NMDC GROUP PJSC

Reports and consolidated financial statements for the year ended 31 December 2025

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NMDC GROUP 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 Group 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 contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. The Group also operates in other geographies including Saudi Arabia, Taiwan, Egypt, Bahrain and India through its subsidiaries, branches and joint operations.

Results and appropriation of profits

The Group's revenue for the year was AED 28,811 million (2024: AED 26,264 million) and net profit after tax of AED 4,002 million (2024: AED 3,108 million). Profit attributable to the shareholders of the Company amounted to AED 3,626 million (2024: AED 2,960 million). The movement in the retained earnings for the year was:

	AED '000
At 1 January 2025	**9,346,417**
Profit for the year attributable to the Owners of the Company	**3,625,680**
Dividend paid	**(700,835)**
At 31 December 2025	**12,271,262**

Directors

The Directors of the Company are as follows:

H.E. Mohamed Thani Murshed Alrumaithi	Chairman
H.E. Mohamed Ibrahim Mohamed Ibrahim Alhammadi	Vice chairman
Dr. Aaesha Ali Hashem	Member
Mr. Abdul Ghaffar Abdul Khaleq Abdulla Alkhoori	Member
Eng. Hamad Salem Mohamed Binlouteya Alameri	Member
Mr. Yaser Saeed Ahmed Omran Almazrouei	Member
Mr. Abdulla Mohamed Ahmed Desmal Alsuwaidi	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.

Approval

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 4 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 Thani Murshed Alrumaithi
Chairman

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of NMDC Group 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 other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NMDC GROUP 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 28,811 million during the year ended 31 December 2025. Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. The Group's business involves entering into contractual relationships with customers to provide a range of services with a significant proportion of the Group's revenue and profit derived from long term contracts. Revenue is quantitatively significant to the consolidated financial statements and requires management to apply significant judgements and make significant estimates when determining the amount of revenue to be recognised. The significant judgements applied and estimates made in applying the Group's revenue recognition policies to long-term contracts entered into by the Group include determining the stage of completion, the timing of revenue recognition and the calculation of the percentage of completion. The nature of these judgements results in them being susceptible to management override with a consequential impact of revenue being recognised in an incorrect period. Consequently, we considered revenue recognition to be a key audit matter. Management has also recognised contract assets of AED 6,062 million and contract liabilities of AED 4,417 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. 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.	We performed the following procedures, inter alia, in respect of revenue recognition: • We obtained an understanding of the business process flow and performed walkthroughs to understand the key processes and identify key controls; • We assessed the key controls over revenue to determine if they had been designed and implemented appropriately and tested these controls to determine if they had been operating effectively throughout the year; • We performed audit procedures which included inspecting a sample of contracts, reviewing for variation orders, retrospectively reviewing estimated profit and costs to complete and enquiring of key personnel regarding potential contract losses; • For material contracts identified, we reviewed the contract terms and verified assumptions made in determining the amount of revenue to be recognised, including consideration of discounts, performance penalties and other cost implications of the contract; • We performed analytical procedures by comparing the gross margins for the projects to the prior year. If we identified an unexpected margin, we carried out more focused testing on those projects; • We reperformed the mathematical accuracy of the calculations used to determine revenue recognised under the percentage of completion method; • We reconciled the list of the actual cost for the current year to the total cost of project under the percentage of completion; • We performed test of details for the actual costs related to the contracts; and • We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and is in accordance with the Group's accounting policy and the requirements of IFRS Accounting Standards;

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter

Revenue recognition(continued)	• We performed the following procedures in respect of contract assets:
	  ◦ We agreed the amount of contract assets reported in the consolidated statement of financial position to a report prepared by management; and
	  ◦ We recalculated, on a sample basis, the amount of the contract asset recorded with reference to the underlying contracts with customers and the work performed.
	• We performed the following procedures in respect of contract liabilities:
	  ◦ We agreed the amount of contract liabilities reported in the consolidated statement of financial position to a report prepared by management; and
	  ◦ We recalculated, on a sample basis, the amount of the contract liability recorded with reference to the underlying contracts with customers and the cash amounts received.
	• 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 revenue recognition against the requirements of IFRS Accounting Standards.

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Carrying amount of trade and retention receivables and contract assets Gross trade and retention receivables and contract assets as at 31 December 2025 were AED 11,868 million and AED 6,123 million respectively, against which expected credit loss ("ECL") allowances of AED 125million and AED 61 million, respectively, were recorded. These assets represent 45.3% of the total assets presented in the consolidated statement of financial position and include balances of AED 3,504 million which had been outstanding for more than 180 days from the reporting date. Further, contract assets include AED 685 million which represents revenue recognised based on unsigned or verbal contracts. The Group assesses at each reporting date whether the financial assets carried at amortised cost are credit-impaired. Management has applied the simplified approach for measurement of ECL allowances relating to trade receivables and contract assets whereby the ECL allowance is measured at an amount equal to lifetime expected credit losses. The ECL model involves the use of various assumptions, macro-economic factors and study of historical trends relating to the Group's trade collections experience. Management applies significant judgement and makes significant estimates when determining how much to record as the ECL allowance. Consequently, together with the significant delays in collecting trade receivables, we have considered the carrying amount of trade receivables and contract assets to be a key audit matter. The Group's disclosures relating to this matter are included in notes 3 and 4 to the consolidated financial statements.	We performed the following procedures in relation to the allowance for ECL: • We obtained an understanding of the process of measurement of the allowance for ECL and identified the key controls in this process; • We assessed these controls to determine if they had been designed and implemented appropriately; • We compared the ECL model developed by management against the requirements of IFRS Accounting Standards and reviewed the methodology against accepted best practice; • We reperformed the arithmetical accuracy of the model; • We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also considered the incorporation of forward-looking factors to reflect the impact of future events on expected credit losses; • We agreed the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and • We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

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Other Information

The Board of Directors are 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 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.

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.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NMDC GROUP PJSC (CONTINUED)

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

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.

We communicate with the 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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NMDC GROUP PJSC (CONTINUED)

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, and the Company's Articles of Association;
- 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;
- investments in shares and stocks are included in notes 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2025;
- note 32 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- Notes 1 and 28 to the consolidated financial statements disclose that the Group has made social contributions during the financial year ended 31 December 2025; 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 financial position as at 31 December 2025.

Deloitte & Touche (M.E.)



Faeza Sohawon
Registration Number 5508
5 February 2026
Abu Dhabi
United Arab Emirates

Consolidated statement of financial position as at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	**7,380,670**	6,799,058
Investment properties	**7**	**322,000**	322,000
Right-of-use assets	**8**	**664,262**	478,609
Goodwill	**9**	**154,303**	5,057
Investments in equity accounted investees	**10**	**575,581**	507,120
Deferred tax assets	**23**	**3,281**	3,751
Retention receivables		**1,186,239**	1,139,988
Total non-current assets		**10,286,336**	9,255,583
Current assets			
Inventories	**12**	**885,896**	718,482
Trade and other receivables	**13**	**16,750,473**	13,060,295
Contract assets	**14**	**6,061,850**	4,518,985
Financial assets at fair value through profit or loss	**11**	**700,682**	640,857
Derivative financial assets	**35**	**19,543**	12,056
Cash and bank balances	**15**	**4,979,659**	4,993,493
Total current assets		**29,398,103**	23,944,168
Total assets		**39,684,439**	33,199,751

Consolidated statement of financial position as at 31 December 2025 (continued)

	Notes	2025 AED'000	2024 AED'000
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**844,379**	844,379
Share premium	17	**605,421**	605,421
Merger reserve	18	**765,000**	765,000
Other reserves	19	**(92,686)**	(141,186)
Retained earnings		**12,271,262**	9,346,417
Equity attributable to the shareholders of the Company		**14,393,376**	11,420,031
Non-controlling interests	30	**1,487,983**	1,205,088
Net equity		**15,881,359**	12,625,119
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	20	**590,842**	507,577
Borrowings	16	**468,940**	735,700
Deferred tax liabilities	23	**-**	16,120
Derivative financial liabilities	35	**-**	15,222
Lease liabilities	8	**475,697**	394,591
Total non-current liabilities		**1,535,479**	1,669,210
Current liabilities			
Trade and other payables	21	**16,515,130**	14,045,318
Contract liabilities	22	**4,417,079**	4,060,865
Derivative financial liabilities	35	**-**	11,375
Income tax payable	23	**652,899**	358,114
Borrowings	16	**480,270**	342,346
Lease liabilities	8	**202,223**	87,404
Total current liabilities		**22,267,601**	18,905,422
Total liabilities		**23,803,080**	20,574,632
Total equity and liabilities		**39,684,439**	33,199,751

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

Mohamed Thani Murshed Alrumaithi	**Yasser Nasr Zaghloul**	**Sreemont Prasad Barua**
Chairman	Group Chief Executive Officer	Group Chief Financial Officer

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

Consolidated statement of profit or loss
for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Revenue from contracts with customers	24	**28,811,179**	26,263,949
Contract costs		**(24,022,959)**	(22,647,366)
Gross profit		**4,788,220**	3,616,583
Share of net results of equity account investees, net	10	**67,974**	37,104
General and administrative expenses		**(397,934)**	(338,954)
Finance income	25	**151,256**	176,956
Finance costs	26	**(100,969)**	(270,054)
Foreign currency exchange loss		**(64,930)**	(55,979)
Fair value gain on financial assets at fair value through profit or loss	11	**62,276**	179,107
Other income, net	27	**66,879**	113,965
Profit before tax		**4,572,772**	3,458,728
Income tax expenses	23	**(571,115)**	(350,393)
Profit for the year	28	**4,001,657**	3,108,335
Profit attributable to:			
Shareholders of the Company		**3,625,680**	2,960,352
Non-controlling interests	30	**375,977**	147,983
Profit for the year		**4,001,657**	3,108,335
Basic and diluted earnings per share (in AED) attributable to equity holders of the Company	29	**4.29**	3.55

