Integrated Report 2024

GROUP

Innovation and Excellence in Every Solution

Contents

Who We Are

e7 Group is the region's fully integrated solutions leader, providing comprehensive security printing and identity management solutions, sustainable packaging, integrated educational solutions, commercial printing and publishing, and logistics services to national and global clients.
With a 'one-stop shop' model, e7 Group is committed to technological innovation and driving sustainable growth in the future.

Today, e7 Group is undertaking a growth transformation to become a partner of choice for national and global clients by providing comprehensive integrated solutions to the evolving needs of businesses and institutions, ensuring they stay ahead in an ever-changing world.

Listed on the Abu Dhabi Securities Exchange (ADX), the Group's largest shareholder is ADQ, one of the region's largest holding companies based in the UAE. The listing of e7 followed its acquisition in 2023 by ADC Acquisition Corporation (ADC), the MENA region's first Special Purpose Acquisition Company (SPAC).

02–15 Overview

At a Glance

About Us

What We Do

e7 Group is a diversified company with four integrated verticals providing customers with one-stop shop solutions for security printing and identity management, sustainable packaging, commercial printing and publishing, and logistics services.

Key Customer Sectors

- Government Entities
- Financial Institutions
- Education
- Healthcare
- Food & Beverage
- Transportation
- Pharmaceuticals
- Media
- Retailers

Operational Highlights

4

4 business units with over 40 custom products.

SECURITY | PRINTING | PACKAGING | TAWZEA توزيع

50m

50 million ID cards per year capacity.

Leading security printing and identity solutions business based in GCC

10+

10+ industry certifications for security (Visa, Mastercard, Intergraph, CQM, GSMA).

With a client-centric approach, we are delivering solutions to leading local and international clients, leveraging advanced technology, machinery and tailored processes.

25

Serving **25 countries, 10 industry sectors**.

450+

450+ vehicle fleet focused mainly on secure document delivery in UAE.

19,000

19,000 tonnes per annum sustainable packaging capacity.

Listed on ADX in 2023 (ADX:E7) via acquisition by ADC (SPAC).

AED 1.1 bn

Capital raise of AED 1.1 billion including Private Investment in Public Equity (PIPE) which raised AED 734 million.

70%+

70%+ recurring revenue giving long term visibility.

All contracts are in USD or USD-pegged currencies.

Growth Strategy

As e7 Group looks to the future, the company aspires to be a leader in innovative security solutions, envisioning a high-growth strategy focused on investing in technological capabilities to expand its vertical and horizontal product offerings, while catering to growing regional and global demand.

e7 Group aims to contribute to the UAE's economic prosperity by expanding into international markets, investing in digital technologies to enhance value in the security solutions sector, and providing sustainable packaging solutions with exceptional customer service. The company also strives to build long-term relationships and high customer retention rates through custom solutions.

With strategic investments, e7 Group is positioned to capitalise on the increasing demand for secure printing solutions, driven by the UAE's ambition to become a smart, digitally connected nation and Abu Dhabi's goal of becoming a global industrial hub.

Business Units

SECURITY

e7 Security is a leading provider of total security printing solutions that serve the evolving and expanding needs of customers in the government, banking, telecom, retail, hospitality, and transport sectors. e7 Security meets these needs with flexibility, reliability, and confidence and with a state-of-the art security system, providing critical products like national ID cards, passports, banking cards, telecom cards, driving licences, vehicle registration licences etc.

PRINTING

e7 Printing is focused on commercial printing including newspapers, magazines, books, outdoor printing collaterals and educational publishing solutions. With a fleet of a dozen machines, e7 Printing is the market leader in the UAE and one of the largest commercial printers in the region, consistently delivering quality products of the highest standards to its customers.

PACKAGING

e7 Packaging utilises state-of-the-art machinery to produce foldable boxes, disposable food packaging, frozen food packaging, and paper cups with plans to further diversify offerings. With a focus on sustainability, e7 Packaging has adopted industry best practices and state-of-the-art technology, and sources certified recycled paper.

تـوزيـع TAWZEA by e7

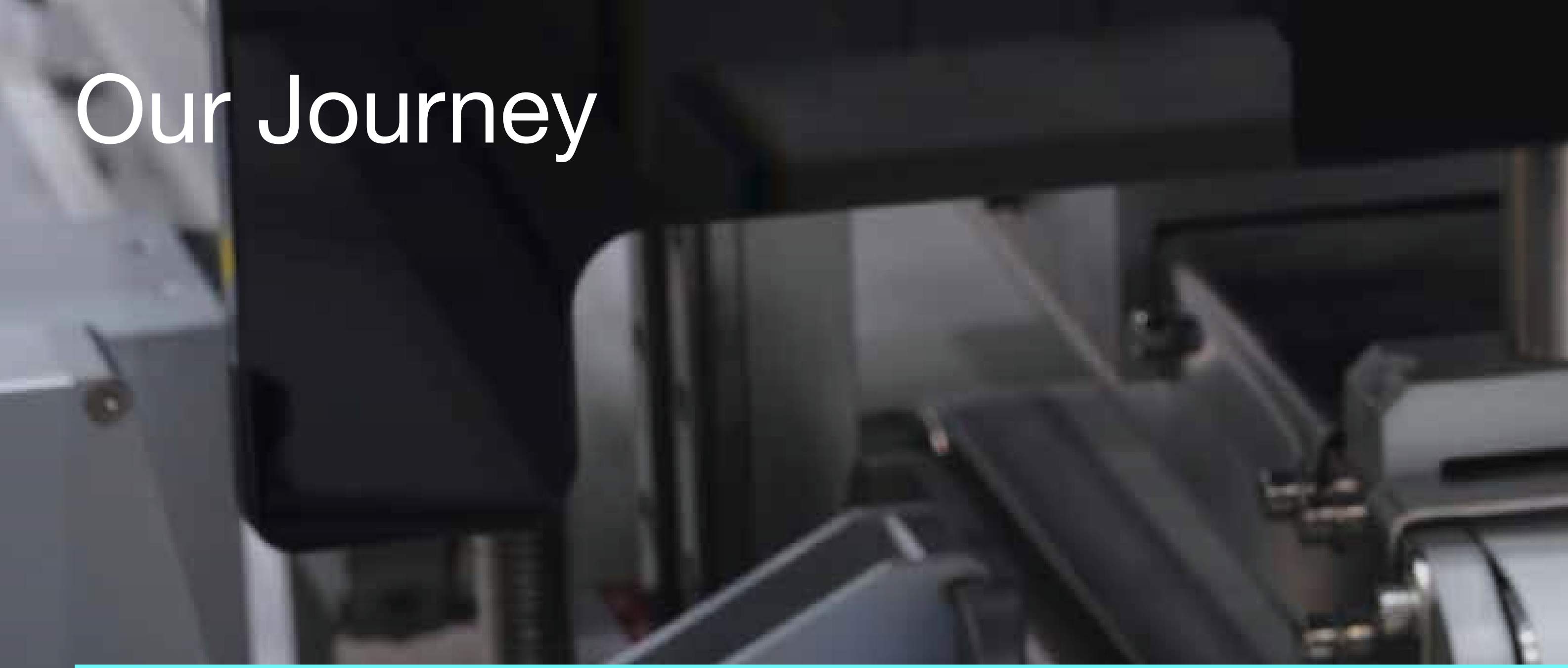
Tawzea by e7 supports customers through a range of services including fulfilment, distributions, logistics, mailing room services and dedicated customer service teams.

Markets We Serve

A Diverse Client Base

e7 Group serves marquee clients across sectors spanning 25 countries

Our Journey



We are at the cusp of our next growth cycle

2006

Established e7 Group in 2006 in Abu Dhabi, UAE, as United Printing and Publishing (UPP).

2014

Launched security printing operations, e7 Security (formerly USP).

2016

Launched last-mile logistics distribution, Tawzea by e7, to strengthen UPP's value proposition.

2017

Secured long-term strategic contract with an international government client for secure printing of national IDs exclusively.

2020

Secured a long-term exclusive strategic commercial printing contract with a UAE government agency and international government client for secure printing.

2021

Secured long-term strategic and exclusive secure printing contract with a UAE government branch.

2022

e7 Packaging: Foray into sustainable packaging segment through in-house manufacturing capacity installation.

2023

Became a listed Company on ADX through a merger with ADC (SPAC).

Raised AED 1.1 billion capital in total, AED 734 million through a successful PIPE transaction to fund transition to next growth cycle.

Brand refresh from UPP Group to e7 Group to represent pivot to be a leading and diversified industrial champion.

2024

New export contract wins in GCC, Africa and LATAM.

Maiden dividend policy to distribute at least 50% of net profit, pending shareholder approval.

Partnered with SAP for digital transformation via unified ERP and cloud migration.

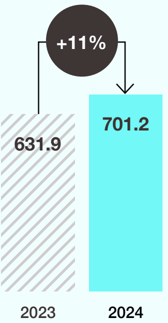
AED 182 million investment to expand passport printing capacity fivefold and enter the digital tax stamps market.

Financial, Operational and ESG Highlights

In a rapidly changing business environment, e7 Group made significant progress in 2024, showcasing strong revenue growth and improved profit margins. This impressive financial performance reflects our strategic resilience and unwavering focus on sustained growth, setting a solid foundation for the years ahead.

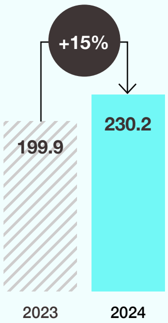
Financial Highlights

Revenue



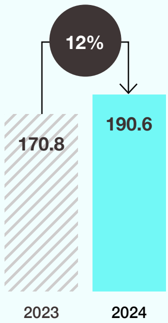
AED 701.2 million in 2024, an 11% increase from AED 631.9 million in 2023, driven by growth in security solutions and packaging.

Gross Profit



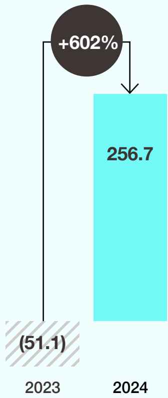
AED 230.2 million in 2024, up 15% from AED 199.9 million in 2023, with a gross profit margin of 32.8%, improving from 31.6%.

EBITDA



AED 190.6 million in 2024, an 12% increase from AED 170.8 million in 2023, with the EBITDA margin improving to 27.2%.

Reported Net Profit Before Tax



AED 256.7 million in 2024, more than a sixfold increase.

Net Profit After Tax

AED **233.4**m

AED 233.4 million in 2024, with a margin of 33.3%.

Earnings Per Share (EPS)

AED **0.12**

AED 0.12 in 2024, improving from AED (0.06) in 2023.

Operational and Digitisation Highlights

SAP Partnership
Implementing a cloud-based ERP solution to strengthen digital infrastructure and future-proof business functions.

Digitisation Initiatives
Enhanced financial systems with automation, improved pay workflows, integrated product development at e7 Security, and introduced customer-facing plug-ins for better ordering and shipment tracking via Tawzea. Also improved vendor onboarding, job delivery accuracy, and cybersecurity.

Cloud Migration
Began cloud migration with virtual data centers and disaster recovery protocols.

Operational Efficiency
Focused on managing commodity inflation and strengthening supplier relationships.

Corporate Development
Built in-house M&A and investor relations capabilities.

Talent Development
Supported Emiratisation through career fairs and internships with ADVETI.

Health and Safety
Improved employee health and safety with campaigns, upgraded fire protection, and enhanced surveillance.

ESG Highlights

Environmental

- Achieved ISO 14001 certification for all operations.
- Implemented energy-saving initiatives and developed a Decarbonisation Plan.
- Secured the Mastercard Eco card certification making 78% of our card bodies recyclable.
- Secured BRC ‘Gluten free’ certification for packaging and Renewed Forest Stewardship Council (FSC).
- Green logistics include adoption of 32 dual CNG vehicles and introduction of biodegradable bags for select deliveries.

Social

59%

Increased Emirati talent by 59% and women hold 21% of management roles.

200

Integrated ESG into the supplier code of conduct with over 200 suppliers compliant.

Governance

- Published e7 Group’s first annual Sustainability Report.
- Established ESG Committee of the Board and Charter.
- Integration of ESG Risk assessment into the company-wide risk register.
- Refreshed and developed governance policies.

Year in Review

January

Established Board sub-committees

We established the Board sub-committees, aligning with the governance requirements for listed entities. These sub-committees ensure effective oversight and support the company's commitment to strong governance practices.

March

AED **12m**

Three new security solutions contracts signed worth over AED 12 million for e-IDs and drivers' licenses

The newly signed one-year contracts, with a combined value of nearly AED 12.9 million, cover the manufacture and supply of state-of-the-art electronic identification (eID) and driving license ID solutions to three countries in Africa and LATAM. These new contract wins further extend the group's reach beyond the UAE and Middle East as it adds to its network of governmental and private sector clients.

April

AED **25m**

Two new printing contracts signed worth AED 25 million e-Passports and exam papers

On the security solutions front, e7 Security has broadened its presence in Africa by securing two new contracts worth over AED 25 million combined. These contracts include a one-year agreement for printing examination papers and a two-year agreement for supplying ePassports.

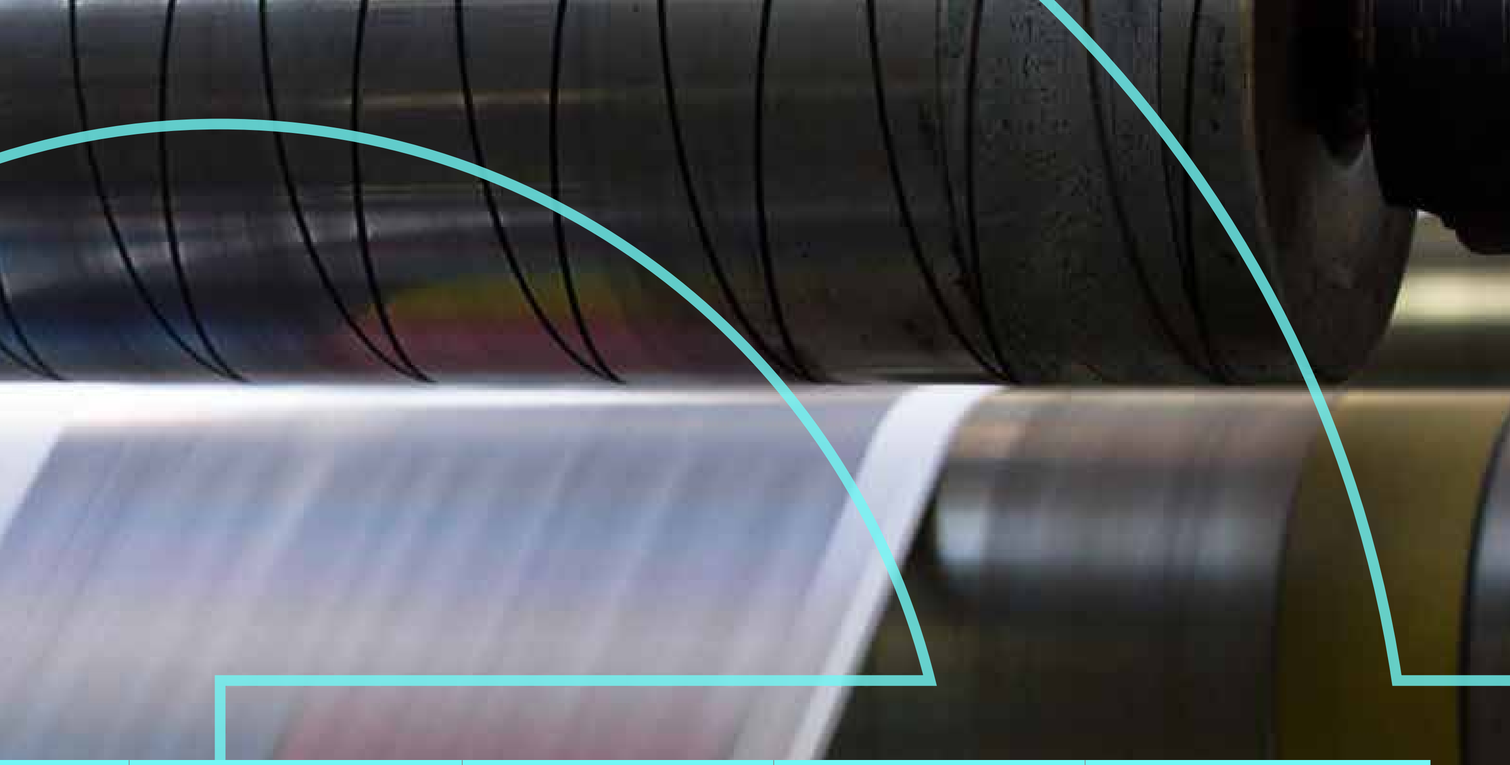
e7 Group Shareholders Approve Share Split at Inaugural Annual General Meeting

e7 Group successfully implemented a 1:10 share split, increasing the number of shares to 2.1 billion while maintaining the same total share capital of AED 524.81 million. This strategic move aimed to enhance market liquidity and make e7 shares more accessible to a broader investor base.

May

MOU signed with Diletta Maschinentechnik GmbH for high security document production

e7 will provide Diletta with world-leading capability and production services, with Diletta promoting e7's products to its broad customer base as a strategic partner. The MOU marks a significant step in e7's organic growth strategy as it opens up opportunities through partnerships and extends its global reach.



June

AED **182 m**

AED 182 million investment announced to expand passport manufacturing and enter digital tax stamp production

A significant AED 182 million investment will support the Group's entry into digital tax stamp production while substantially expanding its passport manufacturing capacity. This investment further diversifies e7 Group's product proposition and cements the Group's growing market position in high-value security solutions.

September

Partnership with SAP to Turbocharge Enterprise-wide Digital Transformation

e7 Group partners with SAP to implement a unified cloud-based Enterprise Resource Planning (ERP) solution, strengthening its digital foundations and future-proofing key business functions. SAP selected as digital transformation partner after rigorous evaluation process.

November

e7 Group makes significant progress on education initiatives in the UAE

e7 Group PJSC announced two strategic partnerships with Kutubee and School voice at GESS Dubai 2024, the leading education exhibition in the Middle East. These collaborations aim to provide modern, efficient, and secure solutions for the UAE's evolving education sector.

Maiden dividend policy announced

e7 Group announced its inaugural dividend policy, aiming to distribute at least 50% of its annual distributable net profit to shareholders through two payments each year, subject to shareholder approval. The first dividend payment is planned for the first half of 2025, based on the company's financial performance in 2024.

December

e7 appoints Esteban Gómez Nadal as Group Chief Executive Officer

In his role as Group CEO, Gomez Nadal oversees the effective implementation of e7's strategic goals and oversees all aspects of operational efficiency and performance. He is also responsible for ensuring that e7 meets its sales objectives, supervising the team that evaluates attractive market opportunities and develops value-adding offerings and products.

Investment Case

Diversifying for sustainable growth

e7 Group offers a diversified business portfolio across key sectors, providing investors with a stable and growing investment opportunity.

01

Diversified business portfolio – 'One-Stop-Shop' with a strong reputation

- e7 Group operates a unique, diversified business, providing products across four complementary business segments, enabling it to attract, retain, and cross-sell to an increasing breadth of local and international customers.
- Providing a portfolio of 40+ custom products and services to 10 industry sectors, produced in state-of-the-art secure facilities and delivered via the Group's owned distribution channel across 25 countries, ensuring end-to-end consistency, security, and efficiency for customers.

02

70%+ revenue recurring in nature through long-term contracts, providing high revenue visibility

- e7 Group's marquee customers include multiple anchor government clients operating across diverse regions, providing high revenue visibility, long-term recurring business, and credentials that are critical for enabling further segment growth.
- Stable, long-term revenue in security solutions and commercial printing provides capacity to diversify its product mix further and explore growth opportunities that deliver deeper value to its existing and target customer base.

03

High barriers to entry in growing, high-margin security solutions segment

- e7 Group's experience in international security protocols and the evolving regulatory landscape position it well in a sector with high barriers to entry and built on reputation and prior credentials, supported by the UAE's reputation as a leader in security deployment.
- Clear ambition to capture a larger share of the security solutions value chain through inorganic and organic growth, including expanding into digital identity management and exploring partnerships with system integrators and other synergistic security players.

04

Established regional leader in the high-growth security and educational printing segments

- e7 operates in attractive regional markets, with rapid GDP and population growth and increasing foreign investment driving elevated demand and enabling industry expansion.
- Rising incidence of fraud and identity theft is increasing public and private sector investment in security solutions globally, creating diverse growth opportunities for e7 Security.
- Long-term, UAE-wide educational printing contracts benefitting from growth in population and schooling network, ensuring revenue stability in the commercial printing segment.

05

Industry-leading margin profile with continuous focus on margin expansion initiatives

- e7 is rapidly expanding in the high-margin security solutions segment, with a significant AED 182 million investment committed to expanding passport manufacturing and entering digital tax stamp production. The Group is also actively exploring inorganic expansion into adjacent value-enhancing segments.
- Enterprise-wide digital and organisational transformation, including digitalisation of internal processes and customer engagement, is unlocking value and enhancing agility, aiding Group-wide customer acquisition and retention.

06

Growing presence across Europe, Asia, and Africa, leveraging the UAE's strategy location and trade relations

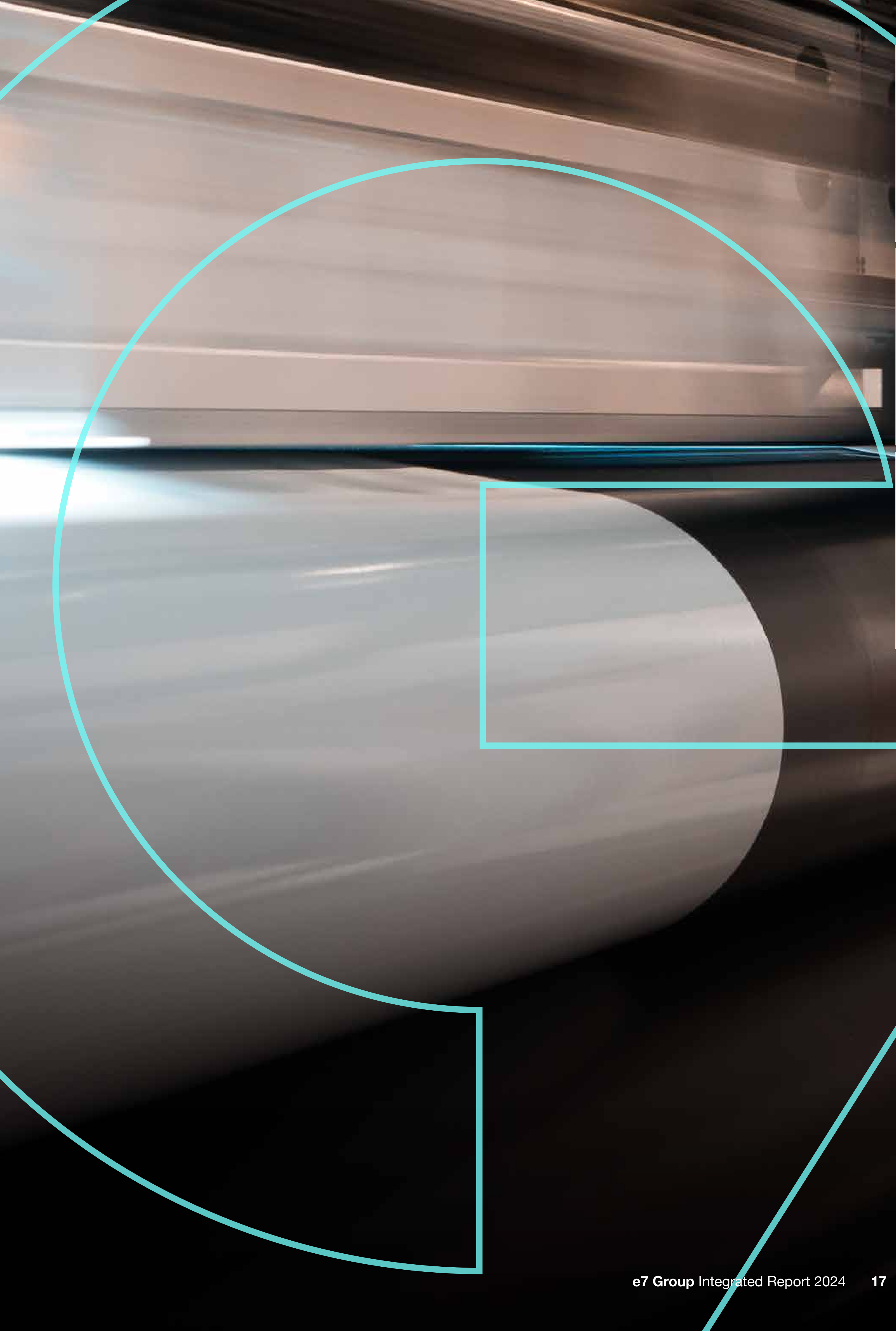
- e7's reputation, particularly at the governmental level, is enabling geographic diversification and steady revenue growth across developed and emerging economies, including Africa, LATAM, and Asian markets.
- M&A strategy with clear investment parameters and objectives guides the targeted pursuit of inorganic expansion, with a pipeline of opportunities to expand reach in high-growth security solutions and sustainable packaging segment, where clear synergies exist.

07

Strong financial performance with a consistent record of growth and profitability

- e7 has a track record of delivering robust financial performance, with a revenue CAGR of 23% between 2020-2024 driven by new customer wins that support long-term, stable contracts with key government entities.
- An EBITDA CAGR of 35% between 2020-2024 and healthy EBITDA and Net Income margin expansion enabled by targeted expansion in high-margin product segments.
- e7 Group's strong cash position stood at AED 1.44 billion at the end of 2024, providing ample capacity to invest in future growth and deliver returns to shareholders.

16–53 Strategic Review



Chairman’s Statement

> Solid foundation with a clear growth trajectory

Ahmed Al Shamsi
Chairman

e7 Group’s performance and achievements in 2024 serve as a strong testament to the strategic growth initiatives undertaken by the Company, culminating in our successful listing on the Abu Dhabi Securities Exchange (ADX).

Our integrated business verticals – e7 Security, e7 Printing, e7 Packaging and Tawzea by e7 – have collectively strengthened our market position, with significant growth in revenues and profit across key areas, entrenching our position as a leading, sustainable solutions provider based in Abu Dhabi.

Strategy-driven Growth

We are extremely pleased that the Group’s financial results and other achievements presented in this report confirm that e7 Group is fully aligned with the UAE’s long-term targets and industrial ambitions. So is our focus on technology and digitalisation to drive further progress and transformation.

Our exceptional financial results in 2024 can be attributed to the effective execution of our growth strategy. New contracts won during the year contributed significantly to the increase in revenues, especially under Security and Packaging. The Group’s revenue grew by 11% and net profit before tax increased over six times achieving a margin of 36.6%.

Our 2024 performance is not only about excellent financial results. We made considerable progress in expanding e7’s global market base for our core products to new countries. We also entered into pivotal business partnerships, made substantial new investments to enhance our capabilities and launched a major organisational transformation initiative that will take operational excellence to a more advanced level to manage future growth.

Opportunities

Success begets success, goes the proverb. I can say with great confidence that e7 Group is poised for more growth and success on various fronts in 2025 and beyond. While our four integrated business verticals have laid out clear frameworks to drive expansion and development, we will increasingly approach the business from a consolidated perspective – delivering integrated solutions as a unified Group rather than as separate verticals. This strategic shift will enhance our ability to serve customers both locally and globally.

My confidence about our future also stems from regional and global realities that relate to our business. Population increase, the positive macroeconomic outlook for UAE and GCC countries, an estimated GDP growth rate of 3.3% (against the world average of 3.2%), an extremely favourable investment environment are all key factors that point towards strong increase in demand and market growth over the coming years.

As our market review in this report shows, we expect e7 Group to gain significantly from this regional and global landscape by leveraging our integrated solutions and collective strengths as a unified business. Given the Group’s strong capabilities across all four business segments, the focus now shifts to our ability to capitalise on emerging opportunities, the robustness of our strategic plans, and our capacity to build and sustain a competitive edge in pursuit of global market leadership.

e7 Preparedness

The idea of growth is at the centre of our strategy. Our growth strategy, the key to our preparedness for the future, is built on four pillars that are closely interlinked: growth, operational efficiency and digitisation, organisation transformation, and ESG and innovation.

The transformation process underway at e7 is reshaping our organisation, business operations, and administrative practices. As part of this evolution, e7 has recently partnered with SAP to implement a unified cloud-based Enterprise Resource Planning (ERP) solution. This transformation and ERP implementation are designed to equip our operations and businesses with the tools and knowledge necessary to efficiently manage growth and expansion, delivering a major positive impact across all three strategic pillars.

In 2024, we committed AED 182 million in new investment in security solutions. The funds will enable e7 Security to expand its capabilities in passport printing while introducing tax stamp printing services. We will continue to invest in organic growth opportunities that look promising and are aligned with our approach.

However, as we pursue our global ambitions and explore new opportunities, we are also actively evaluating inorganic growth prospects. With a strong pipeline of opportunities, we are actively evaluating potential mergers and acquisitions (M&A) to drive growth and enhance value. Our commitment remains focused on creating long-term value for e7 and our shareholders while expanding our market presence.

Progress in Diversity and Inclusion and ESG

We are committed to strengthen e7's credentials as a forward-looking and progressive world-class organisation. Our key focus areas include talent acquisition, optimising corporate functions and advancing environmental sustainability. Our goals include attracting highly qualified and experienced industry talent, strengthening Emiratisation, fostering diversity and inclusion (D&I) and facilitating employee upskilling.

I am especially proud of the significant progress we have made in advancing our diversity and inclusion initiatives, particularly in increasing the representation of women in management roles and driving nationalisation efforts. These achievements underscore our ongoing commitment to building a more diverse and inclusive workforce.

I am also pleased to highlight that Environmental, Social, and Governance (ESG) has now become an integral part of our corporate strategy. We have established an ESG sub-committee at the Board level, reinforcing our commitment to sustainability and ensuring robust oversight of ESG issues, initiatives, and performance across the organisation.

Additionally, we have embarked on developing our a comprehensive decarbonisation strategy and launched key projects aimed at reducing our carbon footprint. We have also updated our Supplier Code of Conduct to incorporate ESG considerations to ensure that our suppliers align with our sustainability goals and support responsible business practices throughout the supply chain.

In the governance area, the Board of Directors has been involved in strengthening the e7 governance structure. We have ensured that comprehensive internal policies and procedures related to corporate governance have been implemented. We have also revisited and strengthened our risk management practices and implemented a business continuity management policy.

Leadership Changes

e7 has welcomed key leadership enhancements in 2024. Jaap Kalkman joined the Board as Deputy Chairman, bringing extensive experience in industry management. e7's previous Group Chief Executive Officer Ali Al Nuaimi retired from his executive role after more than 18 years with the Group.

Esteban Gómez Nadal,was appointed as the Group CEO who brings a wealth of experience in executing corporate strategies and driving change initiatives. Esteban now oversees the effective implementation of e7's strategic goals and is in charge of all aspects related to operational efficiency and performance.

Dividend Policy

e7 has adopted a new dividend policy that will be effective in 2025. The policy states that a minimum 50% of the annual distributable profit will be allocated for dividend pay-out every year.

Acknowledgement

As I conclude this statement, I thank our shareholders for the support to e7, the Board of Directors for their leadership and guidance, the Goup CEO, the executive management team and all employees for their commitment and dedication in serving e7 Group. I thank the regulators and other stakeholders for their guidance. Above all, I thank the leadership of Abu Dhabi and UAE for their vision and support, enabling e7 Group to function as an integrated business pursuing global ambitions.

Ahmed Al Shamsi
Chairman of the Board of Directors

Group CEO's Statement

"Strong performance, strategic focus set the stage for innovation-led future"

Esteban Gomez Nadal
Group Chief Executive Officer

It is with great pride and optimism that we present e7 Group's 2024 annual report to our stakeholders. We are extremely proud of the progress e7 has made as we embark on our journey to integrate four distinct businesses into one consolidated, powerful brand.

While full integration is set for 2025, we've already begun laying the foundations for a unified solution. The young organisation's success in embracing change and transforming into a dynamic, multi-business group with strong synergies is truly remarkable. e7's strong performance in 2024 – highlighted by our annual financial results, sustained growth, foundational innovation and operational excellence – instils a high level of optimism and confidence about the future of our business.

Our financial results show that 2024 was a year of strong growth and profitability. The robust 11% growth in year-on-year total revenue, a six times increase in profit before tax and a margin profile of 36.6% demonstrate the Group's business resilience. We achieved these results while making significant new investments that are aimed at securing our future by offering innovative products and solutions to our diverse clients across the four e7 verticals – e7 Security, e7 Packaging, e7 Printing and Tawzea by e7.

Key Drivers

Growth, innovation, operational excellence, sustainability and partnerships are the key driving principles embedded in our strategy as e7 transitions into world-class business that offers integrated solutions for governments and the private sector in the region and around the world. Technology and digitalisation are at the forefront of everything we do to ensure that e7's integrated operations work in unison to deliver the company's goal of scaling up, expanding market reach and enhancing operational efficiency.

Our commitment to growth and innovation is evident in the strategic investments we have made to bring our businesses together and build a stronger, more unified e7. Our market approach too has undergone a strategic transformation, aligning with the new spirit of consolidation within e7 Group. The market response to our refined messaging and new approach with stronger emphasis on integrated solutions, innovation and excellence has been extremely positive.

Identity Solutions Strengths

Each of our business segments is harnessing innovation to deliver growth and excellence. e7 Security leads the accolades we have received in 2024 for its innovative and high-security passport printing solutions and the decision to enter tax stamp printing business. Innovation is enabling significant value chain progression and geographic expansion in the security sector, and has been instrumental in e7 securing new contracts in 2024 from the Middle East and Africa regions. Our positioning as a well-integrated operation is a key growth-enabling factor because security, reliability and customer-brand alignment are strong features in the services offered by e7 Printing, e7 Packaging and Tawzea by e7, our logistics and distribution arm.

The strategic investments that we announced in 2024 will bolster our passport production capacity five-fold, with the planned capacity expansion expected to be realised from 2026. Part of the investments are allocated to enable e7 entry into the digital tax stamps segment, which is a global high-growth area. Our capability in this sector will support governments worldwide in curbing illicit trade and enhancing revenue generation.

