	**40,488**	42,154
Provision for future losses	**30,181**	11,319
Warranty provision	**19,416**	9,500
Other accruals	**15,953**	8,668
Other payables	**7,579**	4,331
	11,874,212	8,744,670

The average credit period on purchase of goods is 45 days (2024: 45 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit terms.

Included in trade and other payables are amounts of AED 122 million (2024: AED 122 million) due to entities disclosed in note 20 to the consolidated financial statements.

18 CONTRACT LIABILITIES

	2025	2024
	AED'000	AED'000
Construction contracts	**839,865**	937,350

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

19 TAXATION

Corporate Tax and Pillar Two

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("CT Law") to implement a new Federal Corporate Tax ("CT") regime in the UAE.

Generally, UAE businesses will be subject to a 9% CT rate, however a 0% CT rate will be applied to taxable income not exceeding AED 375,000 as well as to certain types of entities, as prescribed by way of a Cabinet Decision.

For the purpose of determining the taxable results for the year, the accounting profit of the Group was adjusted for tax purposes.

On 11 February 2025, the Ministry of Finance (MoF) of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 on the Imposition of Top-Up Tax on Multinational Enterprises (Cabinet Decision), introducing a Domestic Minimum Top-Up Tax (DMTT) on multinational enterprises (MNEs), which is applicable from 1 January 2025. The Group falls within the scope of DMTT based on the applicable revenue threshold.

The Pillar Two regime recently adopted by the United Arab Emirates (UAE), will significantly influence the tax landscape for multinational enterprises. This regime, introduced as part of the OECD's efforts to address base erosion and profit shifting (BEPS), imposes new global minimum tax standards.

The Group calculates income tax expense using the tax rate that would be applicable to the expected total annual earnings. The Group has recognised an additional top-up tax expense to ensure compliance with 15% global minimum effective tax rate.

	2025 AED'000	2024 AED'000
Current income tax		
Current income tax charge – net	**139,738**	151,346
Current income tax – foreign jurisdiction	**45,327**	35,802
Current income tax – Pillar Two	**44,548**	-
Prior year adjustment	**(28,606)**	(13,382)
Total current tax	**201,007**	173,766
Deferred tax		
Deferred tax (reversal)/ charge	**(548)**	548
Total income tax expense recognised in consolidated income statement	**200,459**	174,314

19 TAXATION (continued)

Corporate Tax and Pillar Two (continued)

Tax rates differ between jurisdictions in which the Group operates in. The tax rate applicable in the UAE is 9% (2024: 9%) for taxable profits exceeding AED 375,000. The overall effective tax rate for the Group, including all applicable jurisdictions, is 11% (2024: 11%).

Movement of the income tax payable is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**203,673**	72,618
Charge for the year, net	**200,459**	174,314
Reclassification and offsetting	**(32,469)**	-
Payments during the year	**(98,745)**	(43,259)
At 31 December *	**272,918**	203,673

*Deferred tax liability of AED Nil is included in the income tax payable as at 31 December 2025 (31 December 2024: AED 548 thousand).

The difference between the applicable tax rate and the Group's effective tax rate arises due various adjustments being made in accordance with the corporate tax law which are stated below:

	2025 AED'000	2024 AED'000
Profit before tax	**1,802,582**	1,580,564
At UAE's statutory income tax rate of 9% (2024: 9%)	**162,232**	142,251
Tax effect on taxable dividend from KSA subsidiary	**-**	58,500
Tax effect of application of UAE tax law	**-**	(979)
Tax impact in respect of operations in foreign jurisdictions due to different tax rates*	**6,432**	(21,074)
Pillar Two tax	**44,548**	-
Impact of prior period adjustment	**(28,606)**	(13,382)
Change in deferred tax	**(548)**	-
Others	**16,401**	8,998
Total income tax charge – net	**200,459**	174,314

*The tax results from operations in India, Kuwait, Taiwan and Saudi Arabia and is calculated in accordance with taxation laws in the respective countries.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

19 TAXATION (continued)

Corporate Tax and Pillar Two (continued)

As of year-end, the Group is liable to pay tax in United Arab Emirates, India, Kuwait, Taiwan and Saudi Arabia. The income tax assessments for certain periods are pending finalisation in some countries in which the Group operates. The Group has no significant deferred tax assets or liabilities in the foreign jurisdictions at the reporting date.

Charge for the year is accrued based on the management best estimate of expected future tax liabilities.

The Group estimates the following tax expense and top-up taxes related to Pillar Two for the year ended:

	2025 AED'000	2024 AED'000
Group Corporate Taxes	**155,911**	174,314
Domestic Minimum Top-up Tax	**44,548**	-
Total	**200,459**	174,314

Litigation

The Company has an ongoing tax litigation in India relating to whether a Permanent Establishment existed in India in the fiscal years 2006/07 until 2021/22. The Company has already received several decisions supporting its position including at the Delhi high court where the action of the Indian tax authorities was quashed. The case is currently pending adjudication at the Supreme Court of India.

