

e7 Group Reports Q1 2025 Results with Good Progress on Strategic Growth Priorities

Abu Dhabi, United Arab Emirates, 12 May 2025: e7 Group PJSC (“e7” or “the Group”), recognized for its excellence in identity, packaging, printing, educational and logistics solutions and for tangible brand presence through its integrated products, today announces its financial results for the period-ended 31 March 2025 (“Q1 2025”).

Q1 2025 Financial & Operational Highlights

- **Revenue** of AED 113.7m for Q1, -9.8% YoY
- **EBITDA** of AED 13.4m for Q1, -29.0% YoY
- **Net profit before tax** of AED 20.9m, -28.4% YoY
- **Robust cash position of AED 1,444.5 million** at end of the quarter, providing a solid foundation to support future strategic and expansion opportunities
- **Approved maiden dividend of AED 147.1 million** (7.36 fils per share) given the robust financial performance in 2024, reflecting a 70% payout of annual distributable net profit
- **Secured five new contracts** and onboarded 17 new clients across all business verticals in the Middle East & Africa, including a new major passport contract within identity solutions
- **Silver award winners at the Prime Packaging Awards**, one of the leading industry awards in the Middle East & Africa region
- **Several new key leadership appointments** including Joe Tesfai as Chief Technology & Digital Officer and Dharmesh Goshalia as Chief Commercial Officer

Ahmed Al Shamsi, Chairman of e7 Group, said: “e7 continues to make good progress on its strategic growth priorities having secured new contracts across the business during the period and renewed key sector certifications. We remain focused on accelerating organic growth and exploring inorganic growth opportunities given our robust cash position. In April, our shareholders also approved the payment of our maiden dividend of AED 147.1 million, or 7.36 fils per share for 2024, in line with our commitment to deliver an attractive return to our shareholders.”

Esteban Gómez Nadal, Group Chief Executive Officer of e7 Group, said: “e7 saw good strategic momentum in the first quarter across each business segment, having secured five new contracts and onboarded 17 new clients across our business lines. Whilst our financial performance reflects the dynamics of the delivery plans of core solutions across quarters, we remain committed to our 2025 strategic priorities to turbocharge growth and expect trends to improve throughout the rest of the year. We also remain well-positioned to drive sustainable growth in the medium-long term, whilst also pursuing inorganic growth opportunities given our strong cash position.

We are also pleased to have reached several milestones in the first quarter to support our next phase of growth and future ambitions. We made two key leadership appointments in the quarter as we remain committed to investing in and attracting experienced hires to support our growth initiatives. We have appointed a Chief Technology & Digital Officer, who will drive our efforts to become a data-driven organisation and a Chief Commercial Officer to pursue accelerated revenue growth, in line with our strategic growth priorities.”

Q1 2025 Financial Performance

Revenue totaled AED 113.7 million in Q1 2025, representing a 9.8% year-on-year decline compared to AED 126.0 million in the prior year. The revenue performance in the period was primarily due to the delivery schedule of contracts, with revenue expected to improve through the remaining quarters of the year. Looking ahead, revenue trends are expected to improve in the remaining quarters of the year.

Gross Profit totaled AED 25.8 million in Q1 2025, representing a 5.9% decline compared to the prior year, mainly due to the lower revenue performance. Gross profit margins improved in the period, reaching 22.7% in Q1 2025, representing a 90bps expansion year-on-year. The improved gross margin performance was driven by the ongoing improvement in operational efficiencies and the streamlining of supply chains.

EBITDA reached AED 13.4 million in Q1 2025, a 29.0% year-on-year reduction, with an EBITDA margin of 11.8%, compared to an EBITDA of AED 18.9 million and margins of 15.0% in Q1 2024.

Net profit before tax amounted to AED 20.9 million in Q1 2025, a decline compared to the AED 29.2 million in the prior year.

Net profit after tax totaled AED 19.0 million in Q1 2025, with a net profit margin of 16.7%.

