

# **E7 GROUP PJSC**

## **Board of Directors' Report and consolidated financial statements**

**For the year ended 31 December 2025**

# **E7 GROUP PJSC**

## **Board of Directors' Report and consolidated financial statements**

For the year ended 31 December 2025

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# **E7 GROUP PJSC**

## **Board of Directors' Report to the Shareholders for the year ended 31 December 2025**

On behalf of the Board of Directors of E7 Group PJSC (the “Company” or the “Group”), we are pleased to present the Board of Directors' Report together with the audited consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2025.

During 2025, the Group continued its transformation toward becoming a diversified technology-enabled solutions platform delivering secure and integrated services across multiple sectors including identity solutions, printing, packaging, logistics, and digital education services. The year represented an important phase in the Group's strategic evolution as it strengthened its capabilities in digital identity solutions, hybrid education platforms, advanced printing technologies, secure packaging, and technology-enabled logistics.

These initiatives support the Group's long-term strategy to expand into higher-value, technology-enabled and recurring revenue streams while maintaining operational excellence across its traditional core businesses.

### **Principal Activities**

The Group's principal activities comprise printing, publishing, packaging and distributing newspapers, magazines, books and other printed materials.

### **Financial Performance**

The consolidated results presented in the accompanying consolidated financial statements reflect the Group's performance for the year ended 31 December 2025.

The Group reported revenue of AED 675.6 million in 2025 compared to AED 701.2 million in 2024, representing a decline of 3.6% year-on-year. The decrease primarily reflects the phasing of certain contracts during the year.

Gross profit for the year amounted to AED 219.3 million compared with AED 230.2 million in 2024. Gross profit margin remained stable at 32.5%, reflecting the Group's continued focus on operational efficiency and cost discipline.

EBITDA reached AED 153.6 million in 2025 compared with AED 190.6 million in 2024. The decline primarily reflects non-recurring transformation-related costs incurred during the year as well as the phasing of certain projects.

Net profit after tax for the year amounted to AED 104.2 million compared with AED 233.4 million in 2024. The reduction primarily reflects lower finance income following significant dividend distributions during the year and non-cash warrant-related loss incurred during the period as compared to gain during last year.

### **Liquidity and Financial Position**

The Group continues to maintain a strong financial position. As at 31 December 2025, the Group held cash and bank balances of AED 669.2 million and had no outstanding debt. This strong liquidity position provides financial flexibility to support strategic investments, international expansion initiatives, and future growth opportunities.

# E7 GROUP PJSC

## Board of Directors' Report to the Shareholders (continued) for the year ended 31 December 2025

### Total Assets & Shareholders' Equity

The Group's total assets were AED 1,571.2 million as at 31 December 2025 (31 December 2024: AED 2,390.2 million). The value of shareholders' equity was at AED 1,143.2 million as of 31 December 2025 compared to AED 1,941.8 million as of 31 December 2024.

### Dividend Distribution

During the year, the Group returned significant value to shareholders through total dividend distributions of AED 947.1 million, including a regular dividend of AED 147.1 million and a special dividend of AED 800 million.

The Company remains committed to its multi-year dividend policy of distributing at least 10 fils per share annually for the period 2025–2027, reflecting the Board's confidence in the Group's long-term growth prospects and financial strength.

### Directors

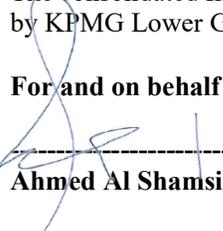
The Directors of the Company who held office during the financial year under review are:

- Ahmed Al Shamsi – Chairman
- Jaap Kalkman – Vice Chairman
- Domantas Bagusis (Retired on 26 September 2025)
- Praneet Gupta (Appointed on 26 September 2025)
- Iman Al Qasim
- Jan Juul Larsen
- Mohammad Sharafi
- Saif Al Hammadi

### Auditor

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by KPMG Lower Gulf Limited.

### For and on behalf of the Board of Directors



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**Ahmed Al Shamsi**

Chairman

Date: 26<sup>th</sup> March 2026



KPMG Lower Gulf Limited  
Level 19, Nation Tower 2  
Corniche Road, P.O. Box 7613  
Abu Dhabi, United Arab Emirates  
Tel. +971 (2) 401 4800, www.kpmg.com/ae

## Independent auditors' report

### To the Shareholders of E7 Group P.J.S.C.

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of E7 Group P.J.S.C. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 (IFRS Accounting Standards).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable requirements of Financial Statements Auditing Standards for the Subject Entities issued via Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No. (88) of 2021 (ADAA Auditing Standards). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical and independence requirements of ADAA that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional 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.

**Key Audit Matters (continued)**

**Revenue recognition**

See Note 22 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group reported revenue of AED 676 million during the year ended 31 December 2025 (2024: AED 701 million).</p> <p>The Group's revenue is derived from printing services such as cards, schoolbooks, newspapers, and other commercial printing, as well as revenue from distribution and packaging. Revenue is recognised at the point in time at which the performance obligation is satisfied.</p> <p>The Group's revenue recognition accounting policy is included in note 3 to the consolidated financial statements. Details of the nature of revenue recognised during the year are disclosed in note 22.</p> <p>Revenue recognition is considered to be a key audit matter given its significance in determining the financial performance and the profitability of the Group.</p>	<p>We performed the following procedures, in respect of revenue recognition:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the business process and performed walkthroughs;</li> <li>• We assessed the key controls over revenue to determine if they had been designed and implemented appropriately;</li> <li>• We tested a sample of revenue transactions for each significant revenue stream and inspected the underlying supporting documentation such as signed customer contracts, customer invoices, and proof of delivery. For the sample selected, we assessed if revenue is recognised based on the satisfaction of the performance obligation;</li> <li>• We performed revenue cut off testing to ensure revenue is recognized in the correct accounting period; and</li> <li>• We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRSs.</li> </ul>

**Other Information**

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the consolidated financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after that date.

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

## Other Information (continued)

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, and applicable provisions of the laws and regulations 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.

## Auditors' 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 auditors' 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 and ADAA Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and ADAA Auditing Standards, 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.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;

## Report on Other Legal and Regulatory Requirements (continued)

- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 12 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2025;
- vi) note 20 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Further, as required by the ADAA Auditing Standards, we report that based on the procedures performed and information provided to us by management and those charged with governance, nothing has come to our attention that causes us to believe that the Company has not complied, in all material aspects, with any of the provisions of the following laws applicable to its activities, regulations and circulars as applicable, which would have a material impact on the consolidated financial statements as at 31 December 2025:

- i) its Articles of Association or Law of Establishment which would materially affect its activities or its financial position as at 31 December 2025; and
- ii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Company's consolidated financial statements.

KPMG Lower Gulf Limited



Walid Yakan  
Registration No.: 5568  
Abu Dhabi, United Arab Emirates

Date: 26 March 2026

# E7 Group PJSC

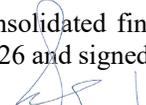
## Consolidated statement of financial position

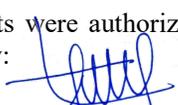
At 31 December 2025

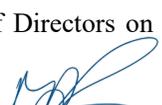
	<i>Notes</i>	2025 AED '000	2024 AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	417,527	379,281
Right-of-use assets	7	9,597	13,422
Intangible assets	8	9,102	2,822
<b>Total non-current assets</b>		<u>436,226</u>	<u>395,525</u>
<b>Current assets</b>			
Inventories	9	249,145	242,446
Due from related parties	20	1,931	2,906
Trade and other receivables	10	214,711	307,269
Cash and bank balances	11	669,161	1,442,026
<b>Total current assets</b>		<u>1,134,948</u>	<u>1,994,647</u>
<b>Total assets</b>		<u>1,571,174</u>	<u>2,390,172</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	524,813	524,813
Share premium		34,859	1,025,135
Treasury shares	13	(15,806)	(25,000)
Shareholder's contribution	14	50,600	50,600
Statutory reserve	15	72,680	62,166
Voluntary reserve	16	225,135	-
Other reserve		-	90,000
Retained earnings		250,923	214,116
<b>Equity attributable to the owners of the Company</b>		<u>1,143,204</u>	<u>1,941,830</u>
Non-controlling interests		(397)	-
<b>Total equity</b>		<u>1,142,807</u>	<u>1,941,830</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	17	29,063	27,146
Lease liabilities	7	3,531	8,824
<b>Total non-current liabilities</b>		<u>32,594</u>	<u>35,970</u>
<b>Current liabilities</b>			
Public warrants	18	1,374	16,588
Private warrants	18	-	4,147
Trade and other payables	19	325,383	312,556
Current tax payable	32	10,385	23,255
Due to related parties	20	8,934	5,647
Deferred revenues	21	42,777	44,803
Lease liabilities	7	6,920	5,376
<b>Total current liabilities</b>		<u>395,773</u>	<u>412,372</u>
<b>Total liabilities</b>		<u>428,367</u>	<u>448,342</u>
<b>Total equity and liabilities</b>		<u>1,571,174</u>	<u>2,390,172</u>

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Group as of, and for the year ended to 31 December 2025.

