

**E7 GROUP P.J.S.C**

**Review report and condensed consolidated interim financial information**

**For the three – month period ended 31 March 2024**

**E7 GROUP P.J.S.C**

**Review report and condensed consolidated interim financial information  
For the three - month period ended 31 March 2024**

	<b>Pages</b>
<b>Report on review of condensed consolidated interim financial information</b>	<b>1 – 2</b>
<b>Condensed consolidated interim statement of financial position</b>	<b>3</b>
<b>Condensed consolidated interim statement of profit or loss and other comprehensive income</b>	<b>4</b>
<b>Condensed consolidated interim statement of changes in equity</b>	<b>5</b>
<b>Condensed consolidated interim statement of cash flows</b>	<b>6</b>
<b>Notes to the condensed consolidated interim financial information</b>	<b>7 - 26</b>



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](http://www.kpmg.com/ae)

# Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

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

## Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial information of E7 Group P.J.S.C ("the Company"), and its subsidiary ("the Group") which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2024;
- the condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated interim statements of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated interim statements of cash flows for the three-month period ended 31 March 2024; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.



## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

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

Date: 13 May 2024

# E7 Group P.J.S.C


## Condensed consolidated interim statement of financial position

As at


	Notes	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	274,811	279,295
Right-of-use assets	6	15,410	6,773
Intangible assets	7	2,541	2,650
<b>Total non-current assets</b>		<b>292,762</b>	<b>288,718</b>
<b>Current assets</b>			
Inventories	8	225,618	175,794
Due from related parties	17	5,744	5,542
Trade and other receivables	9	247,921	262,515
Cash and bank balances	10	1,268,373	1,285,474
<b>Total current assets</b>		<b>1,747,656</b>	<b>1,729,325</b>
<b>Total assets</b>		<b>2,040,418</b>	<b>2,018,043</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	524,813	524,813
Share premium		1,025,135	1,025,135
Treasury shares	12	(25,000)	(25,000)
Shareholder's contribution	13	50,600	50,600
Statutory reserve	14	38,822	38,822
Retained earnings		29,897	3,269
<b>Total equity</b>		<b>1,644,267</b>	<b>1,617,639</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		28,001	27,520
Lease liabilities	6	10,831	4,844
<b>Total non-current liabilities</b>		<b>38,832</b>	<b>32,364</b>
<b>Current liabilities</b>			
Public warrants	15	42,205	43,673
Private warrants	15	10,552	10,918
Trade and other payables	16	250,386	260,255
Due to related parties	17	8,445	6,745
Deferred revenues	18	40,892	44,494
Lease liabilities	6	4,839	1,955
<b>Total current liabilities</b>		<b>357,319</b>	<b>368,040</b>
<b>Total liabilities</b>		<b>396,151</b>	<b>400,404</b>
<b>Total equity and liabilities</b>		<b>2,040,418</b>	<b>2,018,043</b>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34.

This condensed consolidated interim financial information were authorized for issue by the Board of Directors on 13<sup>th</sup> May 2024 and signed on its behalf by:

  
 Ahmed Al Shamsi  
 Chairman

  
 Ali Saif AlNuaimi  
 Group Chief Executive  
 Officer

  
 Faizal Amod  
 Group Chief Financial  
 Officer

The accompanying notes form an integral part of these condensed consolidated interim financial information.  
 The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## E7 Group P.J.S.C

### Condensed consolidated interim statement of profit or loss and other comprehensive income

For the three – month period ended

		<b>31 March 2024 (unaudited) AED'000</b>	31 March 2023 (unaudited) AED'000
Revenues from contracts with customers	19	<b>126,046</b>	127,358
Direct costs	20	<u>(98,590)</u>	<u>(92,990)</u>
<b>Gross profit</b>		<b>27,456</b>	34,368
General and administrative expenses	21	<b>(17,623)</b>	(15,105)
Selling and marketing expenses		<b>(1,875)</b>	(1,738)
Other income	23	<u>1,768</u>	<u>2,392</u>
<b>Operating profit</b>		<b>9,726</b>	19,917
Finance cost	22	<b>(196)</b>	(789)
Finance income	22	<u>19,653</u>	<u>1,440</u>
<b>Profit for the period before tax</b>		<b>29,183</b>	20,568
Income tax expense	24	<u>(2,555)</u>	-
<b>Profit for the period after tax</b>		<u><b>26,628</b></u>	<u>20,568</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u><b>26,628</b></u>	<u>20,568</u>
<b>Earnings per share:</b>			
Basic (AED)	25	<b>0.013</b>	0.033
Diluted (AED)	25	<b>0.013</b>	0.029