Robust cash position of AED 1,444.5 million at the end of the quarter ensures e7 is well placed for investment in strategic growth priorities, including potential inorganic growth and opportunities in wider markets.

Earnings Per Share amounted to AED 0.010 compared to AED 0.013 in the prior year.

Approval of maiden dividend of AED 147.1 million, 7.36 fils per share, representing 70% of annual distributable net profit, in line with the Group's dividend policy of no less than 50% of annual distributable net profit given the strong performance in FY 2024.

Continued momentum on strategic priorities

e7 through its customer-centric approach remains committed to delivering sustained shareholder value over the medium-long term by driving profitable growth. e7 will achieve this by expanding its solutions, entering new markets and strengthening relationships with clients as a trusted and reliable partner.

Within Identity solutions, the division remains a leading identity solutions player and a reliable partner for government and private sector clients worldwide, delivering secure identity solutions (National ID, Passport, Banking etc.) serving the UAE federal authorities and countries in the CIS, Africa, Middle East and LATAM. e7 is one of the very few identity solutions players globally to receive industry grade for security printing applications, at its state-of-the-art manufacturing facility in Abu Dhabi, capable of manufacturing 50 Mn national ID cards, 14 Mn passports (including capacity from 2026), 25 Mn banking cards, 6 Bn tax stamps (from 2026) annually.

In Q1 2025, revenue from Identity Solutions reached AED 64.0 million, supported by new contract wins, with higher revenue contribution expected throughout the remainder of the year, as a result of contract delivery schedules. Operationally in the first quarter, the identity solutions division secured a new major passport contract in the Middle East and successfully renewed its Visa and MasterCard certifications, ensuring continued compliance in payment card manufacturing and processing. Revenue in the quarter decreased 10% year-on-year from AED 70.8 million in Q1 2024.

As a reminder, in 2024, the Identity Solutions segment secured new contracts totaling over AED 120 million, including contracts for new passport and ID printing, which will be fulfilled over the medium-long term. e7 has cultivated deep industry understanding and global partnerships with several key stakeholders in the identity solutions space across the value chain from system integrators to technology partners.

Within Printing Solutions, e7 Group remains a market leader in educational solutions, having renewed several key client contracts with both private and government entities in 2024. e7 Printing Solutions continues to be the leading commercial printer in the region. With its diverse printing solutions offerings, the Printing Solutions segment provides flexibility to clients for their custom printing needs, helping expand its coverage to African markets for the printing of textbooks and exam papers.

Revenue within Printing Solutions totaled AED 28.6 million in the first quarter, having supported major cultural and corporate events through the provision of tailored print solutions and materials. e7 remains focused on expanding its digital printing capabilities, particularly within educational printing solutions, with a focus on providing print-on-demand services to enable hybrid printing and publishing capabilities. Revenue in the quarter reduced 15% year-on-year from AED 33.8 in Q1 2024, with the timing of the Eid holidays also impacting book delivery schedules.

Packaging Solutions, onboarded more than 30 new clients in 2024, leveraging its state-of-the-art infrastructure to increase market share across its core product offerings, including folding cartons and paper cups, with both existing and new clients.

Revenue within Packaging Solutions amounted to AED 9.7 million in Q1 2025, having secured several new customers and won the Silver Award for '*Carbon Packaging Converter of the year*' at the Prime Packaging Awards, one of the leading industry recognitions in the Middle East and Africa, celebrating innovation, excellence, and leadership in packaging. Revenue in the quarter increased a strong 23% year-on-year from AED 7.9 million in Q1 2024.

Logistics Solutions, continued to successfully expand its client base in 2024, securing contracts within the retail segment and government entities, which will support revenue growth and overall momentum in the division over the medium to long-term.

Logistics Solutions reported revenue of AED 11.5 million in Q1 2025, with good progress made in the period, having launched its pilot e-bike program, as the Group remains focused on its sustainability initiatives to reduce carbon emissions. Revenue declined 15% year-on-year compared to AED 13.6 million in Q1 2024, mainly due to the timing of delivery schedules alongside the lower revenue in other segments, with revenue trends expected to improve throughout the rest of the year. Going forward, strengthening e7 Group's value proposition through value-added services and implementing initiatives to reduce environmental impact remain key priorities for the division.