These consolidated financial statements were authorized for issue by the Board of Directors on 26 March 2026 and signed on its behalf by:

  
 Ahmed Al Shamsi  
 Chairman

  
 Esteban Gómez Nadal  
 Group Chief Executive  
 Officer

  
 Mark Paver  
 Group Chief Financial  
 Officer

The accompanying notes form an integral part of these consolidated financial statements.  
 The independent auditors' report is set out on pages 3 to 7.

# E7 Group PJSC

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

	<i>Notes</i>	2025 AED '000	2024 AED '000
Revenues from contracts with customers	22	675,645	701,167
Direct costs	23	<u>(456,321)</u>	<u>(470,933)</u>
<b>Gross profit</b>		<b>219,324</b>	<b>230,234</b>
General and administrative expenses	24	(99,116)	(79,880)
Selling and marketing expenses	25	(8,545)	(10,009)
(Provision) / reversal of impairment loss on financial assets	10	(3,742)	4,654
Other income	28	<u>5,783</u>	<u>7,847</u>
<b>Operating profit for the year</b>		<b>113,704</b>	<b>152,846</b>
Finance income	27	47,970	106,374
Finance cost	27	<u>(47,114)</u>	<u>(2,528)</u>
<b>Profit for the year before taxation</b>		<b>114,560</b>	<b>256,692</b>
Income tax expense	32	<u>(10,385)</u>	<u>(23,255)</u>
<b>Profit for the year</b>		<b>104,175</b>	<b>233,437</b>
<i>Attributable to:</i>			
Owners of the Company		104,572	233,437
Non-controlling interests		<u>(397)</u>	<u>-</u>
		<b>104,175</b>	<b>233,437</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement of provision for employees' end of service benefits	17	<u>(143)</u>	<u>754</u>
<b>Total comprehensive income for the year</b>		<b><u>104,032</u></b>	<b><u>234,191</u></b>
<i>Attributable to:</i>			
Owners of the Company		104,429	-
Non-controlling interests		<u>(397)</u>	<u>-</u>
		<b>104,032</b>	<b>-</b>
<b>Earnings per share:</b>			
Basic (AED)	29	0.05	0.12
Diluted (AED)	29	0.05	0.12

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

The independent auditors' report is set out on pages 3 to 7.

## E7 Group PJSC

### Consolidated statement of changes in equity

For the year ended 31 December 2025

	Share capital AED '000	Share premium AED '000	Treasury shares AED '000	Shareholder's contribution AED '000	Statutory reserve AED '000	Voluntary reserve AED '000	Other reserve AED '000	Retained earnings AED '000	Equity attributable to the owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
Balance at 1 January 2024	524,813	1,025,135	(25,000)	50,600	38,822	-	-	3,269	1,617,639	-	1,617,639
Total comprehensive income for the year	-	-	-	-	-	-	-	234,191	234,191	-	234,191
Transfer to statutory reserve	-	-	-	-	23,344	-	-	(23,344)	-	-	-
Reserve on initial recognition of land (note 6)	-	-	-	-	-	-	90,000	-	90,000	-	90,000
<b>Balance at 31 December 2024</b>	<b>524,813</b>	<b>1,025,135</b>	<b>(25,000)</b>	<b>50,600</b>	<b>62,166</b>	<b>-</b>	<b>90,000</b>	<b>214,116</b>	<b>1,941,830</b>	<b>-</b>	<b>1,941,830</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,429</b>	<b>104,429</b>	<b>(397)</b>	<b>104,032</b>
Transfer to statutory reserve	-	-	-	-	10,514	-	-	(10,514)	-	-	-
Transfer to voluntary reserve	-	(1,025,135)	-	-	-	1,025,135	-	-	-	-	-
Dividends paid	-	-	-	-	-	(800,000)	(90,000)	(57,108)	(947,108)	-	(947,108)
Warrants conversion	-	34,859	9,194	-	-	-	-	-	44,053	-	44,053
<b>Balance at 31 December 2025</b>	<b>524,813</b>	<b>34,859</b>	<b>(15,806)</b>	<b>50,600</b>	<b>72,680</b>	<b>225,135</b>	<b>-</b>	<b>250,923</b>	<b>1,143,204</b>	<b>(397)</b>	<b>1,142,807</b>

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

The independent auditors' report is set out on pages 3 to 7.

# E7 Group PJSC

## Consolidated statement of cash flows

For the year ended 31 December 2025

	<i>Notes</i>	2025 AED '000	2024 AED '000
<b>Cash flows from operating activities</b>			
Profit for the year before tax		114,560	256,692
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6	33,521	32,404
Depreciation of right-of-use assets	7 & 23	6,469	5,196
Amortisation of intangible assets	8 & 24	572	517
(Gain) on sale of property, plant and equipment	28	(57)	(966)
Provision / (reversal) for allowance of expected credit losses of trade and other receivables	10	3,742	(4,654)
Write down of inventory	23	11,649	-
Provision for slow moving and obsolete inventories	9	125	8,085
Provision for employees' end of service benefits	17	5,305	5,019
Finance cost on lease liabilities	7 & 27	828	927
Other finance cost	27	857	-
Net loss / (gain) on warrant liabilities at fair value through profit or loss	27	43,404	(33,856)
Gain on buyback of warrants		(57)	-
Interest income on fixed deposits	27	(47,913)	(72,518)
Foreign currency exchange loss	27	638	318
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>173,643</b>	<b>197,164</b>
Inventories		(18,473)	(74,737)
Due from related parties		975	2,636
Trade and other receivables		89,117	(39,995)
Trade and other payables		12,189	50,248
Due to related parties		3,287	(1,098)
Deferred revenues		(2,026)	309
<b>Cash generated from operations</b>		<b>258,712</b>	<b>134,527</b>
Income tax paid		(23,255)	-
Employees' end of service benefit paid	17	(3,531)	(2,411)
<b>Net cash generated from operating activities</b>		<b>231,926</b>	<b>132,116</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	(72,968)	(42,566)
Acquisition of intangible assets	8	(5,725)	(689)
Finance income received		47,612	72,096
Proceeds from disposal of property, plant and equipment sale		131	966
Term deposit with original maturity more than 3 months	11	891,470	(229,367)
<b>Net cash generated from / (used in) investing activities</b>		<b>860,520</b>	<b>(199,560)</b>
<b>Cash flows from financing activities</b>			
Principal payments for lease liabilities	7	(6,393)	(4,444)
Payment of interest on lease liabilities	7 & 27	(828)	(927)
Dividends paid		(947,108)	-
Payment against warrants buyback		(18,655)	-
Finance cost paid	27	(857)	-
<b>Net cash used in financing activities</b>		<b>(973,841)</b>	<b>(5,371)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>118,605</b>	<b>(72,815)</b>
Cash and cash equivalents at the beginning of the year	11	254,819	327,634
Cash and cash equivalents at the end of the year	11	373,424	254,819
<b>Non-cash transactions:</b>			
Transfer from end of service balance to other payables		-	2,228
Transfer of land		-	90,000
Non-cash exercise of warrants settled using treasury shares		44,053	-
Transfer from property, plant and equipment to Intangible assets		1,127	-

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

The independent auditors' report is set out on pages 3 to 7.