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

Consolidated statement of comprehensive income for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Profit for the year		**4,001,657**	3,108,335
Other comprehensive income			
Items that may be subsequently reclassified to the consolidated statement of profit or loss in subsequent periods:			
Fair value gain/(loss) arising on hedging instruments during the year		**34,749**	(29,353)
Exchange differences arising on translation of foreign operations		**20,975**	(162,852)
Other comprehensive income/(loss) for the year		**55,724**	(192,205)
Total comprehensive income for the year		**4,057,381**	2,916,130
Profit attributable to:			
Shareholders of the Company		**3,674,180**	2,776,926
Non-controlling interests	**30**	**383,201**	139,204
Total comprehensive income for the year		**4,057,381**	2,916,130

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

Consolidated statement of changes in equity for the year ended 31 December 2025

	Share capital AED'000	Share premium AED'000	Merger reserve AED'000	Other reserves (Note 19) AED'000	Retained earnings AED'000	Equity attributable to the shareholders of the Company AED'000	Non-controlling interest AED'000	Net equity AED'000
At 1 January 2024	825,000	-	765,000	33,303	6,976,897	8,600,200	3,915	8,604,115
Profit for the year	-	-	-	-	2,960,352	2,960,352	147,983	3,108,335
Other comprehensive loss	-	-	-	(183,426)	-	(183,426)	(8,779)	(192,205)
Total comprehensive income for the year	-	-	-	(183,426)	2,960,352	2,776,926	139,204	2,916,130
Dividend paid (note 31)	-	-	-	-	(2,618,750)	(2,618,750)	-	(2,618,750)
Addition during the year (note 17)	19,379	605,421	-	-		624,800	-	624,800
Partial disposal of investment in subsidiary (note 1)	-	-	-	(753)	2,037,608	2,036,855	1,061,969	3,098,824
Transfer to legal reserve (note 19)	-	-	-	9,690	(9,690)	-	-	-
At 1 January 2025	844,379	605,421	765,000	(141,186)	9,346,417	11,420,031	1,205,088	12,625,119
Profit for the year	-	-	-	-	3,625,680	3,625,680	375,977	4,001,657
Other comprehensive income	-	-	-	48,500	-	48,500	7,224	55,724
Total comprehensive income for the year	-	-	-	48,500	3,625,680	3,674,180	383,201	4,057,381
Dividend paid (note 31)	-	-	-	-	(700,835)	(700,835)	(161,000)	(861,835)
Acquisition of a subsidiary (note 5)	-	-	-	-	-	-	60,694	60,694
At 31 December 2025	**844,379**	**605,421**	**765,000**	**(92,686)**	**12,271,262**	**14,393,376**	**1,487,983**	**15,881,359**

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

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit before tax		**4,572,772**	3,458,728
Adjustments for:			
Depreciation of property, plant and equipment	**6**	**890,941**	582,991
Depreciation of right-of-use assets	**8**	**180,574**	51,181
Loss/(gain) on disposal of property, plant and equipment	**27**	**605**	(5,901)
Fair value gain on financial assets at fair value through profit or loss	**11**	**(62,276)**	(179,107)
Gain on disposal of on financial assets at fair value through profit or loss		**(185)**	-
Provision for slow moving and obsolete inventories	**12**	**3,244**	1,383
Share of net results of equity accounted investees	**10**	**(67,974)**	(37,104)
Provision for expected credit losses		**69,942**	52,207
Provision for onerous contracts		**-**	58,512
Finance income		**(151,256)**	(176,956)
Finance costs		**112,355**	273,987
Provision for employees' end of service benefits	**20**	**103,281**	91,092
		5,652,023	4,171,013
Income tax paid	**23**	**(264,793)**	(56,501)
Employees' end of service benefit paid	**20**	**(42,088)**	(24,867)
Operating cash flows before movement in working capital		**5,345,142**	4,089,645
Change in inventories		**(142,071)**	(121,186)
Change in trade and other receivables		**(3,532,115)**	(8,782,125)
Change in contract assets		**(1,412,579)**	112,117
Change in contract liabilities		**356,214**	3,581,035
Change in trade and other payables		**2,139,831**	4,455,855
Net cash generated from operating activities		**2,754,422**	3,335,341

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

Consolidated statement of cash flows for the year ended 31 December 2025 (continued)

	Notes	2025 AED'000	2024 AED'000
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	**6**	**(1,416,936)**	(1,621,999)
Acquisition of a subsidiary	**5**	**(200,720)**	-
Proceeds from disposal of property, plant and equipment		**2,518**	8,454
Proceeds from disposal of financial assets at fair value through profit or loss		**2,636**	-
Dividend received from equity accounted investees	**10**	**2,871**	2,645
Movement in term deposit with original maturity more than three months	**15**	**576,623**	(88,807)
Net movement in restricted cash	**15**	**(14,000)**	-
Interest received		**151,256**	176,956
Proceeds from partial disposal of interest in subsidiary, net		**-**	2,819,531
Net cash (used in)/generated from investing activities		**(895,752)**	1,296,780
Cash flows from financing activities			
Receipt from term loans	**16**	**246,243**	-
Repayment of term loans	**16**	**(431,556)**	(342,346)
Repayment of lease liabilities	**8**	**(191,762)**	(76,115)
Dividends paid		**(861,835)**	(2,618,750)
Interest paid		**(89,089)**	(256,507)
Net cash used in financing activities		**(1,327,999)**	(3,293,718)
Net increase in cash and cash equivalents		**530,671**	1,338,403
Cash and cash equivalents at 1 January		**4,389,148**	3,215,394
Effect of foreign exchange rate changes		**18,118**	(164,649)
Cash and cash equivalents at 31 December	**15**	**4,937,937**	4,389,148
Non-cash transactions			
Issuance of new shares	**17**	**-**	19,379
Acquisition of investment properties (land)	**7 & 32**	**-**	282,000
Acquisition of property, plant and equipment	**6 & 17**	**-**	624,800
Additional contribution in equity accounted investee	**10**	**-**	199,026

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

Notes to the consolidated financial statements for the year ended 31 December 2025

1 General information

NMDC Group PJSC ("NMDC" or the "Company") is a public shareholding Company incorporated in the Emirate of Abu Dhabi. The Company was incorporated 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. 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 and its subsidiaries, joint venture and branches (collectively referred to as the "Group"), details of which are set out below.

During 2020, the Company's shareholders accepted an offer from Abu Dhabi Development Holding Company ("ADQ") (an existing shareholder and an entity fully owned by the Government of Abu Dhabi) and other minority shareholders of National Petroleum Construction Company PJSC ("NPCC"), to acquire 100% of the shareholding of NPCC, in exchange for the issuance of 575,000,000 equity shares in the Company to ADQ and the other shareholders of NPCC. This transaction received regulatory approvals on 11 February 2022, and consequently, the Company's share capital stands increased to AED 825,000,000 from that date. As a result of this transaction, the Government of Abu Dhabi became the majority holder of the Company's shares. Subsequently, in May 2022, out of its total shareholding of 58.48% in the Company, ADQ transferred 44.2% to entities in the Alpha Dhabi Holding PJSC ("Alpha") group, a subsidiary of International Holding Company. With this transaction and along with its previous equity shareholding in the Company, Alpha became the majority shareholder of the Company.

The Group is primarily engaged in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. The Group also operates in other geographies including Saudi Arabia, Taiwan, Egypt, Bahrain and India through its subsidiaries, branches and joint operations.

During the year ended 31 December 2025, the Group has made social contributions amounting to AED 11.3 million (2024: AED 22.9 million) (note 28).

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, branches, joint venture, associates and joint operations:

Name	*Country of incorporation*	*Percentage holding 2025*	*2024*	*Principal activities*
Subsidiaries of NMDC				
NMDC Energy PJSC	UAE	**77%****	77%**	Engineering Procurement and Construction.
Emarat Europe Fast Building Technology System Factory L.L.C. (Emarat Europe)	UAE	**100%**	100%	Manufacturing and supply of precast concrete.
NMDC INFRA - L.L.C - O.P.C (formerly "Emarat Europe General Contracting LLC OPC")	UAE	**100%**	-	General contracting and construction
National Marine Dredging Company (Industrial)	UAE	**100%**	100%	Manufacturing of steel pipes and steel pipe fittings and holding 1% investment in the Group's subsidiaries to comply with local regulations.
ADEC Engineering Consultancy L.L.C.	UAE	**100%**	100%	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.
Abu Dhabi Marine Dredging Co S.P.C.	Bahrain	**100%**	100%	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.
Al Jarafat Al Bahriye	Saudi Arabia	**100%**	100%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine and Infrastructure India Private Limited	India	**100%**	100%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
NMDC LTS - L.L.C - S.P.C	UAE	**100%**	100%	Construction, transportation, and logistics services. Including renting heavy machinery, vehicles, ships, and equipment, along with warehousing, water distribution, waste transport, and dry dock management. Additionally, marine operations, labor accommodation, and lifting/loading services for industrial and commercial purposes.
NMDC SPC	Oman	**100%**	-	Marine services
Subsidiary of NMDC LTS - L.L.C - S.P.C * **				
EMDAD LLC	UAE	**70%**	-	Oil and gas industrial related services
Subsidiaries of EMDAD LLC				
EMDAD Services LLC	UAE	**70%**	-	Oil and gas industrial related services
EMDAD Energy Industries LLC	UAE	**70%**	-	Oil and gas industrial related services
Intergulf General Contracting LLC	UAE	**70%**	-	Oil and gas industrial related services
EMJEL Oilfield Services LLC	UAE	**70%**	-	Oil and gas industrial related services