2025 Strategic Priorities – turbocharging growth with a unified approach

As disclosed at the time of the full year 2024 results, e7 is taking a new approach to deliver its value proposition to turbocharge growth in 2025, with an integrated account management approach focused on customer centricity, extracting synergies from operations to deliver innovation and excellence in every solution.

Under the one brand approach, e7 aims to pursue accelerated revenue growth across its areas of expertise (identity solutions, education, printing, packaging, logistics) by leveraging industry partnerships, scaling

integrated solutions to new clients and geographies, securing M&A opportunities and delivering innovative and sustainable solutions to clients.

The integrated approach will also drive a new culture at e7 through accountability, teamwork and push towards a results driven approach to maximise synergies. e7 will continue to invest to attract the best talent, pursue Emiratisation and diversity goals to grow local talent.

e7 is also undertaking a major shift to improve its operational efficiencies and become a data driven organisation through process automation, ERP implementation, cloud migration and agile processes across its value chain to strengthen its market competitiveness.

e7 Group made good progress on its 2025 strategic priorities during the period. Alongside the operational new contract wins and client retention, it also:

- **Made key leadership appointments, introduced AI-powered call center solutions and revamped its website.** In line with its strategic priorities to turbocharge growth and ongoing investments to attract experienced hires, e7 have appointed a Chief Technology & Digital Officer to spearhead the Group's focus on becoming a data-driven organisation. In addition, we have appointed a Chief Commercial Officer to accelerate e7's revenue growth, a key strategic priority for 2025. e7 has also introduced AI-powered call center solutions within its logistics solutions segment to enhance customer satisfaction and overall service experience for its customers. This follows the recent revamp of e7's website to reflect the Group's unified brand identity and its refreshed commercial strategy.

Approved maiden dividend of AED 147.1 million, representing 70% of 2024 distributable net profit

Given the robust financial performance in 2024, e7 shareholders approved a dividend of 7.36 fils per share for 2024. This represents a total payout of AED 147.1 million, equating to 70% of its annual distributable net profit, in line with the Group's recently announced dividend policy of returning at least 50% of annual distributable net profit to shareholders.

The approved dividend reflects the Group's proactive approach to capital allocation which balances the Group's active pipeline of value accretive inorganic growth opportunities, and the payment of ordinary dividends to shareholders.

Financial Overview

Q1 2025 = Three-month period to 31 March 2025

Description	Q1 2025 (AED'000)	Q1 2024 (AED'000)	% Change
Revenue	113,683	126,046	-9.8%
Gross Profit	25,834	27,456	-5.9%
EBITDA	13,413	18,897	-29.0%
Net Profit before FV adjustment on warrants	19,876	27,349	-27.3%
<i>Fair value adjustments of warrants</i>	<i>1,009</i>	<i>1,834</i>	<i>-45.0%</i>
Reported Net Profit/(Loss) before tax	20,885	29,183	-28.4%
Income tax expense	(1,873)	(2,555)	-26.7%
Profit/(Loss) for the period	19,013	26,628	-28.6%
Earnings/(Loss) Per Share (AED)	0.010	0.013	-26.8%

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About e7 Group

e7 Group (ADX: e7) a leading identity solutions player and market leader in educational services delivers quality solutions for tangible brand presence through its integrated products and solutions across Identity Solutions, Printing Solutions, Packaging Solutions and Educational Solutions and Logistics. The company's value proposition focuses on an integrated account management approach, focusing on customer centricity and extracting synergies from operations to deliver innovation and excellence in every solution. e7 has a diverse and expanding customer base, including governments, enterprises, and financial institutions, with customers located in the Middle East, Central and South Asia, Europe, and South America. For more information, visit www.E7group.ae.

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