

# **ALEC Initial Public offering**

## **Frequently Asked Questions (FAQs)**

## KEY TRANSACTION DATES

Milestone	Date
Announcement of Intention to Float on the DFM	15 September 2025
Offer Commencement Date & Price Range Announcement	23 September 2025
Closing Date of Individual Subscribers Tranche Closing Date of Professional Investors Tranche Closing Date of Eligible Employees Tranche	30 September 2025
Announcement of Final Offer Price	01 October 2025
Final Allocation	07 October 2025
Commencement of Refunds	08 October 2025
Constitutive General Assembly	08 October 2025
Expected Date of Listing on the DFM	15 October 2025

## KEY DETAILS OF THE OFFERING

<p><b>Amount of shares to be offered</b></p>	<ul style="list-style-type: none"> <li>The global offering will include 1,000,000,000 ordinary shares (one billion), representing 20% of ALEC's issued share capital.</li> <li>The Final Offer Price will be determined through the application of a book building process, whereby a subscription orders ledger will be created through the subscription orders made only by the Professional Investors.</li> <li>The Selling Shareholder reserves the right to amend the size of the Offering and the size of any Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and notifying SCA.</li> </ul>
<p><b>First tranche: Individual Subscribers Tranche</b></p> <p><b>Subscription period: 23 – 30 September 2025</b></p>	<ul style="list-style-type: none"> <li>The first tranche (Individual Subscribers Tranche) targets retail investors and eligible entities holding a National Investor Number (NIN) with the Dubai Financial Market (DFM).</li> <li>A total of 50,000,000 (fifty million) shares will be offered to the public or an equivalent of 5% of the total offering.</li> <li>Minimum application of AED 5,000.</li> <li>Any additional increments are at least AED 1,000.</li> <li>Each subscriber will have a guaranteed minimum allocation of up to 2,000 shares.</li> <li>There is no maximum application size.</li> <li>The subscription is open from 23 September 2025 until 1 PM on 30 September 2025.</li> </ul>

<b>Second Tranche:</b> <b>Professional Investors Tranche</b>  <b>Subscription period:</b> <b>23 – 30 September 2025</b>	<ul style="list-style-type: none"> <li>• The second tranche (Professional Investors Tranche) is specifically for qualified institutional investors in the UAE and various other jurisdictions outside the United States in accordance with Regulation S.</li> <li>• A total of 940,000,000 (nine hundred and forty million) shares will be offered to the public or an equivalent of 94% of the total offering.</li> <li>• Minimum application of AED 1,000,000.</li> <li>• The subscription is open from 23 September 2025 on 30 September 2025.</li> </ul>
<b>Third Tranche:</b> <b>Eligible Employees Tranche</b>  <b>Subscription period:</b> <b>23 – 30 September 2025</b>	<ul style="list-style-type: none"> <li>• The third tranche (Eligible Employees Tranche) is for individuals who have a bank account and do not participate in the first tranche or the second tranche, who qualify as ALEC Eligible Employees and ICD Eligible Employees, and (except for any person who is resident in the United States within the meaning of the US Securities Act, as amended).</li> <li>• A total of 10,000,000 (ten million) shares will be offered to the public or an equivalent of 1% of the total offering.</li> <li>• Minimum application of AED 20,000.</li> <li>• Any additional increments are at least AED 1,000.</li> <li>• Each subscriber will have a guaranteed minimum allocation of up to 10,000 shares.</li> <li>• The subscription is open from 23 September 2025 until 1 PM on 30 September 2025.</li> </ul>

## COMPANY OVERVIEW

ALEC Holdings (and together with its subsidiaries, “ALEC” or the “Company”) is a market-leading diversified engineering and construction group with operations focused on large-scale, complex, and iconic building and energy projects in the UAE and KSA. Founded in 1999, ALEC grew into a leading regional construction player and, in 2017, became a subsidiary of ICD, aligning it with the strategic vision of the Government of Dubai. In addition to its core construction business, ALEC offers a complete and integrated suite of services spanning fitout, mechanical, electrical, and plumbing, modular construction, data centre solutions, energy solutions, technology, facades, renewables, and equipment rental. This integrated platform enables ALEC to exercise greater control over cost, quality, and supply chain dynamics, while providing clients with a single point of engagement.

