Management Discussion & Analysis Report

Third Quarter & Nine Months of 2026

Three- and nine-month periods ended 30 September 2026
13 November 2026

e7 Group PJSC

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Management Discussion and Analysis

Basis of preparation

This MD&A should be read together with e7 Group's condensed consolidated interim financial statements for the nine-month period ended 30 September 2026. Unless otherwise stated, financial figures are presented in AED millions and comparisons are against the corresponding prior-year period. Certain figures may not add due to rounding.

Performance Overview

e7 Group Revenue Rises 15% in 9M 2026, Led by 29% Growth in Identity Solutions

Group Revenue Growth Led by Identity Solutions

9M 2026: ▲ **+15.4% YoY to AED 536.8m**
Q3 2026: ▲ **+2.8% YoY to AED 178.6m**

Gross Profit Growth

9M 2026: ▲ **+22.6% YoY; margin 33.3%**
Q3 2026: ▲ **+4.6% YoY; margin 34.0%**

Strong Nine-Month EBITDA Growth

9M 2026: ▲ **+21.8% YoY to AED 119.5m**
Q3 2026: ▼ -12.1% YoY to **AED 40.5m; margin 22.7%**

Net Profit and Financial Flexibility

9M NPAT: ▲ **+56.5% YoY to AED 91.7m**
Debt-free; cash and bank balances **AED 490.6m**



Ahmed Al Shamsi | Chairman

Our nine-month performance reflects continued progress in e7's identity-led growth strategy, with Identity Solutions delivering 29% revenue growth. We are building on our established secure printing capabilities while expanding our physical and digital solutions offering. Supported by our debt-free balance sheet, we remain well positioned to invest selectively in growth, pursue opportunities that strengthen our platform and maintain our commitment to long-term shareholder value.



Esteban Gómez Nadal | Group Chief Executive Officer

Led by continued strength in Identity Solutions, e7 Group delivered 15% reported revenue growth and 22% EBITDA growth in the first nine months of 2026. Printing and Education delivered a strong third quarter, with revenue increasing 51% sequentially, supported by higher education-related activity. While the mix of work delivered in Q3 and operating costs affected margins, our nine-month results demonstrate the strength of our broader portfolio. We remain focused on executing our programmes, developing our capabilities and driving operational efficiency across the Group.



Mark Paver | Group Chief Financial Officer

Our nine-month results reflect higher operating profitability and a significant improvement in cash generation. EBITDA increased 22% to AED 119.5m, while net cash generated from operating activities rose to AED 132.3m, compared with AED 50.0m a year earlier. With no external borrowings and AED 490.6m in cash and bank balances as at 30 September 2026, we maintain a strong financial position to support our growth priorities and shareholder returns.

During 9M 2026, e7 continued building on its established secure printing capabilities to develop a more integrated physical and digital solutions offering. The Group's strategic focus includes broadening its capabilities across the secure identity value chain, developing hybrid physical and digital education solutions, and applying technology and automation across complementary businesses. These initiatives are intended to support a broader solutions offering, operational efficiency and long-term growth.

Performance Highlights

Revenue	Gross Profit
Revenue increased ▲ **15.4% to AED 536.8m** in 9M 2026, led by Identity Solutions growth of ▲ **28.6%** Q3 revenue rose ▲ **2.8% year-on-year to AED 178.6m**, supported by strong performance in Printing and Education	9M 2026 gross profit increased ▲ **22.6% to AED 178.8m**, with amargin of **33.3%**, up from 31.4% In Q3, gross profit increased ▲ **4.6% to AED 60.6m**, while the margin improved to **34.0%**, from 33.3% in Q3 2025, reflecting a different revenue mix
EBITDA	**Net Profit**
9M 2026 EBITDA increased ▲ **21.8% to AED 119.5m**, with a margin of **22.3%, up from 21.1% in 9M 2025** Q3 EBITDA decreased ▼ 12.1% to **AED 40.5m**, compared with **AED 46.1m** in Q3 2025, reflecting operating costs and a different business mix	Net profit after tax increased ▲ **56.5% to AED 91.7m** in 9M 2026, including the effect of a significantly lower warrant fair-value loss (AED 0.3m vs. AED 44.7m in 9M 2025) Q3 net profit after tax increased ▲ **9.5% to AED 30.7m**

The Group remained free of external borrowings with cash and bank balances of **AED 490.6m** as of 30 September 2026; net cash generated from operating activities was **AED 132.3m** in 9M 2026.