Our focus on innovation has enabled e7 to draw global attention as an emerging leader in the security industry with integrated printing, packaging and distribution services. Over the past year, we hosted 20 visits from international organisations that expressed an interest in our integrated security solutions and exploring potential business relationships. This growing interest bodes well for e7's stature as a leading player in identity solutions and delivering excellence in tangible brand presence.

Education Sector

Another highlight of the past year is e7's evolution as a credible, technology-driven partner for the education sector in the UAE. Once solely a producer of high-quality printed educational materials such as textbooks, we are now a strategic digital solutions provider. In partnership with the UAE's Ministry of Education, we are delivering impactful solutions that enhance learning and suit the sensibilities of the new generation of students. We plan to significantly scale up our involvement in this sector, contributing to the future of education through technology-driven solutions.

Talent, Excellence and Partnerships

Our organisational transformation is being driven by a combination of three crucial elements: onboarding of critical talent, digitalisation across the board, and an unwavering focus on operational excellence. Onboarding of new talent in 2024 focused on expertise that we need to support our transition process and growth. Our efforts on this front are aimed at ensuring seamless execution and stronger stakeholder engagement. This is particularly relevant at a time when are exploring the potential to expand our global footprint.

e7 leaders and management deeply appreciate the daily contributions of our nearly 1400 staff in advancing the company's goals. We prioritise the health, safety and well-being of our people, and regularly update the e7 health and safety standards, policies and programmes. Employee care and engagement programmes, diversity and inclusion, and rewards initiatives are all contributing significantly to our success in enhancing workforce morale and loyalty.

Partnerships with government entities and private sector organisations play an important role in enabling e7's growth and operational excellence. These include tie-ups to promote business growth and expansion, engagements with local universities to acquire talent and consultancy relationships to speed up organisational transformation. For example, a strategic partnership agreement signed in 2024 with a leading enterprise technology provider is anticipated to significantly advance e7's transformation agenda by enabling the digitalisation of core processes and enhancing operational efficiency across the Group.

Sustainability

In 2024, e7 Group took major strides in embedding sustainability in our strategy and business planning. Our Board of Directors has established a dedicated sustainability committee as a high-level body to ensure that environmental and social considerations are integrated into every innovative solution we develop. Our commitment includes monitoring and improving our performance across environment, social and governance pillars.

Looking Ahead

Broadly speaking, our focus in the immediate future remains firmly on sustaining growth, driving innovation and maintaining operational excellence, with an uncompromising commitment to sustainability and value creation for shareholders and customers. As an organisation pursuing global aspirations and is in the midst of a major transition, it is crucial that we strengthen our brand presence and reputation, both locally and globally. We are committed to increasing our investments in talent and technology to achieve this goal.

Recognising that we are still in the early phases of our journey as a newly consolidated group, brand-building is a top priority for e7. Digitalisation, which is a defining feature of e7 transformation, will continue to enhance our interactions with suppliers, clients, employees, and other stakeholders. Fostering a dynamic digital business ecosystem supported by innovation and newer technologies will be the key characteristic of the evolving e7 brand as we continue our efforts to secure long-term contracts and expand our global footprint.

Such an ecosystem is not just an ambitious goal. It will be a key pillar of e7 business model as we tackle potential challenges and seek to capitalise on emerging opportunities. Year 2024 has laid a strong foundation for that journey ahead.

To our stakeholders, I must emphasise that the idea of value creation is the key purpose behind e7's reinvention as an integrated group. It stems from Abu Dhabi's and UAE's industrial vision and strategy, and demonstrates how we can leverage our strengths to deliver modern, technology-driven solutions to the world. While value creation is a matter of national pride, it also extends to all of our stakeholders—investors, customers, staff and partners.

Acknowledgements

I am honoured and greatly pleased that I have this opportunity to be part of the company's historic transformation. I thank our Chairman and Board of Directors for their support and guidance to the executive management as we implement the company's strategic programs.

At this crucial juncture of e7's growth, the importance of talent, commitment and dedication at all levels cannot be overstated, and I am deeply thankful to e7 people for their invaluable contributions every day. Their collaborative spirit and efforts have brought our company to this critical phase, and will continue to propel us as we advance our mission to shape Abu Dhabi's industrial landscape and make our mark internationally through innovation and excellence.

Esteban Gomez Nadal
Group Chief Executive Officer

Market Review

SECURITY

Industry Overview

- The identification market has evolved significantly, transitioning from simple paper-based IDs to sophisticated, interoperable digital identities. Identification is used across sectors – government and citizen services, healthcare, financial services, retail, IT and ITES – typically for enrolment, issuance, authentication and verification services.
- ID manufacturing has evolved from being purely hardware-based to a hybrid model incorporating both hardware and software. Software now holds a larger share of the value pie. Few players globally have end-to-end (E2E) capabilities for system integration and digital identity. These must conform to technology-intensive industry standards to ensure compatibility worldwide.
- Technology is evolving rapidly, creating new value pools in the industry. Key growth drivers include population growth in emerging economies (Middle East, APAC, Africa, and LATAM), a focus on technology, increased mobility, and government initiatives to use identity as a tool services distribution and social inclusion.
- It is estimated that 1 billion people worldwide lack any legal ID, 3.2 billion have some form of identification with a digital trail, and 3.4 billion people have an ID with no digital trail (source: McKinsey and World Bank ID4D report on identification). This presents a significant opportunity for growth in the identity solutions space.
- Across the value chain, different players develop their own technology value propositions, modular architectures, while selectively outsourcing certain elements, such as manufacturing of physical ID. Market leaders continuously invest in R&D and innovation to create a competitive edge in technology.

Market Size and Growth

- Physical IDs will continue to grow globally at 5-6% CAGR and are estimated to reach USD 6 billion by 2029 globally across all physical ID documents (including passports, national IDs and other IDs). Key drivers for this growth are:
    - **Population growth and demographic change**
      A sustained increase in population, driven by both natural growth and immigration, is increasing demand for identity documents, with regional growth rates at +0.5% pa, around 0% in Europe, +2.1% in MEA, and +0.5% in Latin America.
    - **Increased adoption of identity documents**
      This correlates with the increase in percentage of population holding identity documents, driven by international requirements, rising per capita wealth, increased international travel, and financial inclusion initiatives in emerging countries.
    - **Quality increase and enhanced security features**
      Increasing security threats have incentivised governments to continually upgrade ID documents, shift to higher quality materials, and integrating improved security features such as polycarbonate materials and smartcards.
    - **Government e-services**
      Governments are increasingly using identity as a tool to control citizen data access to ensure equitable and efficient distribution of government services.
    - **Biometric integration**
      Incorporation of biometrics in passports and IDs is becoming increasingly important to align with international security standards.
- The market size of the digital identity market across all regions globally is USD 83 billion, which includes all the components such as hardware, software, solutions, and services across industries ranging from IT and ITES, retail and ecommerce, healthcare, financial services, government and military, utilities, telecom and others.
    - The addressable market size for civil identity and retail banking, a subset of the total digital identity market, is projected to rise globally to USD 35 billion in 2028 within the total USD 83 billion market.
    - The key future growth drivers for digital identity include:
        - The market for security-enabled digital identity solutions is rapidly growing due to increased cyber threats and the shift toward online transactions. Governments, organisations and individuals are seeking robust, reliable identity management systems to ensure privacy, prevent fraud, and enhance user authentication, driving the rising demand for secure digital identity technologies worldwide.
        - The digital identity market will significantly benefit from digitalisation and increasing cyber risks, growing at a faster pace than physical IDs. However, it is unlikely to replace physical IDs and will rather complement them. An immense level of intra-governmental coordination, the risk of cyber threats, and high infrastructure investment requirements are key hurdles for adoption.
    - Other initiatives pushing for digital ID expansion include Digital Travel Credentials by ICAO and ID4D by the World Bank Group.
    - The ID as a Service (IDaaS) model enables registry owners to grant restricted access to selected government institutions or private organisations, such as banks and hospitals.
    - The shift towards digital transformation and paperless processes, such as e-visa and e-government services, requires digital IDs that are linked to physical IDs issued by government, with the physical ID serving as an anchor for the digital ID.

Regulatory Environment

- The regulatory environment for physical IDs is governed by government institutions in respective countries, ensuring alignment with international standards. Furthermore, there are growing requirements to integrate physical IDs with government public key infrastructure platforms to provide access to services and authenticate identity.
- The regulatory environment for digital identity is evolving to address growing concerns around privacy, data protection, and cybersecurity. Governments and regulatory bodies are implementing stricter standards and frameworks, ensuring organisations comply with laws such as GDPR and other data protection regulations, thereby driving the need for secure, compliant identity solutions. The adoption of digital ID varies by region, depending on the time since the launch of the digital ID programmes and the level of digitalisation affinity.

Market Review
continued

Competition Landscape

A limited number of peers provide an integrated platform for identity solutions globally. These companies typically dominate the global market due to the on-ground sales and marketing presence, local partnerships, technological superiority, and experience in delivering large-scale identity programmes for government.

However, there is a significant white space for identity players to specialise in parts of the value chain, such as hardware development and services, physical document printing, digital identity, tax stamps, and currency. Players differentiate themselves based on their specialisation. The various avenues for differentiation are:

- In-sourcing or outsourcing of solutions across the value chain
- Technological superiority
- Ease of customisation
- Modularisation
- Accuracy
- Project execution and integration capabilities

Physical document manufacturing is carried out by a handful of companies globally. In some cases, governments have established their own national printing houses to meet local demand and protect intellectual property (IP).

Several start-ups have entered the digital identity space, challenging established identity players with their proprietary technology. Although there are significant growth drivers, market leaders are adopting different monetisation models, ranging from free-of-charge add-ons to pay-per-use structures. Technology is constantly evolving in this space.

e7 Security Strengths and the Way Forward

- e7 Security is a technology-focused security printing division, which prints both chip and non-chip enabled cards, visa stickers, secure documents, and passports.
- e7 Security offerings:
  - Government and secure documents – Passports, IDs, visa stickers, driving licences, vehicle licences, and tax stamps
  - Financial cards – Visa, Mastercard, ATM cards, and payroll cards
  - Commercial cards- transport, parking, loyalty, and telecom cards
- e7 Security value proposition and key strengths: 10+ industry leading certifications
  - Industry certified Security Printers – Integraph ISO 14298
  - Information Management and Security Certifications – ISO 27001, 14001, OHSAS 18001, ISO 9001
  - Visa and Mastercard certified
  - Provides end to end identity solutions consulting and advisory for projects, manufacturing of cards, personalisation, solutions development, customer support, and call centre solutions
- Large capacity to manufacture and personalise for passports, identity cards (national IDs, other civil IDs, tax stamps, banking cards and SIM cards)
- Industry partnerships to bring the best solutions to the clients
- e7 Security is well-positioned to capitalise on its strong client references, strategic location, and increasing demand for travel documents.

Ambition

- To be a leading global E2E security solutions provider, headquartered in Abu Dhabi, serving clients across the full lifecycle of identification solutions – from enrolment to verification and digital identity – primarily for civil ID and banking cards.

Strategic objectives

- Build or acquire capabilities to win large contracts as a system integrator and digital ID player
- Leverage current credentials in IDs, passports, banking cards, tax stamps to drive organic growth and maximise capacity utilisation of current offerings by acquiring new contracts in focus markets in GCC, CIS, Africa, APAC, and LATAM

Focus products and solutions

Civil IDs (IDs, passports, vehicle licence, driving licence), system integration, tax stamps, banking cards, and digital identity

Focus markets

Middle East, Africa, APAC and LATAM

e7 Group seeks to capitalise on industry trends and enabling business environment

	UAE	e7 SECURITY
01	Dynamic UAE and GCC economy growing 3-5% annually	Growth of identification solutions globally to promote inclusion and formalisation
02	UAE's CEPA with major economies such as India, Indonesia and Turkey, and FTA and other trade agreements with GCC, MENA and EU	Rising incidents of security risks such as counterfeit and forgery
03	Leveraging UAE's ecosystem and government-to-government (G2G) partnerships investing in emerging markets across Africa and Asia	Increasing global travel
04	Strategically located to serve Asia, ME, Africa and EU	Advent of digital identity solutions supplementing physical identity documents

Market Review
continued

e7 Security aims to capture a larger share of security solutions value chain

Hardware → **Software**

Component	Planning and Design	Infra Deployment	Digital Identity	System Integration
Physical documents	**Security assessment**	Software integration	Enrolment	E2E system management
Scanners	System (PKI) design	Enrolment platform design	Authentication	IoT connectivity
eSIMs	Software design	Hardware integration	Verification	Digital transformation
Fingerprint readers	Modular identity management system	Compliance and security	Biometrics database	e-services infrastructure
Iris scanner	**Personalisation**	Infrastructure consulting	Liveness solutions	Consulting solutions
Security features	Credential management	Testing and validation	Digital wallets/ KYC	Training services

Current offerings Growth focus

Industry landscape

Ambition

To be a leading diversified E2E security solutions player globally.

Organic growth

1. Drive growth in core offerings of IDs, passports and banking solutions through new contract acquisitions.
2. Enter adjacent security product categories.

Inorganic growth

1. Partner with system integrators and other security players.
2. Acquire new capabilities of digital identity management and system integration capabilities.

Focus geographies

Middle East, Africa, Asia and LATAM

PACKAGING

Industry Overview

- Global packaging consumption is increasing, with the market estimated to reach USD 1.4 trillion by 2028. Asia, Africa and Middle East are fastest growing packaging consumers, expanding at a 5–6% CAGR, in-line with population growth, increased demand for packaged food and beverages, e-commerce proliferation, and industrial sector growth.
- Packaging market leaders forecast both revenue and EBITDA growth in the short term for most substrates. Paper and flexible packaging are projected to be the fastest growing substrates globally.
- The packaging sector is increasingly focused on sustainability and innovation, in addition to revenue growth (profitable portfolio mix, loyal customer base, geographic expansion) and margin expansion (leading cost position).
- Several mega trends will create both opportunities and challenges; paper and flexible plastics are holistically better positioned.

Market Size and Competition Landscape

- The Middle East and Africa packaging market is estimated to reach USD 97 billion by 2028.
- There is high competition among multiple global and local players operating in the GCC, MENA markets, with a limited customer base.
- Niche opportunities exist within each packaging segment, offering the potential for higher margins
- The market leaders are focused on forward integration through direct to customer channels, services and solutions, technology and capital infrastructure, customer service, long term expansion plans and sustainability goals.
- The industry landscape is likely to change as regulations around sustainability mature in the region. Companies with strong supply chains, R&D, and technology capabilities to transition towards sustainable packaging are likely to succeed.

Market Review
continued

Regulatory Environment: Impact of Sustainability Regulations and Trends on Packaging

- Sustainability is not just a passing trend. Brand owners and retailers have set ambitious environmental targets, with packaging playing a key role in achieving these goals.
- Increased consumer demand for sustainability and recyclable packaging continues to grow while maintaining and enhancing functionality.
- Brand owners, raw material suppliers and packaging converters are increasingly innovative, experimenting with different business models ranging from substituting plastic with higher barrier coating paper, increasing recycled content, launching mono-material products, and investing in post-consumer recycled (PCR) content improvements.
- Regulations on packaging lifecycle management – including reduction, elimination, labelling, traceability, recycling and disposal – are increasing globally, with Europe leading in regulatory maturity.
- Countries addressing the start and the end of the packaging flow by restricting certain materials and focusing on waste management via extended producer responsibility (EPR).
- More advanced countries have set up infrastructure to support lasting changes in design, recycling capabilities, and recycled content adoption.
- Most regulations focus on plastic packaging. Bans for single-use plastic items are increasingly common across regions, with flexible packaging being the most affected.

e7 Packaging Strengths and the Way Forward

Strengths

- Available capacity of 18,000 tonnes of folding cartons and one million paper cups per annum to serve clients
- Portfolio includes four sustainable solutions
- Over 60 clients onboarded since 2022, well-positioned to cater to packaged food, pharmaceuticals and healthcare, consumer goods and FMCG, and luxury packaging segments
- Industry leading certifications obtained: BRCGS AA+ and GMP certifications
- Exporting to over 4 countries
- Latest technology infrastructure
- Seasoned specialist packaging team
- Comprehensive services and solutions provided by e7 packaging

e7 Packaging

01 Custom packaging design
Tailored solutions for unique packaging needs, including structural design and graphic design services.

02 Digital and flexo printing
High-quality printing techniques for vibrant colours and detailed graphics on various packaging materials.

03 Sustainable packaging
Eco-friendly materials and designs that focus on reducing environmental impact.

04 Labelling services
Production of custom labels for products, including adhesive labels, shrink sleeves, and tags.

05 Prototyping and samples
Creation of prototypes and sample packaging to test designs before full-scale production.

06 Consultation and support
Expert advice on packaging materials, design trends, regulatory compliance, and supply chain logistics.

Ambition

- Aim to become a mid-size revenue packaging player at industry benchmark profitability
- Establish e7 Packaging as a trusted packaging solutions provider serving customers in GCC and other high growth markets such as Africa and the Asian subcontinent.

Strategic objectives

- Gain market share and maximise current facility utilisation and revenue growth.
- Diversify product portfolio through partnerships or inorganic acquisitions.
- Serve customers in GCC and other high growth markets such as Africa and the Asian subcontinent, through UAE based operations.
- Focus on niche markets to drive profitable growth, with an emphasis on sustainability, technology, and innovation in paperboard and flexible packaging categories.
- Leverage existing group strengths to bring innovative solutions to market

Focus products

- Paperboard-based and niche products in flexible packaging

Focus market

- UAE, GCC, Africa (through cross selling), and APAC

Market Review
continued

e7 Packaging is on path to accelerate its growth in sustainable packaging

Packaging Type	Mass volume	Premium	Niche
Paper	• **Paper cups** • Paper bags • **Folding cartons**	• Litho laminate corrugated boxes • **Special food packaging**	• **Luxury packaging** • **Pharma packaging** • Digital corrugation boxes
Flexible	• Films • Caps and closures • **Labels** • General flexible	• Laminate food grade pouches • Capsules	• Aseptic • Food based • Biodegradables • Mono-materials
Glass, Plastic, Metal	Non focus segments		

Nature of Market

Current offerings   Growth focus

Industry landscape

Ambition
To be the leading sustainable packaging solutions player globally.

Organic growth
1. Increase market share in existing core offerings of paperboard products and flexible labels.
2. Access opportunities to grow in adjacent packaging segments to cover whole spectrum of client needs.

Inorganic growth
1. Expand product offerings in the premium and niche segments.
2. Penetrate new geographies.

Focus geographies
Middle East, Europe and Asia

Market Review
continued

PRINTING

Industry Overview and Market Trends

Printing industry is undergoing significant shifts due to change in consumption patterns of media. This has implications for commercial printing industry.

- Rise of online printing: Standardised advertising and commercial materials such as brochures, leaflets, and business cards, as well as books are increasingly shifting to online printing, with cost savings of more than 30%. As a response to this, large players are closing traditional printing web shops.
- Migration to digitalisation and hybrid products: Media consumption as well as advertising is increasing but shifting towards online/digital. Especially in the education sector, books will become multi-media products with apps, films, online content, content for smart boards and virtual classrooms.
- Shift to packaging: During the pandemic years, several players in the printing value chain such as mills and printing companies switched part of their manufacturing capacity into the packaging industry, thus reducing overall supply capacity.
- Movement towards sustainability: The trend towards sustainability can be witnessed in the printing industry, with printing companies becoming greener by using recycled paper and environmentally friendly ink.
- Growth of individualisation: Individualised printing products such as mailings, magazines, and advertising are driving high use of digital printing technologies.
- Smaller print runs, higher quality finishing: The market is shifting towards more variants but smaller batches due to more granular target groups. The focus is on quality and specialised finishing, as niche audience perceive these products as more valuable.
- Market consolidation and cost efficiency: Small printing companies (mom and pop shops) are exiting the market, while a small number of highly specialised and efficient printing factories catering to an international customer base are dominating the market.
- Increase of paper prices, reduced paper supply, and shift in allocation of supply: High paper costs speed up the substitution towards online media. Rising prices for newspapers, books, and magazines negatively impact demand. Closures of mills and allocation shifting to specific regions have also led to paper sourcing challenges.
- Rise of hybrid learnings models for students: Physical books are now supplemented by digital learning aids, as education undergoes digital transformation beyond the classroom in areas such as:
    - School operation and management systems
    - Curriculum delivery in classrooms
    - Digital learning and online libraries
    - Interactive platforms between schools and parents

Competitive Landscape

- Overall, the printing market is fragmented with a few global players, some regional players, and multiple local players in UAE.
- Most traditional printing products are in decline, except for books and out-of-home advertising. The shift to digital has accelerated market shrinkage or severely limited growth in traditional printing. Several factors shaping the future of the commercial printing market include:
  - Following a global trend, newspaper and magazine content is increasingly going digital. The decrease in newspapers and magazines is mainly driven by the switch of consumers' preferences towards digital channels as well a declining reader base, which is not offset by inflation.
  - The shrinking reader base is leading to a negative 10-11% CAGR for newspapers, negative 3-5% for magazines, resulting in declining sales, subscriptions and advertising revenues for publishers.
  - In the education sector, the growth is driven by population growth, with books remaining to be the primary carriers of educational content. This book market growth is expected to remain stable at 1-2% CAGR.
  - In the educational sector, there is a strong trend towards hybrid/enhanced books with multimedia content, leading to education ministries and educators adopting a combination of physical and digital learning tools. This has also driven an influx of school educational aids, supporting school operations, classroom learning, and communication between schools and parents.
  - The commercial printing market is expected to remain stable both in GCC and UAE, with books, and advertising and commercials categories showing slight positive growth (6-8% CAGR).
  - Growth in advertising and commercials is driven by the overall increase in marketing expenditures, although digital advertising continues to grow at a faster rate.

e7 Printing Strengths and the Way Forward

- Commercial printing is facing severe headwinds due to the shift to digital; however, e7 Printing has been able to absorb some of the impact due through its diverse capabilities.
- e7 Printing has one of the largest printing set ups in UAE with eight sheets fed, two web offset, two newspapers web machines, complemented by digital printing and a binding centre.
- e7 Printing serves clients' visual branding needs across different mediums with E2E Printing solutions from custom design development and on-site fulfilment (on- demand printing).
- Additionally, e7 educational solutions provide integrated educational solutions for school students, government entities and schools with industry-wide partnerships.
- e7 education prints around 25 million schoolbooks annually serving over one million students and 1,100 schools in the UAE with E2E solutions, including:
  - Complete curriculum delivery
  - Full educational software suites
  - Educational publishing and platforms
  - Education consulting
  - Training and development
  - E-learning platforms and an online library
- e7 Printing's value proposition solidifies its market position through integrated printing solutions, focus on customer service, high retention rate and a strong reputation in the market.

Ambition

- Retain the preferred printing partner status by enhancing solutions to support clients in delivering tangible brand presence across multiple mediums through:
  - Pivoting towards to latest printing solutions and managed services focused on personalisation, customisation and accessibility.
  - Providing integrated educational solutions for schools and educators.

Strategic objectives

- Expand educational solutions business through growth in new geographies and partnerships to enhance integrated educational solutions package.
- Focus on continuous operational excellence. Deepen penetration of commercial printing solutions in the UAE and other priority markets such as Middle East and Africa.

Market Review
continued

Industry Overview, Market Size and Competitive Landscape

- The last-mile logistics market is estimated at USD 3.2 billion in UAE and is expected to grow at 12% CAGR over the next 10 years. Tawzea's main addressable segment is secure shipments which make up 4% of the total market, where Tawzea holds a significant market share.
- Tawzea has steadily pursued profitable growth by maximising capacity utilisation, focusing on serving incumbent clients of e7 Group, government entities, and other select segments, while ensuring customer retention and satisfaction through secure delivery services which includes same-day, next day, 48-hour delivery.
- UAE's last-mile logistics industry is highly fragmented in nature with many international, regional and local players competing for market share. Players' market position is built around innovation, coverage, technology focus and cost leadership. Key competitive dynamics in the market include:
    - Players with low cost of operations, strong technology, a clear segment focus with corresponding infrastructure and attractive pricing are better placed on capacity utilisation and profitable performance.
    - Large players offer a full range of logistic services, covering the entire logistic value chain.
    - Last-mile logistics providers rely heavily on optimising network and leveraging technology to reduce operating costs. In a highly competitive market, customers have multiple options to choose from.

Key Market Trends

- E-Commerce Growth and Rapid Delivery: Increasing consumer demand for same-day and next-day delivery is driving logistics companies to invest in advanced sorting centers, fulfilment hubs, and last-mile delivery solutions.
- Sustainability in Logistics: There is a strong push towards sustainability, with companies adopting eco-friendly practices like electric vehicles and sustainable packaging due to regulatory pressures and consumer preferences.
- Omni-Channel Fulfilment: Retailers are focusing on omni-channel fulfilment to provide a seamless customer experience across online and offline platforms.
- Cold Chain Expansion for Pharmaceuticals: The demand for cold chain logistics is growing, particularly for pharmaceuticals and food and beverage sectors, requiring enhanced cold storage and real-time monitoring capabilities.

- Technological Advancements: The adoption of advanced technologies like AI, robotics, and predictive analytics is revolutionising inventory management, order fulfilment, and overall supply chain efficiency.
- High-Security Logistics Demand: The need for high-security logistics is increasing, particularly for the transportation of sensitive and high-value goods, driving the adoption of advanced security measures.
- Flexible Delivery Options: Consumers and businesses alike are demanding more flexible delivery options, such as same-day, contactless, and customised delivery windows.
- Automation in Operational Processes: Automation is being increasingly adopted in logistics to streamline operations and reduce human error.

Tawzea by e7 Strengths and the Way Forward

- Tawzea is one of the leading last-mile logistics and distribution players in UAE with specialisation in secure shipments delivery and advanced capabilities including:
  - Pan UAE coverage, including remote areas
  - A large, diversified fleet with over 400 motorcycles, vans, cars and trucks
  - E2E full stake technology integration for easy shipping and tracking
  - Serving client's secure shipments needs across multiple sectors
  - Providing tailor-made solutions for clients
  - A high-tech mail sorting centre and in-house call centre
- Tawzea solutions include:
  - Shipment distribution for B2B and B2C clients
  - Personalised secured delivery with biometric verification capabilities in a CCTV and GPS monitored fleet
  - Same day and overnight delivery services
  - Mail room management services
  - Publications subscription and distribution solutions
  - Last-mile e-commerce solutions
  - Reverse logistics solutions
  - Custom packaging and fulfilment solutions

Ambition

- To be a trusted and reliable last-mile distribution and logistics service provider for e7 Group clients and other UAE based customers.

Strategic objectives

- Maintain profitable growth by maximising operational utilisation and efficiency.
- Focus on targeted customer acquisition in the secure shipments delivery space.
- Strengthen the group's value proposition through value-added services in logistics and distribution.

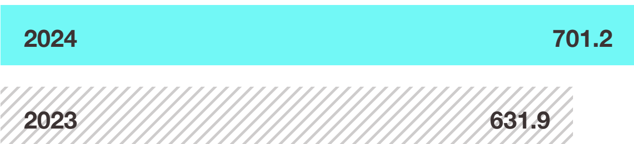
Group CFO's Review

Faizal Amod
Group Chief Financial Officer

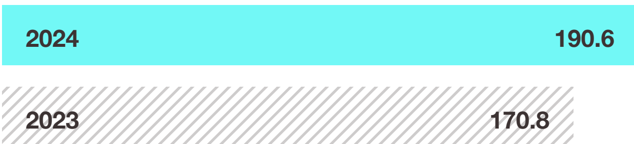
I am pleased to share with you the financial highlights of e7 Group for 2024. e7 Group has delivered solid performance across all key metrics in 2024. The Group's ability to adapt to market changes and execute on our strategic priorities in key business segments has resulted in record revenues, improved profits and strong cash generation.

Financial Highlights

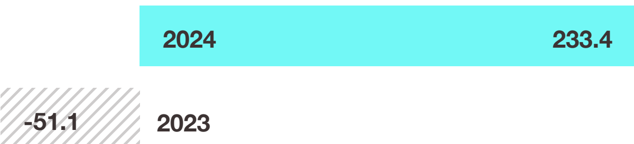
Revenue (AED millions)



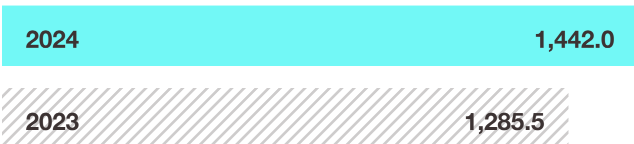
EBITDA (AED millions)



Net Profit (AED millions)



Cash and Bank Balance (AED millions)



> In 2024, e7 Group achieved exceptional growth, driven by strategic execution across key business segments, leading to record revenues, improved profitability and strong cash flow. Operational improvements enhanced margins, while a significant recovery in net profit demonstrated the Group's financial strength. With a focus on strengthening its balance sheet and generating free cash flow, e7 Group is well-positioned for future growth opportunities.

For the year 2024, e7 Group reported revenues of AED 701.2 million, representing an 11% increase year-on-year, up from AED 631.9 million in 2023. This growth was driven by robust performance in our core business segments, particularly in the e7 Security and e7 Packaging segments, which achieved double-digit growth. e7 Printing segment also contributed to this success, leveraging our strong reputation and evolving solutions portfolio.

Our focus on streamlining operations and enhancing supply chain efficiencies resulted in cost savings, driving growth in gross profit. Gross profit grew by 15% year-on-year, reaching AED 230.2 million in 2024, compared to AED 199.9 million in 2023. The gross profit margin reached 32.8% in 2024, representing an improvement of over 1% compared to the 31.6% achieved in 2023.

The Group's EBITDA increased by 11.6% year-on-year to AED 190.6 million in 2024, compared to AED 170.8 million in 2023. The EBITDA margin improved to 27.2% in 2024, reflecting the lucrative contracts we have in place for core business segments and our commitment to maintaining strong profitability.

The Group's net profit (after tax) reached AED 233.4 million in 2024, with a net profit margin of 33.3%. This marks a significant improvement compared to the AED 51.1 million loss in 2023, during which the Group had to account for a one-time non-cash listing expense.

We continue to focus on strengthening our balance sheet and improving cash flow generation. Our working capital management efforts led to a significant reduction in the working capital cycle, allowing us to generate AED 132.1 million in free cash flow, compared to AED 3.9 million in 2023.

The Group's cash and bank balances increased to AED 1,442 million in 2024, compared to AED 1,285.5 million in 2023. With our funds earmarked for strategic initiatives and acquisitions, we are well-positioned to drive sustainable growth.

In 2024, we have committed AED 182 million in growth capital expenditure to enhance our passport production capacity and introduce tax stamp printing. This strategic investment will lay a solid foundation for continued growth in the coming years, positioning us to meet increasing demand and expand our capabilities in key areas.

Looking ahead, e7 Group remains well-positioned for future growth. Our diversified solutions portfolio across business segments, combined with a focus on technology, operational efficiency, and both organic and inorganic expansions, will continue to provide a solid foundation for long-term value creation. As we move into 2025, we remain committed to delivering sustainable growth and further strengthening our market position. We are excited about the opportunities ahead and look forward to building on our successes to deliver outstanding value to our stakeholders.

Faizal Amod
Group Chief Financial Officer

Our Strategy

Accelerating growth with the right enablers

e7 Group's strategy is built on four key pillars that aim to drive sustainable success and long-term value creation.

Operational Efficiency and Digitisation

Strategic objectives

- Pursue profitable growth with a focus on margin expansion
- Enhance internal and operational efficiencies
- Pursue inorganic growth targets with clear synergy potential
- Increase agility with enterprise-wide digital transformation

Organisation Transformation

Strategic objectives

- Attract leading industry talent and strengthen corporate functions
- Prioritise Emiratisation and D&I with a focus on employee upskilling

Growth

ESG and Innovation

Strategic objective

- Implement initiatives to reduce environmental impact

e7 Group aims to capture a larger share of the value chain by accelerating growth

AED 1.3 billion invested across organic, inorganic and capability development, with organic and inorganic growth focused on Security and Packaging

	SECURITY	PACKAGING	PRINTING	TAWZEA توزيع by e7
Organic	Drive growth in core offerings with new contracts and acqusitions Expand manufacturing capacity for core products Explore opportunities in adjacent security products/segments	Increase market share in existing core offerings of paperboard products and flexible labels Access opportunities to grow in adjacent packaging segments to cover whole spectrum of client needs	Retain preferred printing partner status and market share Focus on building long-term resilient relationships with key customers Selectively pursue growth by expanding reach in GCC and Africa, acquiring large government and institutional contracts Emphasis on enhancing internal operational efficiencies	Focus on customer retention and maximising operational utilisation to sustain profitable growth Maintain competitive advantage in secure document delivery Sustain high customer satisfaction score of 98%+ Scale up new same day delivery service for large institutional customers Reduce environmental impact Strengthen investment proposition through value added services
Inorganic	Partner with system integrators and other security players Build or acquire digital identity management and system integration capabilities Access opportunities in wider markets and secure new contracts in current focus markets	Expand product offerings in the premium and niche segments of flexible packaging Penetrate new geographies		

Enabled by organisation-wide digitisation, ESG performance improvement and operational excellence initiatives

Strategy in Action

Pillar 1
Growth

e7 Group has made significant progress to meet its strategic goals to drive growth transformation across its business by capitalising on key industry trends and enabling business environment of UAE as summarised below:

- **Strategically located in a dynamic region**
  - Dynamic UAE and GCC economy growing 3-5% annually
  - UAE's comprehensive economic partnership agreement (CEPA) with major economies such as India, Indonesia, and Turkey etc, along with FTAs and other trade agreements with the GCC, MENA and EU
  - Leveraging UAE's ecosystem and government-to-government (G2G) partnerships by investing in emerging markets across Africa and Asia
  - Strategically located to serve Asia, ME, Africa and EU
- **Tailwinds supporting security business**
  - Growth of identification solutions globally to promote inclusion and formalisation
  - Rising incidents of security risks such as counterfeit and forgery
  - Increasing global travel
  - Advent of digital identity solutions supplementing physical identity documents
- **Tailwinds supporting packaging business**
  - Rising focus on sustainability
  - Growth of e-commerce, food and beverage industries
  - Product innovations
  - Customised packaging solutions

Key Achievements in 2024

SECURITY

- New contract wins supported geographic expansion in core offerings
  - Strengthened growth in core offerings through new contracts acquisitions.
  - Secured over AED 120 million in new contracts in 2024 from clients in Latin America, Africa and the Middle East for electronic identity cards and passports.
- New certifications and launches
  - e7 Security obtained new industry certifications, reinforcing its position as a trusted identity solutions provider.
  - Key certifications and achievements:
    - Secured MasterCard Card Eco Certification (CEC), accelerating efforts towards sustainable card offerings by removing first-use PVC plastics in payment cards and incorporating 78% recycled PVC in the card plastic body.
    - Qualification to produce China Union Pay Cards.
    - Achieved the CQM certificate with IAC label on our biometric cards, demonstrating our commitment to quality and excellence.
    - Secured ISO 22301 certification, enhancing our resilience and business continuity capabilities.
    - Renewed ISO 14298 (Intergraf), maintaining our high standards in security printing.
    - Renewed ISO 27001 certification, underscoring our commitment to information security management.
- Partnered with Germany-based Diletta GmbH for the printing of high-security travel and identity documents, marking a significant step in our organic growth strategy.
- Other achievements
  - Served as the Security Printing Partner for MEBIS 2024, the largest Middle East Banking Innovation Summit so far.
  - Awarded the Infineon Award for Partnership, recognising the successful cooperation and trust built established between Infineon and e7 Group.