In the opinion of the Company's tax advisors in India, the chances of the Company winning the litigation in the Supreme Court of India are more likely than not. The tax advisors have estimated the Company's tax liability for this matter in the probable scenario to be approximately AED 44 million including interest up to 31 December 2025. On this basis, an amount of AED 44 million (2024: AED 44 million) is recorded as part of the Group overall tax provision at 31 December 2025.

20 RELATED PARTIES

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with Companies, entities or individuals that fall within the definition of "related parties" as defined in IAS 24 *Related Party Disclosures*. Related parties comprise the Shareholder, key management staff and business entities related to them, companies under common ownership and/or common management and control, their Directors and key management personnel.

Related balances and transactions are disclosed in notes 10, 12, and 17 to the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

20 RELATED PARTIES (continued)

	2025 AED'000	2024 AED'000
Related party transactions		
Material and services purchased	**236,501**	172,659
Sub-contract costs	**884,676**	926,222
Charter of vessel	**81,875**	56,709
Back charge of costs	**243,471**	317,082
Corporate overheads, net	**114,238**	74,640
Interest income	**88,881**	65,425
Share of profit from equity accounted investee	**2,238**	1,406
Dividend received from equity accounted investee	**2,871**	2,645
Dividend paid	**700,000**	750,000
Other (expense)/ income	**(28,606)**	64,286

At the reporting date, balances with related parties were as follows:

	Due from balance		Due to balance	
	2025 ***AED'000***	2024 *AED'000*	**2025** ***AED'000***	2024 *AED'000*
NMDC Group PJSC (NMDC) *	**1,961**	-	-	70,180

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

20 RELATED PARTIES (continued)

*As of the reporting date, balances due from/to a related party are presented on a net basis as a legally enforceable right to set off such amounts exist, and the Management intends to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Due from/to other related parties:	**2025 AED'000**	2024 AED'000
Trade and other receivables	**11,461**	84
Trade and other payables	**122,048**	121,806
Bank balances	**2,774,926**	2,953,913

Compensation of key management personnel is as follows:

	2025 AED'000	2024 AED'000
Salaries and other short-term benefits	**10,213**	8,961
Employees' end of service benefits	**634**	628
	10,847	9,589
Number of key management personnel	**4**	4

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

21 CONTRACTS REVENUE

	2025 AED'000	2024 AED'000
Revenue by project type		
Energy	**18,662,040**	14,440,106
Revenue by activities		
Engineering, procurement and construction	**18,662,040**	14,440,106
Timing of revenue recognition		
Revenue recognised over the period	**18,590,188**	14,440,106
Revenue recognised at point in time	**71,852**	-
	18,662,040	14,440,106
Revenue by customer segments		
Governmental companies	**18,449,723**	13,703,647
Non-Governmental companies	**212,317**	736,459
	18,662,040	14,440,106

Unsatisfied performance obligation

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2025 and 31 December 2024 are as set out below:

	2025 AED'000	2024 AED'000
Within one year	**20,413,000**	18,862,245
More than one year	**19,635,000**	31,542,583
	40,048,000	50,404,828

Other information

The following table provides information relating to the Group's major customers who individually contribute more than 10% of Group revenue:

	2025 AED'000	2024 AED'000
Engineering, procurement and construction		
Customer 1	**12,975,311**	8,262,974
Customer 2	**5,021,746**	5,426,569

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

22 FINANCE INCOME

	2025 AED'000	2024 AED'000
Interest income on bank deposits	**109,116**	117,451

23 FINANCE COSTS

	2025 AED'000	2024 AED'000
Interest expense on term loans	**27,550**	49,458
Interest expense on lease liabilities (note 6)	**11,520**	12,437
	39,070	61,895

24 OTHER INCOME /(EXPENSE), NET

	2025 AED'000	2024 AED'000
Reversal of prior years' accruals	**23,923**	21,524
Income from scrap sales	**20,270**	29,934
Gain on sale of property, plant and equipment	**1,704**	8,323
Reimbursement of expenses*	**(28,606)**	64,286
Allowance for expected credit losses, net (note 10, 11)	**(54,867)**	494
Others	**20,660**	16,509
	(16,916)	141,070

*This represents the reimbursement, by the Parent Company, of income tax payable by the Company on dividends received by the Company from its foreign subsidiary. During the year, the amount recognized represents a partial reversal of the previously recorded reimbursement, based on the final computation of tax and filed tax returns.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