Group Financial Performance

Revenue and business mix

- **9M 2026 reported revenue increased 15.4% to AED 536.8m from AED 465.2m in 9M 2025**. Identity Solutions remained the principal growth driver, with revenue increasing 28.6% to AED 291.0m, representing 54.2% of Group revenue. Printing and Education revenue increased 6.4% to AED 166.2m. Packaging revenue declined 8.6% to AED 25.7m and Logistics revenue declined 1.4% to AED 53.8m.

  Alongside growth in its established businesses, e7 continued to pursue opportunities to diversify its customer base, expand into new markets and broaden its portfolio of physical and digital solutions. During 9M 2026, e7 entered new markets, two in Africa and one in South Asia.

  The Group's evolving business mix includes arrangements where revenue is recognized on a net rather than gross basis, reflecting the nature of the services provided and applicable accounting requirements. As a result, reported revenue does not fully reflect the broader scale of commercial activity associated with certain customer programmes.

- **Q3 2026 reported revenue increased 2.8% to AED 178.6m from AED 173.6m in Q3 2025**. Identity Solutions revenue declined 8.7% year-on-year to AED 69.3m, reflecting the timing and mix of programme deliveries, while Printing and Education revenue increased 16.1% to AED 77.7m. Packaging revenue increased 11.9% to AED 9.8m, while Logistics revenue was AED 21.7m, down 1.4% year-on-year.

Gross profit and margin

- **9M 2026 gross profit increased 22.6% to AED 178.8m**, with a gross profit margin of 33.3%, compared with 31.4% in 9M 2025. The higher reported margin reflects the mix of products and programmes delivered.

- **Q3 2026 gross profit increased 4.6% year-on-year to AED 60.6m**, with a gross profit margin of 34.0%, compared with 33.3% in Q3 2025.

EBITDA and operating leverage

- **9M 2026 EBITDA increased 21.8% to AED 119.5m,** with an EBITDA margin of 22.3%, compared with 21.1% in 9M 2025. Higher gross profit supported EBITDA growth, partly offset by higher selling, general and administrative expenses, including employee-related and other operating costs.
- **Q3 2026 EBITDA was AED 40.5m**, down 12.1% year-on-year from AED 46.1m, with an EBITDA margin of 22.7%, compared with 26.5% in Q3 2025. The year-on-year decrease reflected changes in business and product mix alongside higher operating expenses. The Group remained focused on operational efficiency while investing in capacity to support future growth.

Profit before tax and net profit

- **For 9M 2026, reported profit before tax increased 56.3% year-on-year to AED 100.7m**, while net profit after tax increased 56.5% to AED 91.7m. Reported profit growth benefited from stronger operating performance and a significantly smaller warrant fair-value loss of AED 0.3m, compared with AED 44.7m in 9M 2025. Excluding warrant fair-value movements, adjusted profit before tax was AED 101m, compared with AED 109.1m in 9M 2025.
- **Reported profit before tax increased 9.4% year-on-year to AED 33.7m in Q3 2026**, while net profit after tax increased 9.5% to AED 30.7m. Q3 included an AED 0.4m warrant fair-value gain, compared with an AED 15.0m loss in Q3 2025. Excluding warrant fair-value movements, adjusted profit before tax declined 27.3% year-on-year to AED 33.3m, compared with AED 45.8m in Q3 2025.

AED m	*Q3 2026*	*Q3 2025*	*YoY*	*9M 2026*	*9M 2025*	*YoY*
Identity Solutions	69.3	75.9	-8.7%	291.0	226.2	28.6%
Printing and Education	77.7	66.9	16.1%	166.2	156.3	6.4%
Packaging	9.8	8.8	11.9%	25.7	28.1	-8.6%
Logistics	21.7	22.0	-1.4%	53.8	54.6	-1.4%
Total Group Revenue	**178.6**	**173.6**	**2.8%**	**536.8**	**465.2**	**15.4%**
Gross Profit	**60.6**	**58.0**	**4.6%**	**178.8**	**145.9**	**22.6%**
GP margin	34.0%	33.3%	-	33.3%	31.4%	-
EBITDA	**40.5**	**46.1**	**-12.1%**	**119.5**	**98.1**	**21.8%**
EBITDA margin	22.7%	26.5%	-	22.3%	21.1%	-
Operating profit	**28.8**	**36.4**	**-20.8%**	**87.4**	**69.5**	**25.8%**
Reported profit before tax	**33.7**	**30.8**	**9.4%**	**100.7**	**64.4**	**56.3%**
Income tax expense	-3.0	-2.8	8.3%	-9.0	-5.8	55.1%
Reported net profit after tax	**30.7**	**28.0**	**9.5%**	**91.7**	**58.6**	**56.5%**
NPAT margin	17.2%	16.1%	-	17.1%	12.6%	-
EPS (AED)	0.01	0.01	7.0%	0.04	0.03	54.0%