PACKAGING

- e7 Packaging increased its market share in core offerings of folding cartons and paper cups with existing customers, while acquiring new clients with focus areas of packaged food and beverages, FMCG, consumer goods, luxury packaging, and healthcare and pharmaceutical segments in both local and export markets.
- Packaging revenue grew significantly y-o-y and is expected to maintain high growth in the coming years.
- Renewed BRC certification for packaging materials with an upgraded rating of AA+, reflecting our commitment to maintaining high-quality packaging standards.
- Obtained BRCGS Gluten Free Certification, a crucial certification to serve the food industry.
- Added capabilities through commissioning of new flexo label line, adding to the diverse mix of capabilities and offerings for clients.

PRINTING

- Solidified our positioning as a market leader and trusted partner in the printing segment by renewal of key client contracts in commercial and educational solutions with private and government entities.
- Expanded reach by acquiring new contracts in the African market for textbooks and digitally printed exam papers.
- Secured two key partnerships with Kutubee and School Voice at GESS Dubai 2024, reinforcing our commitment to delivering innovative, secure, and efficient educational solutions tailored to the UAE's evolving needs.
- Expanded e7 Group's literacy platform to offer English and French literacy programmes, in addition to Arabic, serving both public and private education sectors across the UAE.

تـوزيـع TAWZEA by e7

- Increased market share in the secure shipments category by acquiring additional shipments from existing customers and acquiring new clients in focus segments such as government entities and retail segments, leading to around 23% increase in shipments y-o-y.
- Sustained a high customer satisfaction score of 99.8%, reflecting consistent service excellence.
- Introduced additional solutions such as same day and next day express delivery for large institutional customers.
- Obtained ISO 9001, 45001 and 140001, demonstrating commitment to business excellence.

Other Inorganic Growth-related Achievements in 2024

Created a robust merger and acquisitions (M&A) pipeline to explore global opportunities in security, packaging and education segments. Additionally, we pursued inorganic growth opportunities through acquisitions and joint ventures.

Strategy in Action
continued

Pillar 2 and Pillar 3
Operational Efficiency and Digitalisation, Organisation Transformation

Key Achievements in 2024

- Partnered with SAP to turbocharge enterprise-wide digital transformation to implement a unified cloud-based enterprise resource planning (ERP) solution, strengthening the digital foundations and future proofing key business functions.
- Implemented various digitisation initiatives to improve process efficiency, to improve client experience, and track vendor performance. Examples include:
  - Financial system enhancements through automations tools
  - Continued focus on improving pay process workflows
  - Continued enhancement in product development performance by integrating activities across e7 Security
  - Tawzea by e7 introduced front end customer plug-ins for enhanced ordering experience and tracking of shipments
  - Implemented a refreshed vendor registration and onboarding system
  - Implemented a secure jobs delivery accuracy enhancement project for Tawzea by e7
  - Enhanced cyber security awareness and implemented initiatives to enhance surveillance, security, and business continuity
- Initiated several initiatives on cloud migration, implementation of robust virtual data centers, and disaster recovery protocols.
- Enhanced operational efficiency by focusing on extracting value and managing commodity inflation through long term relationships with key suppliers.
- Strengthened inorganic growth capabilities and corporate functions maturity by establishing in-house M&A and Investor Relations capabilities.
- Partnered with Khalifa University through career fairs with a focus on enhancing the diversity of our talent pool.
- e7 Group's team engaged with Emirati college graduates at the UAE U Career Fair in collaboration with ADVETI for internships, supporting our Emiratisation goals.
- Continuous progress on improving health and safety of employees through dedicated campaigns with government entities, upgrading fire protection systems, securing perimeter surveillance and access control management.

Pillar 4
ESG and Innovation

Key Achievements in 2024

Environment

Environmental Management	• 100% coverage of all e7 Group operations under the ISO 14001 – environmental management systems. • Various energy saving initiatives identified and implemented such as LED and solar streetlights, motion sensors, HVAC optimisation. • Developed internal Decarbonisation Plan that serves as a strategic roadmap for our long-term commitment to reducing carbon emissions.
Sustainable Products and Certifications	• e7 Security secured the Mastercard Card Eco Certification (CEC) in 2024 by incorporating recycled PVC into its payment cards, making 78% of the card bodies recyclable. • Additionally, obtained the MasterCard CQM certification at Grade A level. • Successfully renewed the Forest Stewardship Council (FSC) certification, which stands as a testament towards our commitment to environmental stewardship. • Renewed GSMA SAS certification for compliance in telecom card manufacturing. • Successfully renewed British Retail Consortium (BRC) Global Standards Certification for Packaging Materials, maintaining an AA+ rating since its initial certification in 2023. • Secured 'Gluten Free' BRCGS certification in 2024, demonstrating our packaging solutions meet high environmental and quality standards.
Green Logistics	• Tawzea by e7 transitioned 32 vehicles by installing dual CNG systems making them more environmentally friendly. • Tawzea by e7 has initiated pilot studies to explore the integration of electric vehicles (EVs) into our delivery fleet. • Tawzea by e7 introduced biodegradable bags certified by the Emirates Conformity Assessment Scheme (ECAS), for last-mile deliveries to select customers.

Social

HR Practices	• Women hold about 21% of management positions. • The Emirati talent increased by 59% y-o-y.
ESG in Supply Chain	• Inclusion of ESG topics in the supplier Code of Conduct and declarations, with over 200 suppliers now complying with the updated Code of Conduct.
Health and Safety	• e7 Group has passed the HSE audits and the self-assessment on QHSE best practices.

Governance

ESG Risks and Governance	• Published first sustainability report in which our baseline performance and roadmap for the future are highlighted. • Established a dedicated ESG Committee at Board level to strengthen oversight of ESG performance at Group level. • Initiated the implementation of critical policies and awareness-raising initiatives across all three pillars. • Conducted an ESG risk assessment and integrated ESG risks into the company-wide risk register. Additionally, refreshed various governance policies and introduced a new Tax Policy.

Key Performance Indicators

e7 Group takes a proactive approach by setting strategic targets and establishing Key Performance Indicators (KPIs) that serve as a roadmap for measuring the progress of both individual and organisational goals. These KPIs go beyond merely tracking achievements; they are designed to assess the value created through our efforts, ensuring that every action contributes meaningfully to the Group's overall success. By regularly evaluating these indicators, we not only identify areas where we excel but also highlight opportunities for improvement, enabling us to continuously refine our strategies and operations.

Moreover, KPIs play a critical role in fostering a performance-driven culture within the Group. They allow us to evaluate employee contributions and resource utilisation effectively, providing a clear view of strengths and areas where additional support or development may be needed. This process is crucial, as it not only helps in measuring performance but also offers a valuable opportunity to recognise and celebrate employee achievements. Ultimately, the use of KPIs at e7 Group drives continuous growth, encourages excellence, and creates a transparent environment.

1. Financial KPIs

Revenue
(in AED '000)

2024	701.2
2023	631.9

Why we use this indicator

Revenue is a key indicator for evaluating the Group's financial growth, as it directly affects profitability, cash flow and overall performance.

Our performance

IIn 2024, e7 Group reported revenues of AED 701.2 million, an 11% increase from AED 631.9 million in 2023, driven by strong performance in all core business segments.

EBITDA
(in AED '000)

2024	190.6
2023	170.8

Why we use this indicator

EBITDA is a valuable KPI because it focuses on the Group's core operational performance and highlights operational efficiency and serves as a proxy for cash flow.

Our performance

The Group's EBITDA grew by 11.6% year-on-year to AED 190.6 million in 2024, with the EBITDA margin improving to 27.2%, reflecting a strong focus on maintaining profitability.

2. Customers and Operations-related KPIs

Net profit
(in AED ‘000)

2024	233.4
2023	-51.1

Why we use this indicator

Net profit is a key indicator as it reflects the Group’s overall profitability after all expenses, demonstrating its ability to generate value. It also helps management to make informed strategic decisions and assess the financial health of the business.

Our performance

The Group’s net profit for 2024 reached AED 233.4 million, with a net profit margin of 33.3% – a significant improvement from a AED 51.1 million loss in 2023, which included a one-time non-cash listing expense.

Number of ID cards
(in millions)

2024	15.5
2023	11.3

Why we use this indicator

The number of ID cards is one of the KPIs used to assess the growth of the e7 Security business segment, as it represents the primary product category within this business segment.

Our performance

e7 Group achieved notable growth in card printing, with the volume increasing from 11.3 million to 15.5 million in 2024. This represents a growth rate of 37%, showcasing strong momentum and continued expansion in this key area of our business.

Key Performance Indicators
continued

2. Customers and Operations-related KPIs continued

Number of school text books
(in millions)

2024	21.6
2023	20.8

Why we use this indicator

Educational solutions is a key business segment that plays a critical role in driving growth and profitability, influencing the overall performance and success of the business. The number of books printed provides valuable insight into the demand and effectiveness of strategic initiatives.

Our performance

In 2024, we printed 21.6 million school textbooks, representing a 4% increase from 20.8 million textbooks in 2023, reflecting a satisfactory growth in demand.

Number of folding cartons
(in millions)

2024	112.0
2023	62.0

Why we use this indicator

This criteria is critical as it reflects the growth in the packaging function, which was introduced recently. It serves as a key indicator of how effectively the new operation is contributing to the overall expansion and success of the business.

Our performance

In 2024, we produced 112 million units, marking an 81% increase compared to 62 million units in 2023. This significant growth highlights improved capacity utilisation and demonstrates strong growth potential moving forward.

Number of Tawzea shipments
(in thousands)

2024	3,165.0
2023	2,579.0

Why we use this indicator

The number of shipments is a key driver of Tawzea's overall performance, directly impacting profitability and providing valuable insights into its growth trajectory.

Our performance

The number of shipments increased to 3.1 million in 2024, reflecting a 23% growth compared to 2.6 million in 2023. This growth indicates strong momentum across the Group, highlighting the positive trajectory and expanding reach.

Tawzea customer satisfaction score
(excellent category)

2024	99.86%
2023	98.74%

Why we use this indicator

This metric measures the sentiment of our customers regarding the services we offer, providing insights into their satisfaction and overall experience.

Our performance

In 2024, customer feedback in the 'excellent' category increased to 99.86%, up from 98.74% in 2023, reflecting our ongoing commitment to enhancing customer satisfaction and delivering high-quality services.

3. Human Resources and Social KPIs

Emiratisation

2024	2.6%
2023	1.8%

Why we use this indicator

This metric reflects our commitment to attracting and providing opportunities for local talent.

Our performance

In 2024, we strengthened our Emiratisation efforts by developing a strategy, setting internal hiring targets, and launching the Emirati talent programme. As a result, the Emiratisation rate increased from 1.8% in 2023 to 2.6% in 2024.

Diversity

2024	5.5%
2023	3.8%

Why we use this indicator

The gender diversity metric reflects our commitment to fostering an inclusive and equitable workplace by promoting gender balance and equal opportunities for all.

Our performance

Our efforts to enhance female representation at all levels, particularly in key management positions, have led to an improvement in the gender diversity rate from 3.8% in 2023 to 5.5% in 2024.

Safety: Lost Time Injury Frequency Rate (LTIFR)

2024	0.8
2023	1.6

*Employee LTIFR = (Employee total lost time injuries/(Total employee working hours)) *1,000,000*

Why we use this indicator

LTIFR measures the impact of injuries on our operations, reflecting the number of incidents that result in lost work time. It serves as a key indicator of the effectiveness of the safety measures we have implemented.

Our performance

The LTIFR for the Group decreased from 1.6 in 2023 to 0.8 in 2024, underscoring our commitment to ensuring a safe and secure workplace for all.

Employee turnover (Full Time Employees)

2024	8.7%
2023	13.3%

Why we use this indicator

Employee turnover rate is crucial for us as it impacts productivity, costs and employee morale.

Our performance

In 2024, our initiatives focused on employee engagement, training, development and health and wellbeing, resulting in improved job satisfaction and retention. As a result, our employee turnover rate decreased from 13.3% in 2023 to 8.7% in 2024.

Our People

Empowered by diversity, inclusion and talent development

e7 Group recognises that its people are at the core of the Group's success and achievements. We take pride in the strong commitment and dedication consistently demonstrated by our workforce, which has been instrumental in the Group's many accomplishments over the year. We remain committed to building and sustaining a culture of healthy work-life balance, which in turn enhances our workforce performance and well-being.

In 2024, e7 Group's goal of building a diverse and inclusive workforce was reinforced with the introduction of a new recruitment strategy designed to attract high-potential candidates to all corporate functions. Our focus on developing a strategic and comprehensive approach to human resource management yielded new outcomes with the Group launching several new initiatives aimed at empowering our people. These included offering flexible working hours, involving employees in decision-making processes, and establishing a dedicated Learning and Development department.

Growth, Diversity and Employee Care

The size of our workforce grew modestly in 2024, with staff strength increasing from 1,352 at the end of 2023 to 1,387 by the end of 2024. The number of women in the workforce went up from 49 at the end of 2023 to 77 at the end of 2024. The number of women in management positions rose up to 21.42% in 2024 from 20.3% in 2023. This progress in enhancing women's role in our organisation reinforces our commitment to the principles of diversity and inclusion. We are confident of further improving women's overall representation in the workforce over the coming years.

Employee health, safety and well-being are priorities at e7 Group. Our health and safety standards, policies and programmes are updated and improved on a regular basis. These are presented in more detail in the ESG Report.

We hosted a number of social events during the year to promote team and community spirit among our people. These included sports events, blood donation drives, and an annual employee gathering in the form of a carnival, which encouraged active participation from staff. Such events promoted health, fitness and community engagement, supported employee morale and reinforced our values of team spirit and mutual respect and appreciation.

Emiratisation

Emiratisation is a key pillar of e7 Group's long-term human resource strategy. Our Emiratisation programme is designed to build a solid talent pool of UAE nationals to guide the Group's journey ahead and to ensure smooth succession of executives in key positions. In addition to attracting national talent, the programme lays great emphasis on enhancing Emirati staff's skillsets in line with the Group's emerging needs linked to its business strategy. Besides recruiting local talent across all departments, the programme offers tailored career development opportunities, ensuring that the Group follows UAE's Emiratisation guidelines for companies.

By the end of 2024, the number of Emiratis employed at e7 Group was 37, compared with 24 at the end of 2023. Out of these, 18 were women, underlining our commitment to push gender diversity across all levels of the Group.

Diversity and inclusion, especially for women and people who are differently abled, are central tenets of our Emiratisation strategy. We aim to strengthen the number of Emirati women working at e7 Group across all levels.

We have established strong relationships with leading national educational institutions to ensure that e7 Group has easy access to the national talent pool. We have partnered with institutions such as Khalifa University (KU), Abu Dhabi Vocational Education and Training Institute (ADVETI), United Arab Emirates University (UAEU) and the Higher Colleges of Technology (HCT).

We have initiated several training programmes in collaboration with these universities, enabling UAE students to obtain hands-on skills and industry-specific knowledge through internships and on-the-job training. We also actively participate in university career fairs to canvass talented UAE nationals and present the career and growth opportunities offered by e7 Group, along with our vision and Emiratisation goals.

Reinforcing our commitment to strengthen Emiratisation, we have launched several programmes to ensure high levels of job satisfaction, employee engagement and long-term retention of Emirati employees. These included providing opportunities for Emiratis to participate in decision-making, establishing a dedicated department for their development, and offering growth opportunities within the company.

Employee Engagement

Employee engagement and recognition are critical elements of our human resource strategy. We conduct regular employee surveys to assess satisfaction levels within the organisation. Based on the feedback from these surveys, we address employee concerns and grievances effectively, leading to improved morale and satisfaction levels across the organisation.

One of the most important and far-reaching measure we adopted in 2024 saw the restructuring of the Group's employee grade system. The restructuring ensured unification of pay grades across the organisation, leading to salary reviews and changes in benefits offered to staff. We expect this reform to have positive long-term impact on e7 Group's retention rate as well as employee satisfaction levels.

Learning and Development is another major pillar of our human resource strategy. e7 Group is committed to enabling our staff to scale new heights in career development while also upskilling them to meet new and emerging challenges. As of 2024, the Group has implemented work-related training initiatives across all levels of the workforce, focusing on enhancing skills and supporting professional development.

In 2025, we are implementing a new Learning Management System (LMS) that is tailored to further support skill development and to evaluate and raise competence among leaders and staff.

New Initiatives for 2025

e7 Group human resources is entering a new phase of modernisation in 2025 with the adoption of SAP SuccessFactors, an advanced cloud-based software for human resource management. The software-as-a-service (SaaS) model will help digitise the most important HR functions and processes, resulting in higher levels of efficiency and productivity.

We are redefining our Total Rewards strategy to enhance our reputation as a top employer in the UAE. A stronger Total Rewards strategy will further support our diverse human resource management goals of attracting new talent, reducing or eliminating employee turnover, enhancing productivity and performance and recognising and incentivising individuals and teams. A new e7 Group Rewards and Recognition Programme that aims to enhance employee recognition and motivation levels will also be part of the redefined Total Rewards strategy.

We recognise the importance of succession planning in sustaining the health and growth of our business. e7 Group is developing a comprehensive succession planning programme that takes into consideration our business strategy and goals and the aspirations of our people.

Looking Ahead

e7 Group's human resource achievements in 2024 and plans for 2025 show our firm commitment to building a modern diverse, inclusive and empowered workforce. We are confident that our human resource strategy and programmes will enable our people to drive e7 Group's continued success in meeting the demands of a dynamic and competitive marketplace.

Dividend Policy

Proposed Dividend Policy

The Board of Directors has proposed, subject to shareholder approval, a dividend policy that establishes a framework for the Company's dividend distribution, funded through its annual operating cash flow. The Board has proposed to distribute cash dividends in two payments, following the Annual General Meeting, based on the performance of the approved financial statements.

The dividend policy specifies a minimum payout of 50% of distributable net profits with expected growth in the annual dividends.

The Company's ability to pay dividends is dependent on several factors, including:

- Positive distributable net profits, availability of distributable reserves, capital expenditure plans and other cash requirements for future periods;
- Economic and market conditions, and the operating environment and the outlook;
- The discretion of the Board; and
- Approval at a general meeting of the shareholders.

Dividend Declaration for 2024

Based on the strong financial performance in 2024, the Board of Directors of e7 Group has proposed a dividend of AED 147.1 million (7.36 fils per share), pending shareholder approval. This proposed dividend represents a payout equivalent to 70% of the Group's annual distributable net profit, exceeding the Group's established minimum payout of 50%.

Stakeholder Engagement

At e7 Group, stakeholder engagement is a strategic journey built on collaboration, transparency, and a deep commitment to creating lasting value. Our approach is not one-size-fits-all; instead, it is thoughtfully tailored to address the unique needs and expectations of each stakeholder we serve, whether they are our employees, customers, suppliers, shareholders, partners, regulatory authorities, or the communities in which we operate.

Employees

Our employees, who work across every level and function of our diverse business segments, are the very backbone of our operations. Their unwavering dedication drives our success, and we are committed to fostering an environment that nurtures both personal and professional growth. By offering ample opportunities for development, fostering an inclusive, dynamic, and supportive work environment, and ensuring that contributions are recognised through fair compensation and career growth opportunities, we empower our workforce to thrive. Regular one-on-one meetings, robust internal communications, and accessible channels to management create a space where ideas and concerns are openly shared. We actively implement feedback by benchmarking salaries against market standards, enhancing our training and development programs, and prioritising Emiratisation. Complementing these efforts are initiatives designed to enhance well-being and build community – ranging from sports events and annual gatherings that celebrate individual talents, to comprehensive health programs including routine medical check-ups and vaccination drives. Our goal is to create meaningful growth opportunities, acknowledge employee contributions, and foster a work environment where they feel valued and supported.

Customers

Our customers are at the heart of our business, as their trust and satisfaction form the foundation of our revenue and future growth. We dedicate ourselves to delivering high-quality products and services, and offer comprehensive solutions that reflect our core values of professionalism, fair pricing, and a client-centric approach. In an ever-evolving market, we embrace digital innovations to engage with our customers in real time – leveraging dedicated relationship managers, conducting digital surveys, and attending events to gather insights and tailor our solutions. This agile approach allows us to continuously adapt to the changing needs of our customers, ensuring that every interaction reinforces our commitment to excellence and focusing on exceeding expectations.

Suppliers

The quality and reliability of our products and operations also depend on our valued suppliers, who provide the essential inputs, products, and services required for our success. We maintain open and regular communication with these partners, ensuring they are offered fair opportunities in our contracts while upholding sustainable practices and flexible, long-term agreements. Our professional relationship management approach, supported by dedicated teams, fosters effective collaboration and allows us to gather valuable feedback from suppliers. Their contribution not only enhances our operational efficiency and product quality but also plays a critical role in our profitability. As part of our supply chain strategy, we are committed to fair pricing, mutually beneficial relationships, and continuous cost optimisation to drive efficiency and long-term value.

Shareholders

Our shareholders, as the primary capital contributors and stewards of our strategic direction, are integral to our journey. They look to us for efficient capital utilisation, robust corporate governance, and attractive long-term returns. Through a dynamic mix of quarterly calls, annual meetings, investor conferences, roadshows, and digital communications, we ensure that our shareholders remain well-informed and actively engaged. Recent strategic initiatives – including the implementation of our maiden dividend policy, a share split to drive liquidity, and discussions on M&A opportunities – demonstrate our proactive approach in aligning with their expectations. With plans for our first dividend payment in 2025 and ongoing investor relations efforts, we are committed to delivering clear, transparent insights that enhance market confidence and guide informed investment decisions.

Partners

Equally important are the partners with whom we share contractual obligations. These relationships, built on trust and transparency, are essential for the timely delivery of products and solutions, as well as continuous process improvement. Regular meetings, open discussions, and initiatives such as our recent Memorandum of Understanding with SAP for ERP implementation – set to commence in 2025 – exemplify our commitment to fostering long-term, mutually beneficial collaborations. By inviting our partners to experience our operations firsthand, we not only build stronger relationships but also pave the way for future growth and innovation. Our ongoing efforts reflect our dedication to maintaining sustainable, value-driven partnerships that support shared success and long-term business resilience.

Regulatory Authorities

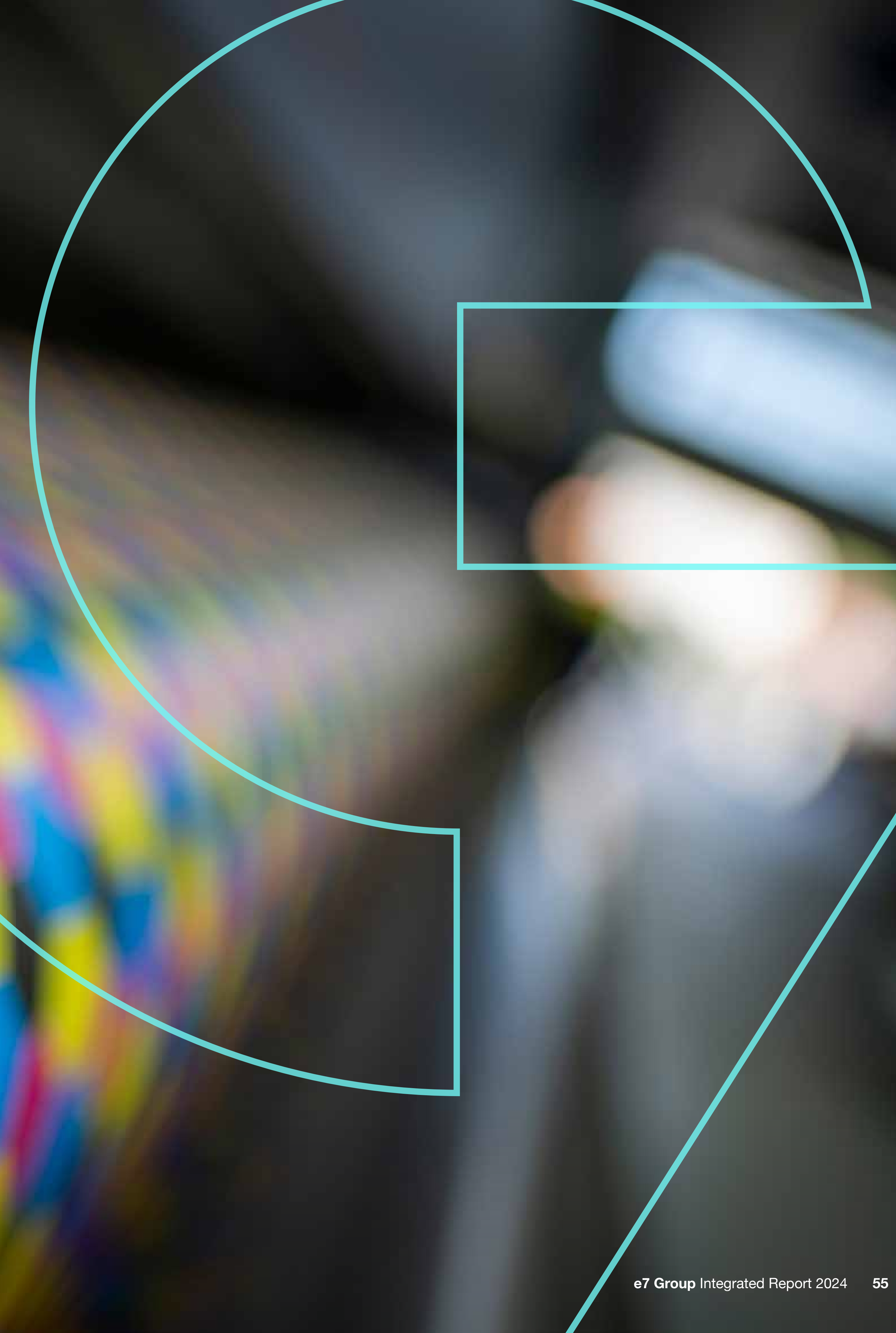
Our engagement with regulatory authorities is a critical element of our commitment to responsible business practices, ensuring the interests of various stakeholders are safeguarded. To meet compliance requirements, we have established board subcommittees that oversee governance and adherence to relevant guidelines. As a listed entity, this structured approach is a requirement and reinforces our commitment to transparency, ethical business conduct, and stakeholder trust. We maintain transparent communication and actively engage with regulators through regular meetings, discussions, and participation in events they organise, as well as through emails and legal documents. Our key discussions focus on adherence to guidelines set by regulatory authorities, including the SCA and ADX, as well as the implementation of robust governance practices. Additionally, we remain proactive in adapting to changes in the regulatory environment, ensuring our corporate actions align with evolving frameworks. Through this continuous dialogue, we uphold full compliance while maintaining the highest standards of corporate governance.

Community

Lastly, we recognise the profound impact that thoughtful social engagement can have. Guided by our sustainability goals, we are actively developing programs that support local development and foster positive social change. These emerging initiatives reflect our belief that true business success is measured not only by financial performance but also by our contributions to the well-being of the communities we serve. To read more about these initiatives, refer to the ESG Report on pages 74–95.

In essence, the stakeholder engagement strategy at e7 Group is a comprehensive, integrated approach that goes far beyond routine interactions. It is a deliberate, dynamic process – anchored in clear communication, continuous improvement, and a shared vision for long-term success – that creates enduring value for all our stakeholders.

54–73 Business Review



Overview of Our Business

From identity solutions to printing, packaging, education and delivery, we provide seamless solutions with seamless integration – designed to work together effortlessly and always at the service of our clients.

Portfolio of 40+ custom product and solutions to meet client needs

SECURITY

- Government services include identity solutions, border and travel solutions, e-government solutions, biometric solutions, tax stamps, and ballot papers
- Banking services include payment card personalisation and personalisation bureau services
- Transport services include contactless cards, pre-personalisation paper tickets and account-based ticketing (ABT)
- Telecom services include eSIMs, SIM card production and SIM card packaging

PACKAGING

- Structural design and prototyping
- High quality printing
- Special finishes
- Variable data printing
- Supply chain management
- Sustainability
- Duplex cartons
- High quality flexographically printed labels
- Paper cups

With a relentless pursuit of excellence, we deliver cutting-edge expertise backed by a proven track record of quality and reliability.

PRINTING

- Graphic design
- Offset printing
- Special printing
- Digital printing
- Large format printing
- Finishing services
- Fulfilment and distribution
- Educational products and solutions

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TAWZEA by e7

- Distribution services
- Logistics services
  - Logistics services include delivery of medical supplies and medicines from medical facilities to homes
  - Delivery of envelopes (cards and documents) and packages (samples, gifts and products)
- eCommerce logistics
- Mailroom services
- Secured delivery

e7 Security

e7 Security is a leading provider of total secure identity solutions that serve the evolving and expanding needs of customers in the government, banking, telecom, retail, hospitality and transport sectors. e7 Security hopes to build on its strong foundation to become a global force in the secure identity solutions industry to deliver critical products including all kinds of ID cards and documents.

AED 344.6m

In 2024, e7 Security earned revenues of AED 344.6 million, marking a 17.1% year-on-year increase from AED 294.4 million earned in 2023.

Clear vision for global growth

After establishing itself as a regional leader with its technology-first approach and strong reputation for reliability, e7 Security is pursuing a larger share in the global market.

In a world where the usage of cards is ubiquitous, whether it is our identity card or a banking card, data security is a top priority for governments, business organisations, institutions and individuals. e7 Security, as our name indicates, is dedicated to ensuring that the security of cards and other tokens of identity, such as passports, is never compromised.

e7 Security is a leader in the business of secure identity solutions and document assets for governments and diverse business sector, with a strong reputation as one of the most reliable companies for data protection.

The importance of security for passports, identity cards, banking cards and digital identity tokens is obvious as these products carry personal data that need to be verified to access a host of services. They serve as reliable proof of identity, preventing fraud and unauthorised access to sensitive data.

In the digital age, these cards and passports enable seamless authentication for both physical and online transactions, safeguarding users' financial, personal, and professional assets. Equipped with unique identifiers and advanced security features, they help maintain trust in everyday interactions—from banking and online services.

e7 Security's success as a leader in the sector is built on a strong foundation of significant investments in next-generation data security technologies and advanced security systems. Our track record of delivering national identification, passport and smart cards solutions to diverse industries has earned us a strong global reputation.

Our reputation also rests on the fact that we have built a solid knowledge base related to international security protocols and standards and ways of maintaining highest levels of confidentiality throughout the production and delivery of the cards.

Business Achievements

In 2024, e7 Security earned revenues of AED 344.6 million, marking a 17.1% year-on-year increase from AED 294.4 million earned in 2023. e7 Security accounted for 49.1% of e7 Group's total revenues in 2024 as against 46.6% in 2023, enabling us to retain our position as the Group's largest revenue contributor.

e7 Security won new contracts worth over AED 120 million in 2024, highlighting our capability to expand our core offerings. This includes various security solutions contracts covering products such as state-of-the-art electronic identification (eID), e-passports and driving license ID solutions to countries in Africa, Middle East and Latin America. The contracts secured during the year, spanning varying durations, further strengthen our position in the regional secure card and document printing market.

e7 Group also signed the Memorandum of Understanding (MoU) with German-based Diletta Maschinentechnik GmbH (Diletta), a prominent manufacturer and supplier of identity and security systems for government and national institutions. According to the agreement, e7 will be a key strategic partner of Diletta and is expected to manufacture identity documents and high-security travel for Diletta's clients.

e7 Security committed a total of AED 182 million towards expanding passport production capacity and introducing tax stamp printing, with the investment being deployed in stages. This strategic commitment positions us for continued innovation and leadership in the security printing industry.

Another notable achievement for e7 Security was its successful completion of an audit in the first quarter of 2024 as part of the certification process for MasterCard's Card Eco Certification Scheme, which marks a significant step towards offering more sustainable payment solutions in the future.

We also won the qualification to produce China UnionPay cards. UnionPay is the world's biggest card network and has issued over 7 billion cards worldwide. It is widely used by Chinese shoppers domestically and internationally and is also accepted in UAE. Qualifying to produce UnionPay cards is a major milestone for e7 Security, marking its global reach and expansion of production capabilities.

e7 Security was honoured to be the Security Printing Partner for the Middle East Banking Innovation Summit (MEBIS) 2024, held in Dubai in September, reinforcing its position as a trusted and reputable player in the industry.

e7 Security
continued

Operational Excellence

On the organisational front, we are undergoing major changes as part of the Group's transformation strategy launched in early 2024. Enhancing operational excellence is one of the most important goals of this project.

We expect to benefit enormously from the Group's partnership with global technology leader SAP and its international partner NTT Data Business Solutions to implement a cloud-based Enterprise Resource Planning (ERP) solution. It will strengthen our digital foundations, future-proof key business functions and enhance customer experience.

The key outcomes of the new ERP solution will include streamlined workflows, enhanced communication between departments and improved insights on business conduct, enhancing overall efficiency in operations. It will also help us to tap into new global business opportunities and explore more growth options by enhancing digital capabilities and competitiveness.

Comprehensive Solutions

e7 Security already stands out among competition for its capability to provide end-to-end solutions including manufacturing, personalisation and customer support. Our services include:

Consulting and advisory: We provide bespoke solutions for clients. As a repository of knowledge on security protocols, we are in a strong position to offer support and guidance on the design and security layers of products such as passports and secure ID cards for a variety of industries such as banking and telecom.