ALEC has delivered iconic and complex projects across the UAE and KSA, with consistent and elevated delivery standards across public and private sector clients. Its history of delivering complex, high-value builds for various sectors underscores its strong execution capabilities and solid reputation. With deep expertise across a diverse range of sectors, such as airports, energy, data centres, hospitality, retail, ultra-luxury high-rise towers, and themed entertainment, ALEC has positioned itself as a partner of choice for clients with technically complex, large-scale projects.

Building long-term relationships with blue-chip clients is a key focus for ALEC. Between 2021 and the first half of 2025, around 60% of awarded projects were secured through bilateral negotiations. This approach reflects ALEC's differentiated offering and ability to deliver tailored solutions.

As of 30 June 2025, ALEC employed approximately 47,500 people, fostering a dynamic and thriving work environment that places people at the heart of its operations.

## ABOUT ALEC

### 1. Who is ALEC Holdings?

ALEC Holdings is a diversified engineering and construction group focused on large-scale, complex and iconic projects. ALEC is one of the only regional players offering a complete and integrated suite of services through two core offerings, ALEC Construction (building and construction) and Target Engineering (energy) and nine business units that complement its core construction business, including: ALEC Fitout, ALEMCO, ALEC Lite, ALEC Data Center Solutions, ALEC Technologies, ALEC Facades, LINQ, ALEC Energy, and AJI Rentals.

### 2. Who owns ALEC?

ALEC is wholly owned by the Investment Corporation of Dubai, the principal investment arm of the Government of Dubai.

### 3. What projects has ALEC delivered?

ALEC has delivered some of the most complex, large-scale and iconic projects, including One Za'abeel, SeaWorld Abu Dhabi and Dubai Hills Mall.

### 4. What projects is it currently delivering?

With a project backlog of AED 35.4 billion as of 30 June 2025, ALEC is working on various major, high-value projects, including:

- Stargate UAE (Abu Dhabi)
- Natural History Museum (Abu Dhabi)
- Como Residences (Dubai)
- Aquarabia Waterpark, Qiddiya (Riyadh)
- Qiddiya Speedpark (Riyadh)
- Wynn Al Marjan (Ras Al Khaimah)
- Ilmi – Science Discovery Innovation Center MISK (Riyadh)
- Multiple projects for ADNOC and Saudi Aramco (Abu Dhabi and KSA)

### 5. How many countries does ALEC operate in?

ALEC is headquartered in Dubai and has operations across the Emirates, and it also has a presence and extensive operations in KSA.

### 6. What sectors does it focus on?

ALEC focuses on projects in the commercial, hospitality, retail, energy, airports, data centres, and themed entertainment sectors. ALEC is very selective about the residential projects it tenders for, focusing on high-rise, ultra-luxury, complex projects.

## 7. When did ALEC acquire Target Engineering and why?

ALEC acquired Target Engineering in September 2022 to support its growth and expansion into the attractive and nationally strategic energy sector.

## 8. Has ALEC acquired its other businesses?

Apart from the acquisition of Target Engineering in September 2022, ALEC has primarily relied on organic growth to expand its business.

## 9. When did ALEC enter KSA and why?

ALEC was awarded the construction of Aquarabia Waterpark, Qiddiya, its first construction project in KSA in 2022. The contract was awarded to a 50/50 joint venture between El Seif Engineering Contracting and ALEC. ALEC believes that the KSA market is an attractive market, where it can utilise the expertise gained in the UAE to deliver complex, landmark projects aligned with Vision 2030.

## 10. How many employees does ALEC Group have?

As of 30 June 2025, ALEC had a total of 47,500 employees across its businesses. In the UAE, ALEC has approximately 32,000 labourers and 9,400 staff members. The workforce in KSA consists of approximately 4,900 labourers and 1,200 staff members.