The accompanying notes form an integral part of these condensed consolidated interim financial information.  
The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## E7 Group PJSC

### Condensed consolidated interim statement of changes in equity

*For the three – month period ended*

	Share capital AED '000	Share premium AED '000	Treasury shares AED '000	Shareholder's contribution AED '000	Statutory 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 income for the period	-	-	-	-	-	20,568	20,568
Balance at 31 March 2023 – (Represented) (unaudited)	<u>155,750</u>	<u>127,210</u>	<u>-</u>	<u>50,600</u>	<u>31,645</u>	<u>81,755</u>	<u>446,960</u>
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 period	-	-	-	-	-	26,628	26,628
<b>Balance at 31 March 2024 (unaudited)</b>	<b><u>524,813</u></b>	<b><u>1,025,135</u></b>	<b><u>(25,000)</u></b>	<b><u>50,600</u></b>	<b><u>38,822</u></b>	<b><u>29,897</u></b>	<b><u>1,644,267</u></b>

The accompanying notes form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## E7 Group PJSC

### Condensed consolidated interim statement of cash flows

For the three – month period ended

		<b>31 March 2024 (unaudited) AED'000</b>	31 March 2023 (unaudited) AED'000
<b>Cash flows from operating activities</b>			
Profit for the period before tax		<b>29,183</b>	20,568
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	5	<b>8,172</b>	8,036
Depreciation of right-of-use assets	6	<b>959</b>	908
Amortisation of intangible assets	7 & 21	<b>109</b>	99
Provision for slow moving and obsolete inventories	8	<b>1,467</b>	548
Provision for employees' end of service benefits		<b>1,242</b>	930
Finance cost on lease liabilities	6 & 22	<b>127</b>	98
Net gain on warrant liabilities at fair value through profit or loss	22	<b>(1,834)</b>	-
Interest income on fixed deposits	22	<b>(17,819)</b>	(1,440)
		<b>21,606</b>	29,747
<i>Change in:</i>			
Inventories		<b>(51,291)</b>	(28,079)
Due from related parties		<b>(202)</b>	(116)
Trade and other receivables		<b>28,365</b>	(56,276)
Trade and other payables		<b>(12,962)</b>	(12,254)
Due to related parties		<b>1,700</b>	(2,514)
Deferred revenues		<b>(3,602)</b>	(18,560)
<b>Cash used in operating activities</b>		<b>(16,386)</b>	(88,052)
Employees' end of service benefit paid		<b>(761)</b>	(780)
<b>Net cash used in operating activities</b>		<b>(17,147)</b>	(88,832)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	5	<b>(3,688)</b>	(1,516)
Finance income received		<b>4,586</b>	1,440
<b>Net cash generated from / (used in) investing activities</b>		<b>898</b>	(76)
<b>Cash flows from financing activities</b>			
Principal elements of lease payments	6	<b>(725)</b>	(892)
Payment of interest on lease liabilities	6	<b>(127)</b>	(98)
<b>Net cash used in financing activities</b>		<b>(852)</b>	(990)
<b>Net decrease in cash and cash equivalents</b>		<b>(17,101)</b>	(89,898)
Cash and cash equivalents at the beginning of the period	10	<b>1,285,474</b>	219,603
<b>Cash and bank balances at the end of the period</b>	10	<b>1,268,373</b>	129,705
Term deposit with original maturity more than 3 months	10	<b>(1,146,530)</b>	(45,000)
Cash and cash equivalents at the end of the period	10	<b>121,843</b>	84,705

The accompanying notes form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.



# E7 GROUP P.J.S.C

## Notes to the condensed consolidated interim financial information For the period ended 31 March 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 Group’s principal activities comprise printing, publishing, packaging and distributing newspapers, magazines, books and other printed materials.

This condensed consolidated interim financial information of the Group were authorised for issue by the Group’s board of directors on 13 May 2024.

