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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

The document and the offer are only addressed to, and directed at, persons in member states of the European Economic Area ("**EEA**") (each, a "**Relevant State**") who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (including any relevant delegated regulations) ("**Qualified Investors**"). In the United Kingdom ("**UK**"), the document and the offer is only addressed to, and directed at, persons who are "qualified investors" ("**UK Qualified Investors**") as defined under Article 2(e) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are high net worth entities falling within Article 49(2)(a) to (2)(d) of the Order; and/or (iii) are persons to whom it otherwise may lawfully be communicated (all such persons being referred to in (i), (ii), and (iii) are defined as "**Relevant Persons**"). Any investment or investment activity to which this document relates is only available to, and will only be engaged with: (i) in any Relevant State, Qualified Investors; and (ii) in the United Kingdom, Relevant Persons.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to EFG-Hermes UAE Limited ("**EFG Ltd.**") acting in conjunction with EFG Hermes UAE LLC ("**EFG LLC**" and together with EFG Ltd., "**EFG-Hermes**") and Emirates NBD Capital PSC ("**ENBD**") who have been appointed as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**"), Abu Dhabi Commercial Bank PJSC as joint bookrunner (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), the Company and the Selling Shareholders that: (i) you are acting on behalf of, or you are either an institutional investor outside the United States (as defined in Regulation S under the Securities Act); (ii) if you are in the UK, you are a Relevant Person; (iii) if you are in any Relevant State, you are a Qualified Investor; and (iv) if you are outside the U.S., UK and EEA (and the electronic mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholders, the Joint Bookrunners or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

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THE DOCUMENT CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Joint Bookrunners or any of their respective subsidiary undertakings or affiliates, or any of their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Joint Bookrunners and any of their respective subsidiary undertakings and affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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ALPHA DATA PJSC

(a public joint stock company under conversion in the Emirate of Abu Dhabi, United Arab Emirates and subject to Federal Decree by Law No. 32 of 2021 concerning commercial companies, as amended)

Global Offering of 400,000,000 Shares

Offer Price Range: AED 1.45 to AED 1.50 per Share

400,000,000 (four hundred million) ordinary shares with a nominal value of AED 0.03 each (the "**Shares**") in the capital of Alpha Data PJSC (under conversion in the Emirate of Abu Dhabi, United Arab Emirates) (the "**Company**") are being offered in this global offering by the Company's two shareholders, Bin Hamoodah Company LLC and Ibbini Investment Company LLC (the "**Selling Shareholders**") (the "**Global Offering**"). The Selling Shareholders reserve the right to amend the size of the Global Offering at any time prior to the end of the subscription period in their sole discretion.

The Global Offering comprises an offering of Shares:

- (i) outside the United States in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 (as amended) (the "**Securities Act**") (the "**Reg S Offering**");
- (ii) in the Dubai International Financial Centre ("**DIFC**") only as an Exempt Offer pursuant to the Markets Rules (MKT) Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook (the "**DIFC Exempt Offer**");
- (iii) in the Abu Dhabi Global Market ("**ADGM**") only as an Exempt Offer pursuant to the Market Rulebook of the ADGM Financial Services Regulatory Authority ("**FSRA**") (the "**ADGM Exempt Offer**" and, together with the Reg S Offering and DIFC Exempt Offer, the "**Qualified Investor Offering**"); and
- (iv) in the United Arab Emirates (the "**UAE**") pursuant to a prospectus in Arabic (the "**UAE Prospectus**"), the publication of which was approved by the UAE Securities and Commodities Authority (the "**SCA**") (a) to certain natural persons, companies, establishments and other entities (the "**UAE Retail Offer**"), and (b) in accordance with the requirements of Federal Decree by Law No. 32 of 2021 concerning commercial companies, as amended, up to 5% of the Shares to the Emirates Investment Authority (the "**EIA Offer**").

Prior to the Global Offering, there has been no public market for the Shares. Application will be made to the Abu Dhabi Securities Exchange (the "**ADX**") for all the Shares to be admitted to trading on the ADX under the symbol "ALPHADATA" (the "**Admission**"). There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the ADX on or around 11 March 2025 (the "**Closing Date**"). No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

In connection with the Global Offering, the Company and the Selling Shareholders has appointed BHM Capital Financial Services PJSC, a duly authorised price stabilisation manager (the "**Stabilisation Manager**"), who may, to the extent permitted by applicable law, including the ADX Operational Rules Booklet (the "**ADX Rules**"), and for stabilisation purposes, effect stabilising transactions with a view to supporting the market price of the Shares, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager will be appointed for a time period commencing on the date of trading of the Shares on the ADX and ending no later than 30 calendar days thereafter (the "**Stabilisation Period**"). All stabilising transactions will be undertaken in compliance with ADX Rules. None of the Joint Bookrunners or any of their respective affiliates, or any of their respective affiliates' directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilisation Manager. For further details on price stabilisation, see "*Subscription and Sale*".

Investing in the Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Shares. See "*Risk Factors*" for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Global Offering.

The Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, subject to certain limited exceptions, may not be offered or sold within the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Shares are offered by the Joint Bookrunners named herein (the "**Joint Bookrunners**") on behalf of the Company and the Selling Shareholders when, as and if delivered to, and accepted by, the Joint Bookrunners and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment in AED for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners by 4 March 2025, unless otherwise agreed with the Joint Bookrunners, and delivery of the Shares is expected to be made on the Closing Date through the book-entry facilities operated by the ADX. In the event of a failure to make timely payment, purchasers of the Shares may incur significant charges.

The SCA and the ADX have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

DIFC Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the DIFC in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

ADGM Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the ADGM in accordance with the Market Rulebook of the FSRA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their transferability and resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Joint Global Coordinators and Joint Bookrunners

EFG-Hermes

Emirates NBD Capital PSC

Joint Bookrunner

ADCB

This Offering Memorandum is dated 20 February 2025.

IMPORTANT INFORMATION

This offering memorandum (this "Offering Memorandum") does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any jurisdiction or circumstances in which such offer or solicitation is unlawful.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. Each investor also acknowledges that: (i) it has not relied on the Joint Bookrunners (as defined herein) or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) it has relied only on the information contained in this Offering Memorandum; and (iii) no person has been authorised to give any information or make any representations concerning the Company or the Shares other than those contained in this Offering Memorandum and, if given or made, any such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholders or the Joint Bookrunners. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in it is correct as at any subsequent time.

None of the Company, the Selling Shareholders or the Joint Bookrunners or any of their respective representatives is making any representation to any prospective investor in respect of the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this Offering Memorandum nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in this Offering Memorandum is correct as of any time subsequent to the date hereof.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge and belief, accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted. None of the Joint Bookrunners or any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Global Offering, and nothing in this

Offering Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Joint Bookrunners and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Offering Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum.

None of the Company, the Selling Shareholders or the Joint Bookrunners accepts any responsibility for the accuracy or completeness of any information reported by the press or other media or third-party analysts, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholders or the Joint Bookrunners makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

EFG-Hermes UAE Limited ("**EFG Ltd.**") acting in conjunction with EFG Hermes UAE LLC ("**EFG LLC**") and together with EFG Ltd., ("**EFG-Hermes**") and Emirates NBD Capital PSC ("**ENBD**") have been appointed as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**"). Abu Dhabi Commercial Bank PJSC ("**ADCB**") has been appointed as a joint bookrunner (together with the Joint Global Coordinators, the "**Joint Bookrunners**"). EFG Ltd. is authorised and regulated by the DFSA, EFG LLC is authorised and regulated by the SCA. ENBD is authorised and regulated by the SCA. ADCB is regulated by the Central Bank of the UAE and authorised and regulated by the SCA. The Joint Bookrunners are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Global Offering, and will not regard any other person (whether or not a recipient of this Offering Memorandum) as a client in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Offering Memorandum.

In connection with the Global Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Shares in the Global Offering as a principal position and in that capacity may retain, purchase, subscribe for, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Bookrunners and any of their respective affiliates acting as investors for their own accounts. In addition, certain Joint Bookrunners or their affiliates may enter into financing and hedging arrangements with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company, the Selling Shareholders or the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholders. None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Global Offering relates to securities of a UAE incorporated company limited by shares to be listed on the ADX and potential investors should be aware that this Offering Memorandum and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a publicly listed company established in the UAE and listed on the ADX, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors, and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA. This Offering Memorandum does not form part of the UAE Prospectus and the information contained herein does not form part of the

UAE Prospectus. The review of this Offering Memorandum or any related advertisements does not fall under the SCA's remit/jurisdiction.

This Offering Memorandum is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities (i) in the DIFC under DIFC Law No. 1 of 2012, as amended or the Markets Rules (MKT) Module of the DFSA Rulebook or (ii) in the ADGM under the ADGM Financial Services and Markets Regulations 2015 (the "**FSMR**") or the Market Rulebook of the FSRA. The Global Offering has not been approved or licensed by the FSRA or the DFSA.

NOTICE TO INVESTORS

The Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders or the Joint Bookrunners to permit a public offering of the Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, Japan, South Africa or the United States. Subject to certain exceptions, the Shares may not be offered or sold in, or to or for the account or benefit of any national, resident or citizen of, Australia, Canada or Japan. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Shares offered by this Offering Memorandum may not be offered, sold, pledged or otherwise transferred in the United States, except in a transaction not subject to, the registration requirements of the Securities Act. The Global Offering is being made outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

The Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any securities commission of any state in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (the "EEA") (each, a "**Relevant State**"), no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered to the public in that Relevant State, except that an offer of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant State:

- (i) to any qualified investor as defined under Article 2 of the Prospectus Regulation ("**Qualified Investors**");
- (ii) to fewer than 150 natural or legal persons (other than Qualified Investors) per Relevant State, subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Joint Bookrunner of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant State, and each person who initially acquires any Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information of the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

In the case of any Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholders, the Joint Bookrunners and their respective affiliates and others will rely (and each of the Company and the Selling Shareholders acknowledges that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Joint Bookrunners of such fact in writing may, with the consent of the Joint Bookrunners, be permitted to purchase Shares.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

The Shares have not been offered or will not be offered pursuant to the Global Offering in the United Kingdom, except that an offer to the public in the United Kingdom of any Shares may be made at any time under the following exemptions under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) (the "**EUWA**") (the "**UK Prospectus Regulation**"):

- (i) to any qualified investor as defined under Article 2 of the UK Prospectus Regulation ("**UK Qualified Investors**");
- (ii) to fewer than 150 natural or legal persons (other than UK Qualified Investors), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (iii) in any other circumstances falling under the scope of Section 86 of the Financial Services and Markets Act 2000 ("**FSMA**"),

provided that no such offer of Shares shall require the Company, the Selling Shareholders or the Joint Bookrunners to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer to the public**" in relation to any Shares in the United Kingdom means the communication in any form and by any means of sufficient information

on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares.

This Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with UK Qualified Investors, who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities falling within Article 49(2)(a) to (2)(d) of the Order; and/or (iii) persons to whom it otherwise may be lawfully communicated (all being "**Relevant Persons**"). In the United Kingdom, the Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such Shares will be engaged only with Relevant Persons. In the United Kingdom, any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a UK Qualified Investor.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

The Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market except on the basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Market Rulebook of the ADGM Financial Services Regulatory Authority; and
- (ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and
- (ii) made only to persons who meet the "Deemed Professional Client" criteria set out in Rule 2.3.4 of the Conduct of Business (COB) Module of the DFSA Rulebook and who are not a natural person.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this document, they should consult an authorised financial advisor.

NOTES ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

The following terms used in this Offering Memorandum have the meanings assigned to them below:

"2022 Financial Statements"	The audited consolidated financial statements of the Company as at and for the year ended 31 December 2022, which includes the comparative financial information as at and for the year ended 31 December 2021, and the related notes thereto.
"2023 Financial Statements"	The audited consolidated financial statements of the Company as at and for the year ended 31 December 2023, which includes the comparative financial information as at and for the year ended 31 December 2022, and the related notes thereto.
"2024 Financial Statements"	The audited consolidated financial statements of the Company as at and for the year ended 31 December 2024, which includes the comparative financial information as at and for the year ended 31 December 2023, and the related notes thereto.
"AD DED"	The Abu Dhabi Department of Economic Development.
"ADGM"	The Abu Dhabi Global Market.
"ADGM Exempt Offer"	The "Exempt Offer" pursuant to the Market Rulebook of the FSRA.
"Adjusted EBITDA"	As profit for the year excluding depreciation of property and equipment, net fair value gain on advances paid on purchases of properties and investment properties, finance costs and other income.
"Adjusted EBITDA Margin"	As Adjusted EBITDA divided by revenue.
"Admission"	Admission to trading on the ADX.
"Addressable Market"	The ICT markets in which the Group operates in within a specific region, and excluding the markets which the Group does not operate in, such as consumer IT, for example 3rd platform technologies, industrial IOT segment and other devices (such as mobile phones), as referenced in the IDC Market Report.
"ADX"	Abu Dhabi Securities Exchange.
"AED"	The lawful currency of the UAE.
"AI"	Artificial intelligence.
"AIOPs"	AI for IT operations.
"Alpha Data"	Alpha Data PJSC, defined below as the Company.
"Alpha Data Recruitment"	Alpha Data Recruitment LLC – OPC.
"Alpha Green Tower"	Alpha Green Tower building in JVC District 12, Jumeirah Village Circle, Dubai.
"Articles of Association"	The articles of association of the Company.
"Audited Financial Statements" ..	The 2022 Financial Statements, the 2023 Financial Statements and the 2024 Financial Statements.
"Board", "Board of Directors" or "Directors"	The board of directors of the Company.