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

1 General information (continued)

Name	*Country of incorporation*	*Percentage holding 2025*	*2024*	*Principal activities*
Subsidiaries of NMDC Energy PJSC				
NMDC Energy Saudi Limited.	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
Branches of NMDC Group PJSC				
National Marine Dredging Company	Egypt	Branch	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Maldives	Branch	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Abu Dhabi	Branch	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
National Marine Dredging Company	Dubai	Branch	Branch	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
Branch of NMDC Energy PJSC				
NMDC Energy	Taiwan	Branch	-	Engineering, Procurement and Construction
Branch of NPCC Engineering Limited				
NPCC Engineering PVT. Limited	Abu Dhabi	Branch	Branch	Engineering.
Subsidiary of Emarat Europe				
Emarat Europe General Contracting - L.L.C - O.P.C	UAE	-	100%	General contracting and construction

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

1 General information (continued)

Name	*Country of incorporation*	*Percentage holding 2025*	*2024*	*Principal activities*
Joint Venture				
The Challenge Egyptian Emirates Marine Dredging Company	Egypt	**49%**	49%	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.
NT Energies L.L.C	UAE	**51%**	51%	Engineering and Consultancy
Associates				
Principia SAS	France	**33.33%**	33.33%	Onshore and offshore oil and gas fields and facilities services; and Engineering consultancy.
Safeen Survey and Subsea Services LLC	UAE	**49%**	49%	Marine services related to oil industries.
Joint Operations of NMDC Energy				
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 JV- Ruwais LNG		**20%**	20%	Engineering, Procurement and Construction.

*Dormant entities

**During the financial year 2024, the Group diluted 23% of the shareholding of its subsidiary, NMDC Energy PJSC, through Initial Public Offering (IPO). The shares were allotted and the listing procedures were completed on 11 September 2024.

As per IFRS, the transaction was accounted for as change in ownership interest in a subsidiary without loss of control and treated as equity transaction. Thus, the Group continues to consolidate NMDC Energy PJSC, and the changes in ownership interest were reflected in the equity through the transfer of corresponding net assets value to the non-controlling interest.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

1 General information (continued)

Reduction in shareholding (%)	23%

	AED'000
Consideration	3,103,000
Less: carrying value of the shareholding disposed-off	(1,061,970)
Less: transaction costs paid	(4,175)
Difference recognised in retained earnings and other reserves	**2,036,855**

Consideration included certain plots of land located in Abu Dhabi, United Arab Emirates recognised at AED 282 million in exchange for equity shares. During the financial year 2024, land ownership transferred to the name of the Company.

*** During the year, the NMDC Group through it subsidiary, NMDC LTS-L.L.C S.P.C, acquired 70% of interest in EMDAD LLC, a limited liability company registered in Abu Dhabi. Refer to note 5 for further details.

2 Application of new and revised 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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

2.2 New and revised IFRS 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 condensed interim financial statements • improve aggregation and disaggregation.	
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.	

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 Application of new and revised 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 (continued) 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.	1 January 2027
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.	1 January 2026
Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 Application of new and revised 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
Annual improvements to IFRS Accounting Standards — Volume 11 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	1 January 2026
IFRS Sustainability Disclosure Standards	
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, which 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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and applicable provisions of the Federal Decree law no 32 of 2021, as amended.

Functional and presentation currency

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.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets at fair value through profit or loss, that have been measured at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not it’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring 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.

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 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.

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the consolidated statement of profit or loss as incurred.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except:

- Deferred tax assets or liabilities in accordance with IAS 12;
- Assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 19;
- Liabilities or equity instruments related to share-based payment arrangements measured in accordance with IFRS 2; and
- Assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), then the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognised in the consolidated statement of profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Business combinations (continued)

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Business combinations under common control

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Group are accounted for using the pooling of interest method at the date of transfer. Such transactions are presented without restatement of prior periods and are outside the scope of IFRS 3. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity at the transfer date. The components of equity of the acquired entities are added to the same components within Group equity, except those which are eliminated on consolidation. Any difference between the consideration paid and capital of the acquiree is recognised directly in merger reserve.

Revenue recognition

IFRS 15 establishes a five-step model that applies to revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The five steps are:

Step 1 Identify contract(s) with a customer;
Step 2 Identify performance obligations in the contract;
Step 3 Determine the transaction price;
Step 4 Allocate the transaction price to the performance obligations in the contract; and
Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Revenue recognition (continued)

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described above. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Contract revenue

Contract revenue comprises revenue from execution of contracts relating to lump-sum engineering, procurement and construction project services, dredging activities and associated land reclamation works. 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.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

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.

Significant financing component

For lump sum engineering, construction and procurement projects, 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. For other contracts generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Variation orders and claims

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.

Liquidated damages and penalties

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.

Cost to obtain and costs to fulfil a contract

The Group applied the practical expedient to immediately expense contract acquisition costs when the asset that would have resulted from capitalising such costs would have been amortised within one year or less. The Group does not incur any costs to obtain a contract and costs to fulfil a contract that are eligible for capitalisation.

Other income

Sale of scrap
Income from the sale of scrap is recognized at the time customers take delivery and risk and rewards are transferred to customers as per agreed terms and conditions.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Other income (continued)

Dividend income
Dividend income is recognised in the consolidated statement of profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Insurance claim
Insurance claims is recognised in the consolidated statement of profit or loss on the date the Group receives the claim value.

Finance income
Finance income comprises interest income on bank deposits. Interest income is recognised as it accrues in the consolidated statement of profit or loss.

Property, plant and equipment

Include Recognition and measurement
Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfer from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency for purchase of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Vessel overhaul and dry-docking costs are capitalised as a separate component of dredgers when incurred. The costs of day to day servicing of property, plant and equipment are recognised in the consolidated statement of profit or loss as incurred.

Depreciation
Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Vessel overhaul and dry docking costs are depreciated over the period up to next dry-docking, which is generally four years. The estimated useful lives for other items of property, plant and equipment for the current and comparative years are as follows:

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Property, plant and equipment (continued)

Depreciation (continued)

	Years
Building and base facilities	25
Dredgers	5 - 30
Barges, support vessels, plant, pipelines and vehicles	1 - 40
Office equipment and furniture	3 - 5

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.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Capital work in progress
The Group capitalises all costs relating to the construction of tangible fixed assets as capital work-in-progress, up to the date of completion of the asset. Such costs are transferred from capital work-in-progress to the appropriate asset category upon completion, and are depreciated over their estimated useful economic lives from the date of such completion.

Derecognition
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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Insurance claim proceeds, if any, against an insured item of property, plant and equipment are recognised in “other income” in profit or loss.

Investment properties

Investment properties, which is property held to earn rental income and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Land is not depreciated.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Investments in associates and joint ventures (continued)

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.

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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Investments in associates and joint ventures (continued)

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).

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 operations; and
- its expenses, including its share of any expenses incurred jointly.

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

When a Group entity transacts with a joint operation in which a group entity is a joint operator (such a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operations, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of asset), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Inventories

Inventories comprise stores and consumable spares and are measured at the lower of cost and net realisable value. The costs of inventories are based on the weighted average method, and include expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Provision for slow moving and obsolete inventories is established based on expected usage as assessed by management.

Employee 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 reporting period.

Provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law and other applicable laws as per the jurisdictions of the relevant subsidiaries, for their period of service up to the end of the reporting period.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to the consolidated statement of profit or loss when the qualifying asset affects it. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

Equity-settled share-based payments

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Foreign currencies

Transactions in foreign currencies are translated to AED at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to AED at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in AED at the beginning of the year, adjusted for effective interest and payments during the period and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are retranslated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to AED at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in the consolidated statement of profit or loss, except for the exchange differences arising on the retranslation of equity instruments at fair value through OCI and qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into AED using exchange rates prevailing at the end of each reporting period. 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 dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserves.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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)

Provisions (continued)

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, to settle the Group's obligation based on past experience of the Group.

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 15. 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.

Leases

The Group as a 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

3 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated 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 consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘Property 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 consolidated statement of profit or loss.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

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

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets 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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortised cost and effective interest method (continued)

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" (note 25).

(ii) Debt instruments classified as at FVTOCI

The corporate bonds are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not being reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(iii) Equity instruments designated as at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' 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 and 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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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 at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument,
  e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the 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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. 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, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

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. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or 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.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables and due to related parties, classified as 'financial liabilities', are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

The Group enters into derivative financial instruments to manage exposure to variable interest rate fluctuations. Further details of derivative financial instruments are disclosed in note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in consolidated statement of profit or loss depends on the nature of the hedging 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 a legally enforceable 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 due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

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

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Hedge accounting (continued)

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.

Note 35 sets out details of the fair values of the derivative instruments used for hedging purposes.

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 consolidated statement of 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 consolidated statement of profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to consolidated statement of profit or loss in the periods when the hedged item affects consolidated statement of 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 consolidated statement of 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 consolidated statement of profit or loss.

3 Material accounting policy information (continued)

Hedge accounting (continued)

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 consolidated statement of comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to consolidated statement of profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to consolidated statement of profit or loss.