Following table summarises the Company’s ownership structure at the period ended 31 March 2024:

Name	Number of shares	Nominal Value	Percentage holding
Q Industrial Holdings LTD	83,462,500	208,656,250	41.8%
Chimera Investments LLC	13,762,500	34,406,250	6.9%
United Eastern General Trading	13,244,674	33,111,685	6.6%
International Aviation Holding - Single Person Company	11,744,675	29,361,688	5.9%
Other shareholders	77,710,651	194,276,627	38.8%
<b>Total</b>	<b>199,925,000</b>	<b>499,812,500</b>	<b>100%</b>
Treasury shares	10,000,000	25,000,000	
<b>Grand Total</b>	<b>209,925,000</b>	<b>524,812,500</b>	

### 2 Basis of preparation

These condensed consolidated interim financial information for the three-month period ended 31 March 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

During the period, the Company has represented its comparative figures in the condensed consolidated interim financial information and has included the numbers of those of United Printing & Publishing – Sole Proprietorship LLC (UPP) and its subsidiaries.

# E7 GROUP PJSC

## Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

### 2 Basis of preparation (continued)

#### 2.1 Functional and presentation currency

This condensed consolidated interim financial information 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 this condensed consolidated interim financial information has been rounded to the thousand.

#### 2.2 Use of estimates and judgements

In preparing this condensed consolidated interim financial information, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

#### 2.3 Basis of consolidation

The condensed consolidated interim financial information comprise the financial statements of the Group and the entities controlled by the Company (its subsidiaries).

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Percentage of holding %</i>	<i>Principal activities</i>
United Printing & Publishing – Sole Proprietorship LLC	U.A.E.	100%	Printing and publishing
Tawzea Distribution & Logistics Services – Sole Proprietorship LLC .	U.A.E.	100%	Distribution activities

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits or losses resulting from intra-group transactions that are eliminated in full on consolidation.

### 3 Change in accounting policy

Except as described below, the accounting policies applied in this condensed consolidated interim financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in the accounting policy for classification of liabilities that can be settled in a group entity's own shares. Under the revised policy, when a liability includes a counterparty conversion option that may be settled by a transfer of a group entity's own shares, the Group takes into account the conversion option in classifying the host liability as current or non-current except when it is classified as an equity component of a compound instrument. The Group's other liabilities were not impacted by the amendments.

# E7 GROUP P.J.S.C

## Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

### 3 Change in accounting policy (continued)

Despite the change in policy, there is no retrospective impact on the current and comparative statement of financial position.

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2024.

### 4 Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing this condensed consolidated interim financial information.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024

#### 4.1 *New and revised IFRS in issue but not yet effective*

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	The effective date is deferred indefinitely

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 5 Property, plant and equipment

	Building AED '000	Plant and equipment AED '000	Furniture and fixtures AED '000	Motor vehicles AED '000	Tools AED '000	Capital work in progress AED '000	Total AED '000
<b>Cost</b>							
At 1 January 2024	201,854	529,432	35,877	20,991	3,262	8,577	799,993
Additions during the period	-	2,412	648	-	235	393	3,688
Transfer from capital work in progress	-	2,104	-	-	320	(2,424)	-
<b>At 31 March 2024 (unaudited)</b>	<b>201,854</b>	<b>533,948</b>	<b>36,525</b>	<b>20,991</b>	<b>3,817</b>	<b>6,546</b>	<b>803,681</b>
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 (audited)	<u>201,854</u>	<u>529,432</u>	<u>35,877</u>	<u>20,991</u>	<u>3,262</u>	<u>8,577</u>	<u>799,993</u>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2024	95,951	376,016	30,826	14,435	2,758	712	520,698
Charge for the period	2,123	4,509	591	862	87	-	8,172
<b>At 31 March 2024 (unaudited)</b>	<b>98,074</b>	<b>380,525</b>	<b>31,417</b>	<b>15,297</b>	<b>2,845</b>	<b>712</b>	<b>528,870</b>
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 (audited)	<u>95,951</u>	<u>376,016</u>	<u>30,826</u>	<u>14,435</u>	<u>2,758</u>	<u>712</u>	<u>520,698</u>
<b>Carrying amount</b>							
<b>At 31 March 2024 (unaudited)</b>	<b>103,780</b>	<b>153,423</b>	<b>5,108</b>	<b>5,694</b>	<b>972</b>	<b>5,834</b>	<b>274,811</b>
At 31 December 2023 (audited)	<u>105,903</u>	<u>153,416</u>	<u>5,051</u>	<u>6,556</u>	<u>504</u>	<u>7,865</u>	<u>279,295</u>

Building has been established on the land provided to the group by Abu Dhabi Media company PJSC, free of cost. On April 2024, the title of the land was transferred to United Printing & Publishing – Sole Proprietorship LLC (the subsidiary) (refer note 28).