"Cash Conversion Cycle ("CCC")"	DIO plus DSO minus DPO.
"Clearing Members"	Members of the ADX that are authorised clearing members
"Closing Date"	On or about 11 March 2025.
"CMA"	The Capital Markets Authority of the Kingdom of Saudi Arabia.
"Code"	U.S. Internal Revenue Code of 1986 (as amended).
"Commencement of the Global Offering"	On or about 20 February 2025.
"Company"	Alpha Data PJSC (under conversion in the Emirate of Abu Dhabi, United Arab Emirates, as a Public Joint Stock Company), which is being converted from a limited liability company to a public joint stock company in the Emirate of Abu Dhabi, UAE, pursuant to the applicable laws of the UAE, whose license number is CN-1019710 and whose registered office is located at Alpha Data Building, Plot 39, M26, Mussafah, Abu Dhabi, UAE.
"Constitutive General Assembly"	Constitutive general assembly of the Company.
"CT Law"	Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses.
"Days Inventory Outstanding ("DIO")"	As inventories and work-in-progress divided by materials multiplied by 360.
"Days Payables Outstanding ("DPO")"	As trade payables divided by materials, multiplied by 360.
"Days Sales Outstanding ("DSO")"	As trade receivables divided by revenue (excluding IFRS 15 adjustment) multiplied by 360.
"Deemed Professional Client"	A "Deemed Professional Client" as set out in the Conduct of Business (COB) Module of the DFSA Rulebook.
"Deloitte"	Deloitte & Touche (M.E.) or Deloitte.
"Directors"	The Executive Directors and the Non-Executive Directors of the Company.
"DFSA"	The Dubai Financial Services Authority.
"DIFC"	The Dubai International Financial Centre.
"DIFC Exempt Offer"	The "Exempt Offer" pursuant to the Markets Rules (MKT) Module of the DFSA Rulebook.
"Dividend Payout"	As dividend payout ratio calculated as dividend paid in year (x) divided by net income of year (x) – 1.
"document"	Offering Memorandum.
"EEA"	The European Economic Area.
"EFG-Hermes"	EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC

"EIA"	Emirates Investment Authority.
"EIA Offer"	The entitlement of the Emirates Investment Authority to subscribe for up to 5% of the Shares, in accordance with the requirements of Federal Law No. 32 of 2021 concerning commercial companies, as amended.
"ELV"	Extra-Low Voltage.
"ENBD"	Emirates NBD Capital PSC.
"ESG"	Environmental, social and governance.
"EU"	The European Union.
"EUR"	The lawful currency of the EU.
"EUWA"	The European Union (Withdrawal) Act 2018.
"Exchange Act"	the U.S. Securities Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder.
"Executive Director"	An executive director of the Company.
"Exempt Offer"	The DIFC Exempt Offer and the ADGM Exempt Offer.
"Expected Closing Date"	On or about 11 March 2025.
"Expected Pricing Date"	On or about 26 February 2025.
"FIEL"	The Financial Instruments and Exchange Law of Japan, as amended.
"Financial Promotion Order" or "Order"	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
"Free Cash Flow ("FCF")"	As net cash generated by operating activities minus net cash used in investing activities.
"FSMA"	The United Kingdom Financial Services and Markets Act 2000.
"FSMR"	The Financial Services and Markets Regulations 2015 enacted by the ADGM.
"FSRA"	The ADGM Financial Services Regulatory Authority.
"GCC"	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
"General Assembly"	The constitutive general assembly of the Company.
"Global Offering" or "IPO"	Together, the Reg S Offering, the Exempt Offer, the UAE Retail Offer and the EIA Offer.
"Governance Rules"	Board Resolution No. (3/R.M) of 2020 concerning adopting the Corporate Governance Guide for Public Joint-Stock Companies, as amended.
"Gross Margin"	As gross profit divided by revenue.

"Group"	The Company and its subsidiaries.
"IASB"	The International Accounting Standards Board.
"ICT"	Information communications technology.
"IDC"	International Data Corporation.
"IDC Market Report"	The report containing information on the market and industry prepared at the request of the Company by IDC for the purposes of this Offering Memorandum.
"IFRS Accounting Standards"	The International Financial Reporting Standards as issued by the IASB.
"Independent Auditors"	Deloitte & Touche (M.E.) or Deloitte.
"IRS"	U.S. Internal Revenue Service.
"ISAs"	International Standards on Auditing.
"ISRE"	Independent Auditor of the Entity.
"Joint Bookrunners"	Abu Dhabi Commercial Bank PJSC and the Joint Global Coordinators.
"Joint Global Coordinators"	EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC and Emirates NBD Capital PSC.
"KSA" or "Saudi Arabia"	The Kingdom of Saudi Arabia.
"LAN"	Local area network.
"Listing"	The admission to listing and trading of the Shares to the ADX, in accordance with the Listing Rules.
"Listing Rules"	Chapter 1 of the ADX Operational Rules Booklet.
"MENA"	Middle East and North Africa.
"Net CAPEX"	As net capital expenditure, including payments for additions in property and equipment, as well as proceeds from disposal of property and equipment.
"Net Debt"	As total trade finance and bank borrowings minus cash and bank balances.
"Net Leverage"	As Net Debt divided by Adjusted EBITDA.
"Net Profit Margin"	As profit for the year divided by revenue.
"Net Working Capital"	As inventories and work in progress, contract assets and trade and other receivables and trade and other payables (excluding trade finance current liabilities).
"NIN"	A national investor number which is a unified investor number that a subscriber must obtain from ADX for the purposes of subscription.
"NOC"	Network Operations Centre.
"Non-Executive Director"	A non-executive director of the Company.

"non-IFRS measures"	Adjusted EBITDA, Adjusted EBITDA Margin, Net Income Margin, capital expenditure, Net Working Capital, Free Cash Flows, Free Cash Flow Conversion, Return On Equity, Return On Assets and Dividend Payout ratio.
"Offer Price Range"	The Offer Price Range is AED 1.45 to AED 1.50 per Share.
"Offering Memorandum"	This Offering Memorandum.
"Order"	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
"PJSC"	A public joint stock company.
"POPs"	People operations.
"Pricing Date"	26 February 2025.
"Pricing Memorandum"	A pricing memorandum among the Company, the Selling Shareholders and the Joint Bookrunners setting forth the offer price for the Shares and the final number of Shares offered in the Global Offering.
"Prospectus Regulation"	Regulation (EU) 2017/1129, as amended.
"QFZP"	Qualifying free zone person.
"Qualified Investor Offering"	Together, the Reg S Offering, the DIFC Exempt Offer and the ADGM Exempt Offer.
"Qualified Investors"	As defined under Article 2(e) of the Prospectus Regulation.
"Reg S Offering"	The offering outside the United States in reliance on Regulation S.
"Regulation S"	Regulation S under the Securities Act.
"Relevant Persons"	Persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) are high net worth entities falling within Article 49(2)(a) to (2)(d) of the Order; and/or (iii) are persons to whom this Offering Memorandum may otherwise lawfully be communicated.
"Relevant State"	Each member state of the European Economic Area.
"Return On Assets"	Net Income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total assets minus "Investment properties".
"Return On Equity"	Net Income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total Equity minus "Investment properties".
"Saudi Regulations"	The Rules on the Offer of Securities and Continuing Obligations issued by the Board of the CMA pursuant to its Resolution number 3-123-2017, dated 9/4/1439H

(corresponding to 27 December 2017), as amended pursuant to Resolution of the Board of the CMA number 3-114-2024 dated 4/4/1446H (corresponding to 7 October 2024).

"SCA"	The UAE Securities and Commodities Authority.
"SCA Governance Guide"	The Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended).
"SDN"	Software defined network.
"SEC"	The U.S. Securities and Exchange Commission.
"SMS"	Short message service.
"SOC"	Security Operations Centre.
"Securities Act"	The U.S. Securities Act of 1933 (as amended).
"Securities and Futures Act"	Securities and Futures Act, Chapter 289 of Singapore.
"Selling Shareholders"	Bin Hamoodah Company LLC and Ibbini Investment Company LLC.
"Shares"	400,000,000 (four hundred million) ordinary shares with a nominal value of AED 0.03 each.
"Stabilisation Period"	time period commencing on the date of trading of the Shares on the ADX and ending no later than 30 calendar days thereafter.
"Stabilisation Shares"	Up to 10% of the Offer Shares sold by the Selling Shareholders in connection with the Global Offering that might be purchased by the Stabilisation Manager during the Stabilisation Period.
"Stabilisation Manager"	BHM Capital Financial Services PJSC, appointed by the Company and the Selling Shareholders in connection with the Global Offering.
"Tax Decrees"	Income Tax Decrees at the Emirates level.
"Transferees"	Any inter-company transfers of the shares of the Company by the Selling Shareholders in favour of its Affiliates.
"UAE"	The United Arab Emirates.
"UAE Prospectus"	A prospectus in Arabic and English, the publication of which has been approved by the UAE Securities and Commodities Authority.
"UAE Retail Offer"	The offer of Shares pursuant to the publication of the UAE Prospectus as approved by the SCA to certain natural persons, companies, establishments and other entities.
"Underwriting Agreement"	An underwriting agreement among the Company, the Selling Shareholders and the Joint Bookrunners dated on or around the date of this Offering Memorandum.
"UK"	The United Kingdom of Great Britain and Northern Ireland.

"UK Prospectus Regulation"	Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.
"UK Qualified Investors"	As defined under Article 2(e) of the UK Prospectus Regulation.
"U.S."	The United States of America.
"USD"	The lawful currency of the U.S.
"VAT"	Value Added Tax.
"WAN"	Wide area network.
"XaaS"	Everything-as-a-Service.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

This Offering Memorandum contains the following financial statements and information:

- the audited consolidated financial statements of the Company as at and for the year ended 31 December 2024, which includes the comparative financial information as at and for the year ended 31 December 2023, and the related notes thereto (the "**2024 Financial Statements**");
- the audited consolidated financial statements of the Company as at and for the year ended 31 December 2023, which includes the comparative financial information as at and for the year ended 31 December 2022, and the related notes thereto (the "**2023 Financial Statements**"); and
- the audited consolidated financial statements of the Company as at and for the year ended 31 December 2022, which includes the comparative financial information as at and for the year ended 31 December 2021, and the related notes thereto (the "**2022 Financial Statements**" and together with the 2023 Financial Statements and 2024 Financial Statements, the "**Audited Financial Statements**").

The Audited Financial Statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and audited by Deloitte in accordance with International Standards on Auditing ("**ISAs**") as stated in their independent auditor's reports (see "*Independent Auditors*") included in this Offering Memorandum beginning on page F-1.

The Company's financial year ends on 31 December of each year. References to any financial year refer to the year ended 31 December of the calendar year specified.

Except as referred to in this Offering Memorandum, or indicated otherwise in this Offering Memorandum: (i) the financial information of the Company as at and for the year ended 31 December 2024 has been extracted from the 2024 Financial Statements; (ii) the financial information of the Company as at and for the year ended 31 December 2023 has been extracted from the 2023 Financial Statements; (iii) the financial information of the Company as at and for the year ended 31 December 2022 has been extracted from the 2022 Financial Statements; and (iv) the financial information of the Company as at and for the year ended 31 December 2021 has been extracted from the 2022 Financial Statements.

Non-IFRS Information

This Offering Memorandum contains certain financial measures that are not defined or recognised under, and thus, not calculated in accordance with IFRS, or any other generally acceptable accounting principles, including Adjusted EBITDA, Adjusted EBITDA Margin, Net Income Margin, capital expenditure, Net Working Capital, Free Cash Flows, Free Cash Flow Conversion, Return On Equity, Return On Assets and Dividend Payout ratio (the "**non-IFRS measures**"). The Company believes that these non-IFRS measures provide valuable information. The Company believes that non-IFRS measures are a useful indicator of its ability to incur and service its indebtedness and can assist certain investors, security analysts and other interested parties in evaluating the Group. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. As these measures are not standardised, these measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

None of the non-IFRS measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider Adjusted EBITDA, Adjusted EBITDA Margin, Net Income Margin, capital expenditure, Net Working Capital, Free Cash Flows, Free Cash Flow Conversion, Return On Equity, Return On Assets and Dividend Payout ratio as an alternative to net income, operating profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS measures have limitations as analytical tools, and

you should not consider them in isolation or as substitutes for analysis of the Company's operating performance reported in accordance with IFRS. Some of these limitations include the following:

- they do not reflect the finance costs or cash requirements necessary to service interest/profit or principal payments on the Group's debt;
- they do not reflect any cash income and certain other taxes that the Group may be required to pay in relation to such income;
- they are not adjusted for all cash income or expense items that are reflected in the Group's statements of cash flows;
- they do not reflect the Group's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Group's working capital needs;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and

The non-IFRS measures are management's responsibility and are based on management's review of its financial results and estimates; accordingly, the above information has not been audited or reviewed by Deloitte or any audit firm and are to be read in conjunction with the historical information presented, but is not intended to form part of the Company's consolidated statement of financial position or consolidated statement of profit or loss and comprehensive income up to the date hereof. Accordingly, prospective investors should not place undue reliance on Adjusted EBITDA, Adjusted EBITDA Margin, Net Income Margin, capital expenditure, Net Working Capital, Free Cash Flows, Free Cash Flow Conversion and Dividend Payout ratio contained in this Offering Memorandum.

The Group defines:

- **"Adjusted EBITDA"** as profit for the year excluding depreciation of property and equipment, net fair value gain on advances paid on purchases of properties and investment properties, finance costs and other income;
- **"Adjusted EBITDA Margin"** as Adjusted EBITDA divided by revenue;
- **"Cash Conversion Cycle ("CCC")"** DIO plus DSO minus DPO;
- **"Days Inventory Outstanding ("DIO")"** as inventories and work-in-progress divided by materials multiplied by 360;
- **"Days Payables Outstanding ("DPO")"** as trade payables divided by materials, multiplied by 360;
- **"Days Sales Outstanding ("DSO")"** as trade receivables divided by revenue (excluding IFRS 15 adjustment) multiplied by 360;
- **"Dividend Payout"** as dividend payout ratio calculated as dividend paid in year (x) divided by net income of year (x) – 1;
- **"Free Cash Flow ("FCF")"** as net cash generated by operating activities minus net cash used in investing activities;
- **"Free Cash Flow Conversion"** as FCF divided by Adjusted EBITDA;
- **"Gross Margin"** as gross profit divided by revenue;
- **"Net CAPEX"** as net capital expenditure, including payments for additions in property and equipment, as well as proceeds from disposal of property and equipment.

- **"Net Debt"** as total trade finance and bank borrowings minus cash and bank balances.
- **"Net Leverage"** as Net Debt divided by Adjusted EBITDA.
- **"Net Profit Margin"** as profit for the year divided by revenue.
- **"Net Working Capital"** as inventories and work in progress, contract assets and trade and other receivables and trade and other payables (excluding trade finance current liabilities).
- **"Return on Equity"** as Net Income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total Equity minus "Investment properties".
- **"Return on Assets"** as Net Income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total assets minus "Investment properties".

Currency Presentation

All references in this Offering Memorandum to:

- **"AED"** are to UAE dirhams, the lawful currency of the UAE;
- **"USD"** are to U.S. dollars, the lawful currency of the U.S.; and
- **"billion"** are to a thousand million.

The Group's reporting currency is the UAE dirham. The dirham is the lawful currency of the UAE, and since 22 November 1980, the dirham has been pegged to the US Dollar. The value of AED has been pegged to USD at a rate of AED 3.6725 per USD 1 since 1997. All AED/USD conversions in this Offering Memorandum have been calculated at this rate. All USD translations of dirham amounts appearing in this Offering Memorandum have been translated at this fixed exchange rate, unless otherwise stated. Such translations should not be construed as representations that dirham amounts have been or could be converted into USD at this or any other rate of exchange.

Rounding

Certain data in this Offering Memorandum, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Offering Memorandum may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Shariah Compliance

Certain of the Group or the Company's financing arrangements are Shariah compliant and references in relation thereto in this Offering Memorandum to "interest", "lender", "borrower", "repayment", "loans", "borrowings" or similar non-Shariah compliant terms in relation thereto should be interpreted as references to "profit", "rental", "finance costs", "financier", "obligor", "payment", "financings", etc., as applicable.

Market Data

The Company has included in this Offering Memorandum historical market data, industry forecasts and other market information derived from a report (the **"IDC Market Report"**) prepared by the International Data Corporation (**"IDC"**). Unless the source is otherwise stated, such data constitutes the estimates of IDC. The Company confirms that the data and other information derived from the IDC Market Report and any other third-party information included herein has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from the IDC Market Report and from information published by other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company notes that none of IDC or other third-party sources, and none of the Joint Bookrunners, accepts any liability for the accuracy of any such information, and prospective investors are advised to consider such information with caution. In addition, in certain instances in this Offering Memorandum, the Company has included its own estimates, assessments, adjustments and judgements in preparing market information, which have not been verified

by an independent third party. Such information is to a certain degree subjective. While the Company believes that its own estimates, assessments, adjustments and judgements are reasonable and that the market information prepared by the Company approximately reflects the industry and the markets in which it operates, there is no assurance that the Company's own estimates, assessments, adjustments and judgements are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. See "*Information Regarding Forward Looking Statements*" and "*Industry Overview*".