# FINANCIAL PERFORMANCE

## 11. Is ALEC a profitable company?

Yes, it is. ALEC has achieved a net profit for the past 18 consecutive years thanks to its disciplined cost control, selective tendering process, robust risk management framework and prudent cash and capital management. Net Income reached AED 363 million in FY-2024.

## 12. How has ALEC's financial performance been over the last 2 years?

ALEC has delivered strong financial performance in FY-2023 and FY-2024. For FY-2023 and FY-2024, the revenue was AED 6.3 billion and AED 8.1 billion, respectively. ALEC also saw a significant increase in EBITDA<sup>1</sup> from AED 433 million in FY-2023 to AED 646 million in FY-2024, with margins expanding to 8.0% in FY-2024 from 6.9% in FY-2023.

ALEC achieved net income growth, with profit for the year FY-2023 of AED 238 million reaching AED 363 million in FY-2024. So far in 2025, ALEC has sustained robust financial performance with revenue reaching AED 5,362 million in H1-2025 (compared to AED 3,436 million in H1-2024), EBITDA<sup>2</sup> of AED 437 million in H1-2025 (compared to AED 245 million in H1-2024), and profit of AED 239 million in H1-2025 (compared to AED 129 million in H1-2024).

## 13. What's ALEC's net debt position?

ALEC maintains a solid balance sheet with a net cash<sup>3</sup> position of AED 334 million as of 30 June 2025, setting ALEC apart within the industry and reflecting its strong financial discipline.

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<sup>1</sup> EBITDA is calculated as profit for the period before income tax, finance costs, depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

<sup>2</sup> EBITDA is calculated as profit for the period before income tax, finance costs, depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

<sup>3</sup> Net cash is calculated as cash and bank balances, net of bank borrowings and lease liabilities

#### 14. What's ALEC's free cash flow position?

In FY-2024, ALEC's free cash flow to firm<sup>4</sup> (FCF) was AED 636 million. For the first six months ended 30 June 2025, free cash flow to firm<sup>5</sup> was AED 241 million.

#### 15. What is ALEC's dividend policy?

ALEC intends to distribute a cash dividend of AED 200 million, payable in April 2026, and a cash dividend of AED 500 million for the financial year ending 31 December 2026, payable in October 2026 and April 2027. Thereafter, ALEC expects to distribute cash dividends on a semi-annual basis (in April and October of each year), with a minimum payout ratio of 50% of the net profit generated for the relevant financial period, subject to the approval of the Board of Directors and the availability of distributable reserves. ALEC continues to evaluate accretive investment opportunities for growth. In the absence of suitable opportunities that meet the target investment criteria and returns, ALEC will consider distributing higher dividends than the minimum annual dividend.

## ABOUT THE IPO

#### 16. Is this a primary or secondary offering?

The Global Offering is considered a secondary offering, meaning that the net proceeds will be directed to ICD, the selling shareholder. ALEC's robust balance sheet, including a net cash<sup>6</sup> position of AED 334 million as of 30 June 2025, reflects its strong financial position and eliminates the need for primary capital raising.

#### 17. Why is ICD selling its shares?

The initial public offering of ALEC represents a strategic step to support ALEC's continued growth and long-term development. Listing ALEC on the public market enhances its visibility and reinforces its commitment to transparency, strong governance, exceptional performance, and ESG principles, all of which are important to its clients and stakeholders.

Additionally, as a listed company on the DFM, ALEC will have added flexibility to access new sources of capital to support its growth, as and when needed in the future.

ICD will remain a majority shareholder of ALEC following the Global Offering, reaffirming its long-term commitment to ALEC.

#### 18. Where will the shares be traded?

The shares will be traded on the DFM.

#### 19. How many shares are on offer?

1,000,000,000 (one billion) ordinary shares will be on offer through the Global Offering. This represents 20% of ALEC's issued share capital.