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

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

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

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
Direct costs (note 20)	7,335	29,195
General and administrative expenses (note 21)	837	3,932
	<u>8,172</u>	<u>33,127</u>

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

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

	<b>Warehouse AED '000</b>	<b>Motor vehicles AED '000</b>	<b>Total AED '000</b>
<b>Cost</b>			
At 1 January 2024	8,232	-	8,232
Additions during the period	9,596	-	9,596
<b>At 31 March 2024 (unaudited)</b>	<b>17,828</b>	<b>-</b>	<b>17,828</b>
At 1 January 2023	14,336	4,129	18,465
Additions during the year	8,231	-	8,231
Derecognition of right-of-use of assets	(9,070)	(2,910)	(11,980)
Modification of payment	(5,265)	(1,219)	(6,484)
At 31 December 2023 (audited)	<u>8,232</u>	<u>-</u>	<u>8,232</u>
<b>Accumulated depreciation</b>			
At 1 January 2024	1,459	-	1,459
Charge for the period (note 20)	959	-	959
<b>At 31 March 2024 (unaudited)</b>	<b>2,418</b>	<b>-</b>	<b>2,418</b>
At 1 January 2023	7,676	2,580	10,256
Charge for the year	2,853	330	3,183
Derecognition of right-of-use of assets	(9,070)	(2,910)	(11,980)
At 31 December 2023 (audited)	<u>1,459</u>	<u>-</u>	<u>1,459</u>
<b>Carrying amount</b>			
<b>At 31 March 2024 (unaudited)</b>	<b><u>15,410</u></b>	<b><u>-</u></b>	<b><u>15,410</u></b>
At 31 December 2023 (audited)	<u>6,773</u>	<u>-</u>	<u>6,773</u>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

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

During the period / year movement in lease liabilities were as follows:

	AED '000
At 1 January 2024	6,799
Additions during the period	9,596
Interest accrued during the period (note 22)	127
Paid during the period	(852)
<b>At 31 March 2024 (unaudited)</b>	<b>15,670</b>
At 1 January 2023	8,059
Additions during the year	8,231
Interest accrued during the year	376
Paid during the year	(3,065)
Derecognition of lease liabilities	(6,802)
At 31 December 2023 (audited)	6,799

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

	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
Current	4,839	1,955
Non – current	10,831	4,844
	<b>15,670</b>	<b>6,799</b>

#### 7 Intangible assets

	Software AED '000
<b>Cost</b>	
At 1 January 2024	7,198
<b>At 31 March 2024 (unaudited)</b>	<b>7,198</b>
At 1 January 2023	7,604
Additions during the year	422
Disposals during the year	(828)
At 31 December 2023 (audited)	7,198
<b>Amortisation</b>	
At 1 January 2024	4,548
Charge for the period (note 21)	109
<b>At 31 March 2024 (unaudited)</b>	<b>4,657</b>
At 1 January 2023	4,954
Charge for the year	422
Disposals during the year	(828)
At 31 December 2023 (audited)	4,548
Carrying amount	
<b>At 31 March 2024 (unaudited)</b>	<b>2,541</b>
At 31 December 2023 (audited)	2,650

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 8 Inventories

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
Raw materials	183,744	147,886
Spare parts	16,497	16,766
Work in progress	34,543	21,621
	<u>234,784</u>	<u>186,273</u>
Less: allowance for slow moving and obsolete inventories	(9,166)	(10,479)
	<u><u>225,618</u></u>	<u><u>175,794</u></u>

Related cost of inventories is recorded in the condensed consolidated interim statement of profit or loss and other comprehensive income under direct costs (note 20).