# E7 GROUP PJSC

## Notes to the consolidated financial statements

For the year ended 31 December 2025

### 1 General information

E7 Group P.J.S.C (“E7” or the “Company”) was established on 13 April 2022 as a Public Joint Stock Company. E7 Group P.J.S.C (“E7” or the “Company”) and its subsidiaries (together the “Group”) is ultimately owned by Abu Dhabi Developmental Holding Company PJSC (“ADQ”) (“Ultimate Parent” and “Ultimate Controlling Party”).

The Company’s Class A shares and public warrants are listed on the Abu Dhabi Securities Exchange (“ADX”).

The Group’s principal activities comprise printing, publishing, packaging and distributing newspapers, magazines, books and other printed materials.

The Group also owns a trade license namely, United Printing & Publishing (Store) LLC - Sole Proprietorship LLC (“USL”). The principal activity of USL is storing in public storehouses.

The Group is using the above trade license for its operations.

Following table summarises the Company’s ownership structure:

#### 31 December 2025

Name	Number of shares	Nominal value	Percentage holding
Q Industrial Holdings LTD	834,625,000	208,656,250	39.8%
Chimera Investments LLC	143,012,296	35,753,074	6.8%
United Eastern General Trading International Aviation Holding - Single Person Company	97,487,664	24,371,916	4.6%
Other shareholders	117,446,750	29,361,688	5.6%
<b>Total</b>	<b>2,036,024,278</b>	<b>509,006,070</b>	<b>97%</b>
Treasury Shares (note 13)	63,225,722	15,806,430	3%
<b>Grand Total</b>	<b>2,099,250,000</b>	<b>524,812,500</b>	<b>100%</b>

#### 31 December 2024

Name	Number of shares	Nominal value	Percentage holding
Q Industrial Holdings LTD	834,625,000	208,656,250	39.8%
Chimera Investments LLC	137,625,000	34,406,250	6.6%
United Eastern General Trading International Aviation Holding - Single Person Company	132,446,740	33,111,685	6.3%
Other shareholders	117,446,750	29,361,688	5.6%
<b>Total</b>	<b>1,999,250,000</b>	<b>499,812,500</b>	<b>95.2%</b>
Treasury Shares (note 13)	100,000,000	25,000,000	4.8%
<b>Grand Total</b>	<b>2,099,250,000</b>	<b>524,812,500</b>	<b>100%</b>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (“IFRSs”) and interpretations issued by the IFRS Interpretation Committee (“IFRS IC”) applicable to companies reporting under IFRS.

The consolidated financial statements have been presented in United Arab Emirates Dirhams (“AED”), which is the Group’s functional and reporting currency. All amounts have been recorded to the nearest thousand, unless otherwise stated.

#### 2.1 Application of new and revised International Financial Reporting Standards (IFRSs)

##### 2.1.1 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 years but may affect the accounting for future transactions or arrangements.

<b>New and currently effective IFRSs and amendments</b>	<b>Effective for annual periods beginning on or after</b>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

##### 2.1.2 Accounting standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

###### A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as ‘other’.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 2 Basis of preparation (continued)

#### 2.1 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

##### 2.1.2 Accounting standards issued but not yet effective (continued)

###### B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

<b>New and revised IFRSs and amendments</b>	<b>Effective for annual periods beginning on or after</b>
<i>Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</i>	1 January 2026
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
	Available for optional adoption/ effective date
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28</i>	deferred indefinitely

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 statement of the Group.

### 3 Summary of material accounting policies

#### 3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) and also comply with the applicable requirements of UAE Federal Law No. 32 of 2021.

#### 3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except for the fair value measurement of public and private warrants that are measured at Fair Value Through Profit or Loss (“FVTPL”). The consolidated financial statements have been presented in United Arab Emirates Dirhams (“AED”), which is the Group's functional and reporting currency. All amounts have been recorded to the nearest thousand, unless otherwise stated.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.3 Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Group's functional and reporting currency, being the currency of primary economic environment in which the Group operates. Except as indicated, all financial information reported in these consolidated financial statements have been rounded to the thousand.

#### 3.4 Basis of consolidation

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

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to 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 the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; 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.

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

Profit or loss and each component of other comprehensive income are attributed to the parent of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.4 Basis of consolidation (continued)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis.

Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The accompanying consolidated financial statements comprise of the financial statements of the Company and its subsidiaries. The details of the Company's subsidiaries and its principal activities are as follows:

Operating Entities	Country of incorporation	Ownership interest %		Principal activity
		2025	2024	
United Printing and Publishing – Sole Proprietorship L.L.C	United Arab Emirates	100%	100%	Printing, publishing, packaging of newspapers, magazines, books and other printed materials.
United Educational Publishing – Sole Proprietorship L.L.C	United Arab Emirates	100%	100%	Book publication and related activities
E7 Sirocco Limited	Republic of Rwanda	51%	-	Holding company
E7 Synergy Limited	Rwanda	51%	-	Printing
Tawzea Distribution & Logistic services – Sole Proprietorship	United Arab Emirates	100%	100%	Distribution and delivery of parcel and printed materials

#### 3.5 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting.

All other assets are classified as non-current.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.5 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

#### 3.6 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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

The principal annual rates used for this purpose are:

Building	20 - 25 years
Plant and equipment	10 - 25 years
Furniture and fittings	3 years
Motor vehicles	5 years
Tools	2 years

Freehold land and properties under construction are not depreciated.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.6 Property, plant and equipment (continued)

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

#### 3.7 Capital work in progress

Capital work in progress is stated at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group's policy.

#### 3.8 Impairment of tangible and intangible assets

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income as incurred unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income as incurred unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.9 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and in hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### 3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated realisable value less all estimated costs to completion and costs to be incurred in disposing of inventories.

#### 3.11 End of service benefit

End of service benefit obligation is estimated using the Projected Unit Credit method. Under this method each participant's benefits under the plan are attributed to years of service, taking into consideration future salary increases. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (a) Bonus and long-term incentive plans

The Group recognises the liability for bonuses and long-term incentives in profit and loss on an accrued basis. The benefits for the management are subject to the Board's approval and are linked to business performance.

##### (b) Defined contribution plan

Monthly pension contributions are made in respect of UAE National employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund.

##### (c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group currently operates an unfunded defined benefit plan in accordance with the applicable provisions of the UAE Federal Labour Law which is based on periods of cumulative service and levels of employees' final basic salaries. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of benefit to be paid in the future that employees have earned in return for their service in the current and prior periods which is discounted to determine its present value. The discount rate has been taken as the yield at the valuation date on US AA-rated corporate bonds, which in the absence of a deep market in corporate bonds within the UAE is a reasonable proxy for long-term interest rates in the local market. The calculation of the defined benefit obligation is performed regularly by a qualified actuary using the projected unit credit method. The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans within profit or loss. Any changes to plan benefits are recognised immediately in profit or loss.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.12 Share capital

Class A shares represent the ordinary shares of the Group and are classified as equity instruments in accordance with IAS 32.

#### 3.13 Share premium

Amount subscribed for share capital in excess of nominal value is recognized as share premium. It also includes difference of fair value of deemed shares issued over and above the original issuance price.

#### 3.14 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

#### 3.15 Foreign currencies

For the purpose of these consolidated financial statements, the UAE Dirhams (AED) is the functional and the presentation currency of the Group.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

#### 3.16 Public and private warrants

The public and private warrants are classified as derivative financial liabilities under IAS 32 and are initially measured at their fair value less transaction costs. Subsequent to initial recognition, these warrants are measured at fair value, and changes therein are recognized in the consolidated statement of profit or loss and other comprehensive income.

#### 3.17 Revenue recognition

The Group recognizes revenue from contracts with customers based on a five-step model as sets out in IFRS 15.

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the 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 entity satisfies a performance obligation

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.17 Revenue recognition (continued)

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

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

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance – unbilled receivables. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives right to a contract liability – advances from customers.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

The Group does not expect to have any contracts where the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction price for the time value of money.

#### *Printing revenue (commercial printing, newspaper printing and cards printing)*

Sales of newspapers, cards and other commercial printing are recognised at point in time when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

#### *Distribution revenue*

The Group provides distribution services, revenue is recognised at a point in time based on the actual service provided the customer as the customer receives and uses the benefits simultaneously.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.18 Segment reporting

Segment reporting operating segments are reported in a manner consistent with the internal reporting provided to the Group's executive management. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's executive management to make decisions about resources to be allocated to the segment and assess its performance, and for which financial information is available.