No Incorporation of Website Information

None of the contents of the Company's website or a Selling Shareholder's website or any website directly or indirectly linked to these websites have been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information. To the extent information on any of the Company's websites differs from or is inconsistent with information presented herein, reference should be made only to the information contained in this Offering Memorandum.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements which relate to, among other things, the Company's plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which it operates and in which the Company may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "risk", "intends", "estimates", "aims", "plans", "targets", "predicts", "continues", "assumes", "potential", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which the Company operates. In particular, the statements under the headings regarding the Company's strategy and other future events or prospects in the following sections are forward-looking statements: "Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Business".

These forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions and are based on the beliefs of the Company's management, as well as the assumptions made by, and information currently available to, the Company's management. Although the Company believes that the expectations reflected in such forward looking statements are reasonable at this time, the Company cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements. Important factors that could cause actual results to differ materially from the Company's expectations are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward looking statements included in this Offering Memorandum and specifically under the section entitled "Risk Factors" or the underlying assumptions. These factors include, but are not limited to:

- The Group must keep pace with significant technological advances;
- The Group's revenue is highly dependent on its operations in the UAE;
- The Group's revenue is highly dependent on its contracts with governmental and semi-governmental clients;
- Reduced technology spending may adversely impact the Group's business;
- The Group's deployment of AI technologies in its solutions and services may not be successful and may present business, financial, legal and reputational risks;
- The Group faces legal, reputational and financial risks if it fails to protect customer and/or Group data from security breaches and/or cyberattacks;
- If the Group is unable to attract, train and retain skilled employees with experience in key technological areas, as well as senior management, the Group's business and results of operations may be materially adversely affected;
- The Group faces risks related to employee error and misconduct;
- If the Group does not continue to invest in understanding its customers and delivering services that match their expectations, it could adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group;
- The Group faces strong and evolving competition;
- The senior management of the Group does not have prior experience in managing a publicly listed company; and

- Failure to comply with data security and privacy regulations could have a material adverse effect on the Group's business operations and operating results.

If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward looking statements in this Offering Memorandum be regarded as a representation or warranty by the Company, the Selling Shareholders, the Joint Bookrunners or any other person with respect to the achievement of the results set out in such statements. Please refer to "*Risk Factors*" for further information in this regard.

The forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. The Company, the Selling Shareholders and the Joint Bookrunners expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

The Internal Shariah Supervision Committee of Emirates NBD Bank PJSC has issued a Shariah pronouncement confirming that, in its view, the Global Offering is compliant with Shariah principles. Investors should undertake their own due diligence to ensure that the Global Offering is compliant with Shariah principles for their own purposes.

FINANCIAL TARGETS

The Group's business plan sets out certain targets and ambitions for its business as well as key financial items for the Group. These are forward-looking statements, based on assumptions that management believes are reasonable, but which may turn out to be incorrect or different than expected, and the Group's ability to achieve them will depend on a number of factors, many of which are outside of the Group's control, and which are subject to significant business and economic uncertainties and risks, including those described in the section entitled "Risk Factors" in this Offering Memorandum. As a result, the Group's actual results may vary from the targets and ambitions set out below and those variations may be material.

These targets are based on data, assumptions and estimates which are considered to be reasonable by the Group as at the date of this Offering Memorandum. Such data and assumptions may change or be modified due to uncertainties relating, in particular, to the economic, financial, competitive, regulatory and fiscal climate or because of other factors of which the Company is not aware at the date of this Offering Memorandum.

The Group has not defined by reference to a specific financial year or period the terms "medium-term", which are therefore not intended to be representative of any particular financial year or period. The Group's outlook and targets are based on the continuing operations of the Group and are given on an adjusted management basis.

In addition, the achievement of these targets presupposes the successful and effective implementation of the strategy presented in "Business – Strengths" in this Offering Memorandum. The Group accordingly makes no commitment or guarantee regarding the achievement of the targets presented below.

The Group is targeting annual revenue to grow organically in the low to mid-teens in the medium-term, with revenue from the Group's KSA and Qatar businesses targeted to contribute low-to-mid single digit percentages of the Group's total revenues. The Group does not expect the Group's segmental mix of revenue (across the Group's Solutions, Services and Talent divisions) to materially change in the medium-term compared to the financial years ended 31 December 2021 to 31 December 2024 covered in this Offering Memorandum.

The Group's Gross Margin is targeted to remain in line with the Group's Gross Margin in the financial years ended 31 December 2021 to 31 December 2024. The Group is targeting its Adjusted EBITDA Margin to gradually increase in the medium-term (due to improved operating leverage). The Group is also targeting a gradual improvement in its profit before tax margin in the medium term driven by operating leverage.

The Group is targeting depreciation and amortisation to account for 0.2% of the Group's total revenue in the medium-term. The Group is targeting capital expenditure to account for 0.1% of the Group's total revenue in the medium-term.

The Group is targeting Net Working Capital as a percentage of revenue between 10-15%.

The Company intends to distribute a dividend of AED 130 million for the financial year ending 31 December 2025, payable in two equal instalments in October 2025 and April 2026. Thereafter, the Company expects to distribute dividends on a semi-annual basis (in April and October of each year), with a minimum payout of 80% of the net profit generated for the relevant financial period, subject to the approval of the Board and the availability of distributable reserves. The Company continues to evaluate accretive investment opportunities for growth. In the absence of suitable opportunities that meet the target investment criteria and returns, the Company will consider distributing higher dividends than the minimum annual dividend.

SUMMARY

This summary should be read as an introduction to this Offering Memorandum and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Shares should be based on the consideration of this Offering Memorandum as a whole by potential investors. Potential investors should read this entire Offering Memorandum carefully, including Risk Factors and the financial statements of the Company, including the related notes, before making any decision to invest in the Shares.

Overview

Established in 1981, the Group is one of the leading digital transformation and system integration services providers in the United Arab Emirates. The Group also has smaller operations in KSA (launched in 2022) and Qatar (re-launched in 2022), which the Group plans to grow in the future.

The Group develops and builds customised electronic (computer-based) solutions for customers (including businesses and governmental bodies) principally by using third-party developed hardware, software, networking and storage products (developed by many of the world's leading technology companies). In doing so, the Group typically integrates numerous products and/or services into a solution and/or service delivered by the Group. The Group also recruits and outsources specialist IT personnel to customers.

The Group operates across three business segments:

- **Solutions.** The Group's relationship with its customers typically begins with the provision of an enterprise solution. This includes IT infrastructure solutions, including servers, storage, network infrastructure, audio-visual infrastructure, physical security infrastructure (ie. CCTV networks) and backup and disaster recovery infrastructure. This also includes providing and implementing tailored solutions by integrating advanced technologies such as cybersecurity, cloud, mobility, AI, big data, digital transformation and software automation technology. The Group provides physical and virtual solutions to customers using a combination of different technological hardware and software provided by different vendors. The Group aggregates such technology solutions to provide a bespoke and customised technological solution to the customer to serve a specific function for the customer's business or infrastructure.
- **Services.** The Group offers a full range of services to customers to consult, implement, monitor, manage and maintain IT infrastructure and solutions. These include (i) managed services, (ii) professional services, (iii) support and maintenance services and (iv) consulting services. The Group provides network and cybersecurity services by providing to customers a Network Operations Centre ("NOC") and/or Security Operations Centre ("SOC") through the Group's Digital Transformation Centre. As part of its services offering, the Group provides general IT customer service desk support and call centre support. The Group's managed services offering involves the Group managing all, or a significant part of, an enterprise's IT servicing needs through a single package. The Group has higher profit margins from delivering Services than Solutions and the Group is growing its Services business, including as part of its strategy to provide 'everything-as-a-service' to its customers. The Group believes its strong Services segment differentiates itself from many of its competitors.
- **Talent.** Through the Group's subsidiary Alpha Data Recruitment LLC - OPC ("**Alpha Data Recruitment**"), the Group recruits and outsources specialist IT personnel to customers, to meet high customer demand for skilled IT individuals. The Talent segment includes the following offerings:
 - *resource-as-a-service (RAAS)* – providing IT personnel on a contract or contract-to-hire basis or for seasonal or niche needs, as well as offering flexible contract durations with the option to hire after contract expiry;
 - *permanent staffing service (PSS)* – leveraging web portals, digital marketing, and headhunting to source the right candidates for permanent staffing positions;

- o *Emirati/Saudi recruitment services* – offering a full service recruitment team, with proficiency in Arabic language, comprehensive understanding of Emiratization and Saudization requirements, with access to in excess of 5,000 Emirati and Saudi national employees; and
- o *Insourcing* – undertaking technical screening of the niche skillsets of potential candidates and providing the Group with access to these vetted candidates for employment within the Group.

This segment works in conjunction with the Solutions and Services segments to assist clients to manage / operate technologies.

The solutions and services the Group provides for customers are varied and include designing, installing, operating, managing, maintaining and providing services in respect of:

- (a) IT and network infrastructure, including computer and network infrastructure for use at customer offices, branches and facilities, including server, data storage, disaster recovery, security and audio-visual solutions and services;
- (b) cybersecurity solutions, to protect IT infrastructure, devices, data and networks from intrusions, hacking, theft and ransom;
- (c) cloud technology solutions, including storage, data analytics, security and enterprise management solutions, delivered using private, public and hybrid clouds;
- (d) mobility solutions, including enterprise devices, remote access software, virtual desktops and remote applications;
- (e) AI and big data solutions, involving generative AI (including large language models), computer vision, machine learning, sensory, data analytics and other technologies, often built onto cloud and other IT infrastructure;
- (f) software and software automation, to streamline business processes and assist customers with developing their own IT solutions; and
- (g) services, including managed services, through which the Group provides support, monitoring and maintenance services to its customers in respect of their IT infrastructure, including through the Group's Digital Transformation Centre.

The proportion of the Group's revenue that derives from its "pillars of digital transformation" - cybersecurity, cloud, mobility, AI, big data and software automation solutions, as well as services and managed services, has been increasing in recent years.

The Group's integrated and customised offerings to customers streamlines their procurement, contracting and vendor management processes, removing the need for the customer to source, contract with and manage service levels with multiple vendors.

Many vendors will only contract on their own standard terms and use procurement processes that are not convenient to navigate for many customers in the UAE, KSA and Qatar. By contrast, the Group contracts with customers on bespoke terms using contractual forms often initially prepared by the customer, which is a more attractive proposition for many large customers in the UAE, KSA and Qatar.

The Group's business and operations are primarily located in the UAE. The Group also has smaller operations in KSA (launched in 2022) and Qatar (re-launched in 2022), which the Group plans to grow in the future.

As at 31 December 2024, the Group had 1,629 employees, with 1,606 based in the UAE. This comprises 636 technical personnel, around 105 sales personnel and 320 administrative personnel, as well as around 568 employees in the Group's Talent division through Alpha Data Recruitment, which outsources employees to customers. See '*Group Companies – Alpha Data Recruitment*' below.

The Group serves more than 2,200 customers, including some of the largest enterprises in the UAE, including leading state-owned oil and gas companies, airlines, utilities, port operators and sovereign wealth funds, as well as a number of banks, financial institutions and governmental ministries and departments.

The Group's vendors include many of the world's leading technology companies, including the following:

IT & Network infrastructure: Hewlett-Packard Enterprise, Huawei, Dell Technologies and Cisco;

Cybersecurity: Fortinet, Palo Alto, Forcepoint and Microsoft;

Big Data / IoT: Red Hat, Cloudera, IBM and Microsoft Azure;

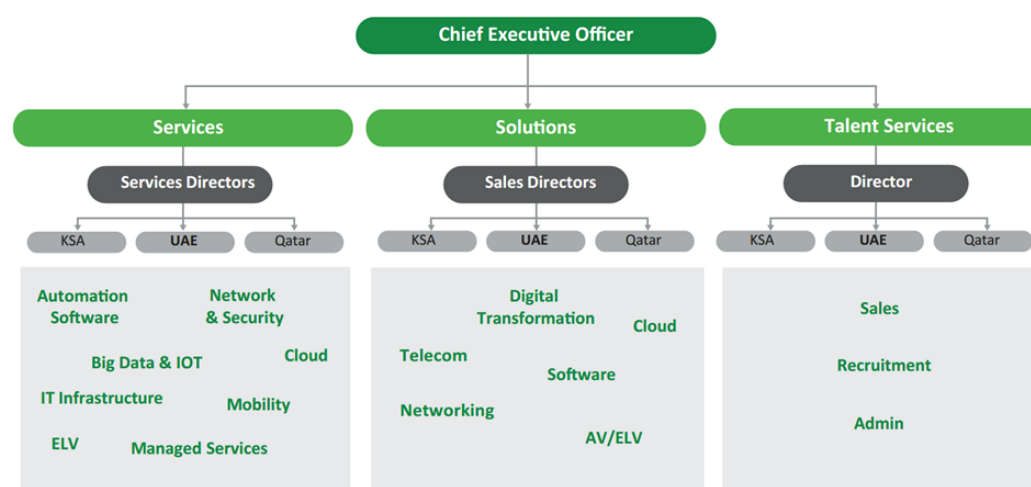
Cloud Technology: AWS, Oracle, Microsoft Azure and GitHub;

Mobility: Citrix, Lakeside, Accops and Microsoft 365; and

Software and Automation: Opentext, Seclore, Mendix, ManageEngine and SAP.

The Group has positioned itself to capitalise on market growth as demand for digital transformation technologies continues to increase across multiple sectors in the UAE (and across the Middle East), including as a result of the UAE's Digital Economy Strategy and Digital Government Strategy, the KSA's National Strategy for Digital Transformation and Digital Government Strategy and Qatar's Digital Strategy and Digital Government NextGen Strategy.

The below chart sets out the structure of the Group's management of its different segments.



History

The Group was established in Abu Dhabi in 1981 to offer on-demand computer services (including data processing outsourcing services) at a time when computers were large and expensive. When personal computers became more popular, the Group started to distribute IBM personal computers in the UAE market, starting an IBM personal computer dealership in 1983.

The Group commenced its Dubai operations in 1986. Subsequently, in 1995, the Group built the first structured cabling solution for a smart building in the Middle East for an oil and gas sector customer. In 1996, the Group introduced digital telephony private automatic branch exchange systems to customers in the oil and gas and governmental sectors in the UAE. The Group first participated in GITEX (Gulf International Technology Exhibition) in 1996, the largest technology-focused trade exhibition in the Middle East.

In 1997, the Group built its first ethernet network. Also in 1997, the Group developed its first asynchronous transfer mode system for an oil and gas customer's EMEA and African business. In 1998, the Group built the first internet protocol television system in the Middle East at the Emirates Towers in Dubai. In 1999, the Group built the first security firewall and dial-up internet services system for customers in the region.

In 2000, the Group installed a city-wide video surveillance network and moved to new headquarters alongside the airport road in Abu Dhabi. Foresight was launched in 2000 to develop and provide customised solutions to the banking and finance sectors.

In 2003, the Group installed the first hospitality room management systems in the UAE. Also in 2003, the Group set up for a prominent customer the largest (at the time) call centre in the UAE.

In 2004, Tuqnia was launched to provide services using the technology of one of the Group's leading vendors. The Group also changed its logo in 2004 to the logo currently used by the Group.