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

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
At 1 January	10,479	12,836
Charge for the period /year (note 20)	1,467	903
Written off during the period / year	(2,780)	(3,260)
At 31 March / 31 December	<u><u>9,166</u></u>	<u><u>10,479</u></u>

#### 9 Trade and other receivables

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
Trade receivables	240,731	280,661
Less: allowances for expected credit losses	(47,768)	(47,768)
	<u>192,963</u>	<u>232,893</u>
Prepayments	9,865	9,447
Advances to suppliers	14,649	8,082
Other receivables	30,444	12,093
	<u><u>247,921</u></u>	<u><u>262,515</u></u>

The average credit period for trade receivables is 30-120 (31 December 2023: 30-120) days. No interest is charged on trade and other receivables.

Included in the trade receivables is an amount of AED 28,352 thousand (31 December 2023: AED 28,806 thousand) due from related parties.

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 9 Trade and other receivables (continued)

At 31 March, the ageing analysis of trade receivables and corresponding expected credit loss allowance is 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
<b>31 March 2024 (unaudited)</b>					
Gross trade receivables	240,731	61,549	106,841	6,063	66,278
ECL %	19.84%	0.36%	1.02%	2.40%	69.88%
Excepted credit losses	(47,768)	(223)	(1,086)	(145)	(46,314)
	<u>192,963</u>	<u>61,326</u>	<u>105,755</u>	<u>5,918</u>	<u>19,964</u>
<b>31 December 2023 (audited)</b>					
Gross trade receivables	280,661	118,667	80,586	31,196	50,212
ECL %	17.01%	0.42%	0.47%	4.57%	90.55%
Excepted credit losses	(47,768)	(498)	(375)	(1,427)	(45,468)
	<u>232,893</u>	<u>118,169</u>	<u>80,211</u>	<u>29,769</u>	<u>4,744</u>

#### 10 Cash and bank balances

	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
Bank deposits*	1,247,247	1,263,247
Cash at banks	20,335	21,912
Cash in hand	791	315
Cash and bank balances	<u>1,268,373</u>	<u>1,285,474</u>
Less: term deposit with original maturity more than 3 months*	<u>(1,146,530)</u>	<u>(957,840)</u>
Cash and cash equivalents at 31 March / 31 December	<u>121,843</u>	<u>327,634</u>

\*Short term fixed deposits represent amounts deposited with a local bank bearing average interest rate of 5.74% per annum (31 December 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.

#### 11 Share capital

As 31 March 2024, the Group's share capital is divided into 209,925 thousand shares which includes 10,000 thousand shares (nominal value: AED 2.5 per share) that were issued by E7 and simultaneously purchased by the Group as treasury shares.



## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 12 Treasury shares

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
At 1 January	<b>25,000</b>	-
10,000,000 Class A shares of AED 2.5 per share issued and bought back by the company during the period / year	-	25,000
At 31 March / 31 December	<u><b>25,000</b></u>	<u>25,000</u>

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 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.

#### 13 Shareholder's contribution

Shareholder's contribution represents the non-interest-bearing contribution from the shareholders of the Group. Movement in Shareholder's contribution is as follows:

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
At 31 March / 31 December	<u><b>50,600</b></u>	<u>50,600</u>

#### 14 Statutory reserve

As required by the UAE Federal Decree Law No. (32) of 2021, certain portion of the profit for the year of the Company is required to be transferred to a statutory reserve. The Group may resolve to discontinue such transfers when the reserve totals 50% of the issued share capital. This reserve is not available for distribution.

#### 15 Warrants

Warrants include public warrant and private warrants. During the period, 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 entitles the warrant holder to purchase one Class A share at a price of AED 11.50 per Class A 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 condensed consolidated interim statement of profit or loss and other comprehensive income for each period.

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 15 Warrants (continued)

Instrument	Number of warrants ‘000	Fair value	Total fair	Fair value	Total fair
		per warrant as on 31 March 2024 (unaudited) AED	Value as on 31 March 2024 (unaudited) AED ‘000	per warrant as on 31 December 2023 (audited) AED	Value as on 31 December 2023 (audited) AED ‘000
Public warrants	18,350	2.3	42,205	2.38	43,673
Private warrants	4,588	2.3	10,552	2.38	10,918
	<b>22,938</b>	<b>2.3</b>	<b>52,757</b>	<b>2.38</b>	<b>54,591</b>

The fair value of warrants as on 31 March 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 March 2024 was AED 42,205 thousand (31 December 2023: AED 43,673 thousand) and the private warrant was AED 10,552 thousand (31 December 2023: AED 10,918 thousand), the change in fair value of the warrants from the Transaction date is recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income. Each warrant entitles the warrant holder to purchase one Class A share at a price of AED 11.50 per Class A share. 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 March 2024, none of these warrants were exercised by the warrant holders and these warrants are exercisable at anytime after 30 days from the Transaction date up to a period of 3 years from the Transaction date.