25 PROFIT FOR THE YEAR

	2025 AED'000	2024 AED'000
Profit for the year is stated after:		
Staff costs	**1,763,915**	1,625,808
Depreciation of property, plant and equipment	**244,458**	198,028
Depreciation of right-of-use assets	**172,159**	48,815

26 EARNINGS PER SHARE

Basic earnings per share have been computed by dividing the profit for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
Profit attributable to the shareholders of the Company (AED'000)	**1,600,511**	1,404,104
Weighted average number of ordinary shares ('000) *	**5,000,000**	5,000,000
Earnings per share attributable to the shareholders of the Company (AED)	**0.32**	0.28

*The weighted average number of ordinary shares outstanding for comparative period have been adjusted for the effect of capitalization arising from the issuance of 4,900,000 thousand ordinary shares in the comparative period.

27 DIVIDEND

At the annual general meeting held on 5 March 2025, the shareholders approved a dividend of AED 700,000 thousand, relating to the year 2024 and which was paid during the year.

At the NMDC Group PJSC's Board meeting held on 12 February 2024, the Board approved a dividend of AED 750,000 thousand (and paid in full during the prior period).

28 INTEREST IN JOINT OPERATIONS

The consolidated financial statements include the following amounts as a result of proportionate consolidation of its interests in joint operations:

28 INTEREST IN JOINT OPERATIONS (continued)

	2025 AED'000	2024 AED'000
Total assets	**4,711,545**	3,318,965
Total liabilities	**(3,828,472)**	(3,180,599)
Net assets	**883,073**	138,366
Total revenue	**5,873,233**	3,085,056
Profit for the year	**574,051**	288,365

29 CONTINGENT LIABILITIES AND COMMITMENTS

	2025 AED'000	2024 AED'000
Letters of guarantee	**15,491,629**	13,727,864
Letters of credit	**234,100**	155,832
Capital commitments	**217,210**	143,308
Purchase commitments and contingencies	**5,821,358**	6,185,651

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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30 SEGMENT INFORMATION

Geographical segment information

The Group has aggregated its geographical segments into UAE and International. UAE segment includes projects in the UAE, while international segment includes operations in Kingdom of Saudi Arabia, Bahrain, India, Taiwan and Kuwait.

The following table shows the Group's geographical segment analysis:

			31 December 2025
	UAE AED'000	**International AED'000**	**Group AED'000**
Segment revenue	**13,055,427**	**5,606,613**	**18,662,040**
Segment gross profit	**1,414,152**	**783,674**	**2,197,826**
Other operating expenses	-	-	**(277,222)**
General and administrative expenses	-	-	**(160,447)**
Other expenses, net	-	-	**(16,916)**
Finance income	-	-	**109,116**
Finance costs	-	-	**(39,070)**
Foreign currency exchange loss	-	-	**(12,943)**
Share of results from equity accounted investees	-	-	**2,238**
Income tax expense, net	**(155,132)**	**(45,327)**	**(200,459)**
Profit after tax			**1,602,123**
Total assets	**15,646,901**	**4,769,564**	**20,416,465**
Total liabilities	**11,770,098**	**2,493,637**	**14,263,735**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

30 SEGMENT INFORMATION (continued)

Geographical segment information (continued)

	UAE AED'000	International AED'000	31 December 2024 Group AED'000
Segment revenue	8,691,092	5,749,014	14,440,106
Segment gross profit	932,268	864,469	1,796,737
Other operating expenses	-	-	(272,842)
General and administrative expenses	-	-	(122,828)
Other income, net	-	-	141,070
Finance income	-	-	117,451
Finance costs	-	-	(61,895)
Foreign currency exchange loss	-	-	(18,535)
Share of results from equity accounted investees	-	-	1,406
Income tax expense, net	(138,512)	(35,802)	(174,314)
Profit after tax			1,406,250
Total assets	11,905,699	4,629,091	16,534,790
Total liabilities	7,641,011	3,674,676	11,315,687

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

31 Capital management

The primary objective of the Group's capital risk management activities is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using a leverage ratio, which is net debt divided by total capital defined as equity plus net debt. The capital structure of the Group consists of debt, which includes term loan, cash and cash equivalents and equity comprising share capital, statutory reserve and retained earnings.

The gearing ratio, determined as net debt to equity, at the year end was as follows:

	2025 AED'000	2024 AED'000
Term loan (note 15)	**315,853**	580,287
Cash and bank balances (note 12)	**(4,485,989)**	(4,215,465)
Net debt	**(4,170,136)**	(3,635,178)
Equity	**6,152,730**	5,219,103
Net debt to equity ratio	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

32 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), commercial and credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group undertakes significant number of transactions denominated in foreign currencies including US Dollar, Sterling Pound, Euro, Indian Rupees, Kuwait Dinar, Taiwan Dollar and Saudi Riyal. Hence, exposures to exchange rate fluctuations arise.