#### Segmental analysis

The Group has two reportable segments, as described below. Reportable segments offer different products and services and are managed separately because they require different technology and operational marketing strategies. The following summary describes the operations in each of the Group's reportable segment:

#### Printing segment

The printing segment comprise of printing, security and packaging divisions.

Printing division is focused on commercial printing including newspapers, magazines, books, outdoor printing collaterals and educational publishing solutions.

Security division serve total security printing solutions of customers in the banking, government, telecom, retail, hospitality, and transport sectors and with a state-of-the art security system, providing critical products like banking cards, telecom cards, national ID cards, and passports.

Packaging division utilizes state-of-the-art machinery to produce foldable boxes, disposable food packaging, frozen food packaging, and paper cups with plans to further diversify offerings.

#### Distribution segment

Tawzea Distribution & Logistics Services Establishment ("Tawzea") supports customers through a range of services including fulfilment, distributions, logistics, mailing room services and dedicated customer service teams.

Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### 3.19 Provision

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.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.19 Provision (continued)

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.

#### 3.20 Leases

##### *The Group as lessee*

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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 revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.20 Leases (continued)

*The Group as lessee (continued)*

The Group did not make any such adjustments during the years 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, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Rent expenses' in the consolidated statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS16 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.

#### 3.21 Financial instruments

##### 3.21.1 Financial assets

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 the consolidated statement of profit or loss and other comprehensive income.

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.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

###### *Classification of financial assets*

(i) Debt instruments designated at amortised cost

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

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

(ii) Debt instrument designated at other comprehensive income

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

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

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

###### *Amortised cost and effective interest rate method*

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

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

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

###### (ii) Debt instrument designated at other comprehensive income (continued)

###### *Amortised cost and effective interest rate method (continued)*

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in consolidated statement of profit or loss or other comprehensive income and is included in the "finance income - interest income" line item.

###### (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. 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 will not be reclassified to consolidated statement profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in consolidated statement of profit or loss.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

*Amortised cost and effective interest rate method (continued)*

##### (iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI 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.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria 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 consolidated statement of profit or loss.

##### *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, trade and other receivables and due from related parties. 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 and other receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

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.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

*Impairment of financial assets (continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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

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

(ii) Definition of default

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

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

###### *Impairment of financial assets (continued)*

###### (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:

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

###### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

###### (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.

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.

###### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.1 Financial assets (continued)

###### *Derecognition of financial assets (continued)*

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss and other comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated statement of profit or loss, but is transferred to retained earnings.

##### 3.21.2 Financial liabilities

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

###### *Financial liabilities at FVTPL*

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

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

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

###### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.21 Financial instruments (continued)

##### 3.21.2 Financial liabilities (continued)

*Financial liabilities measured subsequently at amortised cost (continued)*

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss or loss and other comprehensive income.

#### 3.22 Earnings per share

*i. Basic earnings per share*

Basic earnings per share is calculated by dividing:

- The profit/ (loss) attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

*ii. Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### 3.23 Finance income and finance costs

Interest income and expenses for all interest-bearing financial instruments except for those designated at FVTPL, are recognized in 'finance income' and 'finance expense' in the consolidated statement of profit or loss and other comprehensive income on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate.

Finance costs comprise interest expense on defined benefits obligations, finance cost on lease liabilities and finance asset lease, foreign currency exchange loss and fair value adjustments on public and private warrant liabilities measured at fair value through profit or loss. Finance income comprise of interest received on fixed deposits and foreign exchange gain.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 3 Summary of material accounting policies (continued)

#### 3.24 Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 4 Critical accounting judgements and key sources of estimation uncertainty

While applying the material accounting policies as stated in Note 3, management of the Group is required to make certain judgements, 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimate made by management are summarised as follows:

#### Critical accounting judgements

##### Revenues from contracts with customers

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

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

As further described in note 3, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IFRS 15: *Revenue from contracts with customers*, and in particular whether the Group had transferred control of the goods to the customers.

Based on the acceptance by the customer of the liability for the goods sold, management is satisfied that control has been transferred upon acceptance of delivery and the recognition of the revenue is appropriate.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

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

#### Critical accounting judgements (continued)

##### Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

##### *Classification of public and private warrants*

As per the terms of the public and private warrants, if holders exercise their public and private warrants, the Group will have the option to require all holders that wish to exercise public and private warrants to do so on a “cashless basis.” In such event, each holder would pay the exercise price by surrendering the public and private warrants for class A shares based on the fair market value of the class A shares at the relevant time. Hence, the number of shares issued against the public and private warrants may vary thereby failing the “Fixed for Fixed” test. Consequently, management has concluded the public and private warrants as derivative financial liabilities.

These warrants are classified as current liabilities considering that the warrants are exercisable at anytime after 30 days from 7 November 2023 (Transaction date)” up to a period of 3 years from the Transaction date. The accounting policies of public and private warrants has been further explained in Note 3. During the year, 14,107 thousand warrants were cancelled and converted into 36,774 thousand ordinary shares through a cashless conversion settled by the transfer of treasury shares, resulting in a reduction in the treasury share balance and an increase in the number of outstanding ordinary shares. In addition, the Group repurchased 7,774 thousand warrants at AED 2.40 per warrant pursuant to a voluntary cash offer approved by the general assembly on 19 August 2025. The voluntary buy-back offer, announced through ADX on 19 August 2025, invited all warrant holders to tender up to 100 percent of the issued warrants for AED 2.40 per warrant over a 60-day offer period ended 20 October 2025.

Following these transactions, the remaining warrants continue to be exercisable at any time until 6 December 2026 at AED 1.15, being three years after completion of the Group’s business combination, unless earlier repurchased or cancelled.

#### **Estimates**

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position 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.

##### *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 Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Impairment of trade and other receivables at 2025 are AED 7,064 thousand (2024: AED 42,525 thousand).

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

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

#### Estimates (continued)

##### *Impairment of property, plant and equipment*

Management determines whether there are any indications of impairment to the carrying values of property, plant and equipment with definite lives, on an annual basis. If any such indication exists, the Group estimates the recoverable amount of the asset. This assessment requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows for the periods and also choose a suitable discount rate in order to calculate the present value of those cash flows.

### 5 Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value in these consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 5 Fair value hierarchy (continued)

#### Financial liabilities measured at fair value

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000
<b>As at 31 December 2025</b>			
<b>Derivative financial liabilities</b>			
Public warrant liabilities at fair value through profit or loss (note 18)	<u>1,374</u>	<u>-</u>	<u>-</u>
	<u>1,374</u>	<u>-</u>	<u>-</u>
<b>As at 31 December 2024</b>			
<b>Derivative financial liabilities</b>			
Public warrant liabilities at fair value through profit or loss (note 18)	16,588	-	-
Private warrant liabilities at fair value through profit and loss (note 18)	<u>4,147</u>	<u>-</u>	<u>-</u>
	<u>20,735</u>	<u>-</u>	<u>-</u>

The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between levels for the year. The fair values of the Group's other financial instruments approximate their carrying amounts in the consolidated statement of financial position as of 31 December 2025.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 6 Property, plant and equipment