#### 16 Trade and other payables

	31 March 2024 (unaudited) AED ‘000	31 December 2023 (audited) AED ‘000
Accruals	122,784	125,533
Trade payables	105,158	109,929
Staff accruals and provisions	12,648	12,290
Advances from customers	5,828	6,851
Other payables	3,968	5,652
	<b>250,386</b>	<b>260,255</b>

The average credit period on purchases of goods and services is 90-120 days (31 December 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.

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 17 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 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.

#### 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 period-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 condensed consolidated interim statement of financial position are as follows:

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
<b>Due from related parties:</b>		
<i>Entitles controlled by entity exercising significant influence:</i>		
Abu Dhabi Health Services Company PJSC (SEHA)	4,065	3,862
Lulu International Holdings	1,726	1,913
Massar Solutions PJSC	50	51
Others	376	189
	<u>6,217</u>	<u>6,015</u>
Less: Provision for related parties	<u>(473)</u>	<u>(473)</u>
	<u>5,744</u>	<u>5,542</u>
<b>Due to related parties:</b>		
<i>Entitles controlled by entity exercising significant influence:</i>		
National Health Insurance Company PJSC (Daman)	3,575	5,219
Abu Dhabi Ports Company PJSC	2,331	538
Others	2,539	988
	<u>8,445</u>	<u>6,745</u>

Significant transactions with related parties during the period comprise:

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Sales of goods and merchandise	<u>12,154</u>	<u>10,326</u>
Purchases of goods and services	<u>5,874</u>	<u>3,864</u>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

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

##### Key Management Compensation

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Board of Director's remuneration	<u>283</u>	<u>150</u>
Compensation to senior management personnel		
Short term benefits	2,424	1,292
End of service benefits	48	28
	<u>2,472</u>	<u>1,320</u>
No. of senior management personnel	<u>7</u>	<u>6</u>

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

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
At 1 January	2,171	1,882
Charge for the period/year	283	600
Paid during the period/year	-	(309)
At 31 March / 31 December	<u>2,454</u>	<u>2,173</u>

#### 18 Deferred revenues

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
Deferred revenues	<u>40,892</u>	<u>44,494</u>

The movement for deferred revenue is as follows:

	<b>31 March 2024 (unaudited) AED '000</b>	31 December 2023 (audited) AED '000
At 1 January	44,494	47,846
Additions during the period/year	5,328	127,461
Recognised during the period/year	(8,930)	(130,813)
At 31 March / 31 December	<u>40,892</u>	<u>44,494</u>

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

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 19 Revenues from contract with customers

	31 March 2024 (unaudited) AED '000	31 March 2023 (unaudited) AED '000
<i>Revenue recognised at a point in time:</i>		
Cards printing	70,754	71,011
Commercial printing	30,316	35,678
Distribution revenue	13,597	14,201
Packaging revenue	7,853	2,685
Newspaper printing	3,526	3,783
	<u>126,046</u>	<u>127,358</u>

#### Segment reporting

Reconciliations of reportable segments' profit or loss for the year is set out below:

31 March 2024	Printing AED'000	Distribution AED'000	Others AED'000	Total AED'000
Revenue from external customers	112,449	13,597	-	126,046
Reportable segment profit / (loss)	26,018	(699)	1,309	26,628
Total assets	2,003,101	177,118	1,102,829	3,283,048
Total liabilities	322,585	160,033	54,188	536,806
Capital expenditures	3,298	390	-	3,688
<b>2023</b>				
Revenue from external customers	113,157	14,201	-	127,358
Reportable segment profit / (loss)	24,607	(4,039)	-	20,568
Total assets at 31 December 2023	2,094,871	52,955	1,102,829	3,250,655
Total liabilities at 31 December 2023	450,757	24,837	55,485	531,079
Capital expenditures	1,467	49	-	1,516