In 2010, the Group launched a first-of-its-kind (for a UAE hotel) high technology video conferencing system, the Polycom RPX Immersive Telepresence Centre at the Emirates Palace in Abu Dhabi.

In 2012, the Group received its commercial licence, secured office space and commenced operations in Qatar.

In 2014, the Group set up Alpha Data Recruitment, to provide on demand IT technology specialists to its customers on an outsourced basis.

In 2015, the Group adapted its strategy to increase its focus on developing its business around the 'pillars of the new digital economy', namely cybersecurity, mobility, cloud and big data. In particular, the Group focused its strategy on attracting and nurturing talent, and developing know-how and expertise, in these areas.

In 2017, the Group's annual revenue surpassed AED 1.0bn for the first time. In 2023, the Group's annual revenue surpassed AED 2.0bn for the first time.

In 2019, the Group opened its Digital Transformation Centre in Abu Dhabi, enabling the Group to provide a range of services to customers to monitor, manage and maintain IT infrastructure and solutions, including network and cybersecurity services including through the NOC and SOC.

In 2021, the Group celebrated the 40 year anniversary of its establishment.

In 2022, the Group launched its expansion into KSA and re-launched its operations in Qatar.

In 2024, the Group initiated the launch of its AI business with a focus on developing AI solutions.

Competitive Strengths

The Group believes that it is well positioned to execute and achieve its business goals based on the following competitive strengths:

Leading digital transformation partner for all business information communications technology ("ICT") needs

The Group is a leading digital transformation provider and system integrator. With a strong track record of over 40 years, the Group has consistently helped customers strengthen their technology by creating tailored ICT solutions ranging from mobility and cloud-based solutions to big data and automation. The Group has strong industry relationships and a diverse range of customers from various industries, including government, telecommunications, banking, insurance, real estate, construction, oil and gas, and aviation, which has allowed it to reinforce its reputation as a trusted and preferred ICT service provider in the UAE.

The Group believes that it has a number of key differentiators in the markets in which it operates, such as the depth and breadth of its technical expertise, its specialist industry knowledge, its flexible commercial models and its expertise in implementing accelerated transformation projects for its clients.

Specifically, the Group is able to differentiate itself from its competitors through:

- *Technical expertise:* the Group's technical expertise is demonstrated through its development and implementation of innovative solutions across multiple technologies;
- *Specialist industry knowledge:* the Group has a proven track record of delivering complex projects in a large number of industries since 1981 (see '*Customer Relationships and Sales*');
- *Flexible commercial models:* The Group is able to tailor its commercial models based on client preferences, using a combination of project-based, recurring contracts, licensing, leasing or build-operate-transfer contract models; and
- *Accelerated transformation:* using agile delivery methods and complemented by the Group's managed services offering, the Group is able to deliver on implementing accelerated digital transformation projects for its clients.

Favourable market and sector growth

Strong digitalisation and regional economic diversification are driving high levels of growth of all IT related services throughout the markets in which the Group operates. The Group's core markets, the UAE and the KSA, are experiencing significant growth in their ICT sectors, with the Alpha Data addressable IT market ("Addressable Market") in each of the UAE and the KSA projected by the International Data Corporation ("IDC") Middle East to grow at 9.0% CAGR between 2023 and 2028 and 11.1% CAGR between 2023 and 2028, respectively (see '*Industry Overview*'). This is supported by government-led digitalisation focused initiatives including the "UAE Digital government Strategy 2025", the "UAE National Strategy for Artificial Intelligence 2031", "Operation 300bn", the UAE's "Fourth Industrial Revolution (4IR) Strategy" and the numerous KSA Vision 2030 giga projects. The Group intends to capitalise on the favourable market and sector growth (as described above). The Group has an approximate 6% market share of its Addressable Market in the UAE according to the IDC Market Report, with the Addressable Market interpreted to include the markets in which the Group operates in the UAE, and to exclude the markets which the Group does not operate in, such as consumer IT, 3rd platform technologies, industrial IOT segment, other devices (such as mobile phones) (see '*Industry Overview*').

Leading 'one stop shop' IT business solutions provider for enterprises in UAE

As a system integrator and digital transformation company, the Group offers a comprehensive, end-to-end product offering, including hardware, software and services, providing customers with a "one stop" IT solution for all of their ICT needs, from the initial assessment and design to hardware and software supply, implementation, support and managed services.

Due to the unique nature of the IT industry and the complementary nature of available solutions and services, the Group has been able to cross-sell its multiple business lines, allowing the Group to be a 'one stop shop' solution provider.

Although the Group faces competition in each of the market sectors in which it operates, the Group believes that none of its competitors in the UAE compete with the Group across all of the Group's market sectors, giving the Group a competitive advantage in being able to offer a broader and more comprehensive range of IT solutions than its competitors.

Case Study – the Group's work with a leading state-owned utilities provider

An example of the Group providing a "one stop solution" is the Group's work for its longstanding governmental client, a leading utilities provider, with whom the Group has worked for decades, becoming a trusted partner and a driving force behind the company's digital transformation.

The Group initially commenced working with the company on a small mandate, and has since continuously expanded its engagement and services provided to the company, designing and building the company's digital infrastructure, with servers specifically identified for the company requirements. The Group implemented a data storage system for the company, as well as automated disaster recovery and back-up systems (for both SAP and non-SAP platforms). The Group established a WIFI and data network solution for the company, which, together with cabling infrastructure, provides secure communications and data transmission for the company.

The Group has also designed a workflow management system, which streamlines the company's processes and maximises efficiency. The Group also assisted the company with setting up a document management system that is integrated with SAP and the Group has also implemented numerous Microsoft technology solutions for the company. By embedding itself within the company from its initial engagement, the Group has capitalised on its deep understanding of the company's IT infrastructure requirements to develop and grow its relationship.

There are many similar examples where the Group has also maintained and developed its relationships with its customers over an extended period. In one example with a client in the healthcare industry, the Group assisted with the implementation of a cybersecurity enhancement project in 2014. In 2022-2023, the Group was engaged again to assist with implementing a metaverse for telemedicine, and in 2024 designed a national organ transport solution for the client. In another example, the Group set up the network & security infrastructure for an internet service provider in 2007, and was engaged to assist with designing and migrating their billing application in 2014. In 2021, the Group was recognised as a "Partner of Choice" for the client.

Specialising in Leading Segments that Propel Digital Transformation

The Group is focused on high-growth sectors like cloud, AI, and big data and the Group serves fast-growing sub-segments of leading industries such as banking, finance and healthcare, which are embracing digital transformation and increasing their IT spend. These sectors are driven by macro-trends in the ICT sector such as generative artificial intelligence, the demand for automation and virtual desktop infrastructure, as well as robotic and intelligent process automation. The demand for digital transformation initiatives amongst both private and public sector clients has been accelerated by these macro-trends and the Group believes that it is well positioned to capitalise on its clients' needs in these areas.

Serving Diverse Blue-Chip and Creditworthy Customer Base with Flexible Contract Structures

The Group has a diverse customer base consisting of approximately 2,200 government, quasi-government and private entities. Its relationship with government entities strengthens its position as a key player of ICT services in the region. The Group has a strong portfolio of high-profile customers, including DP World, National Bank of Fujairah, MBRSC, DIBSA, as well as already established long term relationships with customers such as Emirates Airlines, ADNOC, Dubai Airports, amongst others.

The Group develops long-term relationships with customers, allowing the Group to understand the technological solutions best suited to its customer's business needs, as well its customer procurement processes. The Group offers a customer-centric and product-agnostic approach (such as offering flexible contract structures), which allows it produce tailored solutions for its customers. The Group also offers bespoke contracts with pricing tailored based on customer-specific factors including the number of customers, users and sites to be covered, the types of applications to be used and the level of administration and management to be provided.

Founder Led Management Team with Unique Track Record of Growth, Innovation and Execution

The Group benefits from a strong management team with clear vision and over 250 years of sector experience, which is supported by robust corporate governance, local market knowledge, and regulatory expertise. The management team has a deep commitment to maintaining the highest standards of excellence within the Group, with a proven operational and financial track record. Furthermore, the Group's management team has been strategically split with a combination of services and sector units to leverage extensive sector expertise.

Underpinned by Breadth and Depth of its Strong Multi-Vendor Partnerships

The Group has a strong vendor network, providing access to the latest technologies and preferential support through key vendor relationships. The Group offers clear value to vendors by giving them access to the local market and allowing them to easily reach customers. The Group holds high level partnerships and/or is recognised as a partner of choice by numerous global technology leaders like Microsoft, AWS, Cisco, IBM, Fortinet, and Palo Alto, having received numerous awards from such strategic partners (see 'Recent Awards'). Such partnerships ensure neutrality, high margin optimisation, and flexibility within

the Group's service offerings. The Group is continuously looking to expand its network of partners, with a view to building mutually beneficial relationships and collaborating on new and emergent technologies.

Robust Financial Performance Demonstrated by Strong Topline Growth, Resilient Margins and FCF

The Group has enjoyed sustained revenue growth across each of its segments (Solutions, Services and Talent), with a four year CAGR of 21.9% based on comparing revenue in the years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

Furthermore, despite the highly competitive environment the Group operates in, the Group has maintained stable Gross Profit, Adjusted EBITDA and Net Profit Margins. Specifically, for the financial year ended 31 December 2024, the Group's Gross Margin was 12.5%, Adjusted EBITDA Margin was 5.8%, and Net Profit Margin was 5.5%. This is compared to the financial year ended 31 December 2023, in which the Gross Margin was 13.4%, the Adjusted EBITDA Margin was 6.4%, and the Net Profit Margin was 6.6%. The Group has also experienced sustained improvements in its Free Cash Flow generation, experiencing an average cash conversion rate of 103% for the years ending 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024. Thanks to the strong growth, the Group has been able to deliver strong value to the shareholders, with healthy dividends over the four years ending 31 December 2021 to 31 December 2024 and an average Dividend Payout of 75% (excluding the special pre-IPO dividend of AED 161,025,000 in the year ending 31 December 2024) over the same period.

The Company's Strategies

Establish Leadership in Digital Transformation Technologies and Further Grow its Market Position

The Group believes that there are numerous opportunities in the UAE market to support further growth across its segments and technologies by leveraging the Group's existing capabilities, strong customer relationships and track record.

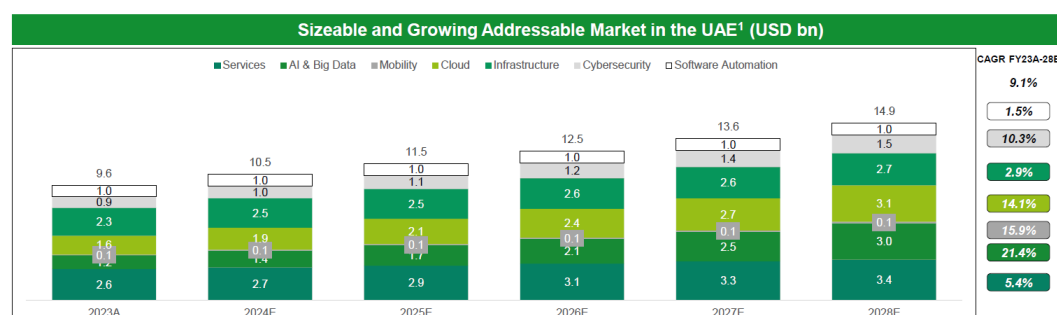
The Group believes that digitisation trends, specifically government-led digital transformation, digital economy growth, enhanced cybersecurity measures, infrastructure modernisation, data management evolution and artificial intelligence create unparalleled growth opportunities for the Group to anchor its leading market position in system integration / digital transformation services.

The Group believes that UAE government initiatives to promote investment in digital transformation, such as UAE's "Fourth Industrial Revolution" strategy (which aims to position the country as a global hub for innovation) and its AI strategy (which aims to embed smart digital systems across government sectors) will generate rising demand for its solution and services.

The Group intends to focus on transformational technologies to capture growth in the evolving technological landscape as well as identifying practical use cases and technologies to expand its product portfolio in line with the latest digital trends.

In 2023, Alpha Data held a market share of approximately 6% within the UAE's total Addressable Market, which stood at USD 9.6 billion in 2023 (see 'Industry Overview').

The total Addressable Market for Alpha Data is expected to increase from USD 9.6 billion in 2023 to USD 14.9 billion in 2028 at a 2023-2028 CAGR of 9.1% (see 'Industry Overview').



Note: 1. As per IDC Market Report

'Everything-as-a-Service' Business Model

The Group has moved (and continues to move) many of its customer relationships to an "Everything-as-a-Service" ("XaaS") model, whereby any IT function can be delivered by the Group (for example, infrastructure, device, software, back-up, disaster recovery, database, platform and AI) "as-a-service". The XaaS model also encompasses the provision of managed security services (i.e. outsourcing the monitoring and management of security devices and systems). The XaaS delivery model provides greater flexibility and technological options for customers, allowing customers to scale up and down with ease and align their IT investment with their revenues. The XaaS model also allows the Group to increase customer retention and provide greater profit margins.

Expansion to other markets in the GCC region (including the KSA and Qatar)

The Group launched operations in the KSA in 2022 (and relaunched its Qatar operations in the same year) as part of its top-down strategy to expand its footprint into other ICT markets in the GCC. The Group has a team of 8 employees in Qatar and a team of 11 in KSA, which it intends to expand over the coming years. The Group intends to offer a full spectrum of solutions and services in these jurisdictions and already has a number of key governmental departments and leading corporations as some of its main customers in KSA and Qatar. The Group intends to provide support from the UAE to its operations in KSA and Qatar.

The Group intends to capitalise on various government initiatives to drive digitisation in the region, such as KSA's Vision 2030, its plan to build hyperscale data centres powered by renewable energy, and the integration of "Industry 4.0" technologies to facilitate large scale giga projects.

The Addressable Market for Alpha Data in KSA is expected to grow from USD 10.7 billion in 2023 to USD 18.2 billion in 2028 at a 2023-2028 CAGR of 11.1% (see 'Industry Overview').



Well Positioned to Capture Growth, Diversify Revenues, Launch New Services, and Target New Customers

The Group is well-positioned to capitalise on the increased growth amongst the public and private sectors in the UAE and GCC given its deep-rooted history in the region as one of the region's most well-known diversified systems integrator and digital transformation services provider. The range of the Group's service and product offerings has given the Group a diversified revenue stream, allowing it to leverage its expertise in various areas to launch ancillary services and offerings. The Group's diverse client base has provided the Group with insights into the unique demands of its various public and private sector clients, allowing it to refine its offerings and strategically target clients requiring similar products and services.

Cost control and operational efficiency

The Group had stable net income margins for the financial years ended 31 December 2021 to 31 December 2024 (see '*Strengths*' above) as a result of maximising economies of scale, margin accretion (resulting from the Group's everything-as-a-service vertical) and efficient cost control. This has positioned the Group to further capitalise on potential expansion opportunities.