Personalisation: Our offering includes both electrical and graphical personalisation, including magstripe, contactless and hybrid technologies. We ensure that each product is customised to the client's purpose and specifications.

Fulfillment and packaging: e7 Security provides secure, efficient packaging solutions for personalised cards including VIP packs and envelope packs.

Call centre support: Our enhanced customer services offerings include telemarketing, advertising, surveys and after-sales services.

Solutions development: For sectors like banking and telecom, e7 Security offers tailored services such as central and instant issuance for banking, over-the-air (OTA) solutions for telecom, and profile development for smart cards.

AED **182**m

e7 Security committed a total of AED 182 million towards expanding passport production capacity and introducing tax stamp printing, with the investment being deployed in stages.

Long-term Goals and Strategy

e7 Security's long-term ambition is to be a leading global end-to-end security solutions provider serving clients across the full lifecycle identification solutions – from enrolment to verification and digital identity, primarily for civilian identity and banking cards.

Our technology-first approach, domain expertise and proven capabilities in printing both chip-enabled and non-chip cards, passports, visa stickers and secure documents mean that we are well-equipped to pursue this long-term goal.

We reckon that e7 Security needs to transition into a full-solutions system integrator to capture a larger share of the digital identity and system integration market. Our strategic studies indicate that adding system integration capabilities would significantly benefit e7 Security by expanding our client base and enhancing profitability. As system integrators are the first port of call for any government planning to establish and manage a civilian identity program, this move would position us as a key partner in national identity solutions.

Therefore, building or acquiring system integration capabilities would be one of the top priorities for e7 Security. This will include capabilities for project execution and management and software development and integration capabilities.

The global digital identity market is set to grow at a faster pace than physical IDs, as digitalisation technology becomes stronger and the need to neutralise cyber risks becomes more urgent. However, rather than replacing physical IDs, digital IDs will rather complement them.

In the short term, we will continue to leverage our current strengths in ID, passport, banking cards and tax stamps to organically grow and maximise capacity utilisation by acquiring new contracts from across GCC, Africa, Asia Pacific, Latin America and the Commonwealth of Independent States (CIS) countries.

Sustainability

e7 Security is supporting the Group's sustainability agenda primarily by working with our clients to reduce the environmental impact of our operations and products through innovative solutions.

In 2024, we secured MasterCard's Card Eco Certification, a significant milestone where first-use PVC plastics in payment cards are replaced with recycled PVC. The new product signifies a payment solution that is more eco-friendly than its predecessor. We expect to receive a similar certification for Visa cards in 2025.

We are exploring the use of more eco-friendly materials such as PLA (Poly Lactic Acid) in card manufacturing, further advancing our commitment to sustainable and environmentally responsible production practices. PLA is biodegradable and emits less greenhouse gases. Our more sustainable product solutions also include innovative products such as hybrid metal cards and bi-PVC cards.

Certifications

e7 Security's operations have won several global standards certifications that reinforce our credibility as a reliable card and document security solutions company. These include the Certified Security Printer accreditations (Integraf, ISO 14298), Information management certifications such as ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001, and ISO 22301, enhancing our resilience and business continuity capabilities, Visa and Mastercard certifications and PCI-DSS compliance and product certifications, such as Arsenal Testhouse and EMVCo.

Conclusion

e7 Security is well-positioned to capitalise on global growth opportunities in the smart card and identity management sectors. We believe that e7 Security has significant headroom to move up the value chain to become a leading global contractor in the ID card segment while expanding into digital identities and system integration solutions.

e7 Packaging

e7 PACKAGING

e7 Packaging offers a wide range of sustainable packaging solutions. e7 launched this specialty vertical in 2022 in a strategic move to expand and streamline its value chain, opening growth opportunities across new geographies and industries. The business now meets the packaging needs of diverse industries in the UAE, GCC and Europe.
e7 Packaging products include paper cups, folding cartons, a variety of disposable packaging for fresh and frozen food and luxury and pharma packaging.

AED **32.7**m

e7 Packaging earned revenues of AED 32.7 million in 2024 up from AED 17.8 million in 2023 reflecting an 84.2% year-on-year growth e7 Packaging is rapidly establishing its market position as a high-quality sustainable packaging solutions supplier in the UAE, the Gulf region and beyond.

e7 Packaging earned revenues of AED 32.7 million in 2024 up from AED 17.8 million in 2023 reflecting an 84.2% year-on-year growth – a remarkable achievement that strongly endorses e7 Group's growth strategy and the decision in 2022 to establish a new vertical dedicated to packaging. This growth enabled us to increase e7 Packaging's contribution to e7 Group's revenue from 2.8% in 2023 to 4.7% in 2024.

e7 Packaging's impressive achievement of revenue increase in 2024 came as no surprise. It was an extremely busy year for the nascent business with the onboarding of 60 new customers from diverse industries as well as the launch of a range of new products to serve those industries, led by food, cosmetics and luxury sectors.

We were able to achieve this growth despite external challenges such as government tariffs in regional markets and geopolitical disturbances in the Red Sea.

Customer Focus

e7 Packaging segment's success in new business development and proven capability to serve the diverse needs of customers have earned us a strong market reputation. We are thus well positioned to drive further growth over the coming years. This was evident at the Gulf Food Manufacturing exhibition, the leading regional food industry event, where our presence was well-recognised and appreciated.

One key factor driving our success is the e7 Packaging segment's focus on understanding and addressing customer needs. The division has made uncompromising efforts to resolve customer challenges, leading to bespoke solutions. We assigned specialists to play the role of key account managers in different categories of products, ensuring smooth and efficient servicing and improving customer satisfaction significantly.

Our willingness to walk the extra mile also led to e7 Packaging investing in inventories to ensure timely deliveries to clients. We maintain continuous dialogues with our suppliers to avert supply chain disruptions. This commitment to seamless operations has been instrumental in delivering consistent value to our customers.

The e7 Packaging segment achieved a customer satisfaction score of 95% in 2024. This score was measured through customer feedback forms, which are distributed as part of our Quality Systems and Procedure.

Production Efficiency

e7 Packaging invested in best-in-class production machines and adopted industry best practice to ensure that our products and services excel at the marketplace. The machines include primary printing and several finishing lines. Our robust pre-press system is controlled by advanced software that optimises capacity utilisation, which in turn enhances our operational efficiency.

The division has also started promoting products that can be customised to SKU level through digital prints. Customers frequently request digitally printed prototypes to assess the look and feel of the packaging before launching their products commercially. This process enables customers to make well-informed branding decisions while benefiting from e7 Packaging's enhanced product offerings.

We took several initiatives to bring down the cost of manufacturing without compromising quality. Most of these were about deploying more efficient technical and management practices such as combining the printing of products that are similar in size, colour and type.

Bunching of activities for the finishing operations, standardising of specifications and sizes to bring down inventory were a few other initiatives that contributed to making production more efficient and cost-effective.

Key Metrics

e7 Packaging relies on carefully chosen metrics to measure and manage its performance. The metrics that we focus on are:

- **Overall revenue:** A clear indicator of growth
- **Revenue by customer:** Helps identify high-value clients
- **Share of wallet:** Monitors the extent of business from existing clients
- **New business development by volume and value:** Evaluates the success of new business initiatives
- **Repeat sales:** Indicates customer loyalty
- **Loss of business with reasons:** Identifies areas for improvement
- **Quality issues:** Ensures continuous improvement
- **OEE of critical machines:** Maximises operational efficiency
- **Inventory days:** Optimises stock levels

e7 Packaging
continued

Market Potential

International packaging market projections lend credence to our growth plans and projections. Global packaging market is expected to touch US$1.4 trillion by 2028, with Asia, Africa and Middle East regions projecting growth rates of 5-6% CAGR. This demand is being driven by population growth, the increasing demand for packaged food and beverages, e-commerce proliferation and industrial growth and diversification.

Packaging market leaders forecast both revenue growth and EBITDA growth in short term for majority of products. Paper and flexible packaging segments are expected to be the fastest growing globally, and companies manufacturing these have a projected revenue growth of 3-5% CAGR.

Packaging sector is moderately attractive in terms of Total Shareholder Return (TSR) as compared with more capital intensive and regulated industrial sectors. Leading packaging companies have been consistently distributing higher returns to shareholders.

Competitive Landscape

Our strategic projections and plans for the future also take into consideration the high competition that the packaging market in the GCC and MENA has been experiencing. With a limited customer base, companies face challenges to sustain profitability. e7 Packaging has been managing this competitive landscape by adjusting to varying degrees of pricing pressure across different product segments.

The level of pricing pressure varies for each segment. For commodity products like paperboard, competition drives prices down, leaving companies with limited pricing power. Products driven by newer technology and niche areas face less pricing pressure and offer potential for higher margins.

In addition to these market features, e7 Packaging's growth strategy is also informed by a few characteristics that distinguish reputable industry leaders from the rest. These include:

Clear strategy: Well-defined portfolio strategies and go-to-market playbooks, including a focus on product mix, target clients, profitability per account and customer relationship management.

Competitive advantage: At least one distinct competitive edge, whether through cost leadership, geographical diversification or innovation in materials and substrates. A focus on forward integration through direct-to-customer channels, services and solutions to capture higher share from the value chain is another competitive advantage.

4.7%

e7 Packaging's contribution to e7 Group's revenue increased from 2.8% in 2023 to 4.7% in 2024.

Strong client relationships: Strong client management skills to maintain long-term relationships that are critical in securing and maintaining volume.

Technology and infrastructure investments: Investments in advanced technology and capital infrastructure that support clients' growth, particularly with regard to volume, customer service and sustainability.

Commodity inflation management: A sharp focus on managing commodity inflation.

Leading the Shift to Sustainable Packaging

As regulations around sustainability in the GCC and MENA regions continue to evolve, companies that are able to adapt their supply chains, invest in R&D and leverage technology to offer sustainable packaging solutions are more likely to emerge as industry leaders. For us at e7 Packaging, innovation and sustainability will remain at the centre of our growth plans. As of 2024, we have already initiated major steps in that direction. Most of our products are made from mono-materials that are recyclable and biodegradable, making them compatible with the paper recycling stream. Additionally, for products like paper cups that traditionally use some plastic, we now offer solutions to produce plastic-free alternatives, further reinforcing our commitment to sustainability.

Looking Ahead

Our goal is to become a strong contributor to the Group's revenue and profit in the future, solidifying our position as a key player in the industry. As we strengthen our reputation in the GCC and other high-growth target markets such as Africa and the Asian subcontinent, exports and revenue growth are bound to follow. In the meantime, e7 Packaging intends to maximise its current capacity utilisation to gain market share while sustaining revenue growth.

We have already identified the potential to expand our product portfolio to include niche segments within paperboard and flexible packaging categories. We are considering both the organic route and inorganic acquisitions to expand our portfolio, and we will prioritise products that are hallmarks of sustainability, technology and innovation.

Our presence in the pharma industry, our smart and secure packaging solutions and our e7 Security and government connections put us in a strong position that will enable us to expand our product portfolio and achieve further growth.

In the short term too, we have laid out ambitious plans to expand our geographical reach and product portfolio. Our confidence on extending our geographical reach stems from the potential to tap export markets. Our expanded product portfolio will include laminated cartons, boarding passes, food wraps and low shelf-life aseptic solutions.

Export markets are key to UAE's packaging industry as approximately 10-15% of paperboard and over 40% of flexible packaging capacity is directed towards overseas markets. e7 Packaging will rely on its combination of an advanced mix of modern products, strong customer focus and the ongoing emphasis on technology, innovation and sustainability to become a major supplier to overseas markets.

e7 Printing

e7 Printing is focused on enhancing its position as an end-to-end provider of conventional and new-world educational publishing solutions while continuing with its commercial printing operations including newspapers, magazines, books and outdoor print collateral. With a strong production capacity and years of industry expertise, e7 Printing has established itself as one of the largest and most reputable commercial printers in the Gulf region.

AED **243.7**m

e7 Printing earned revenues of AED 243.7 million in 2024, marking a 3.4% year-on-year increase from AED 235.8 million earned in 2023.

Strategic shift to education and learning

e7 Printing remains a leading printing and publishing company in the UAE and one of the top contributors to e7 Group revenues.

Capability and Performance

e7 Printing has built a solid reputation for delivering high-quality solutions and excellent customer services. As a market leader in the UAE's commercial printing industry, we serve a diverse range of sectors, including education, media (newspapers and magazines), book publishing, advertising (outdoor collateral), and events and exhibitions.

Our advanced machinery – prepress systems, commercial web and sheetfed printing, digital printing, wide-format printing and binding machines – enable us to manage complex printing projects that demand high quality and exacting standards.

e7 Printing earned revenues of AED 243.7 million in 2024, marking a 3.4% year-on-year increase from AED 235.8 million earned in 2023. e7 Printing accounted for 34.8% of the Group's total revenues in 2024, retaining its position as the Group's second-largest revenue contributor after the security segment.

With revenue predominantly generated from the UAE, we have maintained our strong position in the printing industry, continuing to serve key sectors with reliability and expertise.

Educational Role

Our long-term contracts with key customers and focus on technological advancements are the most important factors that helped our performance in the year.

The highlight of Printing's achievements in 2024 was the successful renewal of our partnership with the Ministry of Education (MoE) to continue providing curriculum supply for all government and private schools that follow the UAE curriculum.

With an annual production capacity of 25 million textbooks, we support over 1.1 million students across 1,100 schools in the UAE. We are proud of our partnership with MoE, which is a strong endorsement of e7 Printing's capability to manage large-scale production and delivery of comprehensive education services in a timely fashion.

Our commitment to the education sector goes far beyond the delivery of textbooks. We offer a comprehensive suite of educational solutions for schools. One of them is the complete curriculum delivery, which involves the supply of educational content and instruction to students, typically through a combination of teaching methods. e7 Printing's other educational solutions include interactive education platforms, digital libraries, Learning Management Systems (LMS) and consultation services for educational institutions.

In addition, our 24x7 digital reading platform offers interactive textbooks, self-paced learning and offline access for students. This platform is particularly beneficial for schools that are transitioning to a more digital-focused curriculum, offering a seamless blend of physical and digital learning tools.

New Digital Solutions

In November 2024, we signed two significant contracts at the GESS Dubai 2024, the Middle East's leading education exhibition and conference, to strengthen our role in the digital education sector.

We signed a partnership agreement with *Kutubee*, a dynamic and interactive reading platform powered by Jabal Amman Publishers, Jordan that helps elementary and middle school students develop a love of reading and develop their language proficiency. Kutubee is integrated within the UAE's Arabic language curriculum, and for the second consecutive year, Kutubee has served as a central tool in both public and private schools across the country.

The second was a partnership agreement with *School Voice*, a highly interactive, unified, and feedback-oriented school communication platform that connects schools, parents, teachers and students, making it easier to monitor student progress in studies. Under this agreement, we aim to roll out a suite of AI-powered educational tools across private schools in the UAE, enhancing real-time communication and monitoring of student progress while safeguarding privacy through advanced security measures.

e7 Printing achieved several more important milestones that reinforce its leadership in the printing industry and holds potential for continued growth. For example, we won new contracts in GCC countries and Africa to provide a wide variety of educational solutions (such as exam papers and textbooks) and commercial printing needs.

e7 Printing
continued

As the education sector increasingly embraces hybrid models, e7 Printing is well-positioned to lead the way with its innovative solutions. Our evolution and growth as an end-to-end (E2E) solutions provider for the education sector is making an impact on the market. Students, educators and institutions are becoming increasingly aware of e7 Printing's capabilities not only to undertake high-quality printing jobs but also to offer digital learning experiences through strategic partnerships.

Transformation Underway

e7 Group's transformational strategy adopted in early 2024 is already beginning to enhance Printing's operational excellence. In September, e7 Group announced its partnership with global technology leader SAP and its international partner NTT Data Business Solutions to implement a cloud-based Enterprise Resource Planning (ERP) solution, strengthening our digital foundations and future-proofing key business functions.

The emerging new system will streamline workflows, enhances communication between departments and provides better visibility into business operations, enhancing overall efficiency in operations. It will also help us to extend our global footprint and explore further growth opportunities by enhancing digital capabilities and competitiveness.

e7 Printing has already been differentiating itself in a competitive market through its exceptional customer service, high retention rates and strong market reputation. Our investments in cutting-edge machinery and equipment enables us to execute highly customised jobs, delivering superior customer experience. The new ERP solution and the resulting enhancement of operational efficiencies will further consolidate our competitive position in the market.

Need for Strategic Shift

The global digitalisation trend has been affecting commercial printing business in many ways, and e7 Printing is no exception. Our range of machinery, reliable customer base and market reputation have helped us overcome and manage those challenges. The business landscape in GCC has seen a number of commercial printing players shifting to packaging as the demand for most of traditional printing solutions have been declining.

The regional market has faced notable challenges in recent years, with overall growth slowing across the sector. However, certain segments, such as books (CAGR 1%) and home advertising (CAGR 8%), have continued to show resilience.

In November 2024, we signed two significant contracts at the GESS Dubai 2024, the Middle East's leading education exhibition and conference, to strengthen our role in the digital education sector.

Our global analysis also indicates that the education sector is likely to follow a hybrid model, with a balanced mix of physical textbooks and digital learning aids. We have been exploring and evaluating new business models, and in 2025, e7 Printing will adopt the web-to-print model on a trial basis. Web-to-print requires minimal additional investment and holds the potential to tap into new markets and offer more flexible printing solutions to clients.

Our strategic analysis also shows that it is critical for commercial printing companies to exit unprofitable, low-demand traditional commercial printing solutions such as newspapers and magazines and re-assess costs and profitability.

Sustainability

e7 Printing is contributing significantly to strengthen the Group's sustainability goals by adopting eco-friendly practices in operations. Approximately 70% of the paper used in e7 Printing's manufacturing processes is recycled paper, contributing to waste reduction and resource conservation.

e7 Printing is certified by the Forest Stewardship Council (FSC), and our suppliers are certified under the Programme for the Endorsement of Forest Certification (PEFC). These certifications ensure that the raw materials used in production are sourced responsibly.

Going Forward

e7 Printing's growth and emergence as an end-to-end solutions provider for diverse sectors, our market reputation and operations enhancement plan together offer a solid foundation for us to grow further. We are well-positioned to capture a larger share of the value chain by accelerating growth in key markets.

Our strategic focus for e7 Printing is centred on enhancing value addition, acquiring new customers, strengthening customer retention, and expanding our service offerings.

This includes providing comprehensive printing solutions, optimising operational efficiencies, and delivering an enhanced range of services to meet evolving customer needs. By adopting a total solutions approach, we aim to reinforce our market position and drive long-term sustainability.

As we continue to strengthen our partnerships with regional and global customers, enhance internal operational efficiencies, expand our market presence in GCC and Africa and leverage innovation to accelerate growth and diversify our offerings in the educational and commercial segments, one or more of these strategic options will lead to significant growth.

Tawzea by e7

Tawzea's positioning as a logistics and distribution business has been a strategic asset for e7 Group, enabling it to expand into a wide range of post-production services. Primarily supporting customers who procure products from other business segments of e7, Tawzea also provides distribution services to external clients. Tawzea has won praise for delivering complete tailored solutions to meet the varied requirements of diverse e7 clients across different sectors, including UAE government organisations. Its services include mailroom, publications distribution, reverse logistics, shipment distribution, and e-commerce.

AED 80.1m

In 2024, Tawzea earned revenues of AED 80.1 million, marking a 4.6% year-on-year decrease from AED 84.0 million earned in 2023.

Tawzea delivers business growth and improved customer experience

In 2024, Tawzea fulfilled and reinforced its key role within e7 Group as a dedicated logistics and distribution partner for the Group's customers and other clients. Our focus on operational excellence and new strategic initiatives during the year helped us to achieve higher levels of business efficiency and customer satisfaction.

Customer Base

Tawzea's biggest achievement in 2024 was increasing its share of wallet from major customers. This accomplishment, along with diversifying and expanding our customer base to include the government, healthcare, and spare parts sectors, marked a significant step towards strengthening our business operations.

One of the major achievements during the year was securing significant contracts with government agencies. Additionally, new contracts were signed with clients across various industries, further strengthening our business portfolio.

We achieved significant growth in shipments for logistics clients across diverse industries.

Financial Performance

In 2024, Tawzea earned revenues of AED 80.1 million, marking a 4.6% year-on-year decrease from AED 84.0 million earned in 2023. Despite a decline in overall revenue, we successfully secured several new contracts, while retaining high-value contracts, during the year. These agreements are set to drive sustainable growth and improve revenue generation in the coming years, reflecting Tawzea's resilience and strategic focus on future opportunities.

In line with our strategic plans, Tawzea secured four new certifications that underscore our commitment to business improvement, customer satisfaction, environment, health and safety and overall operational excellence. These include:

- ISO 22301 Business Continuity Management System Certification
- ISO 45001 (health and safety at workplace)
- ISO 9001 (quality management systems)
- ISO 14001 (environment management systems).

Key Metrics

- **Service type:** Delivery of Business to Consumer (BTC) shipments, including EID, UAE passports, and Ministry of Education (MOE) books
- **Client Commitments:** Fulfillment of Service Level Agreements (SLAs) with clients
- **Delivery options:** Same Day Delivery (SDD), Next Day Delivery (NDD)

Tawzea by e7
continued

23%
Year-on-year growth in shipments

99.86%
Customer satisfaction score

ISO 9001, 45001 and 14001
Certifications received

Leveraging Technology to Enhance Services

As the business landscape is becoming increasingly digital, we are relying on newer and innovative technologies and digital platforms to enhance customer experiences. The introduction of same-day delivery services was one key customer-focused milestone that we crossed in 2024. We were able to win new clients with the promise of same-day delivery, leading to growth in the number shipments and revenue.

We also leveraged widely used communication tools, live tracking systems and modern call centre functions to ensure that our customers have complete visibility into the status of their shipments. We offer additional services by assigning a dedicated control tower team to address special delivery needs, providing personalised support through proactive reporting and delivering all necessary information to enhance the client experience.

During the year, we engaged the services of other new digital business applications to ensure delivery excellence and enhance customer satisfaction. We engaged Shipsy, an application specialised in first, mid and last-mile delivery through route optimisation and by enabling more control in capacity utilisation. We also signed up with Novominde, a service to improve our call centre operations and digitalised delivery services.

Cost Optimisation

Tawzea achieved significant cost optimisation through organisational restructuring that began in the previous year and completed in 2024, coupled with several other initiatives such as strategic outsourcing and adoption of eco-friendly transportation solutions.

One of the key outcomes of our organisational restructuring, undertaken as part of Tawzea's 'right size scenario 2023' programme, was the optimisation of our operations to align with the restructured business model.

Our call centre operations were also revamped, outsourcing staff and adopting new solutions to increase productivity.

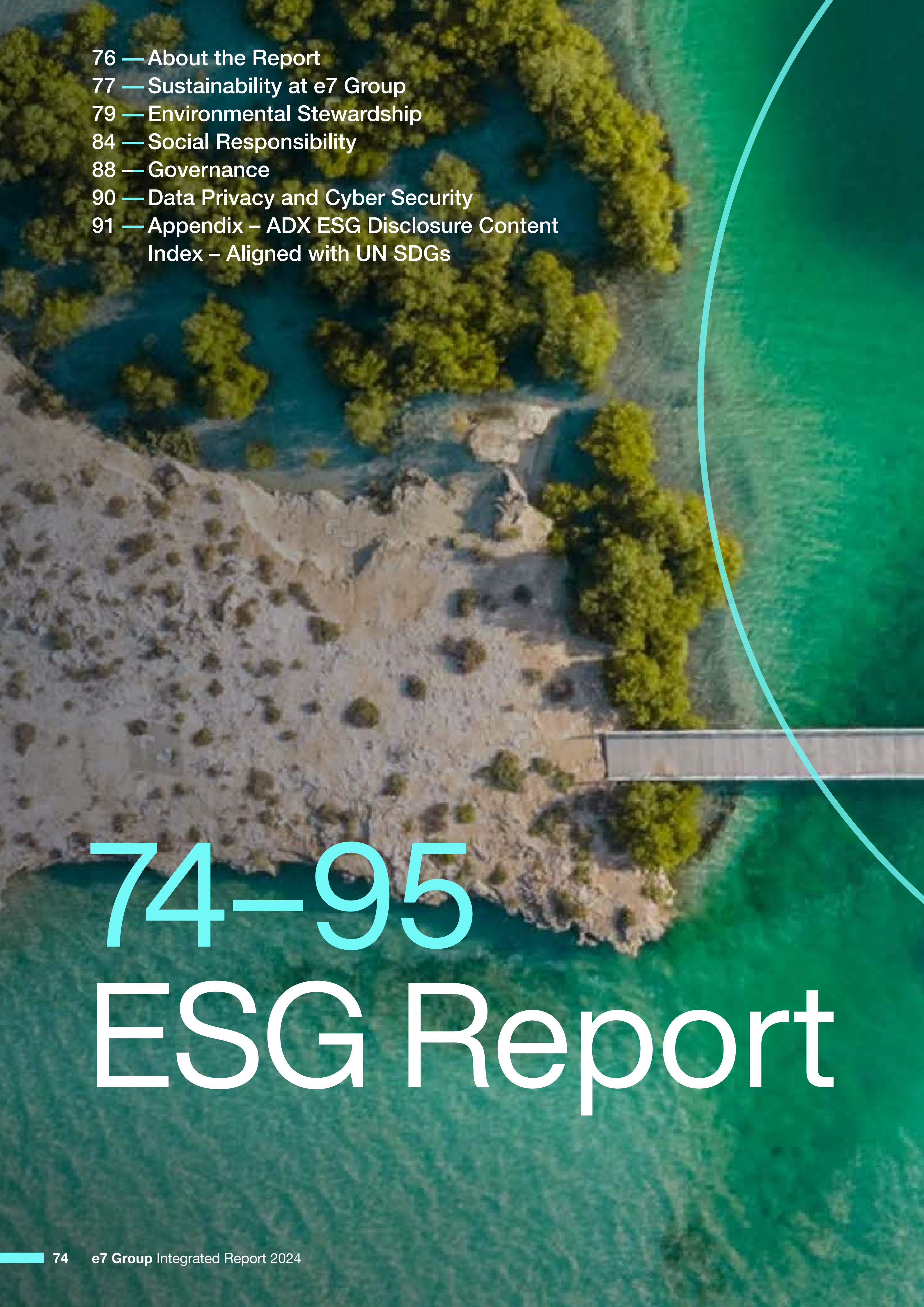
Tawzea's decision to switch to CNG-powered delivery vehicles and electric bikes will also lead to significant cost optimisation while supporting our sustainability goals and addressing environmental and regulatory concerns around climate change. We have switched 35% of our delivery vehicles to CNG and we expect this to go up to 50% in 2025. However, the switch to electrical bikes is in trial phase making up for just 3% of our two-wheeler fleet. Our shift to CNG vehicles and electrical bikes will significantly reduce our fuel bill and bring savings to the overall cost structure.

Tawzea's commitment to support e7 Group's sustainability goals was reinforced by a decision to use only biodegradable and recyclable courier bags for shipments.

Looking Ahead

Tawzea is poised to grow further in 2025 by diversifying its revenue streams through new business wins. We are mainly targeting e-commerce, banking and consumer-to-consumer sectors for business expansion in 2025. With our strategic focus on business excellence and customer experience, technology and sustainability, we are confident that Tawzea is positioned well to deliver e7 Group's larger goals and stakeholder expectations.


tawzea
توزيع.. وصلت
TAWZEA .. Arrived



74–95 ESG Report

About the Report

Welcome to e7 Group's second annual Sustainability Report. e7 Group ('the Group') is a listed entity on the Abu Dhabi Securities Exchange (ADX) and this report outlines the Group's environmental, social, and governance (ESG) performance during the financial year 2024, covering the reporting period from 1 January to 31 December 2024.

The scope of this report covers the Group's operations across all its business verticals – e7 Printing, e7 Packaging, e7 Security and Tawzea by e7 – located in the Al Shahama area of the Abu Dhabi Emirate, UAE. This reflects the Group's dedication to integrating sustainable practices across all its operations.

The report highlights the Group's unwavering commitment to sustainability through a series of impactful initiatives. These include materiality assessments, baseline performance evaluations, creation of a robust ESG governance structure, energy optimisation initiatives, diversity and inclusion efforts, supply chain management, and the development of a forward-thinking ESG action plan. Additionally, it outlines the Group's most material ESG topics, key objectives, goals, data analysis and performance metrics, demonstrating its ESG progress. This report serves as a testament to e7's dedication to sustainable practices, sector-specific solutions, reinforcing its commitment to aligning sustainability goals with the Group's overall strategic vision.

The report aligns with the Abu Dhabi Securities Exchange (ADX) ESG disclosure guidance for listed companies which is further in line with the recommendations of the Sustainable Stock Exchange (SSE) and the World Federation of Exchanges (WFE)[1].

While this report has not undergone any third-party assurance, we have taken significant steps to streamline and implement robust internal processes for monitoring key performance metrics. These efforts will continue to evolve year on year, enabling us identify gaps and make necessary improvements to enhance sustainability performance across all operations. This commitment reinforces our dedication to continuously improving our practices and maintaining transparency in disclosure.

[1] Refer to the Environmental, Social and Governance (ESG) disclosure guidance for listed companies by the Abu Dhabi Securities Exchange (ADX)

Sustainability at e7 Group

Sustainability has become a crucial driver of long-term value creation across industries, and e7 Group is no exception. As our printing, packaging, and logistics businesses undergo innovation and transformation, we are placing greater emphasis on addressing our environmental and social impact. Several key trends are shaping this shift, directly and have an influence on our business. These include the rising demand for sustainable printing and packaging solutions, the adoption of green logistics practices, and the integration of eco-friendly payment solutions.

In the printing industry, there is a growing shift towards online and digital printing, accelerated by the increasing transition of media and advertising to digital platforms. This aligns with our existing innovation goals, presenting an opportunity to position ourselves at the forefront of this trend. Furthermore, the rise of hybrid and multi-media content in sectors such as education supports our sustainability initiatives, including waste reduction, use of recycled paper and eco-friendly inks. Additionally, in our security printing vertical—e7 Security—we see opportunities in biometric integration, secure digital IDs, Identity-as-a-Service (IDaaS) and post-quantum cryptograph. These advancements serve as tools to promote social inclusion and welfare schemes, further supporting our key strategic business priorities in the upcoming years.

When it comes to e7 Packaging, aligning with emerging industry trends and regulatory requirements is important for growth in an evolving market. By embracing circular economy principles, lightweighting, reusability, and recyclability in our operations and products, we aim to enhance sustainability while strengthening our brand image and consumer perception. This shift also enables us to meet growing consumer demands for freshness, convenience, and eco-friendly design while aligning with existing and evolving regulations on waste management, Extended Producer Responsibility (EPR) and food safety standards. Our last-mile logistics arm–Tawzea by e7 is making significant progress in incorporating eco-friendly fuel alternatives and conducting feasibility studies to transition its existing fleet to electric and hybrid vehicles, offering customers more sustainable logistic operations.

To stay aligned with these evolving market expectations, we are continuously making efforts to embed sustainability into both our daily operations and overall performance. This approach not only enables us to meet the expectations of regulators, consumers, and stakeholders, but also establishes a solid foundation for long-term business profitability and the sustainability of our operations.

Our ESG Approach

The Group began its sustainability journey in 2022 and has since been committed to embedding sustainability at the core of our operations. This effort is guided by our ESG Policy, which outlines our key strategic objectives and commitment to reducing our environmental impact, fostering social responsibility, and ensuring transparent governance practices. With the launch of our annual Sustainability Report, the Group aims to align its business goals with UAE's sustainability goals, making our operations more environmentally friendly, socially beneficial, and economically viable.

Our approach to ESG is structured around four key stages—assess, baseline, develop and enhance—each marking a milestone in our commitment to sustainability. In the first stage, Assess, we conducted a materiality assessment to identify the most relevant ESG topics for our operations and stakeholders. This paved the way for the second stage, Baseline, where we established a solid ESG performance benchmark for the Group. In the third stage, Develop, an ESG policy was developed that serves as a strategic roadmap to guide our sustainability efforts. In continuation of these efforts, we reached the Enhance stage, where we launched our inaugural Sustainability Report 2023, ensuring transparent disclosure of our ESG performance.

Building on these efforts, in 2024, we advanced our ESG journey by establishing a robust ESG governance structure and developing an ESG action plan to embed sustainability across all facets of our operations. Through ongoing monitoring, reporting, and continuous improvements, we are further enhancing and solidifying our ESG performance by tracking progress and actively driving initiatives to ensure alignment with our sustainability goals.

Sustainability at e7 Group

continued

2022	2023	2024 and beyond
Materiality ESG Assessment; ESG Risk and Opportunities	ESG Baseline Performance; ESG KPI Monitoring	ESG Roadmap and Action Plan; ESG Governance Structure; ESG Strategic Initiatives for Implementation; ESG Reporting
Assess	Baseline	Develop; Enhance

Materiality Assessment

The Group conducted materiality assessment in 2022 to identify environmental, social and governance (ESG) topics that significantly influence its overall performance and stakeholder relationships. The assessment followed the GRI Standards, and the material topics were prioritised based on sector-specific industry benchmarks, ESG rating criteria, and stakeholder insights.

The material topics identified in 2022 remain relevant in 2024 and have therefore been retained for consideration in this report. Additionally, these topics are mapped against the United Nations Sustainable Development Goals to align our commitments with both national and global sustainability agendas.

Environmental

- Environmental management and eco-design
- Energy consumption
- Atmospheric emissions
- Water management
- Waste management

SDGs:
- 7 Affordable and clean energy
- 12 Responsible consumption and production
- 13 Climate action

Social

- Diversity and equal opportunity
- Training and development
- Nationalisation
- Health, safety, and well-being
- Responsible relationships with customers
- Supply chain management

SDGs:
- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 8 Decent work and economic growth
- 10 Reduced inequalities

Governance

- Corporate governance and ethical practices
- Audit and control
- Data privacy and security

SDGs:
- 16 Peace, justice, and strong institutions
- 17 Partnerships to achieve sustainable development

Environmental Stewardship

The Group is deeply committed to environmental stewardship, recognising its vital role in securing a sustainable future for our planet. Strengthening our sustainability efforts, we have set new benchmarks in energy efficiency, waste management, and eco-friendly innovation of our products and solutions. In 2024, we primarily focused on energy optimisation, carbon emissions reduction, the adoption of eco-design measures, assessing and mitigating environmental risks and enhancing our environmental management system.