Reconciliations of reportable segments' assets and liabilities is set out below:

Segment Assets	31 March 2024 (unaudited) AED '000	31 December 2023 (audited) AED '000
Printing	2,003,101	2,094,871
Distribution	177,118	52,955
Others	1,102,829	1,102,829
	<u>3,283,048</u>	<u>3,250,655</u>
Elimination	<u>(1,242,630)</u>	<u>(1,232,612)</u>
<b>Total assets</b>	<u><u>2,040,418</u></u>	<u><u>2,018,043</u></u>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

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

Reconciliations of reportable segments' assets and liabilities is set out below (continued):

<b>Segment Liabilities</b>	<b>31 March 2024 (unaudited) AED '000</b>	<b>31 December 2023 (audited) AED '000</b>
Printing	322,585	450,757
Distribution	160,033	24,837
Others	54,188	55,485
	<u>536,806</u>	<u>531,079</u>
Elimination	(140,655)	(130,675)
<b>Total liabilities</b>	<b><u>396,151</u></b>	<b><u>400,404</u></b>

#### 20 Direct costs

	<b>31 March 2024 (unaudited) AED '000</b>	<b>31 March 2023 (unaudited) AED '000</b>
Raw materials	49,970	46,443
Staff costs	18,301	17,045
Outsourcing costs	12,049	14,253
Depreciation of property, plant and equipment (Note 5)	7,335	7,067
Repairs and maintenance	2,336	1,979
Distribution cost	1,746	1,606
Water and electricity	920	1,095
Depreciation on right-of-use assets (Note 6)	959	908
Insurance expense	404	232
Courier and postage	237	205
Provision for slow moving and obsolete inventories (Note 8)	1,467	548
Others	2,866	1,609
	<u>98,590</u>	<u>92,990</u>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 21 General and administrative expenses

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Staff costs	11,672	10,877
Professional fees	2,818	1,023
Maintenance costs	912	1,243
Depreciation of property, plant and equipment (note 5)	837	969
Telephone, fax and internet	276	455
Amortisation of intangible asset (note 7)	109	99
Printings and stationery	142	46
Insurance charges	26	15
Travel and transportations	15	16
Others	816	362
	<u>17,623</u>	<u>15,105</u>

#### 22 Finance costs and finance income

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
<i>Finance cost</i>		
Finance costs on lease liabilities (note 6)	127	57
Foreign currency exchange loss	69	691
Interest on loan for vehicles	-	41
	<u>196</u>	<u>789</u>
<i>Finance income</i>		
Interest on fixed deposits	17,819	1,440
Fair value adjustments on warrant liabilities measured at fair value through profit or loss	1,834	-
	<u>19,653</u>	<u>1,440</u>
Finance income-net	<u>19,457</u>	<u>651</u>

#### 23 Other income

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Scrap sales	884	1,276
Rental income	317	325
Others	567	791
	<u>1,768</u>	<u>2,392</u>

#### 24 Income tax expense

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 will become effective for accounting periods beginning on or after 1 June 2023.

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 24 Income tax expense (continued)

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000 (USD 102,110). A rate of 0% will apply to taxable income not exceeding AED 375,000 (USD 102,110).

For the Group, current taxes shall be accounted for as appropriate in the condensed consolidated interim financial information for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the period ended 31 March 2024. The tax charged for the period ended 31 March 2024 is AED 2,555 thousand (31 March 2023: Nil).

#### 25 Earnings per share

Basic earnings per share is computed using the weighted-average number of outstanding shares during the period. Diluted earnings 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 period ended 31 March 2023, the weighted-average number of shares outstanding was represented for the purpose of comparability before and after the de-SPAC Transaction.

##### Basic earnings per share

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Numerator		
Profit for the period and gain used in basic earnings per share	<u>26,628</u>	<u>20,568</u>
Total profit for the period used in basic earnings per share	<u>26,628</u>	<u>20,568</u>
Denominator		
Weighted average number of class A shares used in basic earnings per share*	<u>1,999,250</u>	<u>623,000</u>
Total weighted average number of class A shares used in basic earnings per share*	<u>1,999,250</u>	<u>623,000</u>
<b>Basic (AED)</b>	<b><u>0.013</u></b>	<b><u>0.033</u></b>