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<sup>4</sup> Cash from operations minus capital expenditures (payment for purchases of property, plant and equipment, and purchase of property, plant and equipment which is right-of-use asset with corresponding lease liability)

<sup>5</sup> Cash from operations minus capital expenditures (payment for purchases of property, plant and equipment, and purchase of property, plant and equipment which is right-of-use asset with corresponding lease liability)

<sup>6</sup> Net cash is calculated as cash and bank balances, net of bank borrowings and lease liabilities

## 20. How many shares are being allocated to retail investors?

50,000,000 (fifty million) ordinary shares are being allocated to retail investors, which is 5% of the Global Offering.

## 21. Is this considered a Shariah investment?

Yes, this is considered a Shariah compliant investment. The Internal Shariah Supervision Committee of Emirates NBD Bank PJSC has issued a fatwa confirming that, in its view, the Offering is compliant with Shariah principles.

# HOW TO SUBSCRIBE

## 22. How can I subscribe to the IPO?

Individual investors can subscribe through participating receiving banks or DFM's digital platforms. A valid DFM Investor Number (NIN) is required. Subscription for the IPO will commence on 23 September and will close at 1:00 PM on 30 September 2025:

To subscribe online, you will need to have the following:

- An active DFM Investor Number (NIN).
- A DFM iVestor Card, which is activated and has sufficient funds, or use your bank.
- Account funds to subscribe online through the UAE Central Bank payment gateway at <https://www.dfm.ae/> or the DFM app.

## 23. What is a DFM Investor Number (NIN)?

NIN is an identification number issued to the investor by the Dubai CSD at DFM. This is required for an investor to hold shares that are traded on DFM, including subscribing to an offering taking place on DFM.

## 24. How do I apply for a DFM Investor Number (NIN)?

The channels to apply for a DFM Investor Number are:

- *DFM App*: For individual investors only (legal guardians can also apply for their minors below age 18).
- *eServices at [www.dfm.ae](http://www.dfm.ae)*: For companies only.
- *Dubai CSD Desk at DFM Trading Floor*: For all types of investors (timings: Mon-Fri 8:00 am – 4:00 pm).
- *Licensed Brokerage Firms at DFM*: For all types of investors, click [here](#) to view a list of DFM brokerage firms.

## 25. What is the DFM iVestor Card?

The DFM iVestor Card is a pre-paid card allowing you to receive cash dividends electronically, and it enables you to subscribe to IPOs or rights issues using the online DFM Subscription Platform with the card.

## 26. How do I apply for the DFM iVestor Card?

You can apply via <https://www.dfm.ae/> or the DFM App. It takes up to 10 working days for you to receive the iVESTOR Card.

## 27. When will subscriptions close?

The subscription period for the retail offer commences on 23 September 2025 and is expected to close at 1 PM on 30 September 2025.

The final offer price will be announced on 1 October 2025, and a notification regarding the final allocation will be sent to all investors via SMS by 7 October 2025.

Excess funds or the full amount will be refunded to retail investors no later than 8 October 2025.

ALEC is expected to complete its listing on the DFM around 15 October 2025

## 28. Which banks or brokers are participating in the IPO/who are the receiving banks?

Emirates NBD Capital PSC and J.P. Morgan Securities PLC have been appointed as joint global coordinators and joint bookrunners, and Abu Dhabi Commercial Bank PJSC and EFG-Hermes UAE Limited, acting in conjunction with EFG Hermes UAE LLC, have been appointed as joint bookrunners.

The receiving banks are:

- Emirates NBD (ENBD) – *Lead Receiving Bank*
- Abu Dhabi Commercial Bank PJSC
- Abu Dhabi Islamic Bank PJSC
- Al Maryah Community Bank
- Commercial Bank of Dubai PJSC
- Dubai Islamic Bank PJSC
- Emirates Islamic Bank PJSC
- First Abu Dhabi Bank PJSC
- Mashreq Bank PJSC
- Wio Bank PJSC

For more information about the IPO and how to subscribe to the offering, visit ALEC's IPO microsite here: [www.alec.ae/ipo](http://www.alec.ae/ipo)

## 29. Where can I find more information?

Full details of the offering, including the prospectus, list of receiving banks, key dates, and process, are available at: [www.alec.ae/ipo](http://www.alec.ae/ipo)