Balance Sheet, Liquidity and Cash Flow

- **e7 maintained a debt-free balance sheet as of 30 September 2026**, with cash and bank balances of AED 490.6m. The Group continued to invest in operating capacity and core capabilities, with AED 121.4m of capital expenditure on property, plant and equipment and intangible assets in 9M 2026, while paying AED 203.6m in dividends.
- **Net cash generated from operating activities was AED 132.3m in 9M 2026**, compared with AED 50.0m in 9M 2025. Operating cash flow before working-capital movements increased to AED 129.6m, compared with AED 103.2m in the prior-year period, reflecting the Group's operating performance and working-capital dynamics.

Cash flow summary

AED m	9M 2026	9M 2025	Change / context
Operating cash flow before working-capital movements	129.6	103.2	+25.5%
Net working-capital movements	14.9	(27.4)	Positive swing
Other changes	(12.1)	(25.9)	
Net cash generated from operating activities	132.3	50.0	+164.6%
Net Capital expenditure	(120.9)	(39.6)	3.1x; Growth investment
Other items	(122.2)	(220.8)	
Net cash used in investing activities	(243.1)	(260.3)	Lower outflow
Dividends paid	(203.6)	(947.1)	-78.5%
Net cash used in financing activities	(209.4)	(956.3)	-78.1%
Cash and cash equivalents at period end	53.3	275.5	-80.7%

Operating cash flow before working-capital movements reached approximately AED 129.6m in 9M 2026. Working-capital movements reflected normal operating and settlement cycles, with lower inventories and higher deferred revenue partly offset by movements in receivables and payables.

Cash and cash equivalents, as presented in the cash flow statement, stood at AED 53.3m as at 30 September 2026, compared with total **cash and bank balances of AED 490.6m**. The latter includes bank deposits that do not meet the definition of cash equivalents due to their original maturities exceeding three months.

Financial position

AED m	30 Sep 2026	31 Dec 2025	Change
Property, plant and equipment	503.2	417.5	+20.4%
Inventories	221.3	249.1	-11.2%
Trade and other receivables	245.3	214.7	+14.2%
Cash and bank balances	490.6	669.2	-26.7%
Total assets	**1,484.2**	**1,571.2**	**-5.5%**
Total equity	**1,030.8**	**1,142.8**	**-9.8%**
Total liabilities	**453.4**	**428.4**	**+5.8%**

The Group remained free of external borrowings. Property, plant and equipment increased by AED 85.7m compared with 31 December 2025, reflecting capacity investment, while inventories decreased by AED 27.8m. Trade and other receivables increased by AED 30.5m, reflecting the normal timing of customer billings and collections. Cash and bank balances declined by AED 178.6m from year-end, following dividends, capital expenditure and other operating and investing cash movements. The Group closed the period with total equity of AED 1,030.8m.

Capital Expenditure and Capital Allocation

Capital allocation

e7's capital allocation approach continues to balance investment in organic growth and technology-enabled capabilities, evaluation of selective value-accretive acquisitions, and sustainable shareholder returns.

Capital allocation priority	9M 2026 position / stated approach
Reinvest for growth	Organic investment in Identity Solutions and core platforms, including capacity, technology and digital capabilities.
Value-accretive M&A	Continued focus on selective value-accretive M&A, with Identity Solutions remaining the primary strategic area. The previously announced MoU regarding Idenex remains part of the Group's broader identity strategy, subject to transaction progress.
Shareholder returns	Multi-year dividend policy of at least 10 fils per share for FY2025-FY2027, supported by the Group's balance sheet and capital-allocation framework. AED 203.6m was paid in May 2026 in respect of FY2025.