Risk Factors

The Group's business is subject to numerous risks and uncertainties, including those highlighted in the section entitled "*Risk Factors*" following this summary, that represent challenges the Group faces in connection with the successful implementation of its strategy and the growth of its business. The Group expects a number of factors to cause its operating results to fluctuate, which may make it difficult to predict its future performance. Such factors include:

Risks Relating to the Business of the Group

- The Group must keep pace with significant technological advances;
- The Group's revenue is highly dependent on its operations in the UAE;
- The Group's revenue is highly dependent on its contracts with governmental and semi-governmental clients;
- Reduced technology spending may adversely impact the Group's business;
- The Group's deployment of AI technologies in its solutions and services may not be successful and may present business, financial, legal and reputational risks;
- The Group faces legal, reputational and financial risks if it fails to protect customer and/or Group data from security breaches and/or cyberattacks;
- If the Group is unable to attract, train and retain skilled employees with experience in key technological areas, as well as senior management, the Group's business and results of operations may be materially adversely affected;
- The Group faces risks related to employee error and misconduct;
- If the Group does not continue to invest in understanding its customers and delivering services that match their expectations, it could adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group;
- The Group faces strong and evolving competition;
- The senior management of the Group does not have prior experience in managing a publicly listed company;
- Failure to comply with data security and privacy regulations could have a material adverse effect on the Group's business operations and operating results;
- Ineffective risk management, business continuity and disaster recovery plans could impact the Group's ability to successfully deliver products to its customers, which could have a material adverse impact on the Group's business and results of operations, and harm the Group's reputation;
- The Group's internal controls, procedures and policies may fail to ensure adherence to applicable regulations;
- The Group faces risks related to its financial controls and internal reporting procedures;
- The Group's failure to meet specified service levels or milestones required by its customer contracts may result in legal liability or loss of business;

- Many of the Group's contracts with customers are short-term and its business, results of operations and financial condition could be adversely affected if customers terminate their contracts on short notice;
- The Group's business relies on maintaining the Group's partnerships with the Group's IT vendors;
- The Group's expansion into the KSA and Qatar is subject to a range of risks and external factors;
- The Group faces challenges related to growing its business and achieving its profitability;
- The Group's insurance coverage may be insufficient to cover its losses; and
- The Group may be involved in disputes and legal proceedings.

Risks Relating to Political, Economic and Social Environment of the UAE

- General economic, financial and political conditions in the MENA region may materially adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group;
- The UAE's economy is significantly affected by volatility in international crude oil prices and their economies have in the past been, and are likely in the future to be, materially adversely affected by lengthy periods of low crude oil prices;
- Changes to conditions in the MENA region may affect investment and business activities;
- Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially and adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group.
- A rapidly changing legal system and the introduction of new laws and regulations can create an uncertain environment for investment and business activity, which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group;
- The Group may be exposed to a number of uncertainties relating to taxes, which may have a negative impact on the Group's business and results of operations;
- The Group is subject to certain legal requirements to maintain certain levels of localisation with respect to personnel, such as the UAE's Emiratisation initiative, Saudi Arabia's Saudisation initiative and Qatar's Qatarisation initiative, which may increase the Group's costs and may reduce its ability to rationalise its workforce; and
- The Group's financial condition and results of operations may be materially adversely affected if USD/AED exchange rate were to change.

Risks Relating to the Global Offering and the Shares

- After the Global Offering the Selling Shareholders will continue to be able to exercise significant influence over the Group and their interests may differ from those of the other Shareholders;
- The market price of the Shares may fluctuate widely in response to different factors, many of which are outside the Group's control, the Shares may trade at a discount to the Offer Price and Shareholders may be unable to realise their investment through the secondary market at the Offer Price;
- Future issuances of Shares by the Company and/or sale of Shares by the Selling Shareholders may dilute the holdings of Shareholders and/or depress the price of the Shares;

- The Global Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares;
- The Company's ability to pay dividends on the Shares depends on the Group's profitability, financial position and cash flow;
- Following the Global Offering, the price of the Shares on the ADX may differ from the Offer Price and could be adversely affected by a range of factors related to the Group and its business;
- Holders of the Shares in certain jurisdictions outside of the UAE, including the United States., may not be able to exercise their pre-emptive rights if the Company increases its share capital; and
- It may be difficult for Shareholders to enforce judgments against the Company in the UAE, or against its directors and senior management.

Company Information

The Company's registered office is located at Alpha Data Building, Plot 39, M26, Mussafah, Abu Dhabi, United Arab Emirates. The Company's telephone number is +971 2 633 3644 and its website address is <https://www.alpha.ae>. The information contained on the Company's website is not incorporated by reference into, or otherwise included in, this Offering Memorandum.

THE GLOBAL OFFERING

Company	Alpha Data PJSC, a company under conversion in the Emirate of Abu Dhabi, UAE from a limited liability company to a public joint stock company pursuant to Federal Decree Law No. 32 of 2021 concerning commercial companies.
Selling Shareholders.....	Bin Hamoodah Company LLC and Ibbini Investment Company LLC. Immediately following completion of the Global Offering, the Selling Shareholders will continue to own at least 60% of the Company's issued and outstanding share capital assuming that the Selling Shareholders sell all of the Shares being offered and that the size of the Global Offering is not increased.
Joint Bookrunners.....	Abu Dhabi Commercial Bank PJSC and the Joint Global Coordinators have been appointed as joint bookrunners.
Joint Global Coordinators.....	EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC and Emirates NBD Capital PSC have been appointed as Joint Global Coordinators.
Global Offering.....	A total of 400,000,000 (four hundred million) existing ordinary shares are being offered in the Global Offering. All of the 400,000,000 (four hundred million) ordinary Shares are being sold by the Selling Shareholders which constitutes approximately 40% of the Company's share capital.

The Global Offering comprises the Reg S Offering, the Exempt Offer, the UAE Retail Offer and the EIA Offer. The Shares are being offered outside the United States in reliance on Regulation S. The Exempt Offer is being made (i) in the DIFC pursuant to an exemption from registration under the Markets Rules (MKT) Module of the DFSA Rulebook and (ii) in the ADGM pursuant to an exemption from registration under the Market Rulebook of the FSRA.

The Selling Shareholders reserve the right to increase the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion. Subject to the approval of the SCA, the Selling Shareholders reserve the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not exceed 40% of the total Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60% of the total Shares offered in the Global Offering. The Company will not receive any proceeds from the sale of Shares by the Selling Shareholders other than compensation from the Selling Shareholders for any expenses relating to the Global Offering.

Qualified Investor Offering ...	95% of the Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering: (i) outside the United States in reliance on Regulation S; and (ii) pursuant to the Exempt Offer.
Exempt Offer	A number of Shares to be determined by the Joint Global Coordinators, the Selling Shareholders and the Company are being offered in the Exempt Offer: (i) in the DIFC, pursuant to an exemption from registration under the Markets Rules (MKT) Module of the DFSA Rulebook; and (ii) in the ADGM, pursuant

to an exemption from registration under the Market Rulebook of the FSRA.

UAE Retail Offer	5% of the Shares being offered in the Global Offering are being offered pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to: (A) natural persons who hold a NIN with the ADX and have a bank account; (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the ADX and have a bank account.
EIA Offer	The entitlement of the Emirates Investment Authority to subscribe for up to 5% of the total Shares offered in the Global Offering. If, however, the EIA elects not to subscribe, such Shares will be made available to other Professional Investors (as defined in the SCA Board of Directors' Chairman Decision No. 13/R.M of 2021 (as amended from time to time)).
Shares	The Company's share capital consists of 1,000,000,000 ordinary shares, each with a nominal value of AED 0.03, which are fully paid, issued and outstanding. The Shares have the rights described under " <i>Description of Share Capital</i> ".
Offer price range	The offer price range is AED 1.45 to AED 1.50 per Share.
Commencement of the Global Offering	20 February 2025.
Expected Pricing Date	26 February 2025.
Expected Closing Date	On or about 11 March 2025.
Payment and settlement	Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either USD or AED, as specified by each subscriber to the Joint Bookrunners during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners six business days prior to the Expected Closing Date. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges. Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the ADX. Trading of the Shares will take place through the trading system of the ADX. Shares will be held under NINs assigned by the ADX either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the ADX by brokers or custodians may be performed only through members of the ADX that are authorised clearing members (the "Clearing Members"). Settlement of securities trading on the ADX is governed by the ADX's rules and regulations, which are available from its website, www.adx.ae.
Price Stabilisation	In connection with the Global Offering, the Company and the Selling Shareholders has appointed the Stabilisation Manager, who may, to the extent permitted by applicable law, including the ADX Rules, and for stabilisation purposes, effect stabilising transactions with a view to supporting the market price of the

Shares, in each case at a higher level than that which might otherwise prevail in the open market.

As part of the Global Offering, the Selling Shareholders will sell the Stabilisation Shares and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. The Stabilisation Manager will use the proceeds of the sale of the Stabilisation Shares to buy up the same number of Shares that underlie the Stabilisation Shares at or below the final Offer Price during the Stabilisation Period. In the event the Stabilisation Manager does not purchase any shares, the Stabilisation Shares will remain fully allocated. At the end of the Stabilisation Period, the Stabilisation Manager will return to the Selling Shareholders the Stabilisation Shares which have been purchased in the market as a result of stabilising transactions and/or any remaining portion of the proceeds which were not used for stabilising transactions, as well as any interest / profits that has accumulated for the amounts corresponding to such proceeds.

None of the Joint Bookrunners or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilisation Manager.

For more information, see "*Subscription and Sale*".

Restrictions on purchases and transfers of Shares.....

The Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Dividends.....

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans, any future credit rating considerations and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See '*Risk Factors – Risks Relating to the Global Offering and the Shares – The Company's ability to pay dividends on the Shares depends on the Group's profitability, financial position and cash flow*' below. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors.

The Company intends to distribute a dividend of AED 130 million for the financial year ending 31 December 2025, payable in two equal instalments in October 2025 and April 2026. Thereafter, the Company expects to distribute dividends on a semi-annual basis (in April and October of each year), with a minimum payout of 80% of the net profit generated for the relevant financial period, subject to the approval of the Board and the availability of distributable reserves. The Company continues to evaluate accretive investment opportunities for growth. In the absence of suitable opportunities that meet the target investment criteria and returns, the Company will consider distributing higher dividends than the minimum annual dividend.

This dividend policy is designed to reflect the Company's target of cash flow generation and targeted long-term earnings potential, while allowing the Company to retain sufficient capital to fund

ongoing operating requirements and continued investment for long term growth. This dividend policy is subject to consideration by the Board of Directors of the cash management requirements of the Company's business for operating expenses, finance costs and anticipated capital expenditures and investments, on an annual basis. In addition, the Company expects that the Board of Directors will also, on an annual basis, consider market conditions, the then current operating environment in the Company's markets and the Board of Directors' outlook for the Company's business and growth opportunities.

Use of proceeds	All of the net proceeds of the Global Offering will be received by the Selling Shareholders. The Company will not receive any proceeds from the Global Offering. All of the expenses of the Global Offering (including selling commissions and any discretionary fees) will be borne by the Selling Shareholders.
Listing and trading	The Company has applied and been granted approval for the Shares to be listed on the ADX under the symbol "ALPHADATA". Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the ADX on or about the Closing Date.
Lock-up	Pursuant to the terms of an underwriting agreement among the Company, the Selling Shareholders and the Joint Bookrunners dated on or around the date of this Offering Memorandum (the " Underwriting Agreement "), the Company and the Selling Shareholders have contractually agreed, for a period of 180 days after the Closing Date, subject to certain exceptions, not to: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. For more information on the lock-up and any exceptions thereto, see "Subscription and Sale".

Any Shariah pronouncement issued in relation to the Global Offering does not extend in scope to the transactions listed above and the parties involved in any transactions that lead to a lock-up waiver request should undertake their own assessment as to whether such transactions are structured in a Shariah compliant manner.

Taxation	For a discussion of certain tax considerations relevant to an investment in the Shares, see " <i>Taxation</i> ".
General Information	The security identification numbers of the Shares offered hereby are as follows: Shares ISIN: AEE01575A252 ADX Share Trading Symbol: ALPHADATA
Risk Factors	You should read " <i>Risk Factors</i> " for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The tables below set forth the summary historical financial information of the Group as at and for the years ended 31 December 2024, 31 December 2023, 31 December 2022, and 31 December 2021. This information has been extracted, without material adjustment, from the Audited Financial Statements.

The summary financial information set forth below should be read in conjunction with, and is qualified by reference to, the Audited Financial Statements and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations". See also "Presentation of Financial and Other Information" for a discussion of the sources of the numbers contained in this section. The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Consolidated statement of profit and loss

	For the year ended 31 December			
	2021	2022	2023	2024
	AED (Audited)			
Revenue	1,282,893,786	1,697,881,878	2,006,617,742	2,323,114,646
Cost of sales.....	(1,106,120,995)	(1,489,524,785)	(1,738,269,158)	(2,032,066,756)
Gross profit	176,772,791	208,357,093	268,348,584	291,047,890
General and administrative expenses.....	(102,622,784)	(118,854,038)	(146,055,201)	(161,387,950)
Finance (costs) / income, net	(348,437)	(1,175,133)	1,277,057	(3,420,027)
Net fair value gain on advances paid on investment properties.....	5,967,227	5,981,022	–	1,947,600
Other income	3,418,658	6,860,680	9,515,995	11,310,782
Profit before tax	83,187,455	101,169,624	133,086,435	139,498,295
Income tax expense	–	–	–	(12,664,047)
Profit after tax.....	83,187,455	101,169,624	133,086,435	126,834,248
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	83,187,455	101,169,624	133,086,435	126,834,248

Consolidated statement of financial position

	As at 31 December			
	2021	2022	2023	2024
	AED (Audited)			
ASSETS				
Non-current assets				
Property and equipment.....	54,669,651	50,708,874	46,991,740	16,627,310
Advances paid on purchases of properties	5,485,988	5,485,988	–	–
Investment properties	163,300,000	170,664,999	176,743,193	15,945,000
Total non-current assets.....	223,455,639	226,859,861	223,734,933	32,572,310
Current assets				
Inventories and work in progress.....	191,090,738	244,311,245	269,053,279	170,952,168
Contract assets	169,943,373	260,844,870	242,799,350	352,795,707
Trade and other receivables	318,786,419	294,330,177	379,367,524	368,880,765
Cash and bank balances.....	47,122,583	81,521,578	103,076,793	35,367,079
Total current assets	726,943,113	881,007,870	994,296,946	927,995,719
Total assets	950,398,752	1,107,867,731	1,218,031,879	960,568,029
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	3,000,000	3,000,000	3,000,000	30,000,000
Statutory reserve.....	1,500,000	1,500,000	1,500,000	15,000,000
Retained earnings	477,494,397	509,712,021	543,038,456	183,624,722
Total equity	481,994,397	514,212,021	547,538,456	228,624,722
Non-current liabilities				

	As at 31 December			
	2021	2022	2023	2024
	<i>AED (Audited)</i>			
Trade finance	19,226,979	9,736,739	2,979,080	2,118,810
Provision for employees' end of service benefit.....	30,615,929	35,077,463	39,613,382	44,322,201
Total non-current liabilities	49,842,908	44,814,202	42,592,462	46,441,011
Current liabilities				
Bank borrowings	—	—	—	12,451,182
Trade and other payables	416,526,306	546,548,425	625,401,783	660,387,067
Income tax payable	—	—	—	12,664,047
Deferred revenue	2,035,141	2,293,083	2,499,178	—
Total current liabilities.....	418,561,447	548,841,508	627,900,961	685,502,296
Total liabilities	468,404,355	593,655,710	670,493,423	731,943,307
Total equity and liabilities.....	950,398,752	1,107,867,731	1,218,031,879	960,568,029