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in 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 parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

Taxation (continued)

Deferred tax (continued)

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.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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. The significant judgments and estimate made by management are summarised as follows:

4.1 Critical judgments in applying the Group's accounting policies

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

Revenue recognition

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

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

Contract variations

Contract variations are recognised as revenue only to the extent that the Group is confident of realising the economic benefits of the variation in accordance with its interpretation of the underlying circumstances. The Group considers prior experience, application of contract terms and the relationship with the customers in making its judgement.

Contract claims

Contract claims are recognised as revenue only when the Group is confident of realising the economic benefits of the claim in accordance with its assessment of the underlying circumstances. The Group reviews judgments related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

4.1 Critical judgments in applying the Group's accounting policies (continued)

Determining whether unsigned (verbal) agreements meet the definition of contract under IFRS 15

Certain projects for the Government of Abu Dhabi, its departments or related parties, and for customers in Egypt, are executed on the basis of verbally agreed terms (including estimates of total project cost and timelines) in line with the Group's historical business practice. Management has determined such unsigned verbal agreements meet the definition of a 'contract with customer' under IFRS 15 on the basis of external legal opinions. Based on legal opinions, management considers such unsigned verbal agreements to meet the definition of a 'contract with customer' under IFRS 15 since the Group and the customer agree upon the essential elements of a contract and any other lawful conditions, though matters of detail are left to be agreed upon at a later date, and the contract is deemed to be made and binding even in the absence of agreement on these matter of detail. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997 a contract can be oral or written and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties.

Joint arrangement

When assessing joint control, the Group considers 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.

Merger reserve

Judgment is needed to determine whether a financial instrument, or its component parts, on initial recognition is classified as a financial liability, a financial asset or an equity instrument in accordance with IAS 32. In making its judgment, the Group considered, in particular, whether the instrument includes a contractual obligation to deliver cash or another financial asset to another entity and whether it may be settled in the Group's own equity instrument. Accordingly, it was concluded that merger reserve should be part of equity.

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

Contract revenue

Revenue from construction contracts is recognised in the consolidated statement of profit or loss when the outcome of the contract can be reliably estimated. The measurement of contract revenue is affected by a variety of uncertainties (including cost estimation and surveys of work performed) that depend on the outcome of future events.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

4.1 Critical judgments in applying the Group's accounting policies (continued)

Contract revenue (continued)

As stated in note 3 to the consolidated financial statements, contract revenue is recognised in the consolidated statement of profit or loss on the basis of stage of completion of the contracts. The stage of completion can be measured by various methods. The management uses one of the following methods that measure reliably the actual work performed on the contract, depending on the nature of the contract:

- surveys of work performed; or
- the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

The above estimates often need to be revised as events occur and uncertainties are resolved. Therefore, the amount of contract revenue recognised may increase or decrease from period to period.

4.2 Key sources of estimation uncertainty

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

Impairment of inventories

When inventories become old or obsolete, an estimate is made of their net realisable value. Inventory items are categorised based on their movements during the year, their physical condition and their expected future use, and accordingly, different proportions of the value of each category are recognised as an allowance for impairment of slow moving and obsolete inventories. Based on the factors, management has identified inventory items as slow and now moving to calculate the allowance for slow moving inventories. Revisions to the allowance for slow moving inventories would require if the outcome of these indicative factors differ from the estimates. Allowance for slow moving inventories at 31 December 2025 AED 58,032 thousand (31 December 2024: AED 54,788 thousand).

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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

4.2 Key sources of estimation uncertainty (continued)

Calculation of loss allowance (continued)

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As per ECL model, the impairment loss allowance for trade and retention receivables and contract assets required as at 31 December 2025 is AED 125,369 thousand (2024: AED 77,877 thousand) and AED 60,894 thousand (31 December 2024: AED 25,456 thousand), respectively.

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.

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 subsidaries are not considered material to the group as management currently don't intend to have remittances from its foreign operations.

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.

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.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5 Acquisition of EMDAD LLC

On 4 December 2024, NMDC Group PJSC ("NMDC" or the "Purchaser") signed a definitive agreement to acquire a 70% equity interest in EMDAD LLC ("EMDAD" or the "Company"), a limited liability company registered in Abu Dhabi, UAE, for a total purchase consideration of AED 298,297 thousand. The acquisition was legally completed on 1 June 2025, with the execution and registration of the Memorandum of Association, thereby effecting the formal transfer of ownership and control.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised values of assets acquired and liabilities assumed:

	AED'000
Assets	
Property, plant and equipment	**58,951**
Right-of-use assets	**3,931**
Inventories	**28,587**
Trade and other receivables	**239,020**
Contract assets	**165,724**
Cash and bank balances	**52,832**
Total assets	**549,045**
Liabilities	
Term Loan	**(56,477)**
Provision for employees' end of service benefits	**(22,072)**
Trade and other payables	**(270,642)**
Lease liabilities	**(3,542)**
Total liabilities	**(352,733)**
Net assets	**196,312**
Less: Non-controlling interest	**(60,694)**
Share of net assets acquired	**135,618**
Provisional purchase consideration	**298,297**
Goodwill recognized at the acquisition	**162,679**
Adjustment to goodwill recognized at the acquisition:	
Provisional purchase consideration	**298,297**
Final purchase consideration	**(284,662)**
Adjustment to goodwill and consideration payable	**13,635**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

5 Acquisition of EMDAD LLC (continued)

Cash acquired (paid) on acquisition of subsidiary:	**AED'000**
Cash acquired on acquisition of EMDAD LLC	**52,832**
Cash paid for acquisition of EMDAD LLC	**(253,552)**
Net cash paid on acquisition	**(200,720)**

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations. The purchase price allocation (PPA) exercise will be finalised within 12 months from the acquisition date, as permitted under IFRS 3. In the interim, the identifiable net assets acquired have been provisionally recognised at their carrying amounts as reflected in the acquiree's financial statements.

Acquisition related costs

The Group has incurred acquisition-related costs amounting to AED 1,552 thousand in the current period.

Revenue and profit after tax contributed by the Acquiree

For the period from 1 June 2025 to 31 December 2025, the acquiree contributed revenue of AED 337,924 thousand and net profit after tax of AED 20,827 thousand to the Group's results. If the acquisition had taken place from 1 January 2025, Emdad would have contributed revenue and net profit after tax to the Group amounting to AED 703,848 thousand and AED 29,706 thousand respectively.

Deferred Consideration Arrangement

Under the terms of the SPA, the total consideration comprised an initial payment and a contingent deferred consideration component. The deferred consideration is payable subject to the achievement of certain financial performance criteria, with a maximum amount of AED 44,414 thousand.

Based on the audited financials as 30 June 2025, EMDAD achieved a normalized EBITDA of AED 74,704 thousand, which resulted in a deferred consideration amount of AED 33,311 thousand (75% of maximum contingent consideration of AED 44,414 thousand). Furthermore, as per terms of the SPA, the aggregate of actual "Net Debt" and actual "Working Capital" was lower than the estimated aggregate, resulting in an adjustment amount of AED 2,201 thousand to the total consideration.

Reconciliation of Consideration	**AED'000**
Initial estimated consideration	**253,552**
Deferred consideration	**33,311**
Adjustment amount	**(2,201)**
Total consideration	**284,662**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

6 Property, plant and equipment

	Building and base facilities AED'000	Dredgers AED'000	Barges support vessels, plan and pipelines and vehicles AED'000	Office equipment and furniture AED'000	Capital work-in-progress AED'000	Total AED'000
Cost						
At 1 January 2024	653,174	1,449,310	6,794,555	142,600	407,822	9,447,461
Additions	2,963	638,738	753,682	13,302	838,114	2,246,799
Transfers	494	24,537	153,839	141	(179,011)	-
Disposals	(12,119)	(2,442)	(26,601)	(996)	-	(42,158)
Exchange differences	-	-	-	(404)	-	(404)
At 1 January 2025	644,512	2,110,143	7,675,475	154,643	1,066,925	11,651,698
Additions	32,149	1,674	757,209	11,160	614,744	1,416,936
Acquisition of a subsidiary (note 5)	-	-	195,069	19,208	-	214,277
Transfers	245,448	(1,786)	540,080	38,701	(822,443)	-
Disposals	(6)	(16)	(76,085)	(42)	-	(76,149)
Exchange differences	-	-	-	(816)	-	(816)
At 31 December 2025	**922,103**	**2,110,015**	**9,091,748**	**222,854**	**859,226**	**13,205,946**
Accumulated depreciation						
At 1 January 2024	419,756	261,827	3,507,245	120,717	-	4,309,545
Charge for the year	23,441	111,840	436,956	10,754	-	582,991
Disposals	(10,611)	(2,418)	(26,034)	(542)	-	(39,605)
Exchange differences	-	-	-	(291)	-	(291)
At 1 January 2025	432,586	371,249	3,918,167	130,638	-	4,852,640
Charge for the year	30,321	111,575	733,180	15,865	-	890,941
Acquisition of a subsidiary (note 5)	-	-	137,706	17,619	-	155,325
Disposals	(3)	(8)	(72,979)	(36)	-	(73,026)
Exchange differences	-	-	-	(604)	-	(604)
At 31 December 2025	**462,904**	**482,816**	**4,716,074**	**163,482**	**-**	**5,825,276**
Carrying amount						
At 31 December 2025	**459,199**	**1,627,199**	**4,375,674**	**59,372**	**859,226**	**7,380,670**
At 31 December 2024	211,926	1,738,894	3,757,308	24,005	1,066,925	6,799,058

a. Certain items of property, plant and equipment with a carrying value of AED 2,035 million (2024: AED 2,013 million) have been pledged to secure the borrowings of the Group (see note 16). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

b. Property, plant and equipment includes fully depreciated assets of AED 2,878 million (2024: AED 2,471 million).

c. Building and base facilities are located in Mussafah, Abu Dhabi, UAE on leased land.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

7 Investment properties

	31 December 2025 AED'000	31 December 2024 AED'000
At 1 January	**322,000**	40,000
Additions during the year (note 7.1 & 32)	**-**	282,000
At reporting date	**322,000**	322,000

7.1 As further explained in note 1, during the year 2024, under the IPO process, the Group acquired certain plots of land, located in Abu Dhabi, United Arab Emirates, from a related party, recognized at AED 282 million, in exchange for equity shares of NMDC Energy PJSC (note 32). As of reporting date, based on management best estimate, carrying value of investment properties is equal to the fair value.