Capital expenditure and commitments

During 9M 2026, e7 recorded AED 121.4m of capital expenditure on property, plant and equipment and intangible assets (9M 2025: AED 39.6m). Capital commitments stood at AED 74.1m as at 30 September 2026, compared with AED 59.5m as at 31 December 2025. Investment remained focused on production capacity and technology capabilities across the Group's core businesses.

Operational Performance across Business Units

Identity Solutions remained the principal contributor to year-on-year revenue growth in 9M 2026, while Printing and Education also delivered growth. In Q3, Identity Solutions revenue declined year-on-year, reflecting programme timing and mix. Printing and Education delivered strong quarterly growth, supported by higher education-related printing activity and specialized production work. Packaging revenue improved both year-on-year and sequentially, while Logistics recorded higher sequential revenue despite remaining slightly below the prior-year level. Across the Group, broadening customer relationships, expanding into new markets and developing higher-value solutions remain strategic priorities.

Business unit results

Identity Solutions:

- Identity Solutions revenue increased 28.6% to AED 291.0m in 9M 2026, representing 54.2% of Group revenue. Q3 2026 revenue declined 8.7% year-on-year to AED 69.3m. As a programme-driven business serving government and regulated end-markets, the timing and composition of deliveries can vary between quarters depending on programme schedules and customer requirements. Management continues to pursue opportunities across new geographies, customers and secure physical and digital solutions, while building on established sovereign customer relationships.
- During 9M 2026, the Group continued investing in its secure physical and digital identity capabilities and production capacity, with a focus on scalable solutions for regulated and mission-critical applications. These investments support the Group's longer-term positioning in higher-barrier markets.

Printing and Education Solutions:

- Printing and Education revenue increased 6.4% year-on-year to AED 166.2m in 9M 2026, supported by its established capabilities across education publishing, commercial printing and specialized production. Activity continued to reflect typical academic year and project delivery patterns.
- In Q3 2026, revenue increased 16.1% year-on-year to AED 77.7m, representing a 50.8% sequential increase, supported by higher education-related printing activity and a more favorable mix of specialized production work.
- Printing and Education continued developing its digital and technology-enabled education offering alongside established production capabilities. The combination of physical educational materials and digital solutions supports the Group's broader strategy of bringing together secure printing and technology-enabled services to offer phygital solutions.

Packaging Solutions:

- Packaging revenue declined 8.6% year-on-year to AED 25.7m in 9M 2026, reflecting a selective approach to orders and varying levels of project execution during the period.
- In Q3 2026, revenue increased 11.9% year-on-year to AED 9.8m, representing a 15.8% sequential increase. The business remained focused on improving commercial and operational performance, including targeting higher-value work and enhancing production efficiency.
- Packaging continued to focus on enhancing its product and customer mix and developing more specialized, higher-value solutions. Execution discipline and operating efficiency remain important priorities for the business.

Logistics Solutions:

- Logistics revenue declined 1.4% year-on-year to AED 53.8m in 9M 2026, reflecting varying distribution volumes and demand patterns partly linked to Printing and Education activity.
- In Q3 2026, revenue was AED 21.7m, broadly stable year-on-year and 31.9% higher sequentially, supported by higher distribution volumes. Profitability was impacted by higher fuel costs during the quarter.
- The Logistics business continued to develop technology-enabled optimization and automation capabilities to support route efficiency, customer service and scalability, alongside measures to manage distribution costs.

Strategic and Non-Financial Developments

During 9M 2026, e7 continued advancing its strategy of combining secure physical infrastructure with digital and technology-enabled solutions. The Group remained focused on diversifying its customer relationships, geographic exposure and product offering, supported by continued investment in Identity capacity and capabilities, education technology, specialized production and logistics optimization. These initiatives are intended to broaden e7's addressable markets, enhance operational efficiency and support sustainable long-term growth.

The Group continued to evaluate opportunities to develop its existing capabilities and customer propositions through organic investment and selective partnerships, while maintaining discipline around capital allocation.

Area	9M 2026 progress	Why it matters
Identity / sovereign solutions	Continued investment in tax-stamp and passport/security-printing capabilities and broader international sovereign-solutions capacity.	Expands the addressable market and supports international growth.
Education digitization	Continued development of AI-enabled digital learning and trackable examination solutions alongside the established education platform.	Builds recurring, technology-enabled education capabilities.
Automation and AI	Continued investment in AI, automation and IoT-enabled capabilities, including logistics optimization and fleet management.	Supports operating efficiency, scalability and digital revenue opportunities.
Inorganic growth	Previously announced MoU regarding a strategic investment in Idenex, subject to transaction progress.	Potentially strengthens e7's position in national identity-management solutions.