##### Diluted earnings per share

	<b>31 March 2024 (unaudited) AED '000</b>	31 March 2023 (unaudited) AED '000
Numerator		
Profit for the period and gain used in diluted earnings per share	<u>26,628</u>	<u>20,568</u>
Total profit for the period used in diluted earnings per share	<u>26,628</u>	<u>20,568</u>
Denominator		
Weighted average number of class A shares, private and public warrants used in diluted earnings per share*	<u>2,121,646</u>	<u>710,227</u>
Total weighted average number of class A shares, private and public warrants used in diluted earnings per share*	<u>2,121,646</u>	<u>710,277</u>
<b>Diluted (AED)</b>	<b><u>0.013</u></b>	<b><u>0.029</u></b>

\* Weighted average number of shares outstanding for the period is post shares split (note 28).



## **E7 GROUP PJSC**

### **Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)**

#### **26 Contingencies and commitments**

	<b>31 March 2024</b>	31 December 2023
	<b>(unaudited)</b>	(audited)
	<b>AED '000</b>	AED '000
Letters of guarantees	<b>18,712</b>	16,595
Letters of credit	<b>26,823</b>	38,158
Capital commitments	<b>7,867</b>	11,585

#### **27 Financial instruments**

##### **27.1 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.

##### **27.2 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.

##### **27.3 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.

##### **27.4 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 condensed consolidated interim financial information.

##### **27.5 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 March 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 condensed consolidated interim statement of financial position.

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 27 Financial instruments (continued)

##### 27.5 Credit risk (continued)

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	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
<b>31 March 2024 (unaudited)</b>							
<b>Due from related parties</b>	19	N/A	(i)	<b>12-month ECL</b>	<b>6,217</b>	<b>473</b>	<b>5,744</b>
<b>Trade receivables</b>	10	N/A	(ii)	<b>12-month ECL</b>	<b>240,731</b>	<b>47,768</b>	<b>192,963</b>
<b>Cash and cash balances</b>	11	A, A+, A-, AA-, BBB+	N/A	<b>12-month ECL</b>	<b>1,268,373</b>	<b>-</b>	<b>1,268,373</b>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 27 Financial instruments (continued)

##### 27.5 Credit risk (continued)

31 December 2023 (audited)	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
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 & cash balance	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.

##### 27.6 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
<b>31 March 2024 (unaudited)</b>				
Trade and other payables	250,386	-	250,386	250,386
Due to related parties	8,445	-	8,445	8,445
Lease liabilities	5,687	11,422	17,109	15,670
Public warrant liabilities at fair value through profit or loss	42,205	-	42,205	42,205
Private warrants liabilities at fair value through profit or loss	10,552	-	10,552	10,552
	<u>317,275</u>	<u>11,422</u>	<u>328,697</u>	<u>327,258</u>

## E7 GROUP PJSC

### Notes to the condensed consolidated interim financial information For the period ended 31 March 2024 (continued)

#### 27 Financial instruments (continued)

##### 27.6 Liquidity risk (continued)

	Less than 1 year	More than 1 year	Total contractual cashflows	Total Carrying amount
	AED '000	AED '000	AED '000	AED '000
31 December 2023 (audited)				
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
	<u>323,885</u>	<u>5,162</u>	<u>329,047</u>	<u>328,390</u>

##### 27.7 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.

##### 27.8 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.

#### 28 Subsequent events

At the Annual General Meeting (AGM) held on 24 April 2024, shareholders of the Group approved a stock split. As per the resolution, each issued share of AED 2.5 in the capital of the Group shall be converted into ten issued shares of AED 0.25 each in the capital of the Group.

The share split is on a 1 to 10 ratio, resulting in a reduction of the par value per share from AED 2.50 to AED 0.25. Before the split, there were 209,925 thousand outstanding shares, and after the split, there will be 2,099,250 thousand outstanding shares. The last entitlement date for the split is 2 May 2024, with the ex-date set for 3 May 2024, and the registry closing date on 6 May 2024. The stock split will not affect the number of warrants in issue. However, the exercise price of the warrants will be adjusted accordingly. Following the split, each warrant will entitle the holder to purchase ten shares at a price of AED 1.15 per share.

In April 2024, the title of a land was transferred from Abu Dhabi Media Company PJSC to United Printing & Publishing – Sole Proprietorship LLC (the subsidiary) free of cost.