	Land AED '000	Building AED '000	Plant and equipment AED '000	Furniture and fixtures AED '000	Motor vehicles AED '000	Tools AED '000	Capital work in progress AED '000	Total AED '000
<b>Cost</b>								
At 1 January 2024	-	201,854	529,432	35,877	20,991	3,262	8,577	799,993
Additions during the year	90,000	876	11,292	2,298	1,582	640	25,878	132,566
Transfer from capital work in progress	-	5,230	6,693	449	-	625	(12,997)	-
Write off	-	-	-	-	-	-	(176)	(176)
Disposals during the year	-	-	(60,936)	(2,683)	(715)	(12)	-	(64,346)
At 31 December 2024	90,000	207,960	486,481	35,941	21,858	4,515	21,282	868,037
At 1 January 2025	90,000	207,960	486,481	35,941	21,858	4,515	21,282	868,037
Additions during the year	-	1,169	13,238	3,589	421	367	54,184	72,968
Transfer from capital work in progress	-	1,779	14,579	-	-	-	(16,358)	-
Transfer to intangible assets	-	-	-	-	-	-	(1,127)	(1,127)
Disposals during the year	-	-	(3,069)	(513)	(190)	(666)	-	(4,438)
At 31 December 2025	90,000	210,908	511,229	39,017	22,089	4,216	57,981	935,440
<b>Accumulated depreciation and impairment</b>								
At 1 January 2024	-	95,951	376,016	30,826	14,435	2,758	712	520,698
Charge for the year	-	8,660	17,458	2,579	3,282	425	-	32,404
Disposals during the year	-	-	(60,936)	(2,683)	(715)	(12)	-	(64,346)
At 31 December 2024	-	104,611	332,538	30,722	17,002	3,171	712	488,756
At 1 January 2025	-	104,611	332,538	30,722	17,002	3,171	712	488,756
Charge for the year	-	9,517	18,258	3,048	2,199	499	-	33,521
Disposals during the year	-	-	(3,042)	(478)	(178)	(666)	-	(4,364)
At 31 December 2025	-	114,128	347,754	33,292	19,023	3,004	712	517,913
<b>Carrying amount</b>								
At 31 December 2025	90,000	96,780	163,475	5,725	3,066	1,212	57,269	417,527
At 31 December 2024	90,000	103,349	153,943	5,219	4,856	1,344	20,570	379,281

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 6 Property, plant and equipment (continued)

Depreciation is allocated in the consolidated statement of profit or loss and other comprehensive income, as follows:

	2025 AED '000	2024 AED '000
Direct costs (note 23)	29,347	28,761
General and administrative expenses (note 24)	4,174	3,643
	<u>33,521</u>	<u>32,404</u>

The land initially provided to the Group by Abu Dhabi Media Company PJSC at no cost, underwent a title transfer during the year 2024. The title of this land was transferred to the United Printing & Publishing – Sole Proprietorship LLC (subsidiary). The land was recognized at its fair value which amounted to AED 90 million at the time of the transfer. The fair value amount was credited to other reserves under equity, associated with the recognition of the land.

### 7 Right-of-use assets and lease liabilities

Movements of the right-of-use assets during the year are summarized as follows:

	Warehouse AED '000
<b>Cost</b>	
At 1 January 2024	8,232
Additions during the year	11,845
31 December 2024	<u>20,077</u>
At 1 January 2025	<b>20,077</b>
Additions during the year	2,644
<b>At 31 December 2025</b>	<b><u>22,721</u></b>
<b>Accumulated depreciation</b>	
At 1 January 2024	1,459
Charge for the year (note 23)	5,196
At 31 December 2024	<u>6,655</u>
At 1 January 2025	<b>6,655</b>
Charge for the year (note 23)	6,469
<b>At 31 December 2025</b>	<b><u>13,124</u></b>
<b>Carrying amount</b>	
<b>At 31 December 2025</b>	<b><u>9,597</u></b>
At 31 December 2024	<u>13,422</u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 7 Right-of-use assets and lease liabilities (continued)

During the year movement in lease liabilities were as follows:

	AED '000
At 1 January 2024	6,799
Additions during the year	11,845
Interest accrued during the year (note 27)	927
Paid during the year	<u>(5,371)</u>
At 31 December 2024	<b>14,200</b>
Additions during the year	2,644
Interest accrued during the year (note 27)	828
Paid during the year	<u>(7,221)</u>
<b>At 31 December 2025</b>	<b><u>10,451</u></b>

Lease liabilities are allocated in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Current	<b>6,920</b>	5,376
Non – current	<b>3,531</b>	8,824
	<b><u>10,451</u></b>	<u>14,200</u>

### 8 Intangible assets

	Software AED '000
<b>Cost</b>	
At 1 January 2024	7,198
Additions during the year	689
At 31 December 2024	<u>7,887</u>
At 1 January 2025	<b>7,887</b>
Additions during the year*	5,725
Transfer from property, plant and equipment	1,127
Disposal for the year	<u>(3,008)</u>
<b>At 31 December 2025</b>	<b><u>11,731</u></b>
<b>Accumulated amortisation</b>	
At 1 January 2024	4,548
Charge for the year (note 24)	517
At 31 December 2024	<u>5,065</u>
At 1 January 2025	5,065
Charge for the year (note 24)	572
Disposal for the year	<u>(3,008)</u>
<b>At 31 December 2025</b>	<b><u>2,629</u></b>
<b>Carrying amount</b>	
<b>At 31 December 2025</b>	<b><u>9,102</u></b>
At 31 December 2024	<u>2,822</u>

\* Additions during 2025 primarily relate to SAP implementation costs capitalised as software under development.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 9 Inventories

	2025 AED '000	2024 AED '000
Raw materials	221,096	219,633
Spare parts	15,962	16,257
Finished goods	6,601	4,398
Work in progress	19,515	17,536
	<u>263,174</u>	<u>257,824</u>
Less: Provision for slow moving and obsolete inventories	(14,029)	(15,378)
	<u>249,145</u>	<u>242,446</u>

Related cost of inventories is recorded in the consolidated statement of profit or loss and other comprehensive income under direct costs (note 23). During the year the Group has written down inventory amounting to AED 11,649 thousand (2024: Nil) related to impairment for net realizable value (“NRV”) of inventory.

The movement in the provision for slow-moving and obsolete inventories during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	15,378	10,479
Charge for the year (note 23)	125	8,085
Written off during the year	(1,474)	(3,186)
At 31 December	<u>14,029</u>	<u>15,378</u>

### 10 Trade and other receivables

	2025 AED '000	2024 AED '000
Trade receivables	117,116	262,196
Less: allowances for expected credit losses	(7,064)	(42,525)
	<u>110,052</u>	<u>219,671</u>
Prepayments	7,706	10,070
Advances to suppliers	62,668	49,113
Interest receivable on fixed deposits	8,548	8,248
Other receivables	25,737	20,167
	<u>214,711</u>	<u>307,269</u>

The average credit period for trade receivables is 30-120 days (2024: 30-120) days. No interest is charged on trade and other receivables.

Included in the trade receivables is an amount of AED 7,816 thousand (2024: AED 17,009 thousand) due from related parties.

At 31 December 2025 and 2024, the ageing analysis of trade receivables and corresponding allowance for expected credit losses was as follows:

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 10 Trade and other receivables (continued)

	Total AED'000	Not past due AED'000	Up to 3 months AED'000	Between 3 to 6 months AED'000	Over 6 months AED'000
<b>31 December 2025</b>					
Gross trade receivables	117,116	62,307	32,533	7,811	14,465
ECL %		0.34%	0.94%	2.37%	43.95%
Expected credit losses	(7,064)	(211)	(306)	(185)	(6,362)
	<u>110,052</u>	<u>62,092</u>	<u>32,227</u>	<u>7,626</u>	<u>8,107</u>
<b>31 December 2024</b>					
Gross trade receivables	262,196	119,736	54,918	23,334	64,208
ECL %		0.03%	0.41%	1.81%	65.17%
Expected credit losses	(42,525)	(36)	(225)	(420)	(41,844)
	<u>219,671</u>	<u>119,700</u>	<u>54,693</u>	<u>22,914</u>	<u>22,364</u>

The movement in the allowance for expected credit losses during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	42,525	47,768
Provided during the year	3,742	-
Reversal during the year	-	(4,654)
Written off during the year	(39,203)	(589)
At 31 December	<u>7,064</u>	<u>42,525</u>

### 11 Cash and bank balances

	2025 AED '000	2024 AED '000
Bank deposits*	647,378	1,423,040
Cash at banks	21,365	18,505
Cash in hand	418	481
Cash and bank balances	<u>669,161</u>	<u>1,442,026</u>
Less: term deposit with original maturity more than 3 months*	(295,737)	(1,187,207)
Cash and cash equivalents at 31 December	<u>373,424</u>	<u>254,819</u>

\*Short term fixed deposits represent amounts deposited with a local bank bearing average interest rate of 4.6% per annum (2024: 4.6% per annum).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of the United Arab Emirates. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is immaterial impairment, and hence have not recorded any loss allowances on these balances.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 12 Share capital and share premium

At 31 December 2025, the Company's share capital is divided into 2,099,250 thousand shares which includes 63,226 thousand shares (nominal value: AED 0.25 per share) that were issued by E7 and simultaneously purchased by the Company as treasury shares.