Sector and Operating Environment

Structural demand drivers

- e7 operates across markets supported by long-term structural demand, including government digitalization, increasing adoption of secure physical and digital identity solutions, evolving education requirements and growth in e-commerce and technology-enabled distribution. These trends create opportunities for the Group to expand its solutions offering, deepen existing customer relationships and pursue growth across domestic and international markets.
- Identity Solutions remains central to this opportunity, supported by demand for secure credentials, authentication and government-related programmes. Across the wider portfolio, digital education, specialized printing and packaging, and logistics automation provide additional avenues for growth and operational improvement.

Near-term operating considerations

- The Group's results remain influenced by programme delivery schedules, customer requirements and changes in business and product mix, which can lead to variations in quarterly revenue and profitability. In Q3 2026, Identity Solutions revenue declined year-on-year, while stronger Printing and Education activity supported Group revenue growth.
- Regional and geopolitical developments also continue to create uncertainty around supply chains, freight and input costs. The Group remains focused on maintaining supply continuity, operational flexibility and cost discipline to manage these pressures and support profitability.

e7's position within these trends

- e7's competitive position is underpinned by its established capabilities in secure identity, specialized production and distribution, supported by long-standing customer relationships and an expanding range of technology-enabled solutions.

- The Group's strategy is focused on building these capabilities through international expansion, increased digitalization, operational efficiencies and selective investment in higher-value solutions. Together, these priorities support e7's ambition to strengthen its position in mission-critical markets, diversify its growth opportunities and generate sustainable long-term value.

Outlook and Future Priorities

The Group's priorities remain centered on executing Identity programmes, expanding relationships beyond established customers, diversifying geographic markets and developing secure physical and digital solutions, supported by selective investment in capacity and technology. Identity Solutions remains the principal long-term growth driver, although the timing and mix of programme activity may influence quarterly revenue and profitability.

Across the wider portfolio, management remains focused on supporting Printing and Education activity, improving Packaging execution and enhancing operational efficiency in Logistics. Maintaining service levels, managing costs and preserving supply-chain flexibility will remain important priorities amid continued uncertainty around regional conditions and input costs.

Cash generation and working-capital efficiency remain central to the Group's priorities, with continued emphasis on customer collections, inventory management and maintaining a strong liquidity position. The Group will also continue to evaluate organic growth investments and selective M&A opportunities in line with its disciplined capital-allocation framework.

Regulatory and Other Required Disclosures

ADX item	9M 2026 disclosure
Securities issued during the financial period	The Group's issued share capital remained unchanged during the nine months ended 30 September 2026, as reflected in its interim financial statements.
Current and projected capital expenditure	Capital expenditure on property, plant and equipment and intangible assets amounted to AED 121.4m in 9M 2026. Capital commitments totaled AED 74.1m as at 30 September 2026, reflecting continued investment in capacity and operating capabilities.
Projects, plans, transactions and deals discussed by the Board	Material developments are communicated through the Group's disclosures on ADX. The strategic and operational priorities relevant to this reporting period are addressed in this MD&A.
Material subsequent events	Information on material subsequent events, where applicable, is provided through the Group's financial statements and regulatory market disclosures.

-End of announcement-

Ahmed Al Shamsi
Chairman

Esteban Gómez Nadal
Group Chief Executive Officer

Mark Paver
Group Chief Financial Officer

Earnings Conference Call Details

e7 will host an earnings webcast and conference call followed by a Q&A session for investors and analysts on **Monday, 16 November 2026 at 4 pm** GST.

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About e7 Group

e7 Group (ADX: E7) is a leading provider of physical and digital identity solutions, supported by complementary capabilities across printing and Education, Packaging and Logistics. Combining established production expertise with a growing digital offering, the Group delivers secure, specialized and technology-enabled products and services to governments, enterprises and financial institutions.

e7's integrated portfolio enables it to support customers across multiple stages of the value chain, from identity and secure printing through to packaging, fulfilment and distribution. This breadth of capabilities supports long-standing customer relationships, tailored solutions and opportunities for collaboration across the Group's businesses.

Headquartered in Abu Dhabi, e7 serves a diverse customer base across its home market and selected international markets.

For more information, visit **www.e7group.ae.**

| Disclaimer

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