8 Leases

Right-of-use assets

	Lands AED'000	Equipment AED'000	Total AED'000
At 1 January 2024	330,097	-	330,097
Additions during the year	-	199,693	199,693
Depreciation expense	(16,216)	(34,965)	(51,181)
At 1 January 2025	313,881	164,728	478,609
Additions during the year	**150,850**	**219,999**	**370,849**
Modifications during the year	**(8,553)**	**-**	**(8,553)**
Acquisition of a subsidiary (note 5)	**3,931**	**-**	**3,931**
Depreciation expense	**(29,469)**	**(151,105)**	**(180,574)**
At 31 December 2025	**430,640**	**233,622**	**664,262**

The Group leases includes lands and equipment with the average lease term is 2-30 years (2024: 2-30 years).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8 Leases (continued)

Lease liabilities

	AED'000
At 1 January 2024	340,937
Additions during the year	199,693
Interest expense	17,480
Payments	(76,115)
At 1 January 2025	481,995
Additions during the year	**370,849**
Modifications during the year	**(9,970)**
Acquisition of a subsidiary (note 5)	**3,542**
Interest expense	**23,266**
Payments	**(191,762)**
At 31 December 2025	**677,920**

Lease liabilities is disclosed in the consolidated statement of financial position as follows:

	2025 AED'000	2024 AED'000
Current liabilities	**202,223**	87,404
Non-current liabilities	**475,697**	394,591
Total	**677,920**	481,995

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		
Direct costs	**151,586**	34,964
General and administrative expenses	**28,988**	16,217
	180,574	51,181
Interest expense on lease liabilities		
Direct costs	**11,386**	3,934
Finance costs (note 26)	**11,880**	13,546
	23,266	17,480

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8 Leases (continued)

	2025 AED'000	2024 AED'000
Maturity analysis		
Less than 1 year	**228,707**	112,600
More than 1 year to 5 years	**216,495**	185,667
Later than 5 years	**479,255**	407,818
	924,457	706,085
Less: unearned interest	**(246,537)**	(224,090)
	677,920	481,995

9 Goodwill

	31 December 2025 AED'000	31 December 2024 AED'000
At 1 January	**5,057**	5,057
Assets arising on acquisition of a subsidiary (note 5)	**162,679**	-
Adjustment on account of deferred consideration (note 5)	**(13,635)**	-
Other movements	**202**	-
At 31 December	**154,303**	5,057

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to individual cash generating units for impairment testing.

	Dredging & Marine AED'000	Energy AED'000	Total AED'000
As at 31 December 2025			
Goodwill	**149,246**	**5,057**	**154,303**
As at 31 December 2024			
Goodwill	**-**	5,057	5,057

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.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

10 Investment in equity accounted investees

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

	2025	2024
	AED'000	AED'000
Safeen Survey and Subsea Services LLC	**530,609**	465,644
Principia SAS	**22,185**	22,818
The Challenge Egyptian Emirates Marine Dredging Company	**22,710**	18,581
NT Energies LLC	**77**	77
	575,581	507,120

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

	2025	2024
	AED'000	AED'000
At 1 January	**507,120**	282,389
Acquisition during the year (note 10.1)	**-**	199,026
Dividend received during the year	**(2,871)**	(2,645)
Foreign exchange movement	**3,358**	(8,754)
Share of profit for the year, net	**67,974**	37,104
At 31 December	**575,581**	507,120

10.1 During the year 2024, the Group made a contribution to the associate, Safeen Survey and Subsea Services LLC (Safeen) with an amount of AED 199 million for a vessel (the contribution represents 49% of the value of the vessel).

11 Financial assets at fair value through profit or loss

	2025	2024
	AED'000	AED'000
Investment in quoted UAE equity securities	**700,682**	640,857

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

11 Financial assets at fair value through profit or loss (continued)

Movement on in the financial assets at fair value through profit or loss;

	2025 AED'000	2024 AED'000
At 1 January	**640,857**	461,750
Disposal during the year	**(2,451)**	-
Change in fair value	**62,276**	179,107
At 31 December	**700,682**	640,857

The fair value of the quoted UAE equity securities at the reporting date is based on the quoted market prices at 31 December 2025 as per Level 1 valuation (note 35).

12 Inventories

	2025 AED'000	2024 AED'000
Spare parts, fuel and consumables	**943,928**	773,270
Less: allowance for slow moving and obsolete inventories	**(58,032)**	(54,788)
	885,896	718,482

Movement in the allowance for slow moving inventories:

	2025 AED'000	2024 AED'000
At 1 January	**54,788**	53,405
Charge during the year	**3,244**	1,383
At 31 December	**58,032**	54,788

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

13 Trade and other receivables

	2025 AED'000	2024 AED'000
Trade receivables	**10,688,167**	9,172,376
Retention receivables	**1,179,356**	584,047
Less: allowance for expected credit losses	**(125,369)**	(77,877)
	11,742,154	9,678,546
Deposits and prepayments	**711,474**	412,077
Advances paid to suppliers	**3,125,368**	2,225,831
ICV retention receivables	**804,030**	424,724
VAT and GST receivables	**46,678**	148,206
Advances paid to employees	**102,601**	45,606
Other receivables	**218,168**	125,305
	16,750,473	13,060,295

The average credit period to the customer is 60 days (2024: 60 days). No interest is charged on outstanding trade receivables.

Receivables, net are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

Allowance for expected credit losses

The Group recognises lifetime expected credit loss (ECL) for trade and retention receivables using the simplified approach. To determine the expected credit losses all debtors are classified into four categories:

- Category I – billed receivables and unbilled receivables from governments and related companies;
- Category II – private companies with low credit risk;
- Category III – private companies with high credit risk; and
- Category IV – debtors at default.

At 31 December 2025

	Categories				
	I AED'000	**II AED'000**	**III AED'000**	**IV AED'000**	**Total AED'000**
Expected credit loss rate	0% to 2%	2% to 3%	3% to 99%	100%	
Estimated total gross carrying amount	**11,427,088**	**376,583**	**-**	**63,852**	**11,867,523**
Provision for expected credit losses	**(53,985)**	**(7,532)**	**-**	**(63,852)**	**(125,369)**
Net trade and retention receivables	**11,373,103**	**369,051**	**-**	**-**	**11,742,154**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

13 Trade and other receivables (continued)

Allowance for expected credit losses (continued

At 31 December 2024

	Categories				
	I	II	III	IV	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Expected credit loss rate	0% to 2%	2% to 3%	3% to 99%	100%	
Estimated total gross carrying amount	9,561,250	175,877	-	19,296	9,756,423
Provision for expected credit losses	(54,084)	(4,497)	-	(19,296)	(77,877)
Net trade and retention receivables	9,507,166	171,380	-	-	9,678,546

These are 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, including time value of money, where appropriate.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. Trade receivables are considered past due once they have passed their contracted due date. Management has not recognised an expected credit loss in respect of delays in recovery of receivables expected to be recovered in full in the future as these are expected to be recovered in the short term and therefore no discounting adjustment is required.

Ageing of trade and retention receivables

The ageing of non-impaired trade and retention receivables is as follows:

	2025	2024
	AED'000	AED'000
Not past due	**3,462,837**	3,751,437
Past due (1 day-90 days)	**1,989,810**	3,918,431
Past due (91 days–180 days)	**2,785,914**	725,510
Past due (above 180 days)	**3,503,593**	1,283,168
	11,742,154	9,678,546

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

13 Trade and other receivables (continued)

Ageing of trade and retention receivables (continued)

Movement in the provision for expected credit losses on trade and retention receivables is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**77,877**	27,747
Provision assumed on acquisition	**14,824**	-
Provision during the year	**34,504**	50,130
Written off	**(1,836)**	-
At 31 December	**125,369**	77,877

14 Contract assets

	2025 AED'000	2024 AED'000
Construction contracts	**6,122,744**	4,544,441
Less; allowance for expected credit losses	**(60,894)**	(25,456)
	6,061,850	4,518,985

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group would previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The management always measure the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts contract assets.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

14 Contract assets (continued)

	2025 AED'000	2024 AED'000
Changes in contract assets during the year		
At 1 January	**4,518,985**	4,468,819
Add: revenue recognised during the year	**28,811,179**	26,263,949
Add/less: charge in expected credit loss provision	**(35,438)**	(2,077)
Less: progress billings	**(27,232,876)**	(26,211,706)
At 31 December	**6,061,850**	4,518,985

Construction contracts, net of allowance for expected credit losses and discount, are analysed as follows:

	2025 AED'000	2024 AED'000
Verbal contracts		
Government of Abu Dhabi and its related entities	**564,256**	436,531
Other entities	**34,175**	6,998
	598,431	443,529
Signed contracts		
Government of Abu Dhabi and its related entities	**2,525,739**	2,097,307
Equity accounted investees	**20,067**	298,846
Other entities	**2,917,613**	1,679,303
	5,463,419	4,075,456
	6,061,850	4,518,985