Consolidated statement of cash flows

	For the year ended 31 December			
	2021	2022	2023	2024
	AED (Audited)			
Cash flows from operating activities				
Profit before tax.....	83,187,455	101,169,624	133,086,435	139,498,295
Adjustments for:				
Depreciation of property and equipment.....	6,157,658	6,336,231	6,297,188	5,035,588
Allowance for expected credit losses.....	7,219,451	4,827,475	7,100,952	7,613,208
Employees' end of service benefit charge	5,840,538	6,999,004	8,990,830	9,613,465
Allowance for inventory obsolescence	4,242,400	3,742,400	3,242,400	3,292,400
Fair value loss on advance paid on purchase of properties.....	5,334,864	—	—	—
Fair value gain in investment properties	(11,302,091)	(5,981,022)	—	—
Finance costs / (income), net	348,437	1,175,133	(1,277,057)	3,420,027
Gain on disposal of property and equipment.....	(48,288)	(69,264)	(84,917)	(42,081)
Gain on fair valuation of investment properties..	—	—	—	(1,947,600)
Loss on disposal of investment properties	—	—	—	396,000
Operating cash flows before changing in working capital	100,980,424	118,199,581	157,355,831	166,879,302
Movements in working capital:				
(Increase)/decrease in inventories.....	45,823,874	(56,962,907)	(27,984,434)	94,808,711
Decrease/(increase)in trade and other receivables	(72,944,736)	19,628,767	(92,138,300)	4,653,700
(Increase)/decrease in contract assets.....	13,907,090	(90,901,497)	18,045,520	(109,996,359)
Increase in trade and other payables	13,422,582	120,531,879	72,095,699	31,625,839

Increase in deferred revenues.....	302,759	257,942	206,095	—
Cash generated by operating activities.....	101,491,993	110,753,765	127,580,411	187,971,193
Employees' end of service benefit paid.....	(2,305,584)	(2,537,470)	(4,454,911)	(4,904,646)
Net cash generated by operating activities.....	99,186,409	108,216,295	123,125,500	183,066,547
Cash flows used in investing activities.....				
Payments for advances paid on purchases of investment properties.....	(50,209,215)	—	(381,412)	—
Payments for additions in property and equipment	(1,027,844)	(2,375,454)	(2,726,700)	(1,466,918)
Payments for additions in investment properties	—	(1,383,977)	(210,793)	—
Proceeds from sale of investment properties.....	7,800,000	—	—	3,500,000
Proceeds from disposal of property and equipment	95,488	69,264	231,563	45,502
Net cash generated by (used in) investing activities.....	(43,341,571)	(3,690,167)	(3,087,342)	2,078,584
Cash flow used in financing activities.....				
Dividends and zakat paid.....	(79,185,000)	(68,952,000)	(99,760,000)	(261,886,000)
Finance (cost paid) / income received, net.....	(348,437)	(1,175,133)	1,277,057	(3,420,027)
Net cash used in financing activities.....	(79,533,437)	(70,127,133)	(98,482,943)	(265,306,027)
Net (decrease) / increase in cash and bank balances	(23,688,599)	34,398,995	21,555,215	(80,160,896)
Cash and bank balances at the beginning of the year.....	70,811,182	47,122,583	81,521,578	103,076,793
Cash and bank balances at the end of the year	47,122,583	81,521,578	103,076,793	22,915,897
Non-cash transactions:				
Increase in share capital from retained earnings	—	—	—	27,000,000
Increase in statutory reserve from retained earnings	—	—	—	13,500,000

Dividends in kind declared – property and equipment	–	–	–	25,012,189
Dividends in kind declared – investment properties	–	–	–	158,849,793
Transfer from advance on purchase of properties to investment properties	<u>109,342,908</u>	<u>–</u>	<u>5,867,400</u>	<u>-</u>

Non-IFRS financial measures

The Group presents in this Offering Memorandum certain measures to assess the financial performance of its business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These selected non-IFRS financial measures include operating income, Adjusted EBITDA, Adjusted EBITDA margin, capital expenditure, Free Cash Flows, Free Cash Flow Conversion, Return On Equity, Return On Assets and Dividend Pay-out ratio. The Group presents non-IFRS measures because it believes that they, and similar measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Group believes that these non-IFRS financial measures are a useful indicator of its ability to incur and service its indebtedness and can assist certain investors, securities analysts and other interested parties in evaluating the Group. There is no authoritative literature or common standard with respect to the calculation of these non-IFRS financial measures and other companies may calculate these differently.

The non-IFRS measures the Group presents herein may not be comparable to similar measures computed by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. The non-IFRS measures of the Group should be read only in conjunction with underlying IFRS financial numbers.

The table below shows the Group's non-IFRS measures for the years shown.

	<i>Financial Year ended 31 December 2021</i>	<i>Financial Year ended 31 December 2022</i>	<i>Financial Year ended 31 December 2023</i>	<i>Financial Year ended 31 December 2024</i>
Gross Profit (AED millions)	177	208	268	291
Gross Margin %	13.8%	12.3%	13.4%	12.5%
Gross Profit by Segment (AED millions)				
Solutions	96	115	161	177
Services	60	66	80	89
Talent	21	27	27	25
Total	177	208	268	291
Gross Margin %				
Solution	9.7%	8.6%	10.7%	9.6%
Service	32.5%	29.1%	21.8%	24.7%
Talent	18.6%	21.3%	19.5%	19.8%
Adjusted EBITDA (AED millions)	80	96	129	135

Adjusted EBITDA %	6.3%	5.6%	6.4%	5.8%
Net Income (AED millions)	83	101	133	127
Net Income %	6.5%	6.0%	6.6%	5.5%
Dividend (AED millions)	60	90	90	251
Dividend Payout	72%	89%	67%	71% ¹

	<i>Financial Year ended 31 December 2021</i>	<i>Financial Year ended 31 December 2022</i>	<i>Financial Year ended 31 December 2023</i>	<i>Financial Year ended 31 December 2024</i>
FCF (AED millions)	56	105	120	185
FCF Conversion	69.6%	109.1%	93.4%	137.7%
Net Debt / Cash	16	60	92	20
Net Leverage	0.2	0.6	0.7	0.15
Net Working Capital	273	263	274	233
Return On Equity	24.1%	26.6%	34.1%	56.3%
Return On Assets	9.8%	9.7%	12.1%	12.7%

The Group had a stable Net Working Capital cycle (in terms of AED) for the financial years ended 31 December 2021 to 31 December 2024, which decreased (as a percentage of revenue) from 21.5% to 10.0% over the same period. The Group's CCC decreased from 102 days to 42 days over the same period due to increased efficiencies in the Group's Net Working Capital management practices.

¹ **Note:** this figure (71%) is based on a dividend amount of AED 90,000,000 in the financial year ended 31 December 2024 (i.e. excluding the "special pre-IPO" dividend of AED 161,025,000).

RISK FACTORS

Investing in and holding the Shares involve financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Offering Memorandum and should pay particular attention to the following risks associated with an investment in the Group and the Shares, which should be considered together with all other information contained in this Offering Memorandum. If one or more of the following risks were to arise, business, prospects, results of operations, cash flows and financial condition of the Group or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Group and the Shares. Additional risks and uncertainties not currently known to the Group or which the Group currently deems immaterial may arise or become material in the future and may have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group or the price of the Shares.

Risks Relating to the Business of the Group and the Market, Industry and Regulatory Environment in which the Group Operates

The Group must keep pace with significant technological advances

As an organisation focused on the delivery and fulfilment of IT services and on providing training and after sales support to its customers, the Group's business is reliant on the Group keeping its processes and sector knowledge up to date with rapid and continuous changes in technology, in order to meet the challenge of meeting the evolving needs of its clients. The fast pace of technological change, including with respect to cybersecurity, mobility, cloud computing and big data, requires the Group to continuously update its knowledge base, services and solutions to adapt to these innovations. Any failure to adequately keep up to date with new technologies, or to develop customer relationships, train talent, or adapt to industry developments and changing demand, may result in the Group losing its competitive advantage and may weaken its ability to implement its strategy. Furthermore, any failure to keep pace with digital developments or any significant delay in responding to market requirements may negatively impact the Group's business, results of operations and financial position. In addition, as the Group further develops its business in areas such as artificial intelligence ("AI"), it is exposed to a range of operational, legal, regulatory, ethical, and technological risks, and the realisation of such risks may lead to negative impacts on its reputation and a decline in demand for its services and solutions. These risks may increase as the laws and regulations associated with these new technologies become more complex, which may limit the Group's ability to operate flexibly and efficiently in these sectors.

The Group's revenue is highly dependent on its operations in the UAE

In the year ended 31 December 2024, 98.8% of the Group's revenue was derived from its operations in the UAE. The Group's business is exposed to economic, financial and political conditions in the UAE and any downturn in the UAE's economy would materially affect the Group's business. See '*Risks Relating to Geographical, Political and Economic Conditions in the Regions in which the Group Operates – General economic, financial and political conditions in the MENA region may materially adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group*'.

The Group's revenue is highly dependent on its contracts with governmental and semi-governmental clients

A significant part of the Group's revenue was derived from its governmental and semi-governmental clients. The Group's business is highly exposed to the political conditions in the UAE (and to a lesser extent, in KSA and Qatar) and any potential shift in government policy or position would materially affect the Group's business. See '*Risks Relating to Geographical, Political and Economic Conditions in the Regions in which the Group Operates – General economic, financial and political conditions in the MENA region may materially adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group*'.

Reduced technology spending may adversely impact the Group's business.

The Group's business depends on the willingness and capability of its customers to incur expenditure on developing and maintaining the IT, network and digital infrastructure that supports their businesses. If adverse economic conditions, changes in attitudes or other factors cause businesses to reduce spending on their technology infrastructure, this could materially adversely affect the Group's business, results of operations and financial condition.

The Group's deployment of AI technologies in its solutions and services may not be successful and may present business, financial, legal, and reputational risks

The Group increasingly deploys vendor-developed AI-based technologies in its solutions and services. As with many innovations, AI presents risks and challenges that could adversely impact the Group's business.

The development, adoption, and use of AI technologies are still in their early stages and any ineffective or inadequate AI deployment practices by the Group or its customers, or ineffective or inadequate AI development by its vendors, could result in unintended consequences.

Solutions and services based on AI technology are part of a highly competitive and rapidly evolving market. The Group plans to build and support its AI deployment capabilities to meet the needs of its customers. The Group's customers may develop their own AI-related capabilities, whilst competitors are deploying AI-based solutions and services that may compete with those offered by the Group. In addition, as AI technologies evolve, some solutions and services that the Group currently provides for its customers may be replaced by AI or forms of automation. Each of the foregoing may lead to reduced demand for the Group's services or harm its ability to obtain favourable pricing or other terms for its solutions and services, which could have a material adverse effect on its business, results of operations and financial condition.

Furthermore, the legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including in the areas of intellectual property, cybersecurity, and privacy and data protection. Compliance with new or changing laws, regulations, industry standards or ethical requirements and expectations relating to AI may impose significant operational costs requiring the Group to change its business practices, or may limit or prevent its ability to deploy AI technologies. Failure to appropriately conform to this evolving landscape may result in legal liability, regulatory action, or reputational harm.

The Group faces legal, reputational and financial risks if it fails to protect customer and/or Group data from security breaches and/or cyberattacks

The Group's business involves the use and deployment of information technology networks and systems, to process, transmit, host and securely store electronic information and to transmit electronic communications. Security breaches, employee malfeasance, or human or technological error create risks of shutdowns or disruptions to operations and potential unauthorised access and/or disclosure of data, which in turn could jeopardise projects that are critical to operations and have other adverse impacts on business, both to the Group and its customers. See also *'The Group faces risks related to employee error and misconduct'*.

In addition, the products, services and software that the Group provides to its customers may unintentionally contain or introduce cybersecurity threats or vulnerabilities to customers' information technology networks. The Group's customers may maintain their own proprietary, sensitive, or confidential information that could be compromised in a cybersecurity attack, or their systems may be disabled or disrupted as a result of such an attack. The Group's customers, regulators, or other third parties may attempt to hold the Group liable for any such losses or damages resulting from such an attack, including through contractual indemnification clauses.

The Group has been subject to ransomware attacks in the past and it is likely that the Group will be subject to ransomware attacks in the future. These have not to date affected customer data or systems, which are either stored on customer premises or at the data centres of third-party cloud storage providers. The Group has to date been able to recover any data affected through ransomware attacks through the use of its disaster recovery system, which the Group has developed to mitigate the effects of ransomware attacks. The Group's disaster recovery system includes the use of data back-ups, data recovery tests, data encryption and other means.

The Group's customers, vendors and other third parties with whom the Group does business, including in particular cloud service providers and software vendors, generally face similar cybersecurity threats, and the Group must rely on the safeguards adopted by these parties. If these third parties do not have adequate safeguards or their safeguards fail, it might result in breaches of their systems or applications and unauthorised access to or disclosure of the Group's and its customers' confidential data. In addition, the Group is subject to vulnerabilities in third-party technology and software the Group uses in its business and the Group may not be aware of such vulnerabilities until such vulnerabilities are made public or the Group is informed of such vulnerabilities. Due to this delay, its responses to such vulnerabilities may not be adequate or prompt enough to prevent their exploitation.

Whilst the Group maintains insurance policies, the Group's coverage may be insufficient to compensate it for all costs and losses caused by security breaches and any such security breaches may result in increased costs for such insurance. See *'The Group's insurance coverage may be insufficient to cover its losses'*.

If the Group is unable to attract, train and retain skilled employees with experience in key technological areas, as well as senior management, the Group's business and results of operations may be materially adversely affected

The Group's success is dependent, in large part, on its ability to keep its supply of skilled employees, in particular those with experience in key technological areas, in balance with customer demand, both for the solutions and services provided by the Group and for the outsourced personnel provided by the Group's talent acquisition segment through Alpha Data Recruitment. The Group must also continue to maintain a senior leadership team that, among other things, is effective in executing on its strategic goals and growing its business. The loss of senior executives, or the failure to attract, integrate and retain new senior executives as the needs of its business require, could have a material adverse effect on its business and its results of operations.

The Group competes for employees with a number of other companies, some of which have higher operational budgets and less cost constraints. This includes certain local competitors that are directly or indirectly government-owned. The Group's business has experienced in the past and may experience in the future employee attrition, which has caused the Group to incur increased costs to hire new employees with the desired skills. If the Group is unable to hire or deploy employees with the needed skillsets or if the Group is unable to adequately equip its employees with the skills needed, this could materially adversely affect its business. Additionally, if the Group is unable to continue to offer its employees a value proposition that is competitive and appealing, this could have an adverse effect on engagement and retention, which may materially adversely affect the Group's business. In particular, the revenues of the Group's talent acquisition segment, through Alpha Data Recruitment, depends to a large extent on the volume of employees that the Group is able to retain and outsource to its customers.

The Group faces risks related to employee error and misconduct

The Group operates in a skill-intensive industry and the Group's success relies on the work of its employees to deliver technologically complex solutions and services to customers. Errors by employees could cause the Group's solutions or services to be inadequate, damaging the Group's reputation, creating additional costs and exposing the Group to potential liability towards customers.