The Group is primarily exposed to exchange rate fluctuations related to the Euro and Sterling Pound denominated as assets and liabilities. Other currencies are pegged to AED, and hence no currency fluctuation risks exist for them.

The carrying amounts of the Group's Euro, Sterling Pound and Kuwait Dinar denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	2025	2024	**2025**	2024
	AED'000	AED'000	**AED'000**	AED'000
Euro	**742,106**	841,275	**1,467,967**	628,562
Sterling pound	**14,656**	14,656	**68,279**	35,790
Kuwait Dinar	**-**	-	**20,123**	-

Based on the sensitivity analysis to a 5% increase/decrease in the AED against the relevant foreign currencies (assumed outstanding for the full year):

(a) there is AED 36,293 thousand (2024: AED 10,636 thousand) net revaluation gain/loss on the Euro outstanding balances.

(b) there is AED 2,681 thousand (2024: AED 1,057 thousand) net revaluation gain/loss on the Sterling Pound outstanding balances.

(c) there is AED 1,006 thousand (2024: AED Nil) net revaluation gain/loss on the Kuwait Dinar outstanding balances.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

32 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rates on loans had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would decrease/increase by AED 1.6 million (2024: decrease/increase by AED 2.9 million).

The Group's sensitivity to interest rates has decreased during the current year mainly due to the decrease in variable interest-bearing deposits and borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months Term SOFR (2024: 3 months Term SOFR) rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

32 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate swap contracts (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year of AED 157,927 thousand (31 December 2024: AED 290,144 thousand):

2025			**USD'000**	**AED'000**
Instrument I: outstanding receive Floating, pay fixed	USD SOFR 3M	0.8%	**2,210**	**8,118**
2024				
Instrument I: outstanding receive Floating, pay fixed	USD SOFR 3M	0.8%	3,283	12,056

Fair value represents the amount at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book value under the historical cost method and fair value estimates.

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) the carrying amounts approximate to their fair value. This applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

Forward foreign exchange contracts
It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

32 Financial instruments (continued)

Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Forward foreign exchange contracts (continued)
The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	**Notional value AED'000**	**Fair value AED'000**	**Fair value changes AED'000**
2025				
Forward contract	**EUR, GBP & JPY**	**353,663**	**365,088**	**11,425**
2024				
Forward contract	EUR, GBP & JPY	559,390	532,793	(26,597)

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, due from group companies and committed transactions. Management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Individual risk limits are based on management's assessment on a case-by-case basis.

The Group's policy is to place cash and cash equivalents and term deposits with reputable banks, financial institutions, and its Parent Company and the Group's management does not expect any losses from non-performance of its counterparties as it believes that adequate allowance has been created against the impaired receivables.

The Group's trade receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount of the trade receivables as disclosed in note 10.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of probability of default in respect of trade and other receivables.

32 Financial instruments (continued)

Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on contractual repayment arrangements were as follows:

	Less than 1 year AED'000	1 – 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2025				
Trade and other payables*	**7,860,378**	**-**	**-**	**7,860,378**
Lease liabilities	**205,843**	**188,098**	**434,842**	**828,783**
Term loans	**264,434**	**63,468**	**-**	**327,902**
	8,330,655	**251,566**	**434,842**	**9,017,063**
At 31 December 2024				
Trade and other payables*	5,405,433	-	-	5,405,433
Lease liabilities	109,864	174,725	360,670	645,259
Term loans	264,434	331,041	-	595,475
Due to a related party	70,180	-	-	70,180
	5,849,911	505,766	360,670	6,716,347

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

Fair value of financial instruments

Management considers that the fair values of its financial assets and financial liabilities that are not measured at fair value approximate to their carrying amounts as stated in the consolidated statement of financial position.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2025 (continued)

33 Financial instruments by category

	2025 AED'000	2024 AED'000
Financial assets		
Cash and bank balances	**4,485,989**	4,215,465
Contract assets	**4,412,239**	3,106,102
Trade and other receivables (excluding prepaid expenses)	**6,179,111**	4,658,278
Due from a related party	**1,961**	-
	15,079,300	11,979,845
Financial liabilities		
Trade and other payables*	**7,860,378**	5,405,433
Lease liabilities	**618,299**	450,381
Term loans	**315,853**	580,287
Due to a related party	**-**	70,180
	8,794,530	6,506,281

*Trade and other payables exclude advances received on contracts, warranty provision, provision for future losses and VAT payable.

34 SUBSEQUENT EVENT

Proposed dividend
During the meeting held on 2 February 2026, the Board of Directors proposed a dividend of AED 800,000 thousand (32% of the Company's share capital) representing AED 0.16 per share for the year ended 31 December 2025.

35 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorised for issue on 2 February 2026.