Allowance for expected credit losses

The Group recognises lifetime expected credit loss (ECL) for construction contracts using the simplified approach. To determine the expected credit losses all debtors are classified into four categories:

- Category I – billed receivables and unbilled receivables from governments and related companies;
- Category II – private companies with low credit risk;
- Category III – private companies with high credit risk; and
- Category IV – debtors at default.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

14 Contract assets (continued)

Allowance for expected credit losses (continued)

As at 31 December 2025

	Categories				
	I	**II**	**III**	**IV**	**Total**
	AED'000	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Expected credit loss rate	0 to 2%	2 to 3%	3 to 99%	100%	0 to 2%
Estimated total gross carrying amount	**5,910,951**	**196,259**	**-**	**15,534**	**6,122,744**
Provision for expected credit losses	**(41,435)**	**(3,925)**	**-**	**(15,534)**	**(60,894)**
Net contract assets	**5,869,516**	**192,334**	**-**	**-**	**6,061,850**

As at 31 December 2024

	Categories				
	I	II	III	IV	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Expected credit loss rate	0 to 2%	2 to 3%	3 to 99%	100%	0 to 2%
Estimated total gross carrying amount	4,237,242	306,359	-	840	4,544,441
Provision for expected credit losses	(15,872)	(8,744)	-	(840)	(25,456)
Net contract assets	4,221,370	297,615	-	-	4,518,985

Movement in the provision for expected credit losses on contract assets is as follows:

	2025	2024
	AED'000	AED'000
At 1 January	**25,456**	23,379
Charge during the year, net	**35,438**	2,077
At 31 December	**60,894**	25,456

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15 Cash and cash equivalents

	2025 AED'000	2024 AED'000
Cash in hand	**3,476**	3,344
Cash at banks:		
Current accounts	**1,321,818**	2,090,612
Short term deposits	**3,654,365**	2,899,537
Cash and bank balances	**4,979,659**	4,993,493
Less: restricted cash	**(14,000)**	-
Less: short-term deposit with original maturity more than three months	**(27,722)**	(604,345)
Cash and cash equivalents	**4,937,937**	4,389,148

Cash and cash equivalents comprise of short-term deposits having original maturities of three months or less. Major deposits carry interest at prevailing market rates.

Included in cash and bank balances are amounts of AED 3,033 million (31 December 2024: AED 3,135 million) held with a related party as disclosed in note 32. 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.

16 Borrowings

	2025 AED'000	2024 AED'000
Non-current portion of term loans	**468,940**	735,700
Current portion of term loans	**480,270**	342,346

The term loans comprise of the following:

Term loan 1:

A drawdown from a syndicated loan agreement amounting to USD 500 million carrying an effective interest rate of Term SOFR + 0.90%. The total syndicated loan agreement consists of two portions; Conventional amounting to USD 167 million, and Islamic amounting to USD 333 million. In accordance with the terms of the agreement, the loan is repayable in quarterly instalments which commenced from June 2020 and is expected to be fully repaid by March 2027. The loan is secured against mortgage of five (5) vessels. The outstanding balance of the loan facility at 31 December 2025 is AED 316 million (2024: AED 580 million).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

16 Borrowings (continued)

Term loan 2:

A term loan of AED 249 million obtained in December 2021, with a 5 years tenor which carries an interest rate of 1 month EIBOR + 1.15% per annum. The loan is repayable in quarterly instalments commencing from March 2022 and is expected to be fully repaid by December 2026. This loan is secured against mortgage of a Hopper Dredger. The outstanding balance of the loan facility at 31 December 2025 is AED 121 million (2024: AED 153 million).

Term loan 3:

During 2022, a term loan of AED 459 million was obtained in June 2022, with a 10 years tenor and an interest rate of 1 month EIBOR + 0.88% per annum. The loan is repayable in quarterly instalments commencing from August 2023 and is expected to be fully repaid by May 2032. The outstanding balance of the loan facility at 31 December 2025 is AED 298 million (2024: AED 345 million). This loan is secured against mortgage of a Dredger.

Term loan 4:

During 2025, a term loan of AED 220 million was obtained in June 2025, with a 5 years tenor and an interest rate of 3 month EIBOR + 0.90% per annum. The loan is repayable in quarterly instalments commencing from November 2025 and is expected to be fully repaid by August 2030. The outstanding balance of the loan facility at 31 December 2025 is AED 214 million. The loan is secured against certain shares of a subsidiary.

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

The contractual repayment schedule of the term loans is as follows:

	2025 **AED'000**	2024 AED'000
Less than one year	**480,270**	342,346
1 to 5 years	**400,067**	620,914
5 years and above	**68,873**	114,786
At 31 December	**949,210**	1,078,046

Movement in the term loans:

	2025 **AED'000**	2024 AED'000
At 1 January	**1,078,046**	1,420,392
New loans acquired	**246,242**	-
Acquisition of a subsidiary (note 5)	**56,477**	-
Loan repayments	**(431,555)**	(342,346)
At 31 December	**949,210**	1,078,046

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

17 Share capital

	2025 AED'000	2024 AED'000
Authorised, issued and fully paid		
844,379,653 ordinary shares of AED 1 each	**844,379**	844,379

At the Annual General Meeting of the Company held on 28 April 2023, the Shareholders approved the purchase of certain assets through issue of shares, valued at AED 624.8 million, in exchange for mandatory convertible bonds, convertible into 19,379,653 new equity shares of the Company, at AED 32.24 per share. Upon the issuance of these new shares, the total issued share capital of the Company increased to AED 844,379,653. The amendment to the Articles of Association of the Company was approved by Securities and Commodities Authority on 16 July 2024.

During the year 2024, the 19,379,653 new shares were recorded in the books at the nominal value of AED 1 per share with the difference between the nominal value (AED 1 per share) and the agreed value (AED 32.24 per share) accounted for as share premium of AED 605,421 thousand.

18 Merger reserve

In accordance with IFRS 3 and per the principles of reverse acquisition, the equity structure appearing in these consolidated financial statements reflects the capital structure (number of shares) of the Accounting Acquiree (NMDC), including the shares issued by NMDC Group PJSC ("NMDC") to NMDC Energy PJSC ("NMDC Energy") to effect the business combination. This results in the creation of a 'Merger reserve'. The Merger reserve of AED 765,000 thousand is calculated as the difference between:

(a) Sum of purchase consideration AED 1,490,000 thousand and the share capital of NMDC Energy prior to the merger of AED 100,000 thousand; and
(b) Post-merger share capital of the Company of AED 825,000 thousand (825,000,000 shares at par value of AED 1).

The retroactive adjustment of AED 475,000 thousand is the difference between the value of new shares, which NMDC issued to obtain 100% of NMDC Energy and the value of NMDC Energy outstanding shares pre-merger.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

19 Other reserves

	Legal reserve AED'000	Other AED'000	Hedging reserve AED'000	Foreign currency translation reserve AED'000	Total AED'000
At 1 January 2024	412,500	1,291	14,812	(395,300)	33,303
Transfer of 10% of current year profit	9,690	-	-	-	9,690
Fair value gain on revaluation of hedging instruments	-	-	(21,903)	-	(21,903)
Cumulative translation adjustment on foreign operations	-	-	-	(161,523)	(161,523)
Transfer to non-controlling interests	-	-	(4,106)	3,353	(753)
At 1 January 2025	422,190	1,291	(11,197)	(553,470)	(141,186)
Fair value gain on revaluation of hedging instruments	-	-	26,757	-	26,757
Cumulative translation adjustment on foreign operations	-	-	-	21,743	21,743
At 31 December 2025	**422,190**	**1,291**	**15,560**	**(531,727)**	**(92,686)**

Legal reserve

In accordance with UAE Federal Law No. (32) of 2021, as amended, 10% of the annual profit of the Group is transferred to a non-distributable legal reserve. The Company has stopped the transfers to the reserve as it equals 50% of the paid-up share capital of the Company.

20 Provision for employees' end of service benefits

	2025 AED'000	2024 AED'000
At 1 January	**507,577**	441,352
Charge for the year	**103,281**	91,092
Acquisition of a subsidiary (note 5)	**22,072**	
Paid during the year	**(42,088)**	(24,867)
At 31 December	**590,842**	507,577

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

20 Provision for employees' end of service benefits (continued)

During the year, the Group has contributed a total amount of AED 29,272 thousand (2024: AED 25,713 thousand) towards the Abu Dhabi Pension and Retirement Benefits Fund.

21 Trade and other payables

	2025 **AED'000**	2024 AED'000
Trade payables	**3,440,666**	2,364,576
Project and other accruals	**7,701,618**	6,642,123
Advances from customers (note 21.1)	**3,951,997**	3,630,013
Provisions (note 21.2)	**829,166**	606,611
Retentions payable	**270,716**	284,454
VAT payables	**209,217**	460,151
Other payables	**111,750**	57,390
	16,515,130	14,045,318

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. No interest is payable on the outstanding balances.

21.1 Advances from customers

These represent amounts received in advance from customers for certain projects which will be adjusted against future billing during the course of the projects as per contractual terms.

21.2 Provisions

	2025 **AED'000**	2024 AED'000
Provision for unused vacations	**282,819**	128,358
Provision for liquidated damages	**11,887**	11,887
Provision for board remuneration and employee bonus	**243,968**	186,639
Provision for future losses	**169,572**	185,629
Provision for warranty	**19,416**	9,500
Other provisions	**101,504**	84,598
	829,166	606,611

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

22 Contract liabilities

	2025 AED'000	2024 AED'000
Contract liabilities	**4,417,079**	4,060,865

The above amount represents deferred revenue arising from construction contracts. These contracts have performance obligations (unsatisfied or partially unsatisfied) which is expected to be recognised as revenue over the remaining tenor of these contracts.