The Group places strong emphasis on compliance with all applicable environmental laws and regulations, ensuring that our operations adhere to local, national, and international standards. This includes alignment with ISO 14001, the Environmental Management System (EMS) standard. To further embed environmentally responsible practices in the production processes, we conduct regular training and awareness sessions on various environmental topics for our employees, reinforcing our commitment to overall sustainability goals.

This section highlights our key initiatives to reduce our environmental footprint, focusing on actions taken to achieve our environmental objectives. These initiatives include adopting energy-efficient technologies, transitioning to greener logistics solutions, and introducing sustainable product designs – all aimed at reducing carbon emissions and waste generation.

The Group's environmental commitment is guided by its ESG policy which outlines our core environmental objectives which include:

- Adherence to relevant environmental laws and regulations
- Prioritising sustainable production practices
- Incorporating eco-friendly designs and sustainable inputs
- Optimising resource usage and reducing waste generation
- Actively inspiring stakeholders to foster a collective commitment towards sustainable practices and positively impact the planet

Environmental Management

Environmental management is a top priority across all aspects of our business operations, making it a core component of both our HSEQ (Health, Safety, Environment, Quality) and ESG policies. We are committed to fully complying with all the applicable environmental laws and regulations. As a part of this commitment, we conduct annual environmental risk assessments to proactively identify, manage, and mitigate potential environmental risks, minimising their impact.

Our commitment to environmental management is demonstrated in our long-standing ISO 14001 Environmental Management System (EMS) certification. e7 Printing and e7 Security secured this certification in the years 2010 and 2016, respectively, and have consistently renewed it to maintain compliance with ISO standards. In 2024, we expanded our environmental management efforts by obtaining ISO 14001 EMS certification for Tawzea by e7 and e7 Packaging, achieving 100% coverage across all our operations.

Building on this achievement, we have secured Integrated Management System (IMS) certification at the Group level, consolidating ISO 14001:2015 Environmental Management System (EMS), ISO 45001:2018 Occupational Health and Safety Management System (OHSMS), and ISO 9001:2015 Quality Management System (QMS) into a united framework. This reinforces our commitment to upholding the highest standards of environmental responsibility, safety, and quality across our daily operations.

Environmental Stewardship
continued

Eco-design

To strengthen our commitment towards sustainability, we are integrating eco-friendly principles into the design and development of our products and solutions. Over the years, eco-friendly solutions in printing and packaging industries have risen substantially, further emphasising focused efforts to reduce waste generation and carbon emissions. The logistics sector is also transforming rapidly, facing increasing pressure to lower its carbon footprint by adopting alternate fuels and technologies. In response, the Group is striving to meet the growing customer demand for sustainable products and solutions while leveraging itself as an environmentally conscious brand.

In 2023, e7 Printing expanded its offerings to include digital and physical textbooks for schools across the UAE. The following year, in 2024, we launched digital learning platforms and integrated our digital printing capabilities with traditional printing methods to optimise resources and create more innovative and sustainable solutions. At e7 Printing, about 70% of the paper used for printing is recycled and sourced from suppliers certified by the Programme for the Endorsement of Forest Certification (PEFC). Additionally, we hold the Forest Stewardship Council (FSC) certification, which stands as a testament towards our commitment to environmental stewardship.

e7 Packaging, the newest addition to our portfolio, expanded its sustainable packaging solutions in 2023 with the introduction of two additional folding carton lines and a new paper cup production line. Most of our products are made from paper, supporting recyclability and biodegradability. Our commitment to ecodesign is further solidified by the British Retail Consortium Global Standards (BRCGS) Certification for Packaging Materials, secured in 2023 and renewed in 2024. Additionally, we obtained the 'Gluten Free' BRCGS Certification in 2024, ensuring our packaging solutions meet high environmental and quality standards.

e7 Security as a part of its growth strategy has successfully launched several innovative products in 2024, including metal card personalisation, dynamic CVV banking cards and fingerprint sensor cards. Sustainability remains a core focus for us. With the use of recycled raw materials, obtaining third-party laboratory certifications for recycled Polyvinyl Chloride (RPVC) products and securing MasterCard-certified RPVC products, we are making notable efforts to reduce process waste and adopt environmentally responsible practices across all our operations.

In 2023, e7 Security integrated eco-design principles in its payment card offerings by replacing first-use PVC with recycled PVC in the card composition. After undergoing rigorous testing, the cards successfully met the Card Quality Management (CQM) criteria. In 2024, marking a significant milestone, e7 Security received the MasterCard CQM certification at Grade A level and the Mastercard Card Eco Certification (CEC). As a part of this certification, our payment cards are designed to incorporate recycled PVC, making 78% of the card bodies recyclable meeting the quality standards.

Our commitment to excellence was further recognised in 2024 through key certifications, including the China UnionPay and ISO 22301 for Business Continuity Management Systems.

Looking ahead to 2025, we are committed to extend our eco-design initiatives across additional product lines, further enhancing our portfolio with more sustainable, eco-friendly offerings.

Energy Consumption

Energy optimisation, efficiency, and reduction are fundamental to our environmental goals. These principles guide our efforts as we work towards a more sustainable and efficient future. In recent years, we began identifying key sources of energy consumption within our operations and tracking our energy consumption details on an annual basis. In 2023, we took our initial steps to establish a baseline for our energy usage, followed by identifying energy-intensive processes. A key initiative involved optimising select HVAC systems, aiming for an 8.5% reduction in energy consumption across a five-year period, starting from 2023 to 2027, using 2021 as the baseline year.

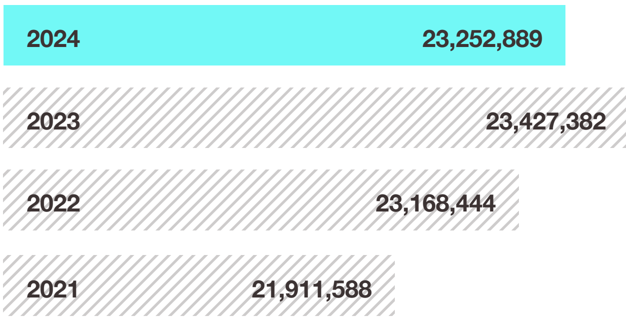
Building on this foundation, we enhanced our data collection process in 2024, transitioning to a monthly reporting system for more accurate and timely monitoring of our energy consumption. To further advance our energy optimisation goals, we conducted comprehensive energy management and optimisation studies throughout the year, identifying and implementing key initiatives. These include the installation of external LED lighting, solar-powered streetlights, and adoption of motion sensors in common areas. Additionally, we continue to monitor and optimise our HVAC systems to ensure we stay on track to meet our target of an 8.5% reduction in energy consumption. In addition to these operational measures, we are optimising our IT infrastructure by developing a hybrid cloud strategy and enhancing our cloud infrastructure with Virtual Data Centre (VDC) connectivity.

Through these initiatives, we were able to reduce our electricity consumption from 23,427,382 kWh in 2023 to 23,252,907.60 kWh in 2024. Energy consumption from direct sources totaled 88,438 gigajoules (GJ), while indirect sources accounted for 83,710 GJ in 2024.

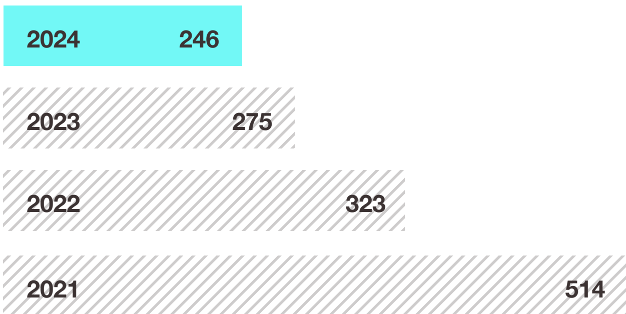
However, we observed an increase in the consumption of liquid petroleum gas (LPG) and refrigerants primarily driven by higher production levels. Despite this, we have improved our overall energy intensity, decreasing from 275 GJ/AED million in 2023 to 246 GJ/AED million in 2024. Through the refinement of our internal processes, we identified discrepancies in the energy intensity values reported in the 2023 Sustainability Report and hence, the values presented in this report reflect the corrected figures.

Looking ahead, we remain committed to sustaining this momentum by concentrating our efforts on further minimising energy consumption in the upcoming years.

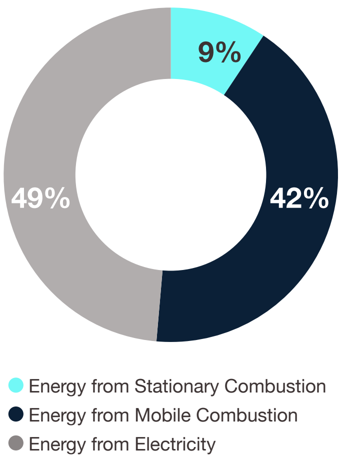
Energy from Electricity in KWH



Energy Intensity (GJ/Revenue in AED Million)



Energy Usage by Generation Type 2024



Environmental Stewardship
continued

Atmospheric Emissions

We are dedicated to minimising emissions by implementing energy reduction initiatives and adopting alternative eco-friendly fuels and technologies across our operations. We also proactively manage volatile organic compound (VOC) emissions to ensure they remain within acceptable levels, reducing both environmental contamination and health risks for our employees.

In 2024, we standardised our Greenhouse Gas (GHG) monitoring and reporting process from an annual to a monthly basis, enabling us to track emissions and take timely action to reduce our environmental impact. Our GHG calculator is based on the Greenhouse Gas Protocol and uses conversion factors that are aligned with national and international standards.

Over the past few years, we took initial steps to track our energy consumption and identify energy-saving and optimisation initiatives. Advancing this journey in 2024, we developed a decarbonisation plan that serves as a strategic roadmap for our long-term commitment to reducing carbon emissions. This plan will be reviewed and updated annually to ensure it remains aligned with the operational changes.

In this initial decarbonisation plan, we have outlined key levers and actionable steps to ensure every aspect of our operations aligns with our overall environmental objectives. The key decarbonisation levers identified for the Group include:

01 **Avoid:** Strategically downsising or eliminating certain operational activities where it is feasible to reduce our carbon footprint.

02 **Reduce:** Continuously improving energy efficiency across operations to lower energy consumption and minimise waste.

03 **Shift:** Transitioning to alternative low-carbon fuels and electrifying our fleet to reduce reliance on fossil fuels.

Green Logistics – Tawzea by e7

As a part of our long-term decarbonisation vision, we are focused on finding solutions for cleaner operations in our last-mile logistics business, Tawzea by e7. Our goal is to transition to alternative eco-friendly fuels and technologies to reduce our carbon footprint while also optimising operational efficiency.

In 2022, through pilot studies, we introduced flex-fuel vehicles in our operations, which use a combination of compressed natural gas (CNG) and petrol. By 2023, we successfully transitioned 82 vehicles from conventional fuel to flex fuel. Building on these efforts in 2024, we conducted feasibility studies to integrate dual CNG systems into our vehicles. Following successful testing and operational evaluation, we installed dual CNG systems in 32 vehicles, making them more environmentally friendly.

In parallel, we are conducting route optimisation studies and creating awareness among our drivers to enhance efficiency in our last-mile logistics operations. By analysing delivery routes, we aim to minimise fuel consumption, reduce emissions and improve overall operational performance. These studies are integral to our efforts to streamline operations, cut costs, and further reduce our environmental impact. In 2024, we introduced biodegradable bags certified by the Emirates Conformity Assessment Scheme (ECAS), for last-mile deliveries to select customers, further solidifying our commitment to our sustainability goals.

Additionally, we are exploring the integration of electric vehicles (EVs) into our delivery fleet. In 2024, we commenced feasibility studies to assess operational limitations, benefits, and the impact on our fuel consumption. In 2025, we plan to initiate pilot studies to evaluate the practical implementation, challenges, and viability of incorporating electric bikes into our fleet.

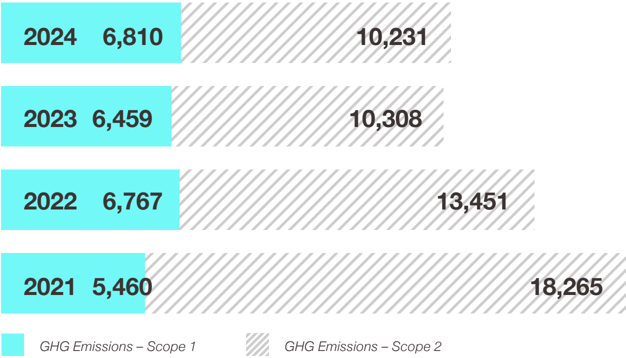
In 2025, we will be expanding the use of flex-fuel vehicles, optimising routes, and implementing a phased electrification of our logistics fleet based on the results of our pilot studies. Through these efforts, we remain dedicated to advancing sustainable transportation solutions while driving cost optimisation and operational excellence.

Emissions and Emission Intensity

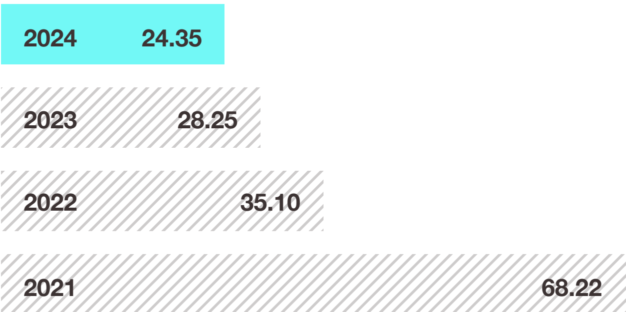
Metric	Key Performance Indicator	2021	2022	2023	2024
GHG Emissions in Tonnes CO_2e	GHG Emissions – Scope 1	5,460	6,767	6,459	6,810
	GHG Emissions – Scope 2	18,265	13,451	10,308	10,232
	Total GHG Emissions	23,725	20,218	16,767	17,042

While our energy reduction initiatives have lowered Scope 2 emissions from purchased electricity, increased production has led to a rise in Scope 1 emissions from LPG and refrigerant usage. While reviewing our internal reporting process, we identified that our 2023 Scope 2 emissions were lower than the figures initially reported in the 2023 Sustainability Report, prompting adjustments in this report. Nevertheless, we have improved our overall emissions intensity, reducing it from 28.25 tCO_2e/AED million in 2023 to 24.35 tCO_2e/AED million in 2024.

GHG Emissions in Tonnes CO_2e



Emissions Intensity in Tonnes CO_2e/Revenue in AED Million



Water Management

The Group recognises the critical role of water in its manufacturing processes and is committed to taking practical steps to ensure water is used efficiently and sustainably across all our operations. We have installed sensor-based taps in key areas of our facilities to reduce water wastage. Additionally, we are raising awareness among employees about the importance of water conservation, encouraging responsible usage throughout the organisation.

In 2024, we took further steps to track and optimise our water usage by installing separate water meters in various high-consumption areas, including the canteen, administration buildings, and production zones. This enables more granular monitoring, helping us identify specific areas or processes that are more water intensive. In the coming year, we plan to closely track and analyse detailed water consumption data, allowing us to implement targeted measures to reduce our overall water footprint.

Through these initiatives, we remain committed to responsible water usage across our organisation and continue to enhance our water management practices.

In 2024, our total water consumption was 56,279 m^3.

Waste Management

The Group is committed to effective waste management and recycling across all its operations, with waste reduction being a key priority in both HSEQ and ESG policies. As a core sustainability metric, waste management is closely monitored, and we continually strive to improve our waste management practices and minimise our environmental impact.

Our waste management practices ensure compliance with local regulations while supporting the waste reduction programmes of Tadweer and the Environment Agency Abu Dhabi (EAD). Through collaboration with authorised environmental service providers (ESPs), we ensure that waste is responsibly recycled and disposed of, with an aim to divert it from landfills. Additionally, the Group undergoes periodic internal and external audits on waste management to maintain compliance with applicable regulations and the adopted environmental management standards (ISO 14001).

We actively encourage staff participation in waste management to reduce resource usage and support our long-term waste reduction targets. Regular training programmes are conducted for production staff to raise awareness on waste segregation, reduction, and categorisation. Additionally, our production staff monitor daily waste generation and incorporate waste reduction as a key performance indicator (KPI), contributing to an increased recyclability rate. These efforts helped us reduce hazardous and non-hazardous waste by 20%, a target we met in 2023 through initiatives like waste reuse and recycling. Through our focused efforts, we have significantly increased our recycling rate in 2024.

In 2025, we plan to further strengthen our waste management practices by identifying additional opportunities to reduce waste generation, advancing our recycling efforts, and collaborating with employees and service providers to minimise our environmental impact.

Social Responsibility

The Group's social goals are built on the principles of inclusivity, equal opportunity and promoting a healthy and safe work environment for all. In line with this approach, the Group has updated its HR policy and manual in 2024, placing a strong emphasis on building a diverse, inclusive and skilled workforce that contributes to the Company's growth.

The Group recognises the importance of its stakeholders and fosters ongoing collaboration with both internal and external parties. With a particular emphasis on suppliers and customers, we aim to enhance their experience and ensure their satisfaction.

The key social objectives of e7 Group, as outlined in its ESG policy, include:

- Commitment to improving gender diversity
- Safeguard health, safety and well-being of employees and invest in their development
- Create great places to work, enhancing the ability to attract and retain talent
- Contribute to Emiratisation
- Promote community efforts

Diversity and Equal Opportunity

The Group is deeply committed to fostering diversity and equality within the workplace, believing that an inclusive and respectful environment is essential for the growth and success of the organisation. This is a core component of our organisational culture, and we continuously strive to create a workplace where all employees feel valued, regardless of their background or identity.

A key focus of our efforts is enhancing female representation across all levels of the organisation. We are dedicated to ensuring that women are equally represented in key management positions and other roles, contributing to a diverse and inclusive workforce.

In 2024, we updated our HR policies and handbook to reinforce the importance of equality, nationalisation, and the overall safety and well-being of our workforce. Our policies ensure that the workplace remains free from any form of discrimination based on culture, ethnicity, age, religion, gender, or disability. Additionally, the Group has zero-tolerance towards discrimination, harassment, and any form of abusive behavior. As part of our commitment to treating all employees with dignity, our HR policy aligns with the Human Rights Guidelines set out by the United Nations under its Guiding Principles on Business and Human Rights.

In line with our commitment to equal treatment, we ensure that our recruitment practices are unbiased, providing every candidate with an equal opportunity for employment. We also prioritise equitable compensation, ensuring all employees are paid according to pre-determined grading structures. Additionally, our HR policy manual is tailored for industrial and manufacturing settings, emphasising fairness and equal opportunity, ensuring that all employees are treated with respect from their first interaction with the Company. Our onboarding and induction processes are designed to immerse new hires in the company's culture from day one, ensuring they understand the values, ethical standards, and expectations that shape our workplace environment. Furthermore, we have rolled out a series of initiatives such as awareness programmes, formal grievance mechanisms, including procedures for Prevention of Sexual Harassment (POSH) and a whistleblower policy, to ensure that employees can raise concerns with confidence and without fear of retaliation. These measures are part of our broader efforts to create a secure and transparent environment, where issues are handled confidentially and appropriately.

In 2024, women held 21.4% of management positions, exceeding our target of 19%, which reflects our commitment to diversity and equality.

Key Performance Indicators	2021	2022	2023	2024
Gender Diversity – Total	5.5%	5.5%	3.7%[2]	5.5%
Gender Diversity – Entry/Mid-level	5.4%	4.6%	2.8%	4.5%
Gender Diversity – Senior/Executive-level	7.5%	25.0%	20.3%	21.4%
Gender Diversity – Management Composition	Women:3 Men: 37	Women:14 Men: 42	Women: 15 Men: 59	Women: 18 Men: 66

[2] *In 2022, e7 Group was initially part of Abu Dhabi Media Group before becoming independent under ADQ. The main reason for reduction in female employees was due to voluntary resignations of employees with some choosing to re-join Abu Dhabi Media Group. Additionally, the reorganisation of Tawzea by e7, which included the closure of Customer Happiness Centres, further contributed to the decrease.*

In 2024, we took significant steps to reduce employee turnover rate by implementing various initiatives, including employee engagement programmes, training and development opportunities, and health and well-being awareness campaigns etc. These efforts have led to improved job satisfaction and higher employee retention. Additionally, we prioritised performance appraisals, providing clear and constructive feedback on employees' contributions and areas for growth.

Our performance management system is designed to ensure that every individual had a clear understanding of their role within the organisation and the opportunity to further develop their skills. This transparency in career progression, combined with regular feedback, fosters employee confidence in their future with the Company, strengthening long-term commitment.

Employee Turnover	2021	2022	2023	2024
Employee Turnover – Full time	13.77%	32.30%[3]	13.31%	8.72%
Employee Turnover – Part time	0.07%	0.23%	0.15%	0.14%

[3] This increase in turnover in 2022 was due to a one-time transfer of Abu Dhabi Media Group employees from UPP's payroll during the carve-out process.

Training and Development

The Group prioritises continuous skill enhancement and employee development. Induction training for new employees provides essential knowledge of the Company's operations and culture, while governance policy reinforces compliance and ethical practices.

On the shop floor, technical and skill development training programmes are actively conducted to enhance operational efficiency. For corporate and management roles, external training opportunities are regularly provided to keep skills up to date and ensure we remain competitive in the market.

Additionally, safety training is prioritised to maintain a secure work environment, and health awareness programmes are continually offered to support employee well-being. These initiatives have helped us create a skilled and informed workforce that contributes positively to our Company's growth.

Particulars	2021	2022	2023	2024
Total full-time employees	1.525	1,288	1,352	1,387
Total number of employee training hours	1,448	15,168	16,953	18,040
Average hours of training per employee	0.95	11.78	12.54	13.00

Emiratisation

Emiratisation is a core component of our corporate vision and strategy. By attracting and hiring local talent, the Group aims to foster diversity and bring valuable insights into the organisation. In 2024, we intensified our Emiratisation efforts by developing a dedicated strategy, setting internal hiring targets, and launching the Emirati talent programme 'Bidaaya' to further integrate Emirati professionals into our workforce.

Under this programme, we create and promote job opportunities locally at various universities and exhibitions. We offer internships, on-the-job training, and career development and mentorship programmes to empower national youth to grow and succeed in our organisation. This initiative aligns with our broader goal of building a skilled and empowered workforce to drive the nation's progress.

With these efforts, we increased the number of local employees from 24 in 2023 to 37 in 2024, marking a 59% growth.

Employee Health and Safety

Safety and well-being of our employees is of paramount importance to us, and we prioritise safety and security across all our operations. This is reflected in our HSEQ policy that guides our overall health and safety practices of the Group.

We are fully compliant with the applicable occupational health and safety regulations, and 100% of our business operations are covered under the ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) certification. Additionally, we adhere to the Abu Dhabi Occupational Safety and Health (ADOSH) requirements and hold an approved certificate from the Industrial Development Board (IDB) for its occupational health and safety management system.

The Group has established an Occupational Safety and Health (OSH) Committee to regularly review and discuss updates related to health and safety practices and KPIs. The HSE team conducts monthly safety checks and routine patrols to evaluate the health and safety impacts of all activities and identifies the potential dangers. In addition, the team conducts routine fire mock drills, safety audits, health and safety risk assessments to identify and mitigate potential safety hazards. It also conducts inspections of contractors to ensure compliance and issues permits to work (PTW) as required.

Social Responsibility
continued

The Group undergoes annual internal OSH and Integrated Management System (IMS) audits, by certified internal auditor to ensure the implementation of all OSH guidelines and policies. The Group also undergoes external audits by third- party agencies to validate our safety performance, ensuring continuous improvement in our health and safety practices. In 2024, we advanced our security management systems by categorising our facilities into low and high security areas and installing new access controls and locking systems to prevent unauthorised access and security breaches. With 100% internal incident response rate by our employees, we achieved full compliance with Civil Defense emergency drills.

We conducted a health surveillance programme to create an employee health baseline, which will be further used to continuously track and monitor our health and safety practices and KPIs, which are periodically reported to the health and safety committee. The HSE team routinely monitors and reports on quantitative health and safety indicators, including the lost time injury frequency rate (LTIFR). The LTIFR for the Group has decreased from 1.61 in 2023, to 0.80 in 2024, underscoring our commitment to ensuring a safe and secure workplace for all.

Particulars	2021	2022	2023	2024
Lost Time Injury Frequency Rate [LTIFR]	0	0.82	1.61	0.80

Note: ADOSH Standard Formula is used to calculate injury rate.

*Employee LTIFR = (Employee total lost time injuries/(Total employee working hours)) *1,000,000*

We conduct regular safety training programmes for our employees on machine handling, chemical use, hazardous materials management and manual labour. There are clear guidelines in place for the use of personal protective equipment (PPE), regular equipment maintenance, and emergency response preparedness to ensure safety at all levels. In 2024, we saw an increase in employee participation in toolbox talks, with a 98% participation rate.

Through our proactive approach on safety training, awareness talks, campaigns, and initiatives, we achieved 3.8 million safe man-hours in 2024, surpassing our set target of 3.3 million. Additionally, there have been no fatalities reported during this period or in the past four years since 2021 (the reporting period in this report). Our commitment to health and safety practices was further recognised when IDB acknowledged e7 Group as a self-assessment company, citing it as an industry benchmark.

Supply Chain Management

The Group actively promotes collaboration and partnership with its suppliers, ensuring the company's operations run smoothly and support its ongoing growth. We are constantly improving our procurement processes by carefully screening and evaluating suppliers to meet rising demands. In addition, substantial efforts have been made to promote local suppliers within our supply chain. We conduct supplier due-diligence and audits to ensure that the suppliers we select adhere to the industry standards of quality and reliability.

With the goal of establishing a sustainable supply chain, we refreshed our Supplier Code of Conduct in 2024 to include environmental, social and governance (ESG) considerations. This sets forth the standards of conduct that suppliers and their subcontractors, employees, and agents, must adhere while conducting business with or on behalf of e7 Group. It is mandatory for all our active suppliers and new suppliers to go through the Code of Conduct and commit to legal and ethical conduct by providing declarations.

The Supplier Code of Conduct establishes strict guidelines to ensure ethical practices throughout the Group's supply chain and operations. It prohibits child labor, slavery, servitude, forced or compulsory labour, and human trafficking. The suppliers are required to provide fair compensation, comply with legal working hours in their respective jurisdictions, and maintain a work environment that supports diversity, inclusion, and equitable treatment of all employees. The Code also enforces a zero-tolerance policy towards harassment and discrimination.

In addition to labour standards, the Code maintains a strong stance against corruption, bribery, embezzlement, extortion, and money laundering. Suppliers must adhere to relevant laws prohibiting these offenses and ensure robust financial practices, including accurate transaction records and financial statements. Conflict of interest management is also crucial, requiring suppliers to disclose any potential conflicts with e7 Group promptly. It is mandatory for suppliers to sign conflict of interest and non-disclosure agreements (NDA) during their onboarding, which is further refreshed on an annual basis.

The Code also prioritises compliance with competition laws, the provision of a safe and hygienic working environment, and a commitment to environmental sustainability. It emphasises labour and human rights, including the prohibition of child exploitation, the promotion of free and voluntary employment, and the guarantee of living wages, safe working conditions, reasonable working hours, and freedom of association. Suppliers are further required to ensure non-discriminatory practices and uphold the highest ethical standards.

Additionally, the Code calls for statutory compliance, fair competition, security, and the consistent delivery of high-quality products and services, ensuring that all suppliers meet the Group's expectations for responsible and sustainable business practices.

In 2024, more than 200 of our suppliers provided their declarations on the updated Supplier Code of Conduct.

Responsible Relationships with Customers

Our customers are the ultimate drivers of our Company's success. With our wide range of offerings, we cater to a diverse client base, including government entities, education, healthcare, transportation, media, retail, FMCG, and more. Hence, we prioritise fostering strong relationships with our diverse customers to ensure sustainable growth and innovation, enhancing our competitiveness in the market.

We strive to understand and respond to the evolving needs of our customers to ensure their satisfaction which further builds their loyalty to our brand.

At Tawzea by e7, our last-mile logistics arm, we have established a Customer Relationship Management (CRM) function, guided by a CRM policy that focuses on enhancing customer experience. We are equipped with a Courier Management system (CMS), which helps us track our shipments and ensure timely deliveries. In addition, we have a dedicated call centre that operates six days a week in three shifts, managing inbound and outbound calls, identifying customer needs, and providing solutions. We strive for customer satisfaction through active listening and timely responses, allowing us to gather feedback that further helps us to improve our services.

Community Initiatives

The Group recognises its responsibility to make a positive impact on society. In the year 2024, we focused on internal programmes and initiatives that promote employee well-being and foster a sense of community within the organisation. One of our impactful efforts was our annual blood donation drive, which saw strong participation from employees across all levels, underscoring our collective commitment to helping those in need.

Additionally, we continued to prioritise employee engagement through a variety of activities that foster team spirit and inclusiveness. From annual sports events to talent shows at the highly anticipated annual carnival, we recognise and celebrate the diverse skills and creativity of our workforce. These events also bring together their families for a day of enjoyment and bonding.

Health and safety have always been a cornerstone of our values, and in 2024, we ramped up awareness initiatives focused on immunity, nutrition, and preventive care. We organised workshops and campaigns to educate employees on the importance of maintaining a healthy lifestyle, and dedicated programmes were introduced to raise awareness about critical health issues such as breast cancer. By supporting initiatives that empower our workforce to take charge of their health, we fostered a culture of care and responsibility.

While these efforts have been meaningful, we acknowledge that our community engagement has been limited to internal initiatives so far. We are committed to expanding our impact in the coming years by actively pursuing more community-driven projects. In 2025 and beyond, we look forward to launching new initiatives that contribute to societal well-being, further strengthening our role as a responsible corporate citizen.

Governance

Board of Directors

Good governance, board diversity, and effective oversight are vital for the long-term success of our organisation. We adhere to strong governance policies that ensure transparency, accountability, and ethical conduct, aligning with our actions, thereby benefiting our stakeholders and contributing to the overall success of the organisation.

The Group's governance structure is fully aligned with the corporate governance standards set for publicly listed companies in the UAE. The Board of Directors comprises a diverse group of independent members, including one woman, fostering a variety of perspectives and enriching decision-making processes. This diversity enhances the Board's ability to consider a broad range of insights when making key strategic decisions. Additionally, to preserve the independence of the Group's leadership, the roles of Chairman and CEO are separate and not held by the same individual.

The Board is supported by four specialised committees: the Nomination and Remuneration Committee (NRC), the Audit and Risk Committee (ARC), the Strategy and Investment Committee (SIC), and the Environmental, Social, and Governance (ESG) Committee. Each committee operates according to its own approved charter and holds regular meetings to review and address critical issues within its respective areas.

To ensure that the Board remains well-equipped to navigate the dynamic business environment, all members engage in annual events to keep their expertise aligned with the latest industry trends and market developments. Additionally, we regularly conduct comprehensive evaluations of the Board's performance, including independent assessments by external parties, to uphold high standards of governance and ensure the ongoing effectiveness of our leadership.

Women currently represent 14% of the Board's composition. Additionally, two of the sub-committees each include one female Board director.

Key Performance Indicators	Unit	2022	2023	2024
Board Seats Diversity	Percentage	25%	20%	14%
Committee Chairs Diversity	Percentage	25%	29%	33%[4]
CEO/Board Independence	Yes/No	Yes	Yes	Yes
Total Board Seat Independence	Percentage	100%	100%	100%

[4] The maximum chair diversity at any committee is 33%.

ESG Governance

In 2024, the Group made a significant stride in strengthening its commitment to sustainability by establishing a robust ESG governance structure. At the core of this structure is a dedicated ESG Board-level Committee, which plays an instrumental role in driving the Group's sustainability agenda by providing strategic direction and overseeing the ESG strategy, performance, and alignment with global best practices. To ensure clarity and accountability, a formal charter was developed that outlines the specific roles and responsibilities of the committee, reinforcing transparency across the entire organisation.

The committee conducts quarterly meetings with the ESG team, a pivotal component of the Group's sustainability framework. The ESG team is responsible for developing the ESG Action Plan, identifying, implementing and tracking the progress on the sustainability initiatives, monitoring the Group's sustainability performance, and reporting the progress of ongoing ESG actions to the ESG Committee of the Board. Throughout 2024, the Committee successfully conducted four quarterly meetings, providing guidance on the ESG performance, assessing the impact of ESG initiatives, and making key decisions to steer the Company towards its sustainability objectives.

The Group formalised its commitment to sustainability by introducing a standalone ESG Policy, which was approved by the board in 2023. This policy serves as the foundation for embedding sustainability throughout the Group, outlining strategic objectives across the three key ESG pillars. The Environmental objectives focus on reducing the Group's carbon footprint, improving energy efficiency, minimising waste, adopting eco-design measures, and adhering to environmental management systems (EMS). On the Social front, the policy emphasises creating a diverse and safe workplace. It advocates for Emiratisation, development and well-being of employees, and community engagement efforts. The Governance pillar reaffirms the Group's commitment to maintaining high standards of corporate governance, integrity, transparency and fostering a culture of accountability throughout the organisation.

The ESG Policy also emphasises public reporting, ensuring transparency and accountability in the Group's ESG performance. In line with its commitment to transparent reporting, the Group published its Sustainability Reports for 2023 and 2024, providing a comprehensive and transparent overview of its ESG achievements, ongoing initiatives, and performance.

Audit and Control

Audit and control play a critical role in ensuring the integrity, transparency, and efficiency of our operations. We have established a robust governance system, supported by well-defined policies and procedures, which provides a solid foundation for risk management and ensuring compliance with applicable laws.

Fraud risk control is a key aspect of our audit and control system, ensuring the prevention and detection of potential fraud while safeguarding both company assets and reputation. Our Internal Audit department operates independently from other functions and follows a three-year audit plan, ensuring thorough and systematic assessments. This autonomy ensures objective evaluations and provides valuable insights to improve operational efficiency and compliance, thereby reinforcing the organisation's overall governance and risk management framework.