The Group's employees could also behave in a manner which negatively impacts the Group's business, including through the misuse of information or systems, disclosure of confidential information or disseminating misleading information. Additionally, the Group may not always be able to prevent its employees from committing acts amounting to gross misconduct or ensuring compliance with internal regulations and policies of the Group, which could result in losses, fines and damage to the Group's reputation and would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

If the Group does not continue to invest in understanding its customers and delivering services that match their expectations, it could adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group

The Group's strong relationships with its customers are a key part of the Group's business. The Group has been able to win and retain business on the basis of gaining a good understanding of each of its

customer's requirements, business and technological infrastructure. The Group's relationships with, and knowledge of, its customers, requires constant refreshment, maintenance and updating. The Group's sale teams proactively strive to stay close to their customers, to maintain their knowledge of their customer's budgets and their business and technological needs. If the Group fails to maintain its relationship with, and knowledge of, its customers, this would have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

As part of the Group's operations, it interacts with customers on a constant basis. If the experience delivered to customers of the Group is unsatisfactory and it is unable to maintain existing levels of customer satisfaction with its services for any reason, existing customers may reduce their business with the Group or may elect to not use its services in the future and new customers may be deterred from utilising its services, any of which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

The Group must ensure that its products and services continue to meet evolving customer requirements in the future, including through keeping up with technological advances See '*The Group must keep pace with significant technological advances*'.

The Group faces strong and evolving competition

The markets the Group operates in are competitive and subject to rapid change. The Group competes on the basis of reputation and experience, performance and reliability, knowledge of and responsiveness to customer needs and competitive pricing of services. The less the Group is able to differentiate its services and solutions and/or clearly convey the value of its services and solutions, the more difficulty the Group will have in winning new work in sufficient volumes and at its target pricing and overall economics.

The Group faces competition from:

- other independent local system integrators and IT service companies in the UAE, KSA and Qatar, which have experience in the local markets and who have local delivery capabilities;
- subsidiaries of large local ICT companies, which benefit from strong financial resources and parent company support, access to customers from their parent companies and whose products and services are usually complemented by the core business of parent companies; and
- multinationals technology companies, which have extensive technical knowhow and which they use in their marketing efforts to customers.

Although there are a number of barriers to entry, it is possible that new competitors may also emerge, including smaller companies with niche expertise in certain areas. Competitors may also be willing, at times, to take on more risk or price contracts lower than the Group in an effort to enter the market or increase market share. If the Group is not able to supply customers with products and services that are better tailored to their needs than those provided by competitors, the Group may lose business to competitors and face downward pressure on gross margins and profitability. Any inability to compete effectively would materially adversely affect the Group's business, results of operations and financial condition.

The senior management of the Group does not have prior experience in managing a publicly listed company

The senior management of the Group has limited or no experience in managing a publicly listed company in the UAE and complying with the laws and regulations pertaining to such companies. In particular, the internal and / or external training that the senior management will receive in managing a UAE publicly listed company, coupled with the regulatory oversight and reporting obligations imposed on public companies, will require substantial attention from the senior management, which may divert their attention away from the day to-day management of the Group. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on publicly listed companies in the UAE will expose the Group to regulatory sanctions and fines. The imposition of regulatory sanctions and / or fines on the Group would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

Failure to comply with data security and privacy regulations could have a material adverse effect on the Group's business operations and operating results

The Group is required to comply with increasingly complex and changing data security and privacy regulations in the jurisdictions in which the Group operates. These laws regulate the collection, use and transfer of personal data and can include financial penalties for noncompliance. The Group may also face audits or investigations by government agencies or its customers pursuant to its contractual obligations relating to its compliance with these regulations.

Various countries have enacted or are considering enacting privacy or data localisation laws that require certain data to stay within their borders. Developing new regulations in AI and data use more broadly continue to add to the complexity of the legal environment and managing the privacy elements of these new rules will be important to the Group's ability to serve its customers as well as to achieve operational efficiencies. Complying with these changing regulatory requirements that apply to the Group directly or indirectly from its impacted customers requires the Group to incur substantial costs, exposes the Group to potential regulatory action or litigation, and may require changes to the Group's business practices in certain jurisdictions, any of which could materially adversely affect its business operations and operating results.

Ineffective risk management, business continuity and disaster recovery plans could impact the Group's ability to successfully deliver products to its customers, which could have a material adverse impact on the Group's business and results of operations, and harm the Group's reputation

The Group's business model is dependent on its delivery capabilities, which include close co-ordination with its customers, including between the Group's systems and customer systems. System failures, outages and operational disruptions may be caused by factors outside of the Group's control, such as hostilities, political unrest, terrorist attacks, cybersecurity incidents, power shortages or telecommunications failures, natural or man-made disasters or other catastrophic events (including extreme weather conditions and other events that may be caused or exacerbated by climate change), and public health emergencies, epidemics and pandemics, affecting the geographies where its people, equipment and customers are located. The Group's risk management, business continuity and disaster recovery plans may not be effective at predicting or mitigating the effects of such disruptions, particularly in the case of catastrophic events. Any such disruption may result in lost revenues, a loss of customers, liabilities relating to disruptions in service, expenditures to repair or replace damaged property and reputational damage, and could demand significant management time and attention, any of which would have an adverse effect on its business, results of operations and financial condition.

The Group's internal controls, procedures and policies may fail to ensure adherence to applicable regulations.

The Group's internal controls, disclosure controls and procedures and corporate governance policies and procedures are periodically reviewed and updated. Any system of controls, however, is based in part on certain assumptions and can provide only reasonable, rather than absolute, assurances that the objectives of the system are met.

Prior to the Global Offering, the Company has not operated as a public joint stock company and in preparation for the Global Offering, the Company has implemented a number of corporate governance and other policies, processes, systems and controls to comply with the requirements for a publicly listed company on the ADX. The Company does not have a track record on which it can assess the performance of these policies, processes, systems and controls or an analysis of their outputs. Accordingly, the Group's internal controls and procedures may be insufficient in light of the more stringent regulations and investor expectations applicable to a public joint stock company. Any failure or circumvention of the Company's or the Group's controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces risks related to its financial controls and internal reporting procedures

The Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. In particular, the Group has procedures in place to ensure

the accuracy of any manual adjustments that are required to ensure the financial information produced by such systems is compliant with IFRS Accounting Standards.

However, if any of these systems or controls were to fail, the Group may be unable to produce financial statements accurately or on a timely basis or expose the Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Group has in place could adversely affect the Company's share price.

The Group's failure to meet specified service levels or milestones required by its customer contracts may result in legal liability or loss of business

Some of the Group's customer contracts include clauses that tie its compensation to the achievement of agreed-upon performance standards or milestones. Such performance standards and milestones are typically bespoke and vary significantly from contract to contract. Failure to satisfy these requirements could reduce the Group's fees under the contracts, increase the cost to the Group of meeting performance standards or milestones, delay expected payments, subject the Group to potential damages claims under the relevant contract's terms or harm its reputation. The use of new technologies in its offerings (including AI) can expose the Group to additional risks if those technologies fail to work as predicted, which could lead to cost overruns, project delays, financial penalties, or damage to the Group's reputation.

Many of the Group's contracts with customers are short-term and its business, results of operations and financial condition could be adversely affected if customers terminate their contracts on short notice

Many of the Group's contracts with customers are short-term (i.e. less than one year in duration), renewable on an annual basis, or can be terminated by customers at short notice without significant early termination cost. Even if not terminated, customers may be able to delay, reduce or eliminate spending on the services and solutions provided by the Group, choose not to retain us, try to renegotiate the terms of a contract or cancel or delay additional planned work. Customers may negotiate that such contracts are renewed only on less favourable terms. Terminations and such other events may result from factors that are beyond the Group's control and unrelated to its work product or the progress of the project, including the business, financial or labour conditions of a customer, changes in ownership, management or the strategy of a customer or economic or market conditions generally or specific to a customer's industry. When contracts are terminated or spending delayed, the Group loses anticipated revenues and might not be able to eliminate the associated costs in a timely manner. In addition, the Group's operating margins in subsequent periods could be lower than expected. If the Group is unable to replace the lost revenues with other work on terms the Group finds acceptable or effectively eliminate costs, the Group's business, results of operations and financial condition could be adversely affected.

The Group's business relies on maintaining the Group's partnerships with the Group's IT vendors

The Group's relationships with its vendors, who supply the Group and its customers with necessary software, services and products, are critical to the Group's ability to provide many of its services and solutions that address customer demands. There can be no assurance that the Group will be able to maintain such relationships. In addition, many vendors have been moving towards using a subscription-based model to deliver their services, which sometimes include service and support features as part of the subscription that overlaps with certain services the Group provides. This requires the Group to adapt its business model and the additional offerings that the Group can provide to its customers, which could deprive the Group of potential revenue or adversely impact its profitability.

The Group's expansion into the KSA and Qatar is subject to a range of risks and external factors

A strategic objective of the Group is expansion into the KSA and Qatar. There can be no assurances that the Group's expansion into the KSA and Qatar will be successful and achieve the Group's objectives of the expansion. The Group's expansion into the KSA and Qatar is subject to a range of risks and external factors, including but not limited to:

- the ability to navigate contractual and procurement processes with customers and government and administrative bureaucracy;
- the speed at which the Group is able to grow its business to service customer demand;

- the ability to build strong relationships with governmental authorities and regulators;
- market acceptance, and support for, the Group's proposition over and above existing service providers in the KSA and Qatar;
- the ability to adequately forecast demand, in order to match demand with resources, and to price the Group's services adequately; and
- the ability to build a strong and reliable team.

Any of the above risks and external factors may adversely affect the Group's expansion in to the KSA and Qatar, resulting in delays to, a slow down of the Group's expansion into, and / or a withdrawal from, the KSA and Qatar. Any delays to, a slow down of the Group's expansion into, and / or withdrawal from, the KSA and Qatar may affect the Group's business, results of operations, financial condition and prospects.

The Group faces challenges related to growing its business and achieving its profitability goals

Although the Group uses conservative target growth rates in its forecasting and planning, achievement of such growth rates still require continued significant organic growth of its business. To achieve such growth, the Group must, among other things, continue to significantly expand its operations, particularly with respect to new offerings related to the digital economy, such as AI, and scale its infrastructure to support such business growth and ensure that its service offerings remain responsive to market demand. The Group, at times, is required to go through a tender process when bidding for government contracts. Tender processes can present inherent risks, including uncertainties in accurately estimating costs and timelines. Any significant misjudgement in the tender process could adversely affect the Group's operational efficiency and financial performance. Continued business growth increases the complexity of its business and places significant strain on its management, employees, operations, systems, product delivery, financial resources, and internal financial control and reporting functions, which the Group will have to continue to develop and improve to sustain such growth. The Group's ability to successfully manage change associated with the various business transformation initiatives is critical for the overall strategy execution. The Group must continually recruit and train new employees, retain and reskill, as necessary, existing sales, technical, finance, marketing and management employees with the knowledge, skills and experience that its business model requires and effectively manage its employees worldwide to support its culture, values, strategies and goals. If the Group is unable to manage its growth effectively, the Group may not be able to achieve its targeted growth rates or improve its market share, profitability or competitive position generally or in specific markets or services.

The Group's goals for profitability rely upon a number of assumptions, including its ability to improve the efficiency of its operations and make successful investments to grow and further develop its business. The Group's profitability is impacted by its ability to accurately estimate, attain, and sustain revenues from customer engagements, margins and cash flows over contract periods and general economic and political conditions. The Group's profitability also depends on the efficiency with which it runs its operations and the cost of its operations, especially the compensation and benefits costs of its employees. The Group may not be able to efficiently utilise its employees if increased regulation, policy changes or administrative burdens prevents the Group from deploying its employees on a timely basis, or at all, to fulfil the needs of its customers. The Group's utilisation rates are further affected by a number of factors, including the Group's ability to transition employees from completed projects to new assignments, hire and assimilate new employees, forecast demand for the Group's services and thereby maintain an appropriate headcount in each of its geographies and workforce and manage attrition, and the Group's need to devote time and resources to training, professional development and other typically non-chargeable activities. Increases in wages and other costs, including as a result of attrition, may also put pressure on the Group's profitability.

The Group's insurance coverage may be insufficient to cover its losses

The Group has comprehensive insurance with leading insurers to cover, among others, losses related to cyber security incidents, physical loss or damage, operational risks and general third-party liability. The occurrence of losses or other damages that are not covered by the Group's existing insurance policies, or that exceed insurance limits, could result in unexpected additional costs. In particular, if the Group faces losses or liabilities in connection with cybersecurity issues or data security breaches, it may not be

covered by insurance for the full extent of liabilities that it may face. In addition, the Group's insurance policies are subject to review by its insurers and the level of premia may increase, which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

The Group may be involved in disputes and legal proceedings

In the ordinary course of business, the Group is subject to risks relating to legal and regulatory proceedings. Although the Group is not engaged in any material disputes as at the date of this Offering Memorandum, the Group may be involved in material disputes in the future, including those initiated by regulatory, competition and tax authorities as well as proceedings with competitors, customers, vendors, employees and other parties. The Group's involvement in litigation and/or regulatory proceedings may result in the imposition of fines or penalties. Any such disputes or legal proceedings, whether with or without merit, could be expensive and time consuming, could divert the attention of the Group's management and, if resolved adversely to it, could harm its reputation, result in the payment of monetary damages, injunctive relief and/or increase its costs, all of which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

Risks Relating to Geographical, Political and Economic Conditions in the Regions in which the Group Operates

General economic, financial and political conditions in the MENA region may materially adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group

General economic, financial, and political conditions in the MENA region may have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group. Declines in consumer confidence and/or consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and markets, including the market for the Group's products and services, and lead to demand or cost pressures that could negatively and adversely impact the business, prospects, results of operations, cash flows and financial condition of the Group. The UAE's economy may be adversely affected by tightening global economic conditions and external disruptions, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the UAE. These conditions could affect all of the Group's products. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact the markets in which the Group operates; and
- deflationary economic pressures, which could hinder the Group's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

In addition, in the event of a significant geopolitical conflict or a macroeconomic downturn, the demand of the Group's potential end customers may fall. Similarly, political or economic upheavals in certain countries or markets could lead customers to delay purchasing decisions for considerations linked to political or reputational risks. Such events may damage its ability to obtain customer orders and lead to a decrease in future orders received, which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group. There is no assurance that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group. The nature of these types of risks make them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the business, prospects, results of operations, cash flows and financial condition of the Group.

The UAE's economy is significantly affected by volatility in international crude oil prices and their economies have in the past been, and are likely in the future to be, materially adversely affected by lengthy periods of low crude oil prices

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon its hydrocarbon-related revenues. Crude oil prices have historically fluctuated in response to a variety of factors beyond the control of the Group, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally. For instance, global oil prices fell gradually in the first two months of 2020 before dropping sharply in March and April 2020, with the price of Brent oil falling below U.S.\$16 per barrel in April 2020. This was primarily due to the impact of the COVID-19 outbreak on the global economy and the increase in supply. Furthermore, oil prices were volatile after the Russian invasion of Ukraine, mainly due to the bans on buying Russian oil and the resulting demand on other countries (particularly those in the MENA region) to increase supplies;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices, such as the production cuts announced in October 2022 and April 2023;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and
- prices, availability and trends relating to the use of alternative fuels and technologies.

Many economic sectors within the UAE remain in part dependent, directly or indirectly, on crude oil prices, so extended periods of low crude oil prices may have a negative impact across the economic landscape of Dubai and other Emirates. For example, Dubai, Abu Dhabi or other Emirati governments may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn, reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher financing losses or impairments.