23 Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No.47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime became effective for accounting periods begun on or after 1 June 2023. Generally, UAE businesses is subject to a 9% rate CT rate. A rate of 0% will apply to taxable income not exceeding AED 375,000. The Law is now considered to be enacted from the perspective of IAS 12 – Income Taxes. The UAE entities are subject to CT commencing 1 June 2023.

	2025 AED'000	2024 AED'000
Current income tax		
Current income tax charge – net	**464,295**	347,655
Prior year adjustment	**(28,606)**	(13,382)
Total current tax	**435,689**	334,273
Deferred tax		
Deferred income tax (reversal) / charge	**(16,668)**	16,120
Group corporate taxes, net	**419,021**	350,393
Domestic Minimum Top-up Tax (DMTT)		
DMTT tax charge*	**152,094**	-
Total income tax expense recognised in consolidated income statement	**571,115**	350,393

* The DMTT charge comprises of the tax allocation received from the ultimate parent company.

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 12.5 % (2024: 10%).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

23 Taxation (continued)

Movement of the income tax payable is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**358,114**	93,718
Charge for the year	**616,389**	347,655
Acquisition of a subsidiary	**4,521**	-
Prior year adjustments	**(28,606)**	(13,382)
Exchange difference	**291**	(10,661)
Payments during the year	**(264,793)**	(56,501)
Other movements	**(33,017)**	(2,715)
At 31 December	**652,899**	358,114

The movement in deferred tax assets is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**3,751**	6,465
Other temporary and translation differences	**(470)**	(2,714)
At 31 December	**3,281**	3,751

The movement in deferred tax liability is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**16,120**	**-**
(Reversal)/charge for the year recognised in profit or loss	**-**	16,120
Prior year reversals	**(16,668)**	**-**
Reclassification	**548**	**-**
At 31 December	**-**	16,120

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

23 Taxation (continued)

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	**4,572,772**	3,458,728
Prima facie tax expense at 9% (2024: 9%)	**411,549**	311,286
Tax effect on taxable dividend from KSA subsidiary	**-**	58,500
Tax effect of dividend income	**(2,088)**	-
Tax effect of share of profit from equity accounted investees	**(6,118)**	-
Tax effect of fair value gain on FVTPL investments	**(5,487)**	-
Tax effect of application of UAE tax law	**-**	14,053
Tax effect of different tax rate of subsidiaries and branches operating in foreign jurisdiction**	**9,275**	(20,867)
Others	**40,496**	803
Prior year adjustment	**(28,606)**	(13,382)
Top-up taxes	**152,094**	-
Total corporate income tax charge – net	**571,115**	350,393

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

As of year-end, the Group is liable to pay tax in United Arab Emirates, Egypt, India, Kuwait 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.

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 is recorded as part of the Group overall tax provision at 31 December 2025.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Applicability of Pillar Two

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.

The Group estimates the following tax expense and top-up taxes related to Pillar Two for the period ended 31 December 2025:

Particulars	**31 December 2025 AED'000**	31 December 2024 AED'000
Group corporate taxes	**419,021**	350,393
Top-up taxes in the jurisdictions that have enacted Pillar Two legislation effective 1st January 2025	**152,094**	-
Total	**571,115**	350,393

Furthermore, for the period ended 31 December 2025, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

24 Revenue from contracts with customers

24.1 Revenue by activity

	UAE AED'000	**International AED'000**	**Group AED'000**
31 December 2025			
Dredging, reclamation and marine construction	**10,145,092**	**4,047**	**10,149,139**
Engineering, procurement and construction	**13,055,427**	**5,606,613**	**18,662,040**
Total	**23,200,519**	**5,610,660**	**28,811,179**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

24 Revenue from contracts with customers (continued)

24.1 Revenue by activity (continued)

	UAE AED'000	International AED'000	Group AED'000
31 December 2024			
Dredging, reclamation and marine construction	11,271,257	552,586	11,823,843
Engineering, procurement and construction	8,691,092	5,749,014	14,440,106
Total	19,962,349	6,301,600	26,263,949

24.2 Timing of revenue recognition

	2025 AED'000	2024 AED'000
Services transferred over time	**28,811,179**	26,263,949

24.3 Other information

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

	Dredging and Marine AED'000	Engineering Procurement & Construction AED'000	Total AED'000
31 December 2025			
Customer 1	**1,278,332**	**12,975,311**	**14,253,643**
Customer 2	**-**	**5,021,746**	**5,021,746**
Customer 3	**5,175,233**	**-**	**5,175,233**
Customer 4	**-**	**-**	**-**
	6,453,565	**17,997,057**	**24,450,622**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

24 Revenue from contracts with customers (continued)

24.3 Other information (continued)

	Dredging and Marine AED'000	Engineering Procurement & Construction AED'000	Total AED'000
31 December 2024			
Customer 1	995,727	5,426,569	6,422,296
Customer 2	-	8,262,974	8,262,974
Customer 3	6,889,365	-	6,889,365
Customer 4	1,626,670	-	1,626,670
	9,511,762	13,689,543	23,201,305

24.4 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	**27,856,486**	30,302,207
More than one year	**30,049,828**	40,576,842
	57,906,314	70,879,049

25 Finance income

	2025 AED'000	2024 AED'000
Interest income	**140,344**	176,956
Discounting of long-term retention receivables	**10,912**	-
	151,256	176,956

Finance income comprises income from short-term deposits, which carry interest at variable market rates.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

26 Finance costs

	2025 AED'000	2024 AED'000
Interest expense on term loans	**89,089**	131,224
Interest expense on lease liabilities	**11,880**	13,546
Discounting of long-term retention receivables	**-**	125,284
	100,969	270,054

27 Other income, net

	2025 AED'000	2024 AED'000
Insurance claims	**22,662**	8,628
Income from scrap sales	**20,270**	29,934
(Loss)/gain on sale of property, plant and equipment	**(606)**	5,901
Dividend income	**23,204**	16,358
Reversal of prior years' accruals	**23,923**	21,524
Miscellaneous income (expense)	**(22,574)**	31,620
	66,879	113,965

28 Profit for the year

Profit for the year is stated after:

	2025 AED'000	2024 AED'000
Salaries and other benefits	**3,450,466**	2,738,831
Depreciation of property, plant and equipment (note 6)	**890,941**	582,991
Depreciation of right-of-use assets (note 8)	**180,574**	51,181
Social contributions	**11,305**	22,915

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

29 Earnings per share

Basic earnings per share has 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)	**3,625,680**	2,960,352
Weighted average number of ordinary shares ('000)	**844,379**	833,075
Earnings per share attributable to the shareholders of the Company (AED)	**4.29**	3.55

Diluted earnings per share as of 31 December 2025 and 31 December 2024 are equivalent to basic earnings per share.

30 Non-controlling interests

Summarised financial information in respect of the Group's subsidiaries, NMDC Energy PJSC and EMDAD LLC (2024: NMDC Energy PJSC), having material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 **AED'000** *NMDC Energy PJSC and EMDAD LLC*	2024 AED'000 *NMDC Energy PJSC*
Current assets	**16,419,491**	12,616,626
Non-current assets	**4,465,182**	3,918,164
Current liabilities	**13,670,356**	10,318,114
Non-current liabilities	**837,763**	997,573
Equity attributable to the shareholders of the Company	**6,308,187**	5,213,042
Non-controlling interest	**1,487,983**	1,205,088
Contract revenue	**18,999,964**	14,440,106
Direct costs	**(17,377,015)**	(13,033,856)
Profit for the year	**1,622,949**	1,406,250

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

30 Non-controlling interests (continued)

	2025 AED'000 *NMDC Energy PJSC and EMDAD LLC*	2024 AED'000 *NMDC Energy PJSC*
Profit attributable to the shareholders of the Company	**1,246,972**	1,258,267
Profit attributable to the non-controlling interests	**375,977**	147,983
Profit for the year	**1,622,949**	1,406,250
Other comprehensive income attributable to the shareholders of the Company	**24,184**	(29,391)
Other comprehensive income attributable to the non-controlling interests	**7,224**	(8,779)
Other comprehensive income/(loss) for the year	**31,408**	(38,170)
Total comprehensive income attributable to owners of the parent company	**1,271,156**	1,228,876
Total comprehensive income attributable to the non-controlling interests	**383,201**	139,204
Total comprehensive income for the year	**1,654,357**	1,368,080

	2025 AED'000	2024 AED'000
Net cash generated from operating activities	**1,984,609**	2,836,426
Net cash generated from/(used in) investing activities	**135,997**	(566,296)
Net cash used in financing activities	**(1,224,919)**	(1,137,174)
Net cash generated	**895,687**	1,132,956

31 Dividend

At the annual general meeting held on 18 March 2025, the shareholders approved a dividend of AED 700,835 thousand (AED 0.83 per share) relating to the year ended 31 December 2024 (2024: AED 2,618,750 thousand). Further, dividend attributable to non-controlling interest amounting to AED 161,000 thousand was declared in 2025 (2024: Nil).