At the beginning of the year, the Company held 100,000 thousand treasury shares. During the year ended 31 December 2025, 14,107 thousand warrants were cancelled and converted into 36,774 thousand ordinary shares through a cashless conversion, which was satisfied by the transfer of an equivalent number of treasury shares. As a result, the treasury share balance decreased from 100,000 thousand shares to 63,226 thousand shares, and the number of outstanding ordinary shares increased accordingly. The Group has not purchased any shares during the year (2024: nil).

The movement in number of shares for the years 2025 and 2024 is as follows:

	<b>2025</b> <b>AED '000</b>	2024 AED '000
At 1 January	1,999,250	1,999,250
Increase from treasury shares transferred on warrant conversion	<u>36,774</u>	-
At 31 December	<u><b>2,036,024</b></u>	<u>1,999,250</u>

### 13 Treasury shares

	<b>31 December</b> <b>2025</b> <b>AED '000</b>	31 December 2024 AED '000
At 1 January	25,000	25,000
Transfer to ordinary shares upon warrant cashless conversion	<u>(9,194)</u>	-
At 31 December 63,226 thousand class A shares of AED 0.25 per share (31 December 2024: 100,000 thousand Class A shares of AED 0.25 per share)	<u><b>15,806</b></u>	<u>25,000</u>

During the year, 14,107 thousand warrants were cancelled and converted into 36,774 thousand ordinary shares through a cashless conversion. The conversion was settled using treasury shares, resulting in a reduction of the treasury share balance from 100,000 thousand class A shares of AED 0.25 per share to 63,226 thousand class A shares of AED 0.25 per share and a corresponding increase in the number of outstanding ordinary shares.

During the year 2024 the shareholders of the Group approved a resolution for a stock split. As per the resolution, each issued share of AED 2.50 in the capital of the Group was converted into ten issued shares of AED 0.25 each. Consequently, the previously held 10,000 thousand treasury shares were adjusted to 100,000 thousand treasury shares to reflect the revised nominal value per share. The stock split did not result in any change to the total value of share capital.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 14 Shareholder's contribution

Shareholder's contribution represents the non-interest-bearing contribution from the shareholders of the Group. These amounts are repayable solely at the discretion of the Company and are not subject to fixed repayment terms or maturity

	2025 AED '000	2024 AED '000
At 31 December	<u>50,600</u>	<u>50,600</u>

### 15 Statutory reserve

As required by the UAE Federal Decree Law No. (32) of 2021, AED 10,514 thousand (2024: AED 23,344 thousand) of the profit for the year of the Group has been transferred to a statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the issued share capital. This reserve is not available for distribution.

### 16 Voluntary reserves

During the year, the Company transferred AED 1,025,135 thousand from the share premium account to the voluntary reserve for the payment of a special cash dividend of AED 800,000 thousand and to fund the warrant buy-back programme of AED 55,050 thousand, following regulatory approval and the approval of the general assembly held on 19 August 2025. The special dividend was paid during the year, while the remaining balance, including the portion allocated for the warrant buy-back, remains available for future use as approved by the shareholders.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 17 Provision for employees' end of service benefit

The Group's obligation in respect of retirement benefits is recognised in the consolidated statement of financial position at the present value of the defined benefit at the end of the reporting period, including any adjustments for past service costs. The defined benefit plan is unfunded.

	2025 AED '000	2024 AED '000
At 1 January	27,146	27,520
Charge for the year	5,305	5,019
Payments during the year	(3,531)	(2,411)
Transferred to other payable	-	(2,228)
Remeasurement loss / (gains)	143	(754)
<b>At 31 December</b>	<b>29,063</b>	<b>27,146</b>

#### Amounts recognised in consolidated statement of profit or loss

Service cost (note 26)	3,918	3,736
Finance cost (note 27)	1,387	1,283
	<b>5,305</b>	<b>5,019</b>

#### Amounts recognised in consolidated statement of comprehensive income

Actuarial loss / (gains) – arising from experience	143	(754)
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#### Significant actuarial assumptions

Discount Rate	5%	5.5%
Rate of Salary increase	4%	4%
Turnover rate - Voluntary rate	10%	10%

#### Sensitivity analysis -2025 (Provision value AED'000)

	Increase	Decrease
Provision - discount rate (0.5% movement)	(875)	927
Provision - Salary escalation rate (0.5% movement)	933	(888)
Provision – Voluntary exit rate (5% movement)	137	(317)

### 18 Warrants

The Group had issued public and private warrants at nil consideration, each entitling the holder to purchase ten ordinary shares at an exercise price of AED 1.15 per share. The warrants are classified as derivative financial liabilities and measured at fair value through profit or loss in accordance with IFRS 9. The Group had option to have the holders exercise at cashless basis. The actual number of shares to be issued depends on the difference between market price of the shares and strike price.

The fair value of warrants as on 31 December 2025 is based on a Level 1 valuation using the listed market price of these warrants on ADX. As the public warrant fair value at 31 December 2025 was AED 1,374 thousand (31 December 2024: AED 16,588 thousand) and the private warrant was AED Nil (31 December 2024: AED 4,147 thousand), the change in fair value of the warrants from the Transaction date (7 November 2023) is recognised in the consolidated statement of profit or loss and other comprehensive income.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 18 Warrants (continued)

During the year, 14,107 thousand warrants were cancelled and converted into 36,774 thousand ordinary shares through a cashless conversion settled by the transfer of treasury shares, resulting in a reduction in the treasury share balance and an increase in the number of outstanding ordinary shares. In addition, the Group repurchased 7,774 thousand warrants at AED 2.40 per warrant pursuant to a voluntary cash offer approved by the general assembly on 19 August 2025. The voluntary buy-back offer, announced through ADX on 19 August 2025, invited all warrant holders to tender up to 100 percent of the issued warrants for AED 2.40 per warrant over a 60-day offer period ending 20 October 2025.

Following these transactions, the remaining warrants continue to be exercisable at any time until 6 December 2026 at AED 1.15, being three years after completion of the Group's business combination, unless earlier repurchased or cancelled.

Instrument	Number of warrants AED '000	Fair value	Total fair	Number of warrants AED '000	Fair value	Total fair
		per warrant as on 31 December 2025 AED '000	Value as on 31 December 2025 AED '000		per warrant as on 31 December 2024 AED '000	Value as on 31 December 2024 AED '000
Public warrants	1,057	1.3	1,374	18,350	0.90	16,588
Private warrants	-	-	-	4,588	0.90	4,147
	<u>1,057</u>	<u>1.3</u>	<u>1,374</u>	<u>22,938</u>	<u>0.90</u>	<u>20,735</u>

### 19 Trade and other payables

	2025 AED '000	2024 AED '000
Accruals	210,124	180,636
Trade payables	80,861	106,705
Staff accruals and provisions	10,330	12,160
Advances from customers	13,617	9,568
Other payables	10,451	3,487
	<u>325,383</u>	<u>312,556</u>

The average credit period on purchases of goods and services is 90-120 days (2024: 90-120 days). The Group has risk management policies in place to ensure that all payables are paid within the credit time frame. No interest is charged on trade and other payables.

### 20 Related parties' balances and transactions

Related parties comprise the major shareholder, directors and key management personnel of the Group and entities controlled, joint arrangements or significantly influenced by such parties. The terms of these transactions are approved by the Group's management and are made on the terms agreed by the Board of Directors.

The Group applies the exemption relating to government related entities under IAS 24 – 'Related Parties' and only discloses transactions and balances with government related entities which are individually or collectively significant. To determine significance, the Group considers various qualitative and quantitative factors including whether transactions with related parties are conducted in the ordinary course of business.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 20 Related parties' balances and transactions (continued)

#### Terms and conditions of transactions with related parties

The sales to and services from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

An impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party operates.