In 2024, we adopted the Enterprise Risk Management (ERM) framework, which helps identify and mitigate risks across all levels of the organisation. We maintain a comprehensive company-wide risk register that includes operational, financial, commercial, legal, and other related risks. As part of our commitment to sustainable practices, we integrated Environmental, Social, and Governance (ESG) risks into the risk register in 2024. These risks are regularly reviewed and updated, with the Audit and Risk Committee (ARC) receiving timely updates to make proactive decisions on emerging risks. ESG risks are also updated quarterly to the ESG Committee of the Board for their oversight.

In 2024, we updated our governance framework by revising our Code of Conduct and existing policies and introducing new policies approved by the Board. These new and updated policies include Tax Policy, Insider Trading, Risk Management, Investor Relations, Business Continuity, Conflicts of Interest, Anti-Bribery and Corruption, Anti-Fraud, Sanctions, and Trade Compliance. Additionally, we introduced the "Speak Up" Whistleblowing policy, empowering employees and stakeholders to report suspected misconduct in good faith, with full confidentiality assured.

To further strengthen governance, we implemented the Internal Control over Financial Reporting (ICFR) policy, which defines roles and responsibilities and provides reasonable assurance regarding the preparation of financial statements in line with applicable accounting principles. We also conduct an annual external audit of our financial statements, overseen by an external auditor appointed by the Board of Directors and shareholders. To maintain the independence of the external audit process, we do not engage with these auditors for any non-audit services.

Data Privacy and Cyber Security

Ensuring data privacy and information security has become integral to our operations. To maintain robust data governance, we have established a data governance structure that oversees the management and protection of sensitive information. This structure is supported by clear data privacy and information security policies designed to align with industry standards and applicable regulations.

The Group is using a diverse suite of advanced tools and technologies to implement its cybersecurity strategy to protect our systems and data. We have established robust endpoint protection through the deployment of advanced security solutions that safeguard devices and systems against potential threats. Additionally, our network is fortified with high-performance firewalls and intrusion prevention technologies, which provide essential protection against unauthorised access and cyberattacks, both on-premises and in the cloud.

In 2023, we made significant enhancements to our data center infrastructure, transitioning from traditional Serial-Attached Small computer systems interface (SAS) disks to high-performance Solid-State Drives (SSDs) for critical servers, ensuring efficient and secure data management. To further strengthen our cybersecurity framework, we implemented a range of security measures - Security Operations Centre (SOC), coupled with Security Information and Event Management (SIEM) systems and Endpoint Detection and Response (EDR) tools, significantly enhanced our ability to detect and mitigate potential security threats.

Building on this progress in 2024, we prioritised identity and access management by implementing solutions that enforce strong authentication methods, monitor and control privileged access, and safeguard against unauthorised access. We have deployed network monitoring tools to oversee network activity, enabling real-time threat detection and response to any malicious activities. We have also implemented advanced solutions such as Email Security Gateway and Privileged Access Management (PAM), ensuring secure access control to mitigate risks from external threats.

To protect email communications, we have employed advanced filtering and data loss prevention technologies, effectively blocking phishing attempts, malware, and potential data leaks. Additionally, mobile device management is integrated to ensure that all mobile endpoints are properly secured and protected against cyber threats.

Our commitment to information security is further demonstrated through various certifications secured and renewed year on year, which includes ISO 27001 - Information Security Management System (ISMS) certification and the GSMA's Security Accreditation Scheme (SAS) certification, underscoring our commitment to secure user data and preventing fraud. In 2023, the Group secured the ISO 14298 – Security Printing Management System certification by assessing and improving its printing processes to comply with the standards. Additionally, we also obtained the PCI compliance for China Union Pay Cards for our Security printing business, aligning with stringent regulatory requirements to safeguard sensitive financial data.

Furthermore, we have implemented a robust Data Privacy Policy, which complies with the General Data Protection Regulation (GDPR) and relevant UAE laws, including Federal Decree-Law No. 45 of 2021 on Personal Data Protection and UAE Federal Law No. (1) of 2006 on Information Technology Crimes Prevention. These measures ensure the protection of personal and sensitive information while adhering to legal obligations, reinforcing our commitment to securing data across all aspects of our operations.

Appendix – ADX ESG Disclosure Content Index – Aligned with UN SDGs

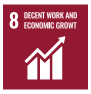
ESG Metric	Calculation	Corresponding SDG	Corresponding Page Number/ Direct Answer	Omission, If Any – Reason and Explanation
E1. GHG Emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1	13 CLIMATE ACTION	Page 82	
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)		Page 82	
	E1.3) Total amount, in CO_2 equivalents, for Scope 3 (if applicable)		NA	This metric is not calculated by e7 Group
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	13 CLIMATE ACTION	Page 83	
	E2.2) Total non-GHG emissions per output scaling factor		NA	This metric is not calculated by e7 Group
E3. Energy Usage	E3.1) Total amount of energy directly consumed	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Page 81	
	E3.2) Total amount of energy indirectly consumed		Page 81	
E4. Energy Intensity	Total direct energy usage per output scaling factor	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Page 81	
E5. Energy Mix	Percentage: Energy usage by generation type	7 AFFORDABLE AND CLEAN ENERGY	Page 81	
E6. Water Usage	E6.1) Total amount of water consumed	6 CLEAN WATER AND SANITATION	Page 83	
	E6.2) Total amount of water reclaimed		NA	This metric is not calculated by e7 Group
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No		Yes, they are a part of the HSEQ and ESG policies Page 79 – 83	
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No		Yes, they are a part of the HSEQ and ESG policies Page 79 – 83	
	E7.3) Does your company use a recognised energy management system?		Yes Page 79	

Appendix – ADX ESG Disclosure Content Index – Aligned with UN SDGs continued

ESG Metric	Calculation	Corresponding SDG	Corresponding Page Number/ Direct Answer	Omission, If Any – Reason and Explanation
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No		Yes, ESG is a part of Board room agenda which is being formalised through a dedicated ESG Committee in 2024 Page 88 – 89	
E9. Environmental Oversight	Does your Board oversee and/ or manage sustainability issues? Yes/No			Yes
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development		NA	This metric is not calculated by e7 Group
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation		In 2024, the CEO total compensation to median FTE total compensation is 50.	
	S1.2) Does your company report this metric in regulatory filings? Yes/No		No	
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation		Page 84	
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees		Page 85	
	S3.2) Percentage: Year-over-year change for part-time employees		Page 85	
	S3.3) Percentage: Year-over-year change for contractors/ consultants		NA	This data is not calculated by e7 Group

ESG Metric	Calculation	Corresponding SDG	Corresponding Page Number/ Direct Answer	Omission, If Any – Reason and Explanation
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	5 GENDER EQUALITY	Page 84	
	S4.2) Percentage: Entry- and mid-level positions held by men and women		Page 84	
	S4.3) Percentage: Senior- and executive-level positions held by men and women		Page 84	
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees		NA	This data is not calculated by e7 Group
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants			
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	10 REDUCED INEQUALITIES	Yes Page 84	
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	3 GOOD HEALTH AND WELL-BEING	Page 86	
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	3 GOOD HEALTH AND WELL-BEING	Yes Page 85	
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labour policy? Yes/No	8 DECENT WORK AND ECONOMIC GROWTH	There is no separate policy. It is covered under the group's Code of Conduct.	
	S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No		There is no separate policy. It is covered under the Supplier Code of Conduct.	
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	10 REDUCED INEQUALITIES	e7 Group does not have a separate human rights policy. This is addressed in the Code of Conduct and the Supplier Code of Conduct.	
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			
S11. Nationalisation	Percentage of national employees	8 DECENT WORK AND ECONOMIC GROWTH	In 2024, the rate of national employees increased from 1.78% in 2023 to 2.6% in 2024.	

Appendix – ADX ESG Disclosure Content Index – Aligned with UN SDGs continued

ESG Metric	Calculation	Corresponding SDG	Corresponding Page Number/ Direct Answer	Omission, If Any – Reason and Explanation
S12. Community Investment	Amount invested in the community, as a percentage of company revenues.		NA	This metric is not calculated by e7 Group
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women		Yes Page 88	
	G1.2) Percentage: Committee chairs occupied by men and women			
G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No		Yes Page 88	
	G2.2) Percentage: Total board seats occupied by independent board members			
G3. Incentivised Pay	Are executives formally incentivised to perform on sustainability?		ESG is a part of group's scorecard and about 5% is allocated to group's ESG performance. The overall scorecard defines the incentives of the executives.	
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No		Yes, Page 86	
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			

ESG Metric	Calculation	Corresponding SDG	Corresponding Page Number/ Direct Answer	Omission, If Any – Reason and Explanation
G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/ No	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Yes Page 89	
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		100% of the group's employees have formally declared compliance with the ethics and anti-corruption policy.	
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No		Yes Page 90	
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No			
G7. ESG Reporting	Does your company publish a ESG Report? Yes/No		Yes	
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to ESG Reporting frameworks? Yes/No		Yes	
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No		Yes	
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No		e7 Group aims to set targets and report progress against the UN SDG goals in the upcoming reporting cycles	
G9. External Assurance	Are your sustainability disclosures assured or validated by a third-party audit firm? Yes/No		e7 Group aims to get assurance on sustainability disclosures in the upcoming reporting cycles.	

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Governance

Corporate Governance

1. Corporate Governance Overview

a) Statement of the Measures Taken to Complete the Corporate Governance System During 2024, and Measures to Implement Them

e7 Group is committed to having a corporate governance structure in line with the corporate governance requirements applicable to listed companies in the UAE and with international best practices. This commitment ensures that optimal governance practices are established within the Group.

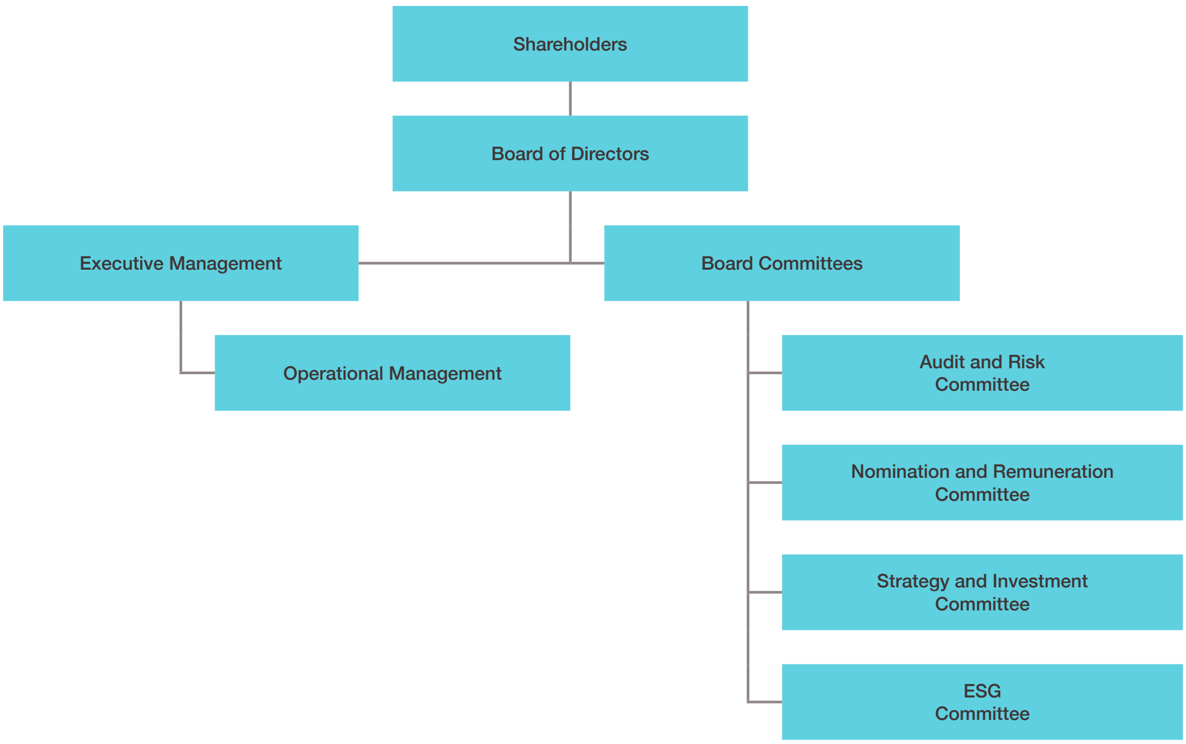
The Board of Directors is responsible for managing the Group's affairs, taking into considerations the interests of all stakeholders. Accordingly, the Directors believe that adhering to principles of good corporate governance will facilitate the achievement of this objective, while at the same time maximising value for stakeholders. To realise the Group's vision, the Board of Directors is actively working to optimise resource utilisation while aligning its strategies with its strengths. The Group has strengthened its commitment to principles and core values such as accountability, transparency, fair disclosure, equity and the rights and responsibilities of stakeholders.

To unlock the full potential of the Group and to ensure the safeguarding of stakeholder interests, the Group has implemented a robust governance system across the entire organisation. The Board of Directors not only guide and direct the management and employees to attain business objectives but also uphold the highest standards of governance practices and integrity.

As embedding governance into the corporate culture is crucial, each employee is encouraged to uphold the highest levels of integrity and competency. This commitment ensures that business objectives are not only met but are achieved with a strict adherence to ethical principles and effective governance.

The Chairman of Authority's Board of Directors' Resolution No. 3/RM of 2020 concerning the approval of joint-stock firms' Governance Guide (Resolution 3) is complied with by e7 Group.

b) Group Governance Structure



c) Elements of Corporate Governance

To support the corporate governance framework of the Group the following policies were developed and implemented:

Anti-bribery and Corruption Policy

The objective of this policy is to prevent the use of corrupt and illegal practices, including offering, promising, paying or authorising any bribe, kickback or similar improper payment to/ from any vendor, client or any other third party (associated with the Group) to obtain or retain a commercial or personal advantage.

The policy further aims to manage and mitigate the risk of the Group and/or its employees becoming directly or indirectly involved in actual or potential corrupt activities.

Business Continuity Management Policy

The purpose of this policy is to formalise the Business Continuity Management Systems (BCMS) and to provide guidelines for developing, maintaining and exercising appropriate Business Continuity Plans (BCP).

This policy establishes the basic principles and frameworks necessary to ensure effective incident response and recovery, resumption and restoration of the Group's operations and business functions during and following a disruptive incident.

Code of Conduct and Business Ethics Policy

The objective of this policy is to assist the Group in fulfilling its objectives to promote, among other things, honest and ethical conduct and to ensure that the Group's business is conducted in a consistently legal and ethical manner, to the greatest possible extent.

This code is not an exhaustive set of rules but provides a guiding set of business principles to ensure that decisions are made with integrity and compliance.

Communication and Disclosure (Internal and External) Policy

The objective of this policy is to assist the Group in fulfilling its obligations to ensure that all relevant and material information is disclosed to the Company's shareholders and the market in a timely manner, while safeguarding the Company's commercially sensitive information.

Conflict of Interest Policy

The purpose of this policy is to:

a. Define what constitutes a conflict of interest.
b. Inform relevant persons about conflicts of interest, in general and in relation to their roles.
c. Assist relevant persons in identifying material conflicts of interest and the relevant mitigating factors.
d. Set out procedures to be followed by relevant persons with regards to conflicts of interest management.
e. Establish the framework for the identification, review, approval and reporting of related party transactions.
f. Ensure arm's length pricing for all related party transactions.

Board members and employees are expected to carry out their jobs with honesty and diligence. They must avoid placing themselves in any situation where their own interests might conflict with the interests of the Group.

Corporate Governance Policy

The objective of this policy is to provide guidance to Board members and senior executives on implementing sound governance practices by aligning international standards with local laws and regulations.

It also aims to ensure that all relevant parties act in accordance with applicable laws and uphold the highest standards of ethical business conduct.

Furthermore, this policy aims at preserving the reputation and integrity of the Group.

Environment, Health and Safety Policy

The purpose of this policy is to establish clear quality, health, safety and environmental objectives and targets.

It also reaffirms the Group's commitment to environmental protection, as well as the health and safety of its employees, customers, suppliers and communities.

1. Corporate Governance Overview continued

c) Elements of Corporate Governance (continued)

Insider Trading Policy

The objective of this policy is to help officers, employees and relevant third parties understand the nature and scope of federal insider trading laws and the consequences of violating them.

It also ensures that all relevant parties comply with applicable laws and regulations and uphold the highest standards of ethical and business conduct.

Furthermore, this policy aims to preserve the reputation and integrity of the Group, as well as that of all individuals affiliated with it.

Internal Control over Financial Reporting Policy

The objective of this policy is to provide guidance to the Group in relation to the following:

a. Understanding the regulatory requirements associated with the Internal Control over Financial Reporting (ICFR) annual review exercise and its applicability.
b. Adopting the Committee of Sponsoring Organizations (COSO) internal control framework to implement ICFR procedures across the Group's entities and to clarify governance-level roles for key stakeholders.
c. Understanding the minimum requirements for the ICFR exercise concerning an entity's stand-alone financial statements in accordance with the COSO framework.
d. Understanding the minimum requirements for the ICFR exercise concerning a parent entity's consolidated financial statements in accordance with the COSO framework.

Investor Relations Policy

The objective of this policy is to describe the manner in which the Group engages and communicates with its shareholders, investors, analysts and other broader financial markets.

The Investor Relations Policy provides guidelines for the following activities and materials:

a. Earnings release
b. Earnings calls
c. Quarterly and annual reports
d. Financial statements (provided by the Finance department)
e. Investor Relations presentations
f. Addressing market rumours and speculations

Risk Management Policy

The purposes of this policy are as follows:

a. To articulate the Group's philosophy on risk management.
b. To raise risk awareness across the Group.
c. To provide a framework for applying the risk management philosophy to all the Group's decisions and operations.
d. To set out policies governing the Group's risk management activities applied and implemented throughout the Group.
e. To outline the procedures, processes and practices derived from this framework to identify, analyse, evaluate, communicate, and cost-effectively manage material risks across the Group.
f. To promote accountability by defining roles and responsibilities and ensuring a clear understanding of the risk management process.

Sanctions Policy

The purpose of this policy is to ensure that the Group complies with applicable domestic and international sanctions programmes. The policy sets forth the information and guidance on the identification, escalation and risk mitigation parameters related to sanctions.

2. Board of Directors and Related Information

The shareholders of the e7 Group, having released the Board of Directors of ADC on 21 December 2023 and appointed new Board members for the next three years, have made only one change since that appointment, as follows:

a) Profiles of the Board of Directors

Eng. Ahmed Al Shamsi
Chairman/ Independent, Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
From 21 December 2023 to date

Experience:
23 years

Qualifications:
Eng. Al Shamsi holds a Master's degree in Quality Management from the University of Wollongong and a Bachelor's degree in Chemical Engineering from the University of Tulsa, USA.

Memberships and designations in other Joint Stock companies:
NA

Designations in other supervisory, government or other commercial offices:
- Chief Executive Officer – TAQA Water Solutions
- Vice Chairman – EMARAT General Petroleum Corporation

Dr. Jacob (Jaap) Kalkman,
Deputy Chairman/ Independent, Non-Executive Director

Date of appointment to e7 Board:
30 May 2024

Tenure:
3 years from 21 December 2023 (7 months to date)

Experience:
30 years

Qualifications:
He holds a PhD in Mathematics and an MSc in Theoretical Physics from Utrecht University, Netherlands.

Memberships and designations in other Joint Stock companies:
- Non-Executive Director and NRC Chairman – Etihad Airlines
- Non-Executive Director and Chairman – Arcera Pharmaceuticals
- Non-Executive Director – Contago Consulting

Designations in other supervisory, government or other commercial offices:
- Group Chief Investment Officer – ADQ

2. Board of Directors and Related Information continued

a) Profiles of the Board of Directors (continued)

Iman Al Qasim
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
3 years from 21 December 2023 to date

Experience:
24 years

Qualifications:
She holds a Bachelor's degree in Business Administration with a specialisation in Marketing and Management from the American University of Sharjah, UAE, and a Master of Business Administration (MBA) from the University of Bath, UK.

Memberships and designations in other Joint Stock companies:
Non-Executive, Independent Board Member – TAQA

Designations in other supervisory, government or other commercial offices:
- Executive Vice President, Human Capital – Emirates Global Aluminum (EGA)
- Executive Director – EGA America
- Executive Director – Guinea Alumina Corporation
- Non-Executive Director and Chairperson of Nomination and Remuneration Committee – Aramex

Domantas Bagusis
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
3 years from 21 December 2023 to date

Experience:
13 years

Qualifications:
He holds a Bachelor's degree in Business and Politics from Aston University, UK, and an MBA from INSEAD, France.

Memberships and designations in other Joint Stock companies:
NA

Designations in other supervisory, government or other commercial offices:
- Senior Investment Manager – ADQ
- Director – Dubai Cable Company Pvt Ltd
- Director – Al Gharbia Pipe Company LLC
- Director – Senaat

Jan Juul Larsen
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
3 years from 21 December 2023 to date

Experience:
39 years

Qualifications:
He holds an MSc in Dairy and Food Technology from Copenhagen University, Denmark as well as executive programs at IMD, Switzerland.

Memberships and designations in other Joint Stock companies:
NA

Designations in other supervisory, government or other commercial offices:
- Shareholder and CEO – JJ Larsen Management Consulting
- Non-Executive Director in the advisory board of Mohinani Group

Mohammad Adnan Sharafi
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
3 years from 21 December 2023 to date

Experience:
16 years

Qualifications:
He holds a Bachelor of Laws LLB (Hons) from the University of Westminster, London and Post-Graduate Diploma in Legal Practice (Commendation) from the College of Law (now the University of Law). He is admitted as a Solicitor of the Supreme Courts of England and Wales.

Memberships and designations in other Joint Stock companies:
- Non-Executive Director – Abu Dhabi Sustainable Water Solutions PJSC
- Non-Executive Director – Massar Solutions PJSC
- Member of Audit Committee – Abu Dhabi Aviation PJSC

Designations in other supervisory, government or other commercial offices:
- Non-Executive Director – TAQA Water Solutions Holding Company Limited
- Chief Legal Officer and Board Secretary – Abu Dhabi National Energy Company PJSC (TAQA)

Saif Al Hammadi
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
3 years from 21 December 2023 to date

Qualifications:
He holds a Bachelor's degree in Finance from Zayed University, Abu Dhabi.

Memberships and designations in other Joint Stock companies:
NA

Designations in other supervisory, government or other commercial offices:
NA

Khalid Al Muhaidib
(Retired on 30 May 2024)
Vice Chairman/
Independent,
Non-Executive Director

Date of appointment to e7 Board:
21 December 2023

Tenure:
From 21 December 2023 to 30 May 2024

Experience:
18 years

Qualifications:
He holds a Bachelor's degree in Chemical Engineering from the American University of Sharjah, UAE.

Memberships and designations in other Joint Stock companies:
NA

Designations in other supervisory, government or other commercial offices:
- Associate Director – Sustainable Manufacturing, ADQ

2. Board of Directors and Related Information continued

b) Board Induction and Training

e7 Group has implemented procedures for onboarding newly appointed Board members. These individuals undergo an induction programme that covers the Group's affairs, its strategic elements and other key matters.

c) Female Representation in the Board

As of 31 December 2024, the female representation on the e7 Board of Directors was 14%.

d) Remuneration of Board of Directors

The Nomination and Remuneration Committee recommends Directors' remuneration to the General Assembly for approval, in accordance with the terms of e7 Group's Articles of Association, as amended. The remuneration of the Board of Directors shall consist of a percentage of the Group's net profits for the year, not exceeding 10% of the net profits for the year after deduction of depreciation and reserves.

The Group may pay additional expenses, fees or an extra monthly salary to a Board member to the extent agreed upon between the Board of Directors and the respective Board member. Such additional expenses or fees shall only be paid if the Board member engaged in any committee, exerted special efforts or performed additional work for the services of the Group beyond their nominal duties as Board members.

e7's Board members did not receive remuneration for the year 2023, while the Board remunerations for the year 2024 is yet to be decided and presented for the approval of the shareholders at the Annual General Assembly meeting.

e) Details of the Allowances, Salaries or Additional Fees Paid to Board of Directors

Total allowances, salaries and/or additional fees paid to the Board of Directors during 2024 was AED 886,514.

f) Meetings of the Board of Directors

e7's Board of Directors held 11 meetings in 2024. The below table shows the Board members' attendance at these meetings:

Name	Designation	16 Jan 2024	24 Mar 2024	24 April 2024 (AGM)	13 May 2024	17 May 2024	19 May 2024 (by circulation)	12 Aug 2024	31 Oct 2024 (by circulation)	11 Nov 2024	26 Nov 2024	12 Dec 2024	Attendance
Eng. Ahmed Al Shamsi	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Khalid Al Muhaidib (retired 30 May 2024)	Vice Chairman	✓	✓	✓	✗	✗	✗	NA	NA	NA	NA	NA	3/11
Dr. Jaap Kalkman (appointed 30 May 2024)	Vice Chairman	NA	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	5/11
Domantas Bagusis	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Iman Al Qasim	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Jan Juul Larsen	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mohammad Adnan Sharafi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	10/11
Saif Al Hammadi	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11

✓: Present
✗: Absent
NA: Was not a Board member at the time

g) Assessment of the Board of Directors

The assessment of the Board, its members and committees was conducted by a third party in 2024 to improve overall effectiveness of the Board of Directors.

3. Board of Directors' Secretary

The Board Secretary plays an important role in organising the Company's corporate governance, coordinating Board and Committee meetings, and communicating key decisions to the management team.

The Board Secretary's key responsibilities include:

- Working closely with the Board of Directors and Executive Management to plan meetings and coordinate attendance.
- Drafting and distributing Board and general meeting agendas.
- Drafting, distributing, confirming, and archiving meeting minutes, Board reports, and other legal documents.
- Maintaining the Board and Company calendars.
- Ensuring compliance with meeting procedures, decision-making rules, and governance policies
- Managing communication and correspondence with the Board of Directors and its Committees, the Company's management team, and external stakeholders.

From 5 August 2022 to 24 March 2024, the position of the Board Secretary was held by Mr. Ahmad Ma'abreh from Allen & Overy. Mr. Ma'abreh is a partner in the corporate team of Allen & Overy's Abu Dhabi office. Since 25 March 2024, the Board Secretary position has been held by Mr. Clinton Genty-Nott, General Counsel and Head of Legal and Compliance at e7.

4. Committees of the Board of Directors

Following the business combination, e7 Group established the following Board subcommittees on 16 January 2024:

- Audit and Risk Committee
- Nomination and Remuneration Committee
- Strategy and Investment Committee
- ESG Committee

a) Audit and Risk Committee

Roles and responsibilities

The primary purpose of the Committee is to:

1. Assist the Board and Management in fulfilling their oversight responsibilities to the stakeholders and others relevant parties by:
   a. Monitoring the integrity, adequacy and effectiveness of e7's internal accounting systems, financial control framework, and financial reporting processes.
   b. Monitoring the overall control environment and the adequacy and effectiveness of the systems of internal control to mitigate risks.
   c. Monitoring and reviewing the effectiveness of the Internal Audit function including internal audit charter, scope, plans, activities and reporting.
   d. Reviewing the Company's process for monitoring compliance with all laws, regulations, ethics and Code of Conduct including whistleblowing arrangements, and compliance with procedures as established by the management and the Board of Directors.
   e. Monitoring and reviewing the annual external audit of e7's financial statements, the relationship with external auditors, the effectiveness of the external auditors, and recommending the appointment of the external auditors to the Board.
   f. Monitoring systems of risk management to ensure that the stakeholders have visibility of the most significant risks facing the business.

4. Committees of the Board of Directors continued

a) Audit and Risk Committee (continued)

2. Provide advice on the governance processes established and maintained within e7 and the procedures in place to ensure they are operating as intended. Provide the Board advisory services, independent comments, advice, and counsel as required. However, It shall not replace or replicate established management responsibilities and delegations, and it is empowered to provide prompt and constructive reports on the observations directly to the Board.
3. Review matters raised by the appointed external auditors, government auditors and other audits and reviews, as appropriate.
4. Prepare Audit Committee Report to the Board; summarising the results of its work, conclusions and recommendations.
5. Maintain open communications between the Committee, internal auditors, external auditors and management of e7.
6. Investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of e7 and with the power to retain outside counsel, or other experts for this purpose.
7. Review any other reports issued by the Company that relate to the Committee's responsibilities.

Committee members

- Domantas Bagusis – Chairman
- Mohammad Adnan Sharafi – Member
- Jan Juul Larsen – Member

Meetings during 2024

The Audit Committee convened seven times in 2024.

Name	Designation	23 Jan 2024	9 Feb 2024	20 Mar 2024	9 May 2024	7 Aug 2024	5 Nov 2024	9 Dec 2024	Attendance
Domantas Bagusis	Chairman	✓	✓	✓	✓	✓	✓	✓	7/7
Mohammad Adnan Sharafi	Member	✗	✓	✓	✓	✓	✗	✓	5/7
Jan Juul Larsen	Member	✓	✓	✓	✓	✓	✓	✓	7/7

✓: Present
✗: Absent
NA: Was not a Board member at the time

Audit Committee Chairperson's acknowledgment

The Chairperson of the Audit Committee acknowledges his responsibility for the Committee system in the Company, and for his review of its work mechanisms and ensuring its effectiveness.

b) Nomination and Remuneration Committee

Roles and responsibilities

The Nomination and Remuneration Committee holds important responsibilities in shaping the leadership and compensation framework of the Group. This committee is responsible for recommending qualified individuals for Board membership, ensuring a diverse and competent leadership team. It also plays a key role in designing and overseeing Executive Remuneration policies, aligning them with the Group's strategic goals and performance metrics.

Committee members

- Iman Al Qasim – Chairwoman
- Dr. Jaap Kalkman – Member
- Domantas Bagusis – Member

Meetings during 2024

The Nomination and Remuneration Committee convened four times in 2024.

Name	Designation	3 May 2024	19 Sep 2024	22 Oct 2024	22 Nov 2024	Attendance
Iman Al Qasim	Chairwoman	✓	✓	✓	✓	4/4
Khalid Al Muhaidib (retired 30 May 2024)	Member	✓	NA	NA	NA	1/4
Dr. Jaap Kalkman (appointed 30 May 2024)	Member	NA	✓	✓	✓	3/4
Domantas Bagusis	Member	✓	✓	✓	✓	4/4

✓: Present
✗: Absent
NA: Was not a Board member at the time

Nomination and Remuneration Committee Chairperson's acknowledgment

The Chairperson of the Nomination and Remuneration Committee acknowledges her responsibility for the Committee system in the Company, and for her review of its work mechanisms and ensuring its effectiveness.

c) Strategy and Investment Committee

Roles and responsibilities

The Strategy and Investment Committee is tasked with evaluating and recommending strategic initiatives that align with the Group's mission and enhancing shareholder value. It assesses potential investments and mergers and acquisitions), ensuring alignment with overall business objectives and risk tolerance. The Committee collaborates closely with Executive Management to review and refine the Group's strategic plans, fostering innovation and adaptability in response to evolving market dynamics. Additionally, it monitors the implementation of strategic initiatives, regularly assessing their effectiveness and adjusting course as needed.

Committee members

- Dr. Jaap Kalkman - Chairman
- Domantas Bagusis - Member
- Jan Juul Larsen - Member

4. Committees of the Board of Directors continued

c) Strategy and Investment Committee (continued)

Meetings during 2024

The Strategy and Investment Committee convened five times in 2024.

Name	Designation	8 Mar 2024	9 Mar 2024	7 Aug 2024	9 and 15 Oct 2024	30 Oct 2024	Attendance
Khalid Al Muhaidib (retired 30 May 2024)	Chairman	✓	✓	NA	NA	NA	2/5
Dr. Jaap Kalkman (appointed 30 May 2024)	Chairman	NA	NA	✓	✓	✓	3/5
Domantas Bagusis	Member	✓	✓	✓	✓	✓	5/5
Jan Juul Larsen	Member	✓	✓	✓	✓	✓	5/5

✓: Present
✗: Absent
NA: Was not a Board member at the time

Strategy and Investment Committee Chairperson's acknowledgment

The Chairperson of the Strategy and Investment Committee acknowledges his responsibility for the Committee system in the Company, and for his review of its work mechanisms and ensuring its effectiveness.

d) ESG Committee

Roles and responsibilities

1. Ensuring e7 Group's ESG considerations are well integrated into its business strategy, corporate values and business objectives.
2. Reviewing and approving ESG policies and practices and revising the existing policy, as required.
3. Building trust amongst all stakeholders and fostering a culture of responsibility and transparency.

Committee members

- Mohammad Adnan Sharafi - Chairman
- Saif Al Hammadi - Member
- Iman Al Qasim - Member

Meetings during 2024

The ESG committee convened four times in 2024.

Name	Designation	14 Mar 2024	13 Jun 2024	12 Sep 2024	27 Nov 2024	Attendance
Mohammad Adnan Sharafi	Chairman	✓	✓	✓	✓	4/4
Iman Al Qasim	Member	✓	✓	✗	✓	3/4
Saif Al Hammadi	Member	✓	✓	✓	✓	4/4

✓: Present
✗: Absent
NA: Was not a Board member at the time

ESG Committee Chairperson's acknowledgment

The Chairperson of the ESG Committee acknowledges his responsibility for the Committee system in the Company, and for his review of its work mechanisms and for ensuring its effectiveness.

5. Stock Transactions with Board Members

Statement of ownership and transactions of the Board of Directors of e7 Group, their spouses and their children in the Company.

Name	Position/ Relationship	Shares Owned as at 31 December 2023	Total Buying	Total Sales	Shares Owned as at 31 December 2024
Eng. Ahmed Al Shamsi	Chairman	–	–	–	–
Dr. Jaap Kalkman	Vice Chairman/ Independent, Non-Executive Director	–	–	–	–
Iman Al Qasim	Independent, Non-Executive Director	–	–	–	–
Domantas Bagusis	Independent, Non-Executive Director	999,270	–	999,270	–
Jan Juul Larsen	Independent, Non-Executive Director	–	–	–	–
Mohammad Adnan Sharafi	Independent, Non-Executive Director	–	–	–	–
Saif Al Hammadi	Independent, Non-Executive Director	–	–	–	–

Corporate Governance continued

6. Executive Management

a) The Executive Management Team

Esteban Gómez Nadal
Group Chief Executive Officer

Before joining e7 Group, Esteban Gomez Nadal was Executive Director at the office of the MD and GCEO of ADNEC Group. In this role, he coordinated strategic projects from the office of the Group MD and GCEO to enhance growth and efficiency across the Group's seven business clusters and played a leading role in the integration of new organisations. He also took the role of Acting CEO at Tourism 365, the tourism and travel-focused subsidiary of Abu Dhabi-based ADNEC Group. Prior to that, Esteban served as Chief Growth Officer at Abu Dhabi Media Company (ADMC), where he led corporate development, transformation and restructuring projects aimed at enhancing the profitability and bolstering the digital capabilities of ADMC's portfolio companies.