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

32 Related party transactions and balances

Related parties include majority Shareholders, equity accounted investees, Directors and key management personnel, management entities engaged by the Group and those enterprises over which majority Shareholders, Directors, the Group or its affiliates can exercise significant influence, or which can exercise significant influence over the Group. In the ordinary course of business, the Group provides services to, and receives services from, such enterprises on terms agreed by management.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2025 **AED'000**	2024 AED'000
Due from/to equity accounted investee for project related work:		
Trade and other receivables	**139,016**	193,822
Trade and other payables	**13,597**	120,214
Contract assets	**12,517**	298,747
Due from/to other related parties:		
Trade and other receivables	**19,920**	5,572,937
Contract assets	**-**	159,397
Trade and other payables	**157,464**	2,591,862
Bank balances	**3,033,783**	3,134,668
Borrowings	**419,847**	497,760

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

32 Related party transactions and balances (continued)

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2025 AED'000	2024 AED'000
Other related parties		
Material and services purchased / received	**262,845**	125,647
Revenue earned	**4,524,328**	5,770,453
Acquisition of investment properties against disposal of shares of a subsidiary (note 7)	**-**	282,000
Net interest income (cost)	**129,499**	22,239
Domestic Minimum Top-Up Tax charge (note 23)	**152,094**	-
Equity accounted investee		
Revenue earned	**-**	504,000
Sub-contract costs	**549,893**	661,524
Charter of vessel	**106,386**	108,011

Transactions with key management personnel

Compensation of key management personnel is as follows:

	2025 AED'000	2024 AED'000
Salaries and other short-term benefits	**13,374**	13,021
Employees' end of service benefits	**700**	728
	14,074	13,749
Number of key management personnel	**5**	5

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

33 Interest in joint operations

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

	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

34 Contingencies and commitments

	2025 AED'000	2024 AED'000
Bank guarantees	**19,650,275**	17,405,605
Letters of credit	**830,373**	263,289
Capital commitments	**1,293,005**	365,986
Purchase commitments	**5,744,358**	6,185,651

The above letters of credit and bank guarantees issued in the normal course of business.

35 Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, equity risk and credit risk. The Group's management reviews and agrees policies for managing each of these risks which are summarised below.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management objectives and policies (continued)

Credit risk

The Group seeks to limit its credit risk with respect to customers by dealing with good reputation and financially sound customers and monitoring outstanding receivables. Of the trade receivables at 31 December 2025, 93% is due from the Group's five largest customers (31 December 2024: 91%). The maximum exposure is the carrying amsount as disclosed in note 13 to the consolidated financial statements.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group manages its credit risk with respect to banks by only dealing with reputable banks.

Liquidity risk

The Group seeks to limit its liquidity risk by ensuring bank facilities are available. As at 31 December 2025, the Group has AED 1,534,500 thousand (2024: AED 1,034,500 thousand) of un-utilised credit facilities from banks.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

	On demand AED'000	Less than 1 year AED'000	1 to 5 years AED'000	More than 5 years AED'000	Total AED'000
At 31 December 2025					
Trade and other payables*	-	**4,861,515**	-	-	**4,861,515**
Lease liabilities	-	**228,707**	**216,495**	**479,255**	**924,457**
Term loans	-	**521,463**	**450,648**	**71,639**	**1,043,750**
Total	-	**5,611,685**	**667,143**	**550,894**	**6,829,722**
At 31 December 2024					
Trade and other payables*	-	3,773,181	-	-	3,773,181
Lease liabilities	-	112,600	185,667	407,818	706,085
Term loans	-	403,485	695,043	123,983	1,222,511
Total	-	4,289,266	880,710	531,801	5,701,777

*Trade and other payables exclude contract accruals and advances received from customers.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management objectives and policies (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include bank deposits and equity investments.

Interest rate risk

The Group is mainly exposed to interest rate risk on bank overdrafts and term loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit for one year.

	Effect on profit/equity AED '000
2025	
+100 increase in basis points	**(9,492)**
-100 decrease in basis points	**9,492**
2024	
+100 increase in basis points	(10,780)
-100 decrease in basis points	10,780

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 rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management objectives and policies (continued)

The following tables detail the unrealized gain and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year. Notional value of interest rate swap contracts as of 31 December 2025 is AED 157,926 thousand (2024: AED 290,144 thousand):

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

Foreign currency risk

Foreign currency risk is the risk that financial instrument will fluctuate due to change in foreign exchange rates. Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures.

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

	2025		2024	
	Liabilities AED'000	**Assets AED'000**	Liabilities AED'000	Assets AED'000
Egyptian Pound	74,561	259,760	1,422,045	1,503,852
Euro	1,018,993	1,467,967	1,249,540	628,562
	1,093,554	1,727,727	2,671,585	2,132,414

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 9,260 thousand (2024: AED 4,090 thousand) net revaluation gain/ loss on the Egyptian Pound outstanding balances.

(b) there is AED 22,449 thousand (2024: AED 31,049 thousand) net revaluation gain/ loss on the Euro outstanding balances.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management objectives and policies (continued)

Equity price risk

The Group's listed equity securities are susceptible to market price arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification and placing limits on individual and total equity investments. The Group's management reviews and approves all investment decisions.

The following demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible fair value changes in equity prices, with all variables held constant. The effect of the decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

Investments carried at fair value through profit or loss

2025	***AED'000***
5% change in variables	**35,034**
2024	*AED'000*
5% change in variables	32,043

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 six months. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sales or purchase transactions take place.

The following table details the forward foreign currency contract outstanding at the end of the reporting period:

	Foreign currency	Notional amount AED'000	Fair value AED'000	Unrealised losses 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)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and 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 business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024. Capital comprises share capital, reserves, retained earnings, and is measured at AED 14,393,376 thousand as at 31 December 2025 (2024: AED 11,420,031 thousand).

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Financial risk management objectives and policies (continued)

Fair value of financial instruments

Fair value measurement recognized in the consolidated statement of financial position

The fair values of the Group's financial assets and liabilities as at 31 December 2025 and 31 December 2024 are not materially different from their carrying values at that reporting date.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities which are measured at fair value as at 31 December 2025 and 31 December 2024:

	Total AED'000	Quoted prices in active markets (Level 1) AED'000	Significant observable inputs (Level 2) AED'000	Significant unobservable inputs (Level 3) AED'000
As at 31 December 2025				
Derivative financial assets	**19,543**	**-**	**19,543**	**-**
Financial assets at fair value through profit or loss (FVTPL)	**700,682**	**700,682**	**-**	**-**
Investment properties	**322,000**	-	-	**322,000**
As at 31 December 2024				
Derivative financial assets	12,056	-	12,056	-
Derivative financial liabilities	(26,597)	-	(26,597)	-
Financial assets at fair value through profit or loss (FVTPL)	640,857	640,857	-	-
Investment properties	322,000	-	-	322,000

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

36 Segment information

Geographical segment information

The Group has aggregated its segments into Dredging & Marine and Energy.

The following table shows the Group's segment analysis:

	Dredging & Marine AED'000	Energy AED'000	31 December 2025 Group AED'000
Segment revenue	**10,667,941**	**18,662,040**	**29,329,981**
Intersegment revenue			**(518,802)**
Revenue			**28,811,179**
Segment gross profit	**2,867,616**	**1,920,604**	**4,788,220**
Share of net results of equity accounted investees			**67,974**
General and administrative expenses			**(397,934)**
Finance income			**151,256**
Finance cost			**(100,969)**
Foreign currency exchange loss			**(64,930)**
Fair value gain on financial assets at fair value through			**62,276**
Other income, net			**66,879**
Profit before tax for the year			**4,572,772**
Income tax charge	**(370,655)**	**(200,460)**	**(571,115)**
Profit after tax			**4,001,657**
Total assets	**19,269,230**	**20,415,209**	**39,684,439**
Total liabilities	**11,931,558**	**11,871,522**	**23,803,080**

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

36 Segment information (continued)

	Dredging & Marine AED'000	Energy AED'000	31 December 2024 Group AED'000
Segment revenue	12,182,783	14,440,106	26,622,889
Intersegment revenue			(358,940)
Revenue			26,263,949
Segment gross profit	2,092,688	1,523,895	3,616,583
Share of net results of equity accounted investees			37,104
General and administrative expenses			(338,954)
Finance income			176,956
Finance cost			(270,054)
Foreign currency exchange loss			(55,979)
Fair value gain on financial assets at fair value through			179,107
Other income, net			113,965
Profit before tax for the year			3,458,728
Income tax charge	(176,079)	(174,314)	(350,393)
Profit after tax			3,108,335
Total assets	16,699,324	16,500,427	33,199,751
Total liabilities	9,590,877	10,983,755	20,574,632

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

37 Subsequent events

Proposed dividend
During the meeting held on 4 February 2026, the Board of Directors proposed a divided of AED 844,380 thousand representing AED 1 per share for the year ended 31 December 2025.

Establishment of NMDCCCC
On 13 January, 2026 NMDC Group announced the establishment of NMDCCC, a new onshore engineering, procurement and construction (EPC) venture formed through its wholly owned subsidiary NMDC Infra in partnership with Consolidated Contractors Company.

The new entity will deliver full-spectrum EPC services for the UAE's onshore oil and gas sector, supporting the country's expanding energy infrastructure and long-term growth ambitions.

Acquisition of 51% stake in Spain's Lantania Aguas
On 19th January, 2026, "NMDC Infra" (subsidiary of NMDC Group), signed a strategic acquisition agreement to acquire 51% of Lantania Aguas (subsidiary of Grupo Lantania), while the Grupo Lantania will retain the remaining 49% of the company.

Post completion of the acquisition, Lantania Aguas will operate under the new name, "Lantania NMDC Water". The completion of the transaction is subject to customary regulatory approvals.

38 Approval of consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 4 February 2026.