Balances with related parties reflected in the consolidated statement of financial position as of 31 December are as follows:

	2025 AED '000	2024 AED '000
<b>Due from related parties:</b>		
<i>Entitles controlled by Ultimate Controlling Party:</i>		
Abu Dhabi Health Services Company PJSC (SEHA)	670	1,671
Lulu International Holdings	879	520
Massar Solutions PJSC	-	1
National Health Insurance Company PJSC (Daman)	4	4
Others	851	1,183
	<u>2,404</u>	<u>3,379</u>
Less: Provision for related parties	(473)	(473)
	<u>1,931</u>	<u>2,906</u>
<b>Due to related parties:</b>		
<i>Entitles controlled by Ultimate Controlling Party:</i>		
National Health Insurance Company PJSC (Daman)	-	4,931
Abu Dhabi National Insurance company	4,231	-
Abu Dhabi Ports Company PJSC	3,828	-
Others	875	716
	<u>8,934</u>	<u>5,647</u>

Significant transactions with related parties during the year comprise:

	2025 AED '000	2024 AED '000
Sales of goods and merchandise	23,012	40,845
Purchases of goods and services	28,136	27,767

#### Key management compensation

	2025 AED '000	2024 AED '000
Board of Directors' remuneration	5,034	364
Compensation to senior management personnel		
Short term benefits	9,829	7,689
End of service benefits	189	135
	<u>10,018</u>	<u>7,824</u>
No. of senior management personnel	10	4

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 20 Related parties' balances and transactions (continued)

#### Key management compensation (continued)

Movement of Board of Directors remuneration during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	2,106	2,173
Charge for the year	5,034	364
Paid during the year	(3,570)	(431)
At 31 December	<u>3,570</u>	<u>2,106</u>

### 21 Deferred revenues

	2025 AED '000	2024 AED '000
Deferred revenues	<u>42,777</u>	<u>44,803</u>

The movement for deferred revenue is as follows:

	2025 AED '000	2024 AED '000
At 1 January	44,803	44,494
Additions during the year	129,259	127,922
Recognised during the year	(131,285)	(127,613)
At 31 December	<u>42,777</u>	<u>44,803</u>

Deferred revenue represents advances received from customers related to the printing and distribution of schoolbooks for the Ministry of Education project which are expected to be recognised within next twelve months.

### 22 Revenues from contract with customers

	2025 AED '000	2024 AED '000
<i>Revenue recognised at a point in time:</i>		
Printing	599,329	621,028
Distribution	76,316	80,139
	<u>675,645</u>	<u>701,167</u>

#### Segment reporting

	Printing AED'000	Distribution AED'000	Others AED'000	Elimination AED'000	Total AED'000
<b>2025</b>					
Revenue from external customers	601,650	76,316	1,701	(4,022)	675,645
Reportable segment profit	176,415	11,940	415,972	(500,152)	104,175
Total assets	1,965,184	145,492	562,488	(1,101,990)	1,571,174
Total liabilities	204,515	223,662	243	(53)	428,367
Capital expenditures	78,007	686	-	-	78,693

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 22 Revenues from contract with customers (continued)

#### Segment reporting (continued)

#### 2024

Revenue from external customers	621,370	80,709	-	(912)	701,167
Reportable segment profit	192,876	18,411	22,150	-	233,437
Total assets	2,360,333	254,092	1,096,505	(1,320,758)	2,390,172
Total liabilities	421,432	218,753	26,978	(218,821)	448,342
Capital expenditures	42,470	785	-	-	43,255

Revenue recognised during the year includes local sales in UAE amounted to AED 568,634 thousand (2024: AED 583,376 thousand) and foreign sales outside UAE amounted to AED 107,011 thousand (2024: AED 117,791 thousand).

### 23 Direct costs

	2025 AED '000	2024 AED '000
Raw materials	235,110	251,401
Staff costs	73,077	76,296
Outsourcing costs	55,383	58,879
Depreciation of property, plant and equipment (note 6)	29,347	28,761
Repairs and maintenance	13,591	11,611
Distribution cost	6,196	6,970
Water and electricity	5,433	6,388
Depreciation on right-of-use assets (note 7)	6,469	5,196
Insurance expense	2,402	1,415
Courier and postage	1,132	1,113
Write down of inventory	11,649	-
Provision for slow moving and obsolete inventories (note 9)	125	8,085
Others	16,407	14,818
	<u>456,321</u>	<u>470,933</u>

### 24 General and administrative expenses

	2025 AED '000	2024 AED '000
Staff costs	59,798	50,130
Professional fees	15,956	13,236
Maintenance costs	10,845	7,008
Depreciation of property, plant and equipment (note 6)	4,174	3,643
Telephone, fax and internet	1,195	1,177
Amortisation of intangible asset (note 8)	572	517
Printings and stationery	805	520
Insurance charges	172	468
Travel and transportations	110	64
Board of directors' fees (note 20)	5,034	364
Others	455	2,753
	<u>99,116</u>	<u>79,880</u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 25 Selling and marketing expenses

	2025 AED '000	2024 AED '000
Promotions and advertisements	<u>8,545</u>	<u>10,009</u>

### 26 Staff costs

	2025 AED '000	2024 AED '000
Salaries and wages	105,450	103,035
Provision for employees' end of service benefit (note 17)	3,918	3,736
Pension for UAE national employees	2,569	1,071
Other benefits	20,938	18,584
	<u>132,875</u>	<u>126,426</u>

### 27 Finance income and finance costs

	2025 AED '000	2024 AED '000
<i>Finance income</i>		
Interest income on fixed deposits	47,913	72,518
Gain on warrants buyback	57	-
Fair value adjustments on warrant liabilities measured at fair value through profit or loss	-	33,856
	<u>47,970</u>	<u>106,374</u>
<i>Finance cost</i>		
Fair value adjustments on warrant liabilities measured at fair value through profit or loss	43,404	-
Interest expense on defined benefits obligations (note 17)	1,387	1,283
Finance costs on lease liabilities (note 7)	828	927
Foreign currency exchange loss	638	318
Other finance cost	857	-
	<u>47,114</u>	<u>2,528</u>
Finance income – net	<u>856</u>	<u>103,846</u>

### 28 Other income

	2025 AED '000	2024 AED '000
Scrap sales	3,206	3,760
Rental income	912	1,135
Gain on sale of property plant and equipment	57	966
Others	1,608	1,986
	<u>5,783</u>	<u>7,847</u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 29 Earnings per share

Basic earnings per share is computed using the weighted-average number of outstanding shares during the year. Diluted loss per share is computed to the extent that the effect is dilutive by using the weighted-average number of outstanding shares and potential shares during the year.

#### Basic earnings per share

	2025 AED '000	2024 AED '000
Numerator		
Profit for the year and gain used in basic earnings per share	<u>104,429</u>	<u>233,437</u>
Total profit for the year used in basic earnings per share	<u>104,429</u>	<u>233,437</u>
Denominator		
Weighted average number of class A shares used in basic earnings per share *	<u>2,013,433</u>	<u>1,999,250</u>
Total weighted average number of class A shares used in basic earnings per share *	<u>2,013,433</u>	<u>1,999,250</u>
<b>Basic (AED)</b>	<u><b>0.05</b></u>	<u>0.12</u>

#### Diluted earnings per share

	2025 AED '000	2024 AED '000
Numerator		
Profit for the year and gain used in diluted earnings per share	<u>104,429</u>	<u>233,437</u>
Total profit for the year used in diluted earnings per share	<u>104,429</u>	<u>233,437</u>
Denominator		
Weighted average number of class A shares used in diluted earnings per share *	<u>2,013,433</u>	<u>1,999,250</u>
Total weighted average number of class A shares used in diluted earnings per share *	<u>2,013,433</u>	<u>1,999,250</u>
<b>Diluted (AED)</b>	<u><b>0.05</b></u>	<u>0.12</u>

Considering the public and private warrants are anti-dilutive, the diluted earnings per share is deemed to be the same as basic earnings per share.