Earlier in his career, Esteban spent almost two decades in management consulting with a focus on best practices in strategy execution. During his time at Palladium, he honed his expertise in transformation, providing advisory services to governments, blue-chip companies, and other leading firms across a wide range of industries.

Esteban holds a Bachelor of Science in Economics from Universidad Autónoma de Madrid, Spain.

Faizal Amod
Group Chief Financial Officer

Faizal Amod is the Chief Financial Officer of e7 Group, a role he has held since 2022. With over 20 years of experience in CFO positions for prominent companies, Faizal's expertise is well-established in the financial sector.

Prior to joining e7 Group, Faizal spent 13 years at Arkan Building Materials Company PJSC, where he played a pivotal role in achieving significant milestones such as a successful merger and a comprehensive financial and organisational restructuring. Before Arkan, Faizal held CFO roles at Abu Dhabi Basic Industries Corporation, Trans Caledon Tunnel Authority, and Eskom Finance Company.

Faizal brings a wealth of knowledge in finance, mergers and acquisitions, business turnaround, project and corporate financing, contracting and manufacturing, strategy and business development. He is a Chartered Accountant (SA) and holds a Bachelor of Commerce and a Bachelor of Accountancy degrees from the University of the Witwatersrand, South Africa.

Moulik Mahesh Kumar
Chief Strategy and Transformation Officer

Moulik Mahesh Kumar is the Chief Strategy and Transformation Officer of e7 Group. Prior to this role, Moulik was the Restructuring and Transformation Manager at ADQ, based in Abu Dhabi, where he led performance transformations, turnarounds and post-merger integration for ADQ portfolio companies.

Before moving to the Middle East, Moulik was a trusted Client Advisor at McKinsey & Company, Inc., leading strategy development and delivering end to end performance transformation programmes, with a focus on the Automotive and Ancillaries, Industrials, Healthcare and Pharma sectors. His expertise spanned strategy, operations, organisation, digital and growth. He began his career as a Supply Chain Manager at Suzuki Cars Division in India.

With a career spanning over 15 years, Moulik has worked as a consultant, line manager, and leadership and operating partner across US, India, APAC and the Middle East. He holds a Bachelor's degree in Mechanical Engineering from NIT Trichy and an MBA with a specialisation in Strategy and Operations from the Indian School of Business, India.

Clinton Genty Nott
General Counsel

Qualified as a lawyer in the UK, Clint Genty Nott has over 23 years of extensive professional experience, including roles within global banks, a Middle Eastern sovereign wealth (PE) fund and a publicly listed Saudi manufacturing and rentals company.

In his legal career, Clinton has held Directorship positions in multiple companies world-wide and is highly regarded for his integrity and ethics standards. He has a proven track record of developing and delivering management strategies, providing legal counsel, and implementing international standards of corporate governance, codes of conduct, ethics policies, and legal risk strategies.

Prior to becoming a lawyer, Clinton was also an elite-level skier, representing New Zealand internationally for over 15 years.

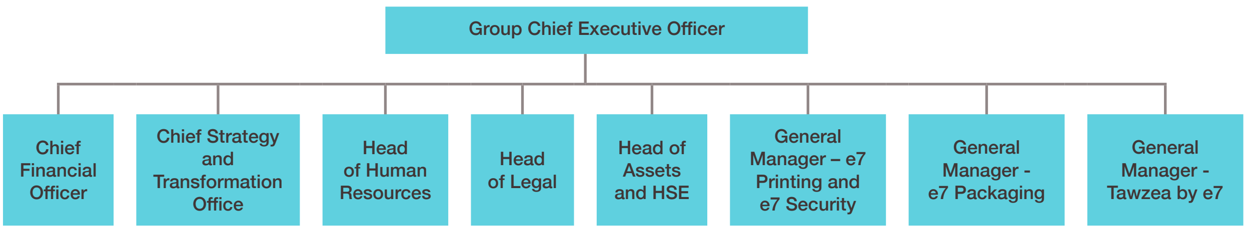
b) Executive Management Remuneration

The table below outlines the remuneration provided to the Executive Management in 2024:

Position	Appointment Date	Total Salaries and Allowances Paid for 2024 (in AED)	Total Bonuses Paid for 2024 (Bonuses) (in AED)	Any Other Cash/In-Kind Bonuses for 2024 or Due in the Future
Group Chief Executive Officer	12 December 2024	–	–	–
Group Chief Financial Officer	1 August 2022	1,200,000.00	600,000.00	–
Chief Strategy and Transformation Officer	1 June 2023	926,004.00	385,835.00	–
General Counsel	22 January 2024	1,132,258.04	–	–
Group Chief Executive Officer (resigned on 11 Dec 2024)	20 January 2020	1,920,000.00	960,000.00	–

7. Group Structure

a) Organisational Chart



b) Emiratisation and Gender Diversification

e7 Group is dedicated to supporting the government's long-term goal of empowering local talent to become future leaders of the nation. In line with this commitment, e7 continuously enhances the Emiratisation rate within its workforce. As of 31 December 2024, the Emiratisation rate at e7 Group was 2.6%.

As an advocate of equal opportunities, e7 Group places great emphasis on providing opportunities for women to actively participate in the business and contribute to its success. Consequently, the Group's gender diversity has shown continuous improvement, with female representation at e7 Group reaching 5.5% as of 31 December 2024.

8. Related Party Transactions

Company Name	Nature of Relationship	Type of Transaction	Value (AED)
Abu Dhabi Customs	Common Control	Custom	23,676
Abu Dhabi Distribution Company	Sister Company	Water and Electricity	5,351,314
Abu Dhabi Health Services Company (SEHA)	Sister Company	Visa Medical	127,500
Abu Dhabi National Oil Company for Distribution	Common Control	Utilities	6,257,326
Abu Dhabi Ports Group - KIZAD	Sister Company	Rent	5,905,018
Abu Dhabi Pension Fund	Common Control	Pension	1,406,530
Abu Dhabi Securities Exchange	Sister Company	Professional Fee	50,300
Al Ain Food and Beverages	Sister Company	Entertainment	209,539
First Abu Dhabi Bank	Common Control	Bank Charges	133,777
First Abu Dhabi Bank	Common Control	Selling and Marketing	368,957
MICCO Logistics	Sister Company	Rent	49,887
National Health Insurance Company (Daman)	Sister Company	Helath Insurance	7,883,442
Total			**27,767,264**

9. Internal Control Systems

e7 Group's Board of Directors acknowledges its responsibility towards the Company's risk management and internal control system, including its review and its effectiveness. To achieve this objective, an independent internal audit function has been established. The internal audit team operates independently, providing the Board with assurance on critical risk areas within the Group and the effectiveness of the controls. This insight enables the Board to efficiently allocate resources and proactively manage risks, aligning the Company with its long-term strategic goals.

Furthermore, a dedicated Enterprise Risk Management (ERM) function has been established to systematically identify and address risks, encompassing both present challenges and those anticipated in the future due to both internal environmental shifts and changes in market dynamics. The risk function is instrumental in providing a comprehensive understanding of the risks faced by the Company, facilitating strategic decision-making by the Board and Executive Management.

Another integral part to the governance framework is the Internal Control over Financial Reporting (ICOFR), which ensures the Company's adherence to regulatory frameworks, industry best practices and statutory guidelines. ICOFR ensures that the financials presented to the Board provide an accurate depiction of the Group's performance while maintaining effective mechanisms to optimise business processes.

a) Internal Audit

The Internal Audit department, operating independently, reports directly to the Audit and Risk Committee. Its primary mandate includes implementing and overseeing audits and controls within e7 Group. By ensuring the effectiveness of the audit processes, the Internal Audit department upholds the Group's governance practices, ensuring compliance with laws and regulations.

Key responsibilities of the Internal Audit

- Conducting independent and objective assessments of the effectiveness of the internal control systems.
- Assessing compliance with policies, procedures, laws and regulations.
- Identifying and analysing key risk areas within the Group.
- Recommending improvements to enhance the efficiency and effectiveness of internal controls.
- Conducting risk-based audits to address specific business processes or activities.
- Providing assurance to the Board of Directors and Executive Management regarding risk management and control processes.
- Reporting findings and recommendations to the relevant stakeholders.
- Monitoring the implementation of audit recommendations.

Profile of Head of Internal Audit Department

Sunil Chaudhary Head of Internal Audit	Sunil was appointed by the Audit and Risk Committee as Group Head of Internal Audit, with effect from 8 January 2024. In his role, he oversees and objectively reviews the organisation's business processes, with a focus on operational improvements, cost savings, and productivity enhancements through improved business controls. With 20 years of expertise across multiple geographies, Sunil has developed diverse expertise in internal audits and controls, operational risk management, business risk management, business risk assessment and mitigation, digital strategy and fraud investigation within the manufacturing sector. He holds a Bachelor of Commerce degree, is a Chartered Accountant, and holds a Certified Internal Auditor (CIA) designation from the Institute of Internal Auditors, USA.

b) Enterprise Risk Management (ERM)

ERM collaborates closely with each department to comprehensively capture and assess current and future risks. The evaluation extends to assessing the effectiveness of existing controls. Insights from this process are then communicated to the Executive Management and Board of Directors, enabling the identification of key threats and the development of strategic responses. ERM optimises resource allocation by prioritising risks, thereby enhancing efficiency in achieving the Group's long-term objectives.

Key responsibilities of ERM

- Collaborating with various departments to identify and assess current and future risks faced by the Group.
- Evaluating the effectiveness of existing risk management controls and strategies.
- Providing insights and information to the Executive Management and Board of Directors regarding key threats and vulnerabilities.
- Facilitating the development and implementation of strategies to address identified risks.
- Prioritising risks based on their potential impact on the Group's objectives.
- Conducting risk assessments related to changes in the internal environment and market dynamics.
- Monitoring and reporting on the Group's risk profile and trends.
- Collaborating with internal audit and other relevant functions to create a holistic risk management approach.

c) Internal Control over Financial Reporting (ICOFR)

ICOFR empowers the Board of Directors to rigorously test internal controls, ensuring their effectiveness across all Group operations. This scrutiny provides assurance that the information presented to the Board for decision-making is accurate and unbiased, thereby improving the overall quality of decision-making processes.

Key responsibilities of ICOFR

- Designing and implementing effective internal controls to ensure the accuracy and reliability of financial reporting.
- Regularly assessing the adequacy and effectiveness of internal controls over financial reporting.
- Identifying and addressing any deficiencies or weaknesses in internal controls that could impact financial reporting integrity.
- Conducting risk assessments to identify potential financial reporting risks and implementing controls to mitigate those risks.
- Monitoring changes in business processes, systems or regulations and adjusting internal controls accordingly.
- Documenting and maintaining comprehensive records of internal control processes and procedures.
- Collaborating with external auditors to facilitate their review of internal controls over financial reporting.

d) The Number of Reports Issued by the Internal Audit Department

During 2024, reports related to 13 engagements were issued by the Internal Audit department based on the Group Internal Audit Plans approved by the Audit and Risk Committee.

10. External Auditor

a) About the External Auditor

KPMG

KPMG is a leading professional services firm with a global presence spanning 143 countries and territories, providing a suite of services encompassing audit, tax and advisory services. With a combined workforce exceeding 270,000 partners and professionals, KPMG is addressing the needs of businesses, governments, public-sector agencies and not-for-profit organisations world-wide.

During 2024, KPMG audited e7 Group's quarterly financial statements.

b) External Audit Fees, Services and Costs

Name of the firm	KPMG
Total audit fees for 2024	AED 650,650
Number of years spent as the Company's external auditor	3 years
Number of years the partner auditor spent auditing the Company's accounts	2 years
Fees and costs of other services other than auditing financial statements for 2024	AED 200,000
Details and nature of other services	XBRL and ICOFR Services
Statement of other services that an external auditor other than the Company auditor provided during 2024 (if any).	NA

c) External Audit Opinions on Interim and Annual Consolidated Financial Statements of the Year 2024

KPMG

The external auditor did not state any qualified opinions on the interim and annual consolidated financial statements of the year 2024.

11. Violations

There were no violations in 2024.

12. Statement of Monetary and In-kind Contributions

Throughout 2024, the Company engaged in the permitted commercial activities under its trade license. The Company did not make any contributions (cash or in-kind) to the development of the local community and the preservation of the environment.

13. Key Events and Innovations

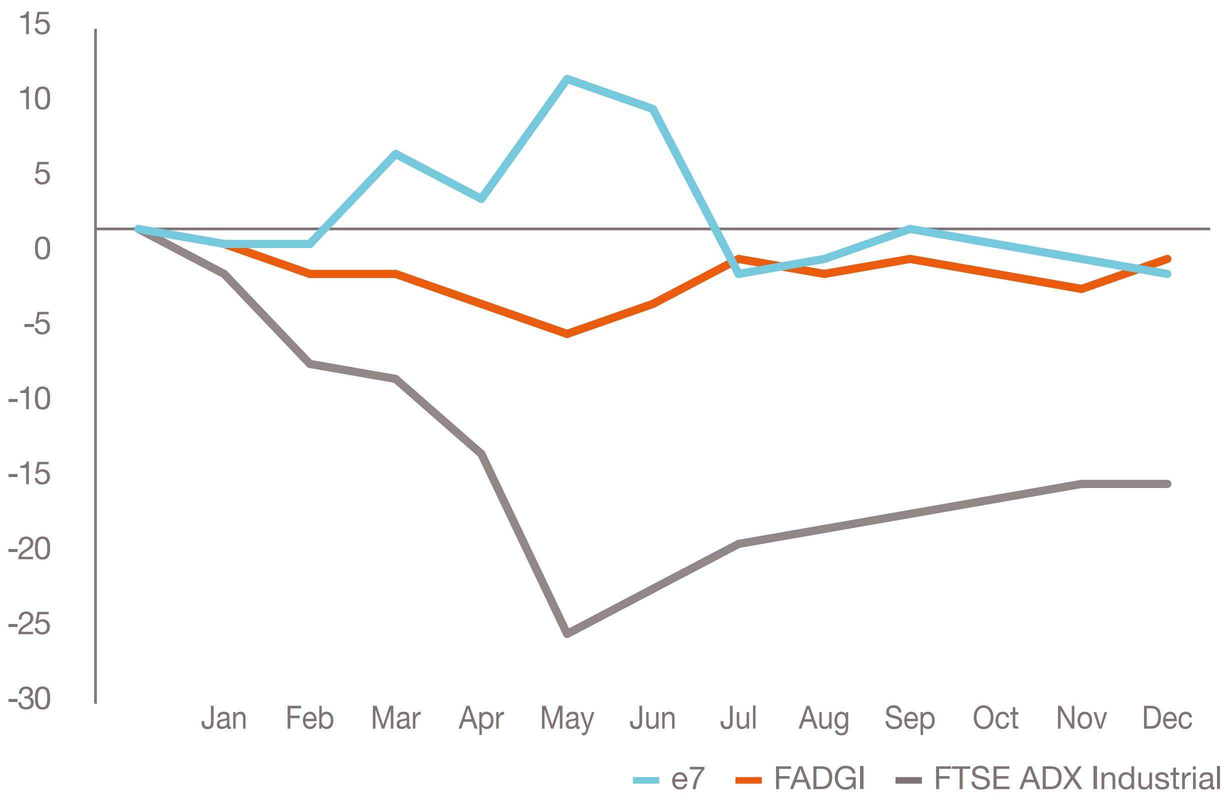
e7 has not undertaken any key events or innovations in 2024.

14. Investor Relations

a) Share Price

Month (2024)	High (AED)	Low (AED)	Closing (AED)
January	1.20	1.07	1.11
February	1.15	1.07	1.10
March	1.20	1.10	1.17
April	1.23	1.10	1.13
May	1.30	1.09	1.22
June	1.21	1.09	1.20
July	1.19	1.04	1.08
August	1.12	1.02	1.09
September	1.16	1.04	1.11
October	1.12	1.04	1.10
November	1.12	1.05	1.09
December	1.11	1.04	1.08

e7 Group's share price performance in 2024



14. Investor Relations continued

b) Statement of the Ownership Distribution of Shareholders on 31 December 2024

	% of Shares Held			
Shareholder	**Individuals**	**Corporates**	**Government**	**Total**
Local	10.2%	34.7%	39.8%	84.7%
Arabic	1.1%	3.5%	–	4.5%
Non-Arabic	0.6%	10.2%	–	10.8%
Total	**11.9%**	**48.3%**	**39.8%**	**100.0%**

c) Statement of Shareholders Holding 5% or More of the Company's Share Capital

Shareholder	Quantity	Citizenship	%
Q Industrial Holdings Ltd	834,625,000	UAE	39.8%
Chimera Investments Ltd	137,625,000	UAE	6.6%
Eastern United General Trading	132,446,740	UAE	6.3%
Internation Aviation Holding – Single Person Company	117,446,750	UAE	5.6%

d) Statement of Shareholding Distribution According to the Volume of Shares Held as of 31 December 2024

Shareholding (shares)	No. of Shareholders	Shares Held	Held Ratio to Total Capital
Less than 50,000	409	3,451,962	0.2%
From 50,000 to less than 500,000	126	22,321,734	1.1%
From 500,000 to less than 5,000,000	102	165,267,931	7.9%
More than 5,000,000	34	1,908,208,373	90.9%
Total	**671**	**2,099,250,000**	**100%**

e) Investor Relations

The Investor Relations department can be contacted at *ir@e7group.ae*.

e7 Group's Investor Relations website can be accessed via the following link:
https://www.e7group.ae/investor-relations.php

Contact no:
+971 50 394 8562

IR contact person:
Sarada Tennakoon
Head of Investor Relations

15. General Assembly

The Company held its Annual General Assembly (AGM) with its shareholders on 24 April 2024.

The following matters were presented to the shareholders for approval, and all were duly approved:

Ordinary Resolutions of the Annual General Assembly Meeting

a. Approve the Board of Directors' report on the Company's activities and its financial position for the financial year ended on 31 December 2023.

b. Approve the external auditors' report for the financial year ended on 31 December 2023.

c. Approve the Company's balance sheet and profit and loss account for the financial year ended on 31 December 2023.

d. Approve the recommendation of the Board of Directors concerning no cash dividends distribution for the financial year ended on 31 December 2023.

e. Approve the recommendation of no payment of remuneration to the Board of Directors for the financial year ended on 31 December 2023.

f. Discharge the Board of Directors from liability for their activities for the financial year ended on 31 December 2023.

g. Approve the auditors' additional fees for the financial year ended on 31 December 2023 in the amount of USD 59,200, resulting in total auditors' fees for the financial year ended on 31 December 2023 of USD 130,200 plus any applicable VAT.

h. Discharge the auditors from the liability for the financial year ended 31 December 2023.

i. Appoint KPMG Lower Gulf Limited as the external auditors of the Company for the financial year 2024 and determine their remuneration at AED 850,650 plus any applicable VAT.

Special Resolution of the Annual General Assembly Meeting

a. Approve a stock split such that each issued share of AED 2.5 in the capital of the Company shall be converted into ten issued shares of AED 0.25 each in the capital of the Company and amend the Article 6 of the Articles of Association as follows:

"The share capital of the Company has been set at Five Hundred and Twenty-Four Million and Eight Hundred and Twelve Thousand and Five Hundred (524,812,500) UAE Dirhams divided into two billion ninety-nine million two hundred fifty thousand (2,099,250,000) shares, having a nominal value of AED0.25 each, fully paid as cash shares."

Share Split (1 to 10 ratio)

Par Value per share (AED)		No. of outstanding Shares	
Before the Split	After the Split	Before the Split	After the Split
2.50	0.25	209,925,000	2,099,250,000
Last Entitlement Date		Ex-Date	Registry Closing Date
2 May 2024		3 May 2024	6 May 2024

The stock split will not affect the number of Warrants in issue. As a result of the stock split, the exercise price of the Warrants will be reduced with effect from the effective date of the stock split such that each Warrant will entitle the holder thereof to purchase ten Shares at a price of AED 1.15 per Share.

b. Authorise the Board of Directors, or any person so authorised by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions including, without limitation, to apply for a certificate to be issued by the Securities and Commodities Authority to declare the amendments to the articles of association of the Company effective.

Chairman of the Board of Directors
Date: 28 March 2025

Chairman of the Audit and Risk Committee
Date: 28 March 2025

Iman Alqasim
Chairwoman of the Nomination and Remuneration Committee
Date: 28 March 2025

Sunil Chaudhary
Head of Internal Audit
Date: 28 March 2025

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Board of Directors' Report to the Shareholders

for the year ended 31 December 2024

On behalf of E7 Group PJSC's (the "E7 Group" or the "Company") Board of Directors, I am pleased to present the Board of Directors' report and the audited consolidated financial statements of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2024.

In 2024, E7 Group continued to adapt to an evolving market environment, characterised by advanced technological solutions. Our ongoing investments in our core offerings including security solutions reflect our commitment to staying ahead of industry trends and meeting the shifting demands of both global and local markets. Such strategic initiatives enable us to not only drive operational excellence but also ensure compliance with stringent regulatory standards, all while contributing to the broader sustainability agenda.

E7 Group is well-positioned for future success, with strategic investments in key areas like packaging and security solutions, with a clear focus on customer-centric integrated solutions and a commitment to sustainability and technology. Our continued efforts to optimise operations and embrace innovation give us a competitive edge, ensuring we can navigate challenges and capitalise on new opportunities for continued growth and value creation over the medium-long term.

Principal Activities

The Group's principal activities comprise commercial printing, packaging and distribution.

Financial Performance

The consolidated results as set out in the annexed consolidated financial statements reflect the performance of the Group for the year ended 31 December 2024.

The Group's revenue totalled AED 701.2 million for the year 2024, reflecting strong growth of 11% year-on-year, up from AED 631.9 million in 2023. The revenue performance is attributed to growth in its security solutions and packaging segments.

Gross profit grew strongly by 15.2% year-on-year to AED 230.2 million in 2024 compared to AED 199.9 million in 2023. Gross profit margin reached 32.8% in 2024, representing an over 1% margin improvement versus the 31.6% achieved in 2023.

EBITDA increased by 12% year-on-year to AED 190.6 million in 2024 compared to AED 170.8 million in 2023. EBITDA growth in 2024 reflects the Group's strong revenue growth in the year and its continued focus on enhancing operational efficiencies and cost management, alongside the benefit of long-term supply agreements. EBITDA margin improved to 27.2% in 2024.

The net profit before fair value adjustments of warrants, income tax expense and non-cash listing expenses equalled AED 222.8 million, representing a 56% year-on-year increase compared to AED 142.6 million in 2023. Net profit margin before fair value adjustments of warrants and non-cash listing expenses reached 31.8%, a significant expansion compared to the 22.6% achieved in 2023. The strong margin expansion in the year reflects the interest income earned in 2024 alongside the Group's ability to deliver in high-margin product segments.

The reported net profit before tax totalled AED 256.7 million in 2024, increasing more than six times year-on-year, following a one-off non-cash listing expense of AED 191.4 million in 2023. The year-on-year increase was largely attributed to the interest income earned in 2024, along with the successful delivery of high-margin products and the cost efficiencies.

The Group's net profit for the year after tax, which accounts for the new UAE corporate tax rate introduced in 2024, totalled AED 233.4 million in the year. The net profit margins reached 33.3% in 2024.

The Earnings per share (EPS) amounted to AED 0.12 in 2024, a significant improvement from a loss of AED 0.06 in 2023, largely due to the one-off non-cash expense associated with the Group's listing on the Abu Dhabi Securities Exchange ('ADX') in 2023.

Liquidity

The Group's total cash & cash equivalents were AED 1,442.0 million as of 31 December 2024 (31 December 2023: AED 1,285.5 million) with no borrowings.

Total Assets & Shareholders' Equity

The Group's total assets were AED 2,390.2 million as at 31 December 2024 (31 December 2023: AED 2,018.0 million). The value of shareholders' equity was at AED 1,941.8 million as of 31 December 2024 compared to AED 1,617.6 million as of 31 December 2023.

Dividend Proposal by the Board of Directors

The Board of Directors is pleased to propose a dividend distribution for the financial year ended 2024. This decision reflects the Company's strong financial performance, commitment to shareholder returns, and prudent capital management. In alignment with our dividend policy, the Board recommends a dividend of 7.36 fils per share, amounting to a total distribution of AED 147,108 thousand, subject to approval by the shareholders at the upcoming Annual General Meeting (AGM) scheduled for 29 April 2025.

Directors

The Directors of the Group who held office during the financial year subject to review are detailed below.

- Ahmed Al Shamsi - Chairman
- Jaap Kalkman - Vice Chairman
- Domantas Bagusis
- Iman Al Qasim
- Jan Juul Larsen
- Mohammad Sharafi
- Saif Al Hammadi
- Khalid Al Muhaidib (Retired on 30 May 2024)

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by KPMG Lower Gulf Limited.

For and on behalf of the Board of Directors

Ahmed Al Shamsi
Chairman

28 March 2025

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 2024, 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 2024, 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 vide 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) together with the ethical and independence requirements of ADAA that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters *(continued)*

Revenue recognition

See Note 21 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group reported revenue of AED 701 million during the year ended 31 December 2024 (2023: AED 632 million). 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. 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 21. Revenue recognition is considered to be a key audit matter given its significance in determining the financial performance and the profitability of the Group.	We performed the following procedures, in respect of revenue recognition: • We obtained an understanding of the business process and performed walkthroughs; • We assessed the key controls over revenue to determine if they had been designed and implemented appropriately; • 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; • We performed revenue cut off testing to ensure revenue is recognized in the correct accounting period; and • We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRSs.

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.

Independent Auditor's Report
continued

E7 Group P.J.S.C.
Independent auditors' report
31 December 2024

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, 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.

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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 we report that for the year ended 31 December 2024:

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;

iii) the Group has maintained proper books of account;

E7 Group P.J.S.C.
Independent auditors' report
31 December 2024

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

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) as disclosed in note 13 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2024;

vi) note 19 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 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 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 2024.

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 2024:

i) its Articles of Association or Law of Establishment which would materially affect its activities or its financial position as at 31 December 2024; 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

Maher Alkatout
Registration No.: 5453
Abu Dhabi, United Arab Emirates

Date: 28 March 2025

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	2024 AED '000	2023 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**379,281**	279,295
Right-of-use assets	7	**13,422**	6,773
Intangible assets	8	**2,822**	2,650
Total non-current assets		**395,525**	288,718
Current assets			
Inventories	9	**242,446**	175,794
Due from related parties	19	**2,906**	5,542
Trade and other receivables	10	**307,269**	262,515
Cash and bank balances	11	**1,442,026**	1,285,474
Total current assets		**1,994,647**	1,729,325
Total Assets		**2,390,172**	2,018,043
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**524,813**	524,813
Share premium	12	**1,025,135**	1,025,135
Treasury shares	13	**(25,000)**	(25,000)
Shareholder's contribution	14	**50,600**	50,600
Statutory reserve		**62,166**	38,822
Other reserve		**90,000**	–
Retained earnings		**214,166**	3,269
Total equity		**1,941,830**	1,617,639
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits	16	**27,146**	27,520
Lease liabilities	7	**8,824**	4,844
Total non-current liabilities		**35,970**	32,364
Current liabilities			
Public warrants	17	**16,588**	43,673
Private warrants	17	**4,147**	10,918
Trade and other payables	18	**312,556**	260,255
Current tax payable	31	**23,255**	–
Due to related parties	19	**5,647**	6,745
Deferred revenues	20	**44,803**	44,494
Lease liabilities	7	**5,376**	1,955
Total current liabilities		**412,372**	368,040
Total liabilities		**448,342**	400,404
Total equity and liabilities		**2,390,172**	2,018,043

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 2024.

These consolidated financial statements were authorized for issue by the Board of Directors on 28 March 2025 and signed on its behalf by:

Ahmed Al Shamsi
Chairman

Esteban Gómez Nadal
Group Chief Executive Officer

Faizal Amod
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 122 to 126.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Revenues from contracts with customers	21	**701,167**	631,931
Direct costs	22	**(470,933)**	(432,017)
Gross profit		**230,234**	199,914
General and administrative expenses	23	**(79,880)**	(67,215)
Selling and marketing expenses	24	**(10,009)**	(8,585)
Reversal of impairment loss on financial assets	10	**4,654**	1,156
Other income	27	**7,847**	7,288
Operating profit for the year		**152,846**	132,558
Finance income	26	**106,374**	11,833
Finance cost	26	**(2,528)**	(4,135)
Profit for the year before non-cash listing expense		**256,692**	140,256
Non-cash listing expense	2	**–**	(191,366)
Profit/(loss) for the year after non-cash listing expense		**256,692**	(51,110)
Income tax expense		**(23,255)**	–
Profit/(loss) for the year after taxation		**233,437**	(51,110)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of provision for employees' end of service benefits		**754**	369
Total comprehensive income/(loss) for the year		**234,191**	(50,741)
Earnings/(loss) per share:			
Basic (AED)	28	**0.12**	(0.06)
Diluted (AED)	28	**0.12**	(0.06)

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

The independent auditors' report is set out on pages 122 to 126.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital AED '000	Share premium AED '000	Treasury shares AED '000	Shareholder's contribution AED '000	Statutory reserve AED '000	Other reserve AED '000	Retained earnings AED '000	Total equity AED '000
Balance at 1 January 2023 – (Represented)	155,750	127,210	–	50,600	31,645	–	61,187	426,392
Total comprehensive loss for the year	–	–	–	–	–	–	(50,741)	(50,741)
Transfer to statutory reserve	–	–	–	–	7,177	–	(7,177)	–
Class A shares issued to the public shareholders and founders (Note 12)	160,563	572,887	–	–	–		–	733,450
Class A shares issued to PIPE investors (Note 12)	183,500	550,500	–	–	–		–	734,000
Additional class A shares issued upon conversion of Bonds (Note 12)	25,000	–	–	–	–		–	25,000
Class A shares bought back as Treasury shares (Note 13)	–	–	(25,000)	–	–		–	(25,000)
Transfer of listing expenses in the de-SPAC transaction (Note 12)	–	(225,462)	–	–	–		–	(225,462)
Balance at 1 January 2024	**524,813**	**1,025,135**	**(25,000)**	**50,600**	**38,822**	**–**	**3,269**	**1,617,639**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**234,191**	**234,191**
Transfer to statutory reserve	**–**	**–**	**–**	**–**	**23,344**	**–**	**(23,344)**	**–**
Reserve on initial recognition of land (note 6)	**–**	**–**	**–**	**–**	**–**	**90,000**	**–**	**90,000**
Balance at 31 December 2024	**524,813**	**1,025,135**	**(25,000)**	**50,600**	**62,166**	**90,000**	**214,116**	**1,941,830**

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

The independent auditors' report is set out on pages 122 to 126.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit /(loss)for the year before tax		**256,692**	(51,110)
Adjustments for:			
Depreciation of property, plant and equipment	6	**32,404**	33,127
Depreciation of right-of-use assets	7 & 22	**5,196**	3,183
Amortisation of intangible assets	8 & 23	**517**	422
Impairment loss on property, plant and equipment	6 & 22	**–**	1,856
Gain on sale of property, plant and equipment	27	**(966)**	(280)
Gain on derecognition of lease liabilities and right-of-use of assets	7	**–**	(318)
Reversal of allowance for expected credit losses of trade and other receivables	10 & 19	**(4,654)**	(1,156)
Non-cash listing expense	2	**–**	191,366
Provision for slow moving and obsolete inventories	9	**8,085**	903
Provision for employees' end of service benefits	16 & 25	**5,019**	4,729
Finance cost on lease liabilities	7 & 26	**927**	376
Finance cost on finance asset lease	26	**–**	40
Net (gain)/loss on warrant liabilities at fair value through profit or loss	26	**(33,856)**	2,294
Interest income on fixed deposits	26	**(72,518)**	(11,833)
Foreign currency exchange loss	26	**318**	316
Operating cash flows before changes in operating assets and liabilities		**197,164**	173,915
Inventories		**(74,737)**	(59,141)
Due from related parties		**2,636**	(3,095)
Trade and other receivables		**(39,995)**	(102,892)
Trade and other payables		**50,248**	2,582
Due to related parties		**(1,098)**	(1,015)
Deferred revenues		**309**	(3,352)
Cash generated from operations		**134,527**	7,002
Employees' end of service benefit paid	16	**(2,411)**	(3,111)
Net cash generated from operating activities		**132,116**	3,891

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

The independent auditors' report is set out on pages 122 to 126.

	Notes	2024 AED'000	2023 AED'000
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	**(42,566)**	(48,835)
Acquisition of intangible assets	8	**(689)**	(422)
Finance income received	26	**72,096**	11,833
Proceeds from disposal of property, plant and equipment sale		**966**	572
Net cash generated from/(used in) investing activities		**29,807**	(36,852)
Cash flows from financing activities			
Principal payments for lease liabilities	7	**(4,444)**	(2,689)
Payment of interest on lease liabilities	7 & 26	**(927)**	(376)
Payment of finance cost on finance asset lease	26	**–**	(40)
Proceeds from issue of share capital	12	**–**	734,000
Proceeds on acquisition of subsidiary assets		**–**	367,937
Net cash (used in)/generated from financing activities		**(5,371)**	1,098,832
Net increase in cash and cash equivalents		**156,552**	1,065,871
Cash and cash equivalents at the beginning of the year	11	**1,285,474**	219,603
Cash and bank balances at the end of the year	11	**1,442,026**	1,285,474
Term deposit with original maturity more than 3 months	11	**(1,187,207)**	(957,840)
Cash and cash equivalents at the end of the year	11	**254,819**	327,634
Non-cash transactions:			
Treasury shares	13	**–**	25,000
Class A shares issued to the ADC founders in exchange for the Class B founder shares	12	**–**	314,336
Transfer from end of service balance to other payables	16	**2,228**	–
Transfer of Land	6	**90,000**	–

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

The independent auditors' report is set out on pages 122 to 126.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1 General information

e7 Group P.J.S.C ("e7" or the "Company") and its subsidiaries (together the "Group") (previously ADC Acquisition Corporation PJSC) was established as a Public Joint Stock Company and was approved by the Securities and Commodities Authority to be a Special Purpose Acquisition Companies ("SPAC"). The Company's Class A shares and public warrants are listed on the Abu Dhabi Securities Exchange ("ADX").

On 19 September 2023, ADC Acquisition Corporation PJSC ("ADC") entered into a Sale and Purchase Agreement ("SPA") with ADQ Developmental Holding LLC (the "Seller" or "ADQ Holding") to:

- acquire 943,200 shares (nominal value: AED 300 per share) of United Printing & Publishing – Sole Proprietorship LLC ("UPP") representing the entire issued share capital of UPP; and
- issue to the Seller 62,300,000 Class A shares at an issue price of AED 10 per share (nominal value: AED 2.5 per share), in consideration of the purchase of UPP's entire issued share capital.

On 7 November 2023 (the Transaction date), the legal transfer of the shares took place between the Company and ADQ Holding, resulting in an acquisition transaction ("Transaction" or "de-SPAC Transaction") between ADC and UPP. Pursuant to the de-SPAC Transaction:

- ADC legally acquired UPP;
- ADC ceased to be a SPAC and was renamed as e7 Group PJSC;
- ADQ Holding, the parent company of UPP acquired the largest stake in the combined entity.

The de-SPAC Transaction was accounted for as a recapitalisation as per IFRS 2, Share-based payments (note 2). The Group's consolidated financial statements as at and for the year ended 31 December 2024 are prepared as a continuation of UPP and its subsidiaries. The equity structure presented in the Group's consolidated financial statements reflects e7's equity structure, including the equity instruments issued by e7 to effect the de-SPAC Transaction. (note 12).

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 activities of USL is storing in public storehouses.

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

On 7 November 2023, e7 raised AED 734 million by issuing 73.4 million Class A shares at an issue price of AED 10 per share (nominal value per share: AED 2.5) to private qualified and institutional investors through a Private Investment in Public Equity ("PIPE") fundraising.

Following table summarises the Company's ownership structure for the year ended 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	132,446,740	33,111,685	6.3%
International Aviation Holding – Single Person Company	117,446,750	29,361,688	5.6%
Other shareholders	777,106,510	194,276,627	37%
Total	**1,999,250,000**	**499,812,500**	**95.2%**
Treasury Shares (note 13)	100,000,000	25,000,000	4.8%
Grand Total	**2,099,250,000**	**524,812,500**	**100%**

2 Basis of preparation

During the year, the Company has represented its comparative figures in the consolidated financial statements and has included the balances of those of UPP and its subsidiaries.

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 2024, 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.

New and currently effective IFRSs and amendments	Effective for annual periods beginning on or after
Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	

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 2024 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'.

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.

New and revised IFRSs and amendments	Effective for annual periods beginning on or after
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Available for optional adoption/effective date 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.

2 Basis of preparation (continued)

2.2 Recapitalisation

e7 and ADQ Holding entered into a SPA on 19 September 2023 pursuant to which e7 issued 62,300,000 Class A shares to ADQ Holding to acquire UPP's entire issued share capital, constituting 943,200 shares (nominal value: AED 300 per share). The legal transfer of the shares took place on 7 November 2023 resulting in the de-SPAC Transaction between e7 and UPP.

For accounting purposes, management assessed the different factors described in IFRS 3, Business Combinations, to determine the accounting treatment of the Transaction. While the legal acquirer is usually the entity that transfers shares, other pertinent facts and circumstances were considered, including the following: (i) UPP's shareholder, ADQ Holding, is e7's largest shareholder with the largest portion of voting interest in the Group, (ii) UPP representatives have a larger presence in the governance and senior management of e7 post the de-SPAC Transaction and (iii) primary activities of e7 include printing, publishing, packaging and distribution of newspapers, magazines, books and other printed materials which are the same activities as UPP. Consequently, UPP was identified as the "accounting acquirer" in this de-SPAC Transaction although from a legal perspective, e7 was the surviving entity of the Transaction.

Since e7 does not constitute a business under IFRS 3, the de-SPAC Transaction is treated as a re-capitalisation under IFRS 2, Share-based payment and considered as an acquisition of e7's net assets by UPP in the Group's consolidated financial statements. Accordingly, UPP (the accounting acquirer) is deemed to have issued shares to the owners of e7 (the accounting acquiree) in order to give the existing shareholders of e7 the same percentage of equity interests in the Group that results from the de-SPAC Transaction. This deemed issue of shares contains, in effect, an equity-settled share-based payment transaction whereby UPP has received the net assets of e7, comprising mainly of cash in escrow and bank account and the warrant liabilities, together with e7's stock exchange listing status. Any difference in the fair value of the shares deemed to have been issued by UPP; and the fair value of e7's identifiable net assets represent a share listing service received by UPP and is (i) recognised as an expense as incurred at the transaction date in the Group's consolidated financial statements for shares previously in issuance; and (ii) recognised as part of equity in relation to the listing service cost relating to issuance of new shares to PIPE investors (presented as net within share premium) at the transaction date in the Group's consolidated financial statements.

The share listing expense calculated as a result of the de-SPAC Transaction was as follows:

	2023 AED '000
Cash and cash equivalents	937,238
Prepayments	445,035
Cash in Escrow	367,537,389
Private warrants	(10,459,500)
Public warrants	(41,838,000)
Fair value of e7's net assets	**316,622,162**
Less: Fair value of consideration comprising:	
Deemed issued share*	**733,449,500**
Less: portion of expenses allocated towards issuance of new shares to PIPE investors classified as share premium	225,461,508
Share listing expense recognised in profit or loss	**191,365,830**

* Market price of the shares as on 7th November 2023 amounting to AED 11.42 was used to determine the fair value of deemed issued shares.

The difference between the cost of the acquisition, the Group's share of the issued and paid up share capital of the acquired entity and listing expenses was recognised as a share premium in equity.

3 Summary of 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.

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.

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.

Notes to the Consolidated Financial Statements continued
For the year ended 31 December 2024

3 Summary of accounting policies (continued)

3.4 Basis of consolidation (continued)

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 % 2024	Ownership interest % 2023	Principal activity
United Printing & 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
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.

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.

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.

3 Summary of 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.

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 Group's 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

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.

3 Summary of accounting policies (continued)

3.17 Revenue recognition (continued)

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.

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.

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

The Group did not make any such adjustments during the 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 Summary of accounting policies (continued)

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.

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.

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.

(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.

3 Summary of accounting policies (continued)

3.21 Financial Instruments (continued)

3.21.1 Financial assets (continued)

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.

(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.

(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.

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 Summary of accounting policies (continued)

3.21 Financial Instruments (continued)

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.

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.

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 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.

The Group recognises revenue when it performs service to a customer. Revenue from services is recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

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.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3).

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group 's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

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.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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.

During 2022, management has exercised judgement in determining whether the private warrants should be treated as financial instruments (IAS 32) or share based payments (IFRS 2) and concluded that these instruments fall in scope of IFRS 2 as equity settled shared based payments. These warrants were granted to the Founders in exchange to the technical services delivered to the Group.

Upon the approval of the de-SPAC Transaction, the legal transfer of the shares took place between UPP and ADQ Holding on 7 November 2023. Pursuant to the Transaction, UPP assumed the liabilities of ADC which comprise of public and private warrants.

These public and private warrants became exercisable 30 days after the completion of the Transaction date and will expire at 5:00 p.m., UAE time, three years after the Transaction date.

These warrants are classified as current liabilities considering that the warrants are exercisable at anytime after 30 days from the 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. At the reporting period, none of the warrants were exercised by the warrant holders.

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 2024 are AED 42,525 thousand (2023: AED 47,768 thousand).

Useful lives 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.

Financial liabilities measured at fair value

As at 31 December 2024	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000
Derivative financial liabilities			
Public warrant liabilities at fair value through profit or loss (Note 17)	**16,588**	–	–
Private warrant liabilities at fair value through profit and loss (Note 17)	**4,147**	–	–
	20,735	–	–

As at 31 December 2023	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000
Derivative financial liabilities			
Public warrant liabilities at fair value through profit or loss (Note 17)	43,673	–	–
Private warrant liabilities at fair value through profit and loss (Note 17)	10,918	–	–
	54,591	–	–

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 period. 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 2024.

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
Cost								
At 1 January 2023	–	200,528	510,029	39,819	19,817	2,810	4,335	777,338
Additions during the year	–	801	12,464	2,911	1,832	446	30,381	48,835
Transfer from capital work in progress	–	525	25,467	141	–	6	(26,139)	–
Disposals during the year	–	–	(18,528)	(6,994)	(658)	–	–	(26,180)
At 31 December 2023	**–**	**201,854**	**529,432**	**35,877**	**20,991**	**3,262**	**8,577**	**799,993**
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**
Accumulated depreciation and impairment								
At 1 January 2023	–	87,503	376,055	33,367	11,372	2,594	712	511,603
Charge for the year	–	8,448	17,744	3,162	3,609	164	–	33,127
Disposals during the year	–	–	(18,367)	(6,975)	(546)	–	–	(25,888)
Impairment charge	–	–	584	1,272	–	–	–	1,856
At 31 December 2023	–	95,951	376,016	30,826	14,435	2,758	712	520,698
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**
Carrying amount								
At 31 December 2024	**90,000**	**103,349**	**153,943**	**5,219**	**4,856**	**1,344**	**20,570**	**379,281**
At 31 December 2023	–	105,903	153,416	5,051	6,556	504	7,865	279,295

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

	2024 AED '000	2023 AED '000
Direct costs (note 22)	**28,761**	29,195
General and administrative expenses (note 23)	**3,643**	3,932
	32,404	33,127

The land initially provided to the Group by Abu Dhabi Media Company PJSC at no cost, underwent a title transfer during the period. The title of this land was transferred to the United Printing & Publishing – Sole Proprietorship LLC (the 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	Motor vehicles AED '000	Total AED '000
Cost			
At 1 January 2023	14,336	4,129	18,465
Additions during the year	8,232		8,231
Derecognition of right-of-use of assets	(9,070)	(2,910)	(11,980)
Modification of payment	(5,265)	(1,219)	(6,484)
31 December 2023	8,232	–	8,232
At 1 January 2024	**8,232**	**–**	**8,232**
Additions during the year	**11,845**	**–**	**11,845**
At 31 December 2024	**20,077**	**–**	**20,077**
Accumulated depreciation			
At 1 January 2023	7,676	2,580	10,256
Charge for the year (note 22)	2,853	330	3,183
Derecognition of right-of-use of assets	(9,070)	(2,910)	(11,980)
31 December 2023	1,459	–	1,459
At 1 January 2024	**1,459**	**–**	**1,459**
Charge for the year (note 22)	**5,196**	**–**	**5,196**
At 31 December 2024	**6,655**	**–**	**6.655**
Carrying amount			
At 31 December 2024	**13,422**	**–**	**13,422**
At 31 December 2023	6,773	–	6,773

During the year movement in lease liabilities were as follows:

	AED '000
At 1 January 2023	8,059
Additions during the year	8,231
Interest accrued during the year (note 26)	376
Paid during the year	(3,065)
Derecognition of lease liabilities	(6,802)
At 31 December 2023	6,799
Additions during the year	**11,845**
Interest accrued during the year (note 26)	**927**
Paid during the year	**(5,371)**
At 31 December 2024	**14,200**

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

	2024 AED '000	2023 AED '000
Current	**5,376**	1,955
Non – current	**8,824**	4,844
	14,200	6,799

8 Intangible assets

Cost	Software AED '000
At 1 January 2023	7,604
Additions during the year	422
Transfers during the year	(828)
At 31 December 2023	**7,198**
At 1 January 2024	**7,198**
Additions during the year	**689**
At 31 December 2024	**7,887**
Amortisation	
At 1 January 2023	4,954
Charge for the year (note 23)	422
Disposals during the year	(828)
At 31 December 2023	4,548
At 1 January 2024	**4,548**
Charge for the year (note 23)	**517**
At 31 December 2024	**5,065**
Carrying amount	
At 31 December 2024	**2,822**
At 31 December 2023	2,650

9 Inventories

	2024 AED '000	2023 AED '000
Raw materials	**219,633**	147,886
Spare parts	**16,257**	16,766
Work in progress	**21,934**	21,621
	257,824	186,273
Less: Provision for slow moving and obsolete inventories	**(15,378)**	(10,479)
	242,446	175,794

Related cost of inventories is recorded in the consolidated statement of profit or loss and other comprehensive income under direct costs (note 22).

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

	2024 AED '000	2023 AED '000
At 1 January	**10,479**	12,836
Charge for the year (note 22)	**8,085**	903
Written off during the year	**(3,186)**	(3,260)
At 31 December	**15,378**	10,479

10 Trade and other receivables

	2024 AED '000	2023 AED '000
Trade receivables	**262,196**	280,661
Less: allowances for expected credit losses	**(42,525)**	(47,768)
	219,671	232,893
Prepayments	**10,070**	9,447
Advances to suppliers	**49,113**	8,082
Other receivables	**28,415**	12,093
	307,269	262,515

The average credit period for trade receivables is 30-120 (2023: 30-120) days. No interest is charged on trade and other receivables.

Included in the trade receivables is an amount of AED 17,009 thousand (2023: AED 28,806 thousand) due from related parties.

At 31 December 2024 and 2023, the ageing analysis of trade receivables and corresponding allowance for expected credit losses was as follows:

	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
31 December 2024					
Gross trade receivables	**262,196**	**119,736**	**54,918**	**23,334**	**64,208**
ECL %	**–**	**0.03%**	**0.41%**	**1.81%**	**65.17%**
Excepted credit losses	**(42,525)**	**(36)**	**(225)**	**(420)**	**(41,844)**
	219,671	**119,700**	**54,693**	**22,914**	**22,364**

	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
31 December 2023					
Gross trade receivables	280,661	118,667	80,586	31,196	50,212
ECL %	–	0.42%	0.47%	4.57%	90.55%
Excepted credit losses	(47,768)	(498)	(375)	(1,427)	(45,468)
	232,893	118,169	80,211	29,769	4,744

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

	2024 AED '000	2023 AED '000
At 1 January	**47,768**	49,448
Reversed during the year	**(4,654)**	(1,156)
Written off during the year	**(589)**	(51)
Transferred to related party	**–**	(473)
At 31 December	**42,525**	47,768

11 Cash and bank balances

	2024 AED '000	2023 AED '000
Bank deposits*	**1,423,040**	1,263,247
Cash at banks	**18,505**	21,912
Cash in hand	**481**	315
Cash and bank balances	**1,442,026**	1,285,474
Less: term deposit with original maturity more than 3 months*	**(1,187,207)**	(957,840)
Cash and cash equivalents at 31 December	**254,819**	327,634

*Short term fixed deposits represent amounts deposited with a local bank bearing average interest rate of 4.6% per annum (2023: 5.81% 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.

12 Share capital and share premium

As 31 December 2024, the Company's share capital is divided into 2,099,250 thousand shares which includes 100,000 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 Annual General Meeting (AGM) held during the year, 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. The stock split was conducted on a 1 to 10 ratio, resulting in a reduction of the par value per share from AED 2.50 to AED 0.25. Prior to the stock split, there were 209,925 thousand outstanding shares and after the split, the number of outstanding shares increased to 2,099,250 thousand. The stock split did not affect the number of warrants in issue. However, the exercise price of the warrants was adjusted accordingly. Post-split, each warrant entitles the holder to purchase ten shares at a price of AED 1.15 per share.

The movement in number of shares for the years 2024 and 2023 is as follows:

	2024 '000	2023 '000
At 1 January – represented	**1,999,250**	623,000
Class A shares issued to the public shareholders	**–**	367,000
Class A shares issued to the ADC founders in exchange for the Class B founder shares	**–**	275,250
Class A shares issued to PIPE investors	**–**	734,000
Total shares outstanding immediately after de-SPAC transaction	**1,999,250**	1,999,250
Additional class A shares issued upon conversion of bonds	**–**	100,000
Class A shares bought back as Treasury shares	**–**	(100,000)
At 31 December	**1,999,250**	1,999,250

The number of UPP shares outstanding as at 1 January 2023 (943,200 ordinary shares; nominal value of AED 300 per share) was represented using the exchange ratio of 66.052 as per the SPA to reflect the number of class A shares issued by e7 (62,300 thousand; nominal value: AED 2.5 per share and issue price: AED 10 per share) in the de-SPAC Transaction. After the stock split during the year, the 62,300 thousand Class A shares were converted into 623,000 thousand Class A shares with a nominal value of AED 0.25 per share.

On 7 November 2023, e7 raised AED 734 million by issuing 73.4 million Class A shares at an issue price of AED 10 per share (nominal value per share: AED 2.5) to private qualified and institutional investors through a Private Investment in Public Equity ("PIPE") fundraising. After the stock split, these shares were converted into 734 million Class A shares with a nominal value of AED 0.25 per share.

On 21 December 2023, the Group issued 10,000 thousand additional Class A shares (nominal value and issue price: AED 2.5 per share) and simultaneously purchased them as Treasury Shares at AED 2.5 per share (note 13). After the stock split, these shares were converted into 100,000 thousand Class A shares with a nominal value of AED 0.25 per share.

All prior year numbers have been restated to reflect the impact of the stock split.

The movement in share capital and share premium during the year was as follows:

	Number of shares '000	Share capital AED '000	Share premium AED '000
At 1 January 2023 – represented	623,000	155,750	127,210
Class A shares issued to the public shareholders and founders	642,250	160,563	572,887
Class A shares issued to PIPE investors	734,000	183,500	550,500
Additional class A shares issued	100,000	25,000	–
Transfer of listing expenses in the de-SPAC transaction**	–	–	(225,462)
At 31 December 2023	2,099,250	524,813	1,025,135
At 31 December 2024	**2,099,250**	**524,813**	**1,025,135**

**The following table summarises the consideration paid for the acquisition of the interest in Company and carrying amount of its net identifiable assets acquired on the Transaction date:

	2024 AED '000	2023 AED '000
Shares issued	–	733,450
Less: net identifiable assets acquired	–	(316,622)
Less: listing expenses	–	(191,366)
	–	225,462

13 Treasury shares

	2024 AED '000	2023 AED '000
At 1 January	**25,000**	–
100,000,000 Class A shares of AED 0.25 per share issued and bought back by the Company during the year	–	25,000
At 31 December	**25,000**	25,000

On 21 December 2023, the Company increased its issued share capital from AED 499,813 thousand to AED 524,813 thousand by issuing unsecured mandatory convertible 25,000 thousand bonds with a nominal value of AED 1 each amounting to AED 25,000 thousand to Q Industrial Holdings Limited (Note 19) and these bonds were converted into 10,000 thousand class A shares of the Company, with a nominal value of AED 2.5 per share. On the same day these new shares were sold to the e7 through ADX and were classified as treasury shares as per IAS 32, to cover the conversion of warrants issued by the Company into shares in the Company. The transactions related to convertible bonds and treasury shares did not involve any cash inflows and outflows and hence considered as non-cash transactions.

During the year 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. As a result, the previously held 10,000 thousand treasury shares were split into 100,000 thousand treasury shares, reflecting the new nominal value of AED 0.25 per share.

14 Shareholder's contribution

Shareholder's contribution represents the non-interest-bearing contribution from the shareholders of the Group.

	2024 AED '000	2023 AED '000
At 31 December	**50,600**	50,600

15 Statutory reserve

As required by the UAE Federal Decree Law No. (32) of 2021, AED 23,344 thousand (2023: AED 7,177 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 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.

	2024 AED '000	2023 AED '000
At 1 January	**27,520**	26,271
Charge for the year	**5,019**	4,729
Payments during the year	**(2,411)**	(3,111)
Transferred to other payable	**(2,228)**	–
Remeasurement gains	**(754)**	(369)
At 31 December	**27,146**	27,520
Amounts recognised in consolidated statement of profit or loss		
Service cost (note 25)	**3,736**	3,620
Finance cost (note 26)	**1,283**	1,109
	5,019	4,729
Amounts recognised in consolidated statement of comprehensive income		
Actuarial gains – arising from experience	**754**	369
Significant actuarial assumptions		
Discount Rate	**5.5%**	5.5%
Rate of Salary increase	**4%**	4%
Turnover rate – Voluntary rate	**10%**	10%

	Increase	Decrease
Sensitivity analysis – 2024 (Provision value AED'000)		
Provision – discount rate (0.5% movement)	**(699)**	966
Provision – Salary escalation rate (0.5% movement)	**976**	(715)
Provision – Voluntary exit rate (5% movement)	**450**	(540)

17 Warrants

Warrants include public warrant and private warrants. During the year, the Group held 18,350,000 public warrants and 4,587,500 private warrants that were issued at nil consideration on the basis of one warrant for every two Class A shares. Each warrant on issuance entitled the warrant holder to purchase one Class A share at a price of AED 11.50 per Class A share. During the year, the shareholders approved a resolution for a stock split, converting each issued share of AED 2.50 in the capital of the Group into ten issued shares of AED 0.25 each, resulting in a reduction of the par value per share from AED 2.50 to AED 0.25. (refer note 12). The stock split did not affect the number of warrants in issue. However, the exercise price of the warrants was adjusted accordingly. Post-split, each warrant entitles the holder to purchase ten shares at a price of AED 1.15 per share. The warrants are accounted for as derivative financial liabilities at fair value through profit or loss and are measured at fair value as at each reporting period. Changes in the fair value of the warrants are recorded in the consolidated statement of profit or loss and other comprehensive income for each period.

Instrument	Number of warrants '000	Fair value per warrant as on 31 December 2024 AED	Total fair Value as on 31 December 2024 AED '000	Fair value per warrant as on 31 December 2023 AED	Total fair Value as on 31 December 2023 AED '000
Public warrants	**18,350**	**0.90**	**16,588**	2.38	43,673
Private warrants	**4,588**	**0.90**	**4,147**	2.38	10,918
	22,938	**0.90**	**20,735**	2.38	54,591

The fair value of warrants as on 31 December 2024 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 2024 was AED 16,588 thousand (31 December 2023: AED 43,673 thousand) and the private warrant was AED 4,147 thousand (31 December 2023: AED 10,918 thousand), the change in fair value of the warrants from the Transaction date is recognised in the consolidated statement of profit or loss and other comprehensive income. If warrant holders exercise their warrants, the Company will have the option to require all holders that wish to exercise public warrants to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," the Company will consider, among other factors, its cash position, the number of warrants that are outstanding and the dilutive effect on its shareholders of issuing the maximum number of Class A shares issuable upon the exercise of these warrants.

In such event, each warrant holder would pay the exercise price by surrendering these warrants for Class A shares based on the fair market value of the Class A shares at the relevant time. On the exercise of any warrant, the exercise price for these warrants will be paid directly to the Group.

These warrants became exercisable 30 days after the Transaction date and will expire at 5:00 p.m., UAE time, three years after the Transaction date. As of 31 December 2024, none of these warrants were exercised by the warrant holders.

18 Trade and other payables

	2024 AED '000	2023 AED '000
Accruals	**180,636**	125,533
Trade payables	**106,705**	109,929
Staff accruals and provisions	**12,160**	12,290
Advances from customers	**9,568**	6,851
Other payables	**3,487**	5,652
	312,556	260,255

The average credit period on purchases of goods and services is 90-120 days (2023: 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.

19 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.

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:

	2024 AED '000	2023 AED '000
Due from related parties:		
Entitles controlled by entity exercising significant influence:		
Abu Dhabi Health Services Company PJSC (SEHA)	**1,671**	3,862
Lulu International Holdings	**520**	1,913
Massar Solutions PJSC	**1**	51
National Health Insurance Company PJSC (Daman)	**4**	–
Others	**1,183**	189
	3,379	6,015
Less: Provision for related parties	**(473)**	(473)
	2,906	5,542

Due to related parties:

	2024 AED '000	2023 AED '000
Entitles controlled by entity exercising significant influence:		
National Health Insurance Company PJSC (Daman)	**4,931**	5,219
Abu Dhabi Ports Company PJSC	**–**	538
Others	**716**	988
	5,647	6,745

Significant transactions with related parties during the year comprise:

	2024 AED '000	2023 AED '000
Sales of goods and merchandise	**40,845**	59,399
Purchases of goods and services	**27,767**	22,397
Treasury shares (Note 13)	**–**	25,000

Key management compensation

	2024 AED '000	2023 AED '000
Board of Director's remuneration	**364**	600
Compensation to senior management personnel		
Short term benefits	**7,689**	6,003
End of service benefits	**135**	119
	7,824	6,122
No. of senior management personnel	**4**	4

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

	2024 AED '000	2023 AED '000
At 1 January	**2,173**	1,882
Charge for the year	**364**	600
Paid during the year	**(431)**	(309)
At 31 December	**2,106**	2,173

20 Deferred revenues

	2024 AED '000	2023 AED '000
Deferred revenues	**44,803**	44,494

The movement for deferred revenue is as follows:

	2024 AED '000	2023 AED '000
At 1 January	**44,494**	47,846
Additions during the year	**127,922**	127,461
Recognised during the year	**(127,613)**	(130,813)
At 31 December	**44,803**	44,494

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.

21 Revenues from contract with customers

	2024 AED '000	2023 AED '000
Revenue recognised at a point in time:		
Printing	**621,028**	547,912
Distribution	**80,139**	84,019
	701,167	631,931

21 Revenues from contract with customers (continued)

Segment reporting

	Printing AED'000	Distribution AED'000	Others AED'000	Elimination AED'000	Total AED'000
2024					
Revenue from external customers	**621,370**	**80,709**	**–**	**(912)**	**701,167**
Reportable segment profit / (loss)	**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**
2023					
Revenue from external customers	547,912	84,019	–	–	631,931
Reportable segment profit / (loss)	137,474	6,060	(3,278)	–	140,256
Total assets	2,094,871	52,955	1,102,829	(1,232,612)	2,018,043
Total liabilities	450,757	24,837	55,485	(130,675)	400,404
Capital expenditures	48,309	948	–	–	49,257

Reconciliations of reportable segments' profit or loss for the year is set out below:

	2024 AED'000	2023 AED'000
Total profit for reportable segments	**233,437**	140,256
Non-cash listing expense	**–**	(191,366)
Total profit/(loss) for the year	**233,437**	(51,110)

Reconciliations of reportable segments' assets and liabilities is set out below:

	2024 AED '000	2023 AED '000
Segment assets		
Printing	**2,360,333**	2,094,871
Distribution	**254,092**	52,955
Others	**1,096,505**	1,102,829
	3,710,930	3,250,655
Less: Elimination	**(1,320,758)**	(1,232,612)
Total assets	**2,390,172**	2,018,043
Segment liabilities		
Printing	**421,432**	450,757
Distribution	**218,753**	24,837
Others	**26,978**	55,485
	667,163	531,079
Less: Elimination	**(218,821)**	(130,675)
Total liabilities	**448,342**	400,404

22 Direct costs

	2024 AED '000	2023 AED '000
Raw materials	**251,401**	240,288
Staff costs	**76,296**	73,118
Outsourcing costs	**58,879**	47,932
Depreciation of property, plant and equipment (Note 6)	**28,761**	29,195
Repairs and maintenance	**11,611**	11,583
Distribution cost	**6,970**	7,543
Water and electricity	**6,388**	4,924
Depreciation on right-of-use assets (Note 7)	**5,196**	3,183
Impairment loss on property plant and equipment (Note 6)	**–**	1,856
Insurance expense	**1,415**	981
Courier and postage	**1,113**	958
Provision for slow moving and obsolete inventories (Note 9)	**8,085**	903
Others	**14,818**	9,553
	470,933	432,017

23 General and administrative expenses

	2024 AED '000	2023 AED '000
Staff costs	**50,494**	45,493
Professional fees	**13,236**	6,282
Maintenance costs	**7,008**	5,365
Depreciation of property, plant and equipment (note 6)	**3,643**	3,932
Telephone, fax and internet	**1,177**	1,255
Amortisation of intangible asset (note 8)	**517**	422
Printings and stationery	**520**	296
Insurance charges	**468**	147
Travel and transportations	**64**	73
Others	**2,753**	3,950
	79,880	67,215

24 Selling and marketing expenses

	2024 AED '000	2023 AED '000
Promotions and advertisements	**10,009**	8,585

25 Staff costs

	2024 AED '000	2023 AED '000
Salaries and wages	**103,035**	99,074
Provision for employees' end of service benefit (note 16)	**3,736**	3,620
Pension for UAE national employees	**1,071**	1,099
Other benefits	**18,948**	14,818
	126,790	118,611

26 Finance income and finance costs

	2024 AED '000	2023 AED '000
Finance income		
Interest income on fixed deposits	**72,518**	11,833
Fair value adjustments on warrant liabilities measured at fair value through profit or loss	**33,856**	–
	106,374	11,833
Finance cost		
Fair value adjustments on warrant liabilities measured at fair value through profit or loss	**–**	2,294
Interest expense on defined benefits obligations (Note 16)	**1,283**	1,109
Finance costs on lease liabilities (note 7)	**927**	376
Foreign currency exchange loss	**318**	316
Interest on loan for vehicles	**–**	40
	2,528	4,135
Finance income – net	**103,846**	7,698

27 Other income

	2024 AED '000	2023 AED '000
Scrap sales	**3,760**	4,010
Rental income	**1,135**	790
Gain on sale of property plant and equipment	**966**	280
Others	**1,986**	2,208
	7,847	7,288

28 Earnings / (loss) per share

Basic earnings / (loss) 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 period.

For the year ended 31 December 2023, the weighted-average number of shares outstanding was represented for the purpose of comparability before and after the Transaction (refer note 12).

Basic earnings / (loss) per share

	2024 AED '000	2023 AED '000
Numerator		
Profit / (loss) for the year and gain (loss) used in basic earnings / (loss) per share	**233,437**	(51,110)
Total profit / (loss) for the year used in basic earnings / (loss) per share	**233,437**	(51,110)
Denominator		
Weighted average number of class A shares used in basic earnings / (loss) per share *	**1,999,250**	827,170
Total weighted average number of class A shares used in basic earnings / (loss) per share *	**1,999,250**	827,170
Basic (AED)	**0.12**	(0.06)

Diluted earnings / (loss) per share

	2024 AED '000	2023 AED '000
Numerator		
Profit / (loss) for the year and gain (loss) used in basic earnings / (loss) per share	**233,437**	(51,110)
Total profit / (loss) for the year used in basic earnings / (loss) per share	**233,437**	(51,110)
Denominator		
Weighted average number of class A shares used in basic earnings / (loss) per share *	**1,999,250**	827,170
Total weighted average number of class A shares used in basic earnings / (loss) per share *	**1,999,250**	827,170
Diluted (AED)	**0.12**	(0.06)

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

* Weighted average number of shares is calculated as follows:

2024	Shares issued '000	Shares outstanding '000	Duration	Weighted average '000
Opening	**1,999,250**	**1,999,250**	**1**	**1,999,250**
Total	**1,999,250**	**1,999,250**	**1**	**1,999,250**
2023				
Shares deemed to be outstanding for the period from 1 January 2023 to 7 November 2023 multiplied by the exchange ratio established	623,000	623,000	0.85	530,580
Deemed issued shares of ADC, as a result of the transaction	642,250	1,265,250	–	–
Issuance of PIPE shares on 7 November 2023	734,000	1,999,250	0.12	241,670
Issuance of 10 million class A shares on 21 December 2023	100,000	2,099,250	–	–
On 21 December 2023, e7 reacquired the 10 million class A shares and held them as Treasury Shares	(100,000)	1,999,250	0.03	54,920
Total	1,999,250	1,999,250	1	827,170

29 Contingencies and commitments

	2024 AED '000	2023 AED '000
Letters of guarantees	**27,341**	16,595
Letters of credit	**34,115**	38,158
Capital commitments	**74,753**	11,585

30 Financial instruments

30.1 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.

30.2 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.

30.3 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.

30 Financial instruments (continued)

30.4 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.

30.5 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 2024, 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.

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.

	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL AED '000	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount
31 December 2024							
Due from related parties	**19**	**N/A**	**(i)**	**12-month ECL**	**3,379**	**(473)**	**2,906**
Trade receivables	**10**	**N/A**	**(ii)**	**12-month ECL**	**262,196**	**(42,525)**	**219,671**
Cash and cash balance	**11**	**A, A+, A-, AA-, BBB+**	**N/A**	**12-month ECL**	**1,442,026**	**–**	**1,442,026**
31 December 2023							
Due from related parties	19	N/A	(i)	12-month ECL	6,015	(473)	5,542
Trade receivables	10	N/A	(ii)	12-month ECL	280,661	(47,768)	232,893
Cash and cash equivalents	11	A, A+, A-, AA-, BBB+	N/A	12-month ECL	1,285,474	–	1,285,474

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

ii) 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.

30.6 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.

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
2024				
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**
	345,015	**12,550**	**357,565**	**353,138**
2023				
Trade and other payables	260,255	–	260,255	260,255
Due to related parties	6,745	–	6,745	6,745
Lease liabilities	2,294	5,162	7,456	6,799
Public warrant liabilities at fair value through profit or loss	43,673	–	43,673	43,673
Private warrants liabilities at fair value through profit or loss	10,918	–	10,918	10,918
	323,885	5,162	329,047	328,390

30.7 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.

30.8 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.

31 Corporate income tax

Amounts recognised in profit or loss

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

	2024 AED '000	2023 AED '000
Current tax expense		
Current year	**23,255**	–
	23,255	–

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.

As at 31 December 2024, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – Income Taxes since the corresponding regulations/ clarifications were yet to prescribed.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

Reconciliation of effective tax rate:

	2024 AED '000	2023 AED '000
Current tax expense	**23,255**	–
Reconciliation of Accounting Income		
Profit/(loss) before tax from continuing operations	**256,692**	(51,110)
At United Arab Emirates' statutory income tax rate of 9%	**23,102**	–
Permanent differences		
Non deductible expenses:		
Effect of standard exemption	**(34)**	–
Fines and penalties	**36**	–
50% of entertainment expenditure	**83**	–
Gain on OCI that will not be reclassified to profit or loss	**68**	–
	23,255	(51,110)
Effective tax rate	**9.06%**	–

32 Subsequent events

The board of directors during their meeting held on 28 March 2025, have proposed to distribute cash dividend of 7.36 fils per share amounting to AED 147,108 thousand for year ended 31 December 2024, which will be submitted to the Group's shareholders for approval at the Annual General Meeting for the year.

33 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 28 March 2025.

GROUP

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