\* Weighted average number of shares is calculated as follows:

2025	Shares issued '000	Shares outstanding '000	Duration	Weighted average '000
<b>Opening</b>	1,999,250	1,999,250	1	1,999,250
Exercise of warrants settled using treasury shares	<u>36,774</u>	<u>36,774</u>	<u>0.39</u>	<u>14,183</u>
<b>Total</b>	<u><b>2,036,024</b></u>	<u><b>2,036,024</b></u>	<u><b>0.99</b></u>	<u><b>2,013,433</b></u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 29 Earnings per share (continued)

#### Diluted earnings per share (continued)

2024	Shares issued '000	Shares outstanding '000	Duration	Weighted average '000
Opening	1,999,250	1,999,250	1	1,999,250
Total	<u>1,999,250</u>	<u>1,999,250</u>	<u>1</u>	<u>1,999,250</u>

### 30 Contingencies and commitments

	2025 AED '000	2024 AED '000
Letters of guarantees	<u>39,581</u>	<u>27,341</u>
Letters of credit	<u>23,786</u>	<u>34,115</u>
Capital commitments	<u>59,521</u>	<u>74,753</u>

### 31 Financial instruments

#### 31.1 Fair value of financial assets and liabilities

The Group's management considers that the fair value of financial assets and financial liabilities approximates their carrying amounts.

#### 31.2 Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective. The Group's overall strategy remains unchanged from 2023.

#### 31.3 Financial risk management

The Group is exposed to the following risks related to financial instruments - credit risk, liquidity risk and interest rate risk. Management actively monitors and manages the financial risks relating to the Group. The Group does not enter into or trade in financial instruments including derivative financial instruments for risk management purposes.

#### 31.4 Accounting policies

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the consolidated financial statements.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 31 Financial instruments (continued)

#### 31.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

At 31 December 2025, approximately 50% of the Group's trade receivables are concentrated with three major customers (*31 December 2024, approximately 48% of the Group's trade receivables are concentrated with two major customers*), indicating a degree of concentration in the Group's credit exposure. Management closely monitors these balances and considers the associated credit risk to be manageable.

In order to minimise credit risk, the Group has tasked its Management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >180-270 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >270 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 31 Financial instruments (continued)

#### 31.5 Credit risk (continued)

	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
					AED '000	AED '000	AED '000
<b>31 December 2025</b>							
<b>Due from related parties</b>	<i>19</i>	N/A	(i)	Lifetime	<b>2,404</b>	<b>(473)</b>	<b>1,931</b>
<b>Trade receivables</b>	<i>10</i>	N/A	(ii)	Lifetime	<b>117,116</b>	<b>(7,064)</b>	<b>110,052</b>
<b>Cash and bank balances</b>	<i>11</i>	A, A+, A-, AA-, BBB+	N/A	12-month ECL	<b>669,161</b>	<b>-</b>	<b>669,161</b>
<b>31 December 2024</b>							
<b>Due from related parties</b>	<i>19</i>	N/A	(i)	Lifetime	3,379	(473)	2,906
<b>Trade receivables</b>	<i>10</i>	N/A	(ii)	Lifetime	262,196	(42,525)	219,671
<b>Cash and bank balances</b>	<i>11</i>	A, A+, A-, AA-, BBB+	N/A	12-month ECL	1,442,026	-	1,442,026

For due from related parties, the Group has applied the general approach in IFRS 9 to measure the loss allowance at lifetime ECL.

- i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

#### 31.6 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The responsibility of liquidity risk rests with management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 31 Financial instruments (continued)

#### 31.6 Liquidity risk (continued)

The table below summarises the maturity profile of the Group's non-derivative financial liabilities. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The contractual maturities of the financial liabilities, determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date, are as follows:

	Less than 1 year AED '000	More than 1 year AED '000	Total contractual cashflows AED '000	Total Carrying amount AED '000
<b>2025</b>				
Trade and other payables	311,766	-	311,766	311,766
Due to related parties	8,934	-	8,934	8,934
Lease liabilities	7,339	6,924	14,263	10,451
Public warrant liabilities at fair value through profit or loss	1,375	-	1,375	1,375
	<u>322,397</u>	<u>6,924</u>	<u>336,338</u>	<u>332,526</u>
<b>2024</b>				
Trade and other payables	312,556	-	312,556	312,556
Due to related parties	5,647	-	5,647	5,647
Lease liabilities	6,077	12,550	18,627	14,200
Public warrant liabilities at fair value through profit or loss	16,588	-	16,588	16,588
Private warrants liabilities at fair value through profit or loss	4,147	-	4,147	4,147
	<u>345,015</u>	<u>12,550</u>	<u>357,565</u>	<u>353,138</u>

#### 31.7 Interest risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income/expenses of the Group. The Group does not have financial assets and liabilities that carry variable interest rate. Accordingly, the Group is not exposed to interest rate risk.

#### 31.8 Foreign currency risk management

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group does not undertake transactions denominated in foreign currencies that have a significant impact on its interest income and expense.

### 32 Corporate income tax

#### Amounts recognised in profit or loss

The Group's applicable tax rate is the income tax rate of 9%.

	2025 AED '000	2024 AED '000
<b>Current tax expense</b>		
Current year	<u>10,385</u>	<u>23,255</u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 32 Corporate income tax (continued)

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

In order to align with OECD's Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1 January 2025. Management has assessed that the Group does not meet the minimum threshold criteria which would qualify it for Pillar Two Top-Up Tax.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective. The tax charged for the year ended 31 December 2025 is AED 10,385 thousand (31 December 2024: AED 23,255 thousand).

E7 Sirocco Limited had immaterial operations during the year ended 31 December 2025, and therefore its impact on the Group's current tax expense is not significant.

#### Reconciliation of effective tax rate:

	2025 AED '000	2024 AED '000
Current income tax charge	10,385	23,255
<b>Reconciliation of Accounting Income</b>		
Profit before tax from continuing operations	114,560	256,692
At United Arab Emirates' statutory income tax rate of 9%	10,310	23,102
Permanent differences		
<i>Non-deductible expenses:</i>		
Effect of standard exemption	(34)	(34)
Fines and penalties	2	36
50% of entertainment expenditure	33	83
Eliminated intragroup sales	139	-
Profit of non-tax Group entity	(52)	-
(Loss) / gain in OCI that will not be reclassified to profit or loss	(13)	68
	<u>10,385</u>	<u>23,255</u>
<b>Effective tax rate</b>	<u>9.07%</u>	<u>9.06%</u>

# E7 GROUP PJSC

## Notes to the consolidated financial statements (continued)

For the year ended 31 December 2025

### 33 Subsequent events

#### 33.1 Restructuring of ultimate parent entity

Subsequent to the reporting date, the Government of Abu Dhabi announced a restructuring of certain sovereign investment holdings whereby the assets of Abu Dhabi Developmental Holding Company (ADQ), the ultimate parent of the Group, will be consolidated under a newly established sovereign investment entity, L'IMAD.

The restructuring was approved by the Supreme Council for Financial and Economic Affairs and is intended to consolidate a diversified portfolio of assets and investment platforms under a single sovereign investment structure.

As of the date of authorisation of these financial statements, the Company is assessing the implications of this restructuring. Based on currently available information, management does not expect the restructuring to have an immediate impact on the Company's operations, financial position, or results of operations.

#### 33.2 Regional geopolitical developments and conflict risk

The recent regional escalations have triggered a heightened risk conflict environment across parts of the Gulf region. The situation remains fluid and subject to rapid change. These developments have introduced additional uncertainty into the operating environment of the Group, including the jurisdictions in which the Group operates, principally the United Arab Emirates.

Management has assessed the potential financial reporting implications of the regional conflict and concluded that, as at the reporting date, the effects are non-adjusting in nature.

The Group continues to closely monitor the evolving situation and its potential impact on the Group's operations, supply chains, customers, and liquidity position. As part of this monitoring, the Group has implemented contingency and business continuity measures designed to safeguard employee safety, maintain operational resilience, and preserve financial stability.

As at the reporting date, the Group's core operations continue to function without material disruption. However, depending on how the situation evolves and the duration of the ongoing geo-political disruption, the Group could experience adverse impacts on its financial performance and position. These potential impacts may include, but are not limited to, loss of revenues arising from disruptions to production, logistics, or the Group's ability to deliver goods to customers, pressures on the supply chain affecting availability, timing of inputs and costs, a potential weakening of customer confidence in the UAE, and increased expected credit loss (ECL) charges.

### 34 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 March 2026.