Any of the factors described above could have a material adverse effect on the economic, political and fiscal position of the UAE, and may consequently have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

Changes to conditions in the MENA region may affect investment and business activities

Any unexpected changes in the political, social, economic or other conditions in the MENA region may have an effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

These changes include, amongst others:

- an increase in inflation and government measures to curb such inflation, including through policies such as price controls;
- governments' actions or interventions, including tariffs, protectionism, foreign exchange and currency controls and subsidies;
- regulatory, taxation and legal structure changes, including foreign ownership restrictions, cancellation of contractual rights, expropriation of assets and potential lack of certainty as to title to real estate property;
- difficulties and delays in obtaining new permits and consents for new operations or renewing existing permits;
- changes to the availability of, requirements for, and cost to secure, employment and residence visas for expatriate staff and their dependents;

- policies of nationalisation of assets and requirements to employ local national employees; and
- inability to repatriate profits and/or dividends.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses and could have the effect of decreasing the Group's competitiveness. Any such changes could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

A rapidly changing legal system and the introduction of new laws and regulations can create an uncertain environment for investment and business activity, which could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group

The UAE has an evolving legal system that has been the subject of rapid change and innovation in recent years. The following risk factors typically apply to legal systems that are developing or which have been the subject of rapid change and innovation:

- inconsistencies between and among different sources of law;
- less judicial and administrative guidance on interpreting legislation;
- gaps in the regulatory structure due to delay or absence of implementing legislation;
- less experience of judges and courts in interpreting legislation;
- a high degree of discretion on the part of governmental authorities; and
- less-developed bankruptcy or insolvency procedures that are subject to abuse.

The Group also has operations in Qatar and Saudi Arabia, whose legal systems are also evolving and have been the subject of rapid change.

The rapid evolution of legal systems can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. These may affect the Group's ability to protect its rights under its contracts, or to defend itself against claims by others, including challenges by regulatory and governmental authorities in relation to its compliance with applicable laws and regulations. This could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

In addition, changes in investment policies or in the prevailing political climate in the jurisdictions in which the Group operates could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

There can be no assurance that the introduction of any changes to current laws, nor the introduction of any new laws, would not increase the costs or otherwise materially and adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group.

Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially and adversely affect the business, prospects, results of operations, cash flows and financial condition of the Group

The Company is headquartered and conducts its business in the UAE. The MENA region is strategically important geopolitically and has been subject to political and security concerns and social unrest, especially in recent years. The MENA region has recently been subject to a number of armed conflicts including those in Yemen, Syria (in which multiple state and non-state actors are involved, such as the USA, Russia, Turkey and Iran) and Palestine. In 2024, conflicts between Israel and Hamas and Hezbollah escalated significantly (prior to ceasefires taking place), and such conflicts, as well as ongoing tensions between Israel, Iran and Yemen have the possibility to escalate and affect other countries in the Middle East. It is not possible to predict the occurrence of events or circumstances such as civil unrest, war or other hostilities, or the impact that such events or occurrences might have on the UAE.

Although the UAE has otherwise generally not experienced terrorist attacks or armed conflict such as those experienced by a number of other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE, or that the UAE will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE), or any heightened levels of military conflict in the region or globally, including the current Russia-Ukraine conflict, may have a material adverse effect on the UAE's attractiveness for foreign investment and capital, their ability to engage in international trade, their tourist industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact the business, prospects, results of operations, cash flows and financial condition of the Group.

Furthermore, the UAE is dependent on expatriate workers, including unskilled labourers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase or foreign militants commence operations in the country. In addition, as the government endeavours to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments will likely increase.

The Group may be exposed to a number of uncertainties relating to taxes, which may have a negative impact on the Group's business and results of operations

The Group determines its tax liability based on its interpretation of applicable tax laws and regulations. The Group is also subject to tax audits by governmental authorities, which are inherently uncertain. Negative or unexpected results from one or more such tax audits could have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group. Tax controls and changes in tax laws or regulations (including retrospective changes) or the interpretation given to them may also expose the Group to negative tax consequences, including interest / profit payments and potential penalties, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For example, from 1 June 2023 the Group became subject to the corporate income tax in the UAE pursuant to the Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses ("**CT Law**"), and it is unclear what federal corporate tax rate will apply to the Group. The Group may be subject to a 9% federal corporate income tax rate on adjusted accounting net profits above a threshold of AED 375,000 or a 15% federal corporate income tax rate, depending on how the UAE implements the amendments to the CT Law (Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses), which includes the implementation of a Domestic Minimum Top-up Tax ("**DMTT**") announced on 9 December 2024 (being part of the wider Pillar 2 of the OECD BEPS 2.0 framework (see '*Taxation—UAE Federal-level Corporate Taxation*')). The UAE Federal Tax Authority will be responsible for administering, collecting and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. There can be no assurances that the compliance with the CT Law or other applicable tax regimes in other jurisdictions in which the Group operates will not increase its costs or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to certain legal requirements to maintain certain levels of localisation with respect to personnel, such as the UAE's Emiratisation initiative, Saudi Arabia's Saudisation initiative and Qatar's Qatarisation initiative, which may increase the Group's costs and may reduce its ability to rationalise its workforce

The UAE, Saudi Arabia and Qatar have laws and regulations which impose requirements to locally source a certain amount of their employees and personnel. In the UAE, Emiratisation is an initiative by

the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining the Emiratisation targets of the Group reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations.

As a result, there can be no assurance that meeting and maintaining its Emiratisation, Saudisation or Qatarisation targets will not have a material adverse effect on the business, prospects, results of operations, cash flows and financial condition of the Group.

The Group's financial condition and results of operations may be materially adversely affected if USD/AED exchange rate were to change

The Group maintains its accounts, and reports its results, in UAE Dirhams, which is the functional currency of the Group. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future, particularly if there continues to be increased demand for the US dollar. Any de-pegging or change to the USD/AED exchange rate could increase the costs that the Group or its customers pay for certain services and goods procured from outside of the UAE, including software and technology, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Global Offering and the Shares

After the Global Offering the Selling Shareholders will continue to be able to exercise significant influence over the Group and their interests may differ from those of the other Shareholders

As at the date of this Offering Memorandum, the Selling Shareholders of the Company hold 100% of the Shares and voting rights in the Company and immediately following the Global Offering, the Selling Shareholders will continue to hold more than 50% of the Shares and voting rights in the Company. As a result, the Selling Shareholders possess and shall continue to possess sufficient voting power to exercise significant influence over all matters requiring shareholder approval, including the election or removal of directors, the declaration of dividends and other matters to be determined by the Shareholders. In exercising its voting rights, the Selling Shareholders may be motivated by interests that are different from those of other Shareholders.

The ownership level of the Selling Shareholders may have the effect of delaying, deferring or preventing a change of control, merger, consolidation, takeover or other business combination or discouraging a potential acquirer from making an offer to acquire a majority of the Shares or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the trading price of the Shares.

As a result of the above, the Selling Shareholders will be in a position to exercise a significant degree of influence over the Company's management and operations. The interests of the Selling Shareholders may not be aligned with those of other Shareholders, which could have a material adverse effect on the trading price of the Shares.

The market price of the Shares may fluctuate widely in response to different factors, many of which are outside the Group's control, the Shares may trade at a discount to the Offer Price and Shareholders may be unable to realise their investment through the secondary market at the Offer Price

There is currently no market for trading in the Shares. The Company has applied for the Shares to be listed on the ADX but no assurance, however, can be given that an active trading market in the Shares will develop upon or following the Listing. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

The market price of the Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Shares or securities similar to them or in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in its quarterly or yearly operating results and its business development or those of its competitors.

General movement in local and international stock markets, prevailing and anticipated economic conditions and profit rates, financing costs, investor sentiment and general economic conditions may all negatively affect the market price of the Shares. The market for the Shares may fluctuate and a lack of liquidity can have an adverse effect on the market value for the Shares. The value of the Shares may go down and trade at a discount to the Offer Price as well as up and the market price of the Shares may not reflect the underlying value of the Group's business and investments.

Future issuances of Shares by the Company and/or sale of Shares by the Selling Shareholders may dilute the holdings of Shareholders and/or depress the price of the Shares

Sales of large numbers of the Shares on the market after the completion of the Global Offering, or the perception that those sales will occur, could adversely affect the market price of the Shares. Upon the successful completion of the Global Offering, the Selling Shareholders and the Company will be subject to a 180 calendar day lockup period starting from Listing, during which they may not dispose of any Shares that they own. The sale of a substantial number of Shares by any of the Selling Shareholders following the 180 calendar day lock-up period could have a material adverse effect on the market for the Shares and may result in a lower market price.

The Company does not currently intend to issue additional Shares after the end of the Global Offering. If the Company decides to raise capital by issuing new Shares, the newly issued Shares or securities convertible into Shares, including in the form of stock-based compensation, may adversely affect the value of the Shares in the market, and moreover there may be a decrease in the ownership portion of the actual Shareholders if they do not subscribe to the then newly issued Shares.

The Global Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the ADX is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares

Prior to the Global Offering, there has been no public trading market for the Shares. There can be no assurance that an active trading market will develop or be sustained following the completion of the Global Offering, or that the market price of the Shares will not decline thereafter below the offer price. The trading price of the Shares may be subject to wide fluctuations in response to many factors, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in the UAE.

The Company has applied for the Shares to be listed on the ADX. The ADX was established in 2000, however its future success and liquidity in the market for the Shares cannot be guaranteed. In addition, the ADX is substantially smaller in size and trading volume than other established securities markets, such as those in the United States and the United Kingdom which may also affect liquidity in the Shares. Brokerage commissions and other transaction costs on the ADX are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the ADX in the desired amount and at the price and time achievable in more liquid markets and adversely affect the value and trading price of the Shares.

The Company's ability to pay dividends on the Shares depends on the Group's profitability, financial position and cash flow

The ability of the Company to pay dividends depends largely on the Group's profitability, financial condition and ability to generate profits.

There can be no assurance that, in the long term, the Group will generate sufficient profits and cash flows, or otherwise that the Company will be willing or able, to pay dividends on the Shares.

Whilst the Company intends to pay dividends in respect of the Shares, there can be no assurance that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, applicable laws and regulations, results of operations, financial condition, cash requirements, contractual restrictions, the Company's future projects and plans and other factors that the Board of Directors may deem relevant. As a result, Shareholders may

not receive any return on an investment in the Shares unless they sell their Shares for a price greater than that what they paid for them (see the section entitled 'Dividend Policy' in the Third Section below).

Following the Global Offering, the price of the Shares on the ADX may differ from the Offer Price and could be adversely affected by a range of factors related to the Group and its business

The Offer Price may not be indicative of the price at which the Shares will be traded on the ADX following completion of the Global Offering. Investors may not be able to resell their Shares at or above the Offer Price or may not be able to sell them at all. The price of shares on the ADX following the Global Offering may be adversely affected by several factors, including the following:

- negative fluctuations in the operating performance of the Group and improved performance of its competitors;
- actual or anticipated fluctuations in quarterly or annual operating results;
- securities analysts publishing research reports about the Group, its competitors or the financial services sector;
- the public reaction to the Group's press statements and other public announcements;
- the performance of the Group or that of its competitors being contrary to analysts' expectations;
- resignation of key employees;
- important and strategic decisions taken by the Group or its competitors or existence of changes in the business strategy;
- regulatory environment changes affecting the Group or the financial services sector; and
- changes in accounting regulations and policies adopted.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital

Under the Company's Articles of Association to be adopted in connection with the Global Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of the Company's ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. However, holder of the Shares outside of the UAE may not be able to exercise their pre-emptive rights, including due to legal or practical impediments to exercising such rights. To the extent that holders of the Shares outside of the UAE are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders outside of the UAE would be reduced.

It may be difficult for Shareholders to enforce judgments against the Company in the UAE, or against its directors and senior management

The Company is a public company incorporated in the UAE. Its material assets and the majority of the assets of the Directors and its senior management are located in the UAE. It may not be possible for investors to effect service of process outside the UAE upon the Company or the Directors and its senior management or to enforce judgments obtained against them in courts outside the UAE.

USE OF PROCEEDS

The net proceeds from the Global Offering (after the deduction of the selling commissions and discretionary fee paid), will be received by the Selling Shareholders. The Company will not receive any proceeds of the Global Offering. All of the expenses of the Global Offering (including selling commissions and any discretionary fees) will be borne by the Selling Shareholders. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholders to sell part of its shareholdings, as part of long-term succession planning and to raise the profile of the Group with the domestic and international investment and financial services communities.

DIVIDEND POLICY

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans, any future credit rating considerations and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See '*Risk Factors – Risks Relating to the Global Offering and the Shares – The Company's ability to pay dividends on the Shares depends on the Group's profitability, financial position and cash flow*' above.

Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, and will be at the discretion of the Board of Directors and subject to the approval of the general assembly.

The Company intends to distribute a dividend of AED 130 million for the financial year ending 31 December 2025, payable in two equal instalments in October 2025 and April 2026. Thereafter, the Company expects to distribute dividends on a semi-annual basis (in April and October of each year), with a minimum payout of 80% of the net profit generated for the relevant financial period, subject to the approval of the Board and the availability of distributable reserves. The Company continues to evaluate accretive investment opportunities for growth. In the absence of suitable opportunities that meet the target investment criteria and returns, the Company will consider distributing higher dividends than the minimum annual dividend.

This dividend policy is designed to reflect the Company's target of cash flow generation and targeted long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long term growth.

This dividend policy is subject to consideration by the Board of Directors of the cash management requirements of the Company's business for operating expenses, finance costs and anticipated capital expenditures and investments, on an annual basis. In addition, the Company expects that the Board of Directors will also, on an annual basis, consider market conditions, the then current operating environment in the Company's markets and the Board of Directors' outlook for the Company's business and growth opportunities.

CAPITALISATION

The summary data presented below should be read in conjunction with the sections entitled "Presentation of Financial and Other Information", "Selected Historical Financial and Key Operating Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Audited Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

The following tables show the Company's capitalisation and the indebtedness based on the historical figures as at 31 December 2024.

Alpha Data LLC	
AED	
ASSETS	
Non-current assets	
Property and equipment	16,627,310
Investment properties	15,945,000
Total non-current assets	32,572,310
Current assets	
Inventories and work in progress	170,952,168
Contract assets	352,795,707
Trade and other receivables	368,880,765
Cash and bank balances	35,367,079
Total current assets	927,995,719
Total assets	960,568,029
EQUITY AND LIABILITIES	
Capital and reserves	
Share capital	30,000,000
Statutory reserve	15,000,000
Retained earnings	183,624,722
Total equity	228,624,722
Non-current liabilities	
Trade finance	2,118,810
Provision for employees' end of service benefit	44,322,201
Total non-current liabilities	46,441,011
Current liabilities	
Bank borrowings	12,451,182
Trade and other payables	660,387,067
Income tax payable	12,664,047
Total current liabilities	685,502,296
Total liabilities	731,943,307
Total capitalisation²	244,135,071

² **Note:** total capitalisation is the sum of total equity, bank borrowings, trade finance and the "trade finance" sub-line item of trade and other payables.

SELECTED HISTORICAL FINANCIAL AND KEY OPERATING INFORMATION

The tables below set forth selected historical financial information of the Company as at and for the years ended 31 December 2024, 31 December 2023, 31 December 2022, and 31 December 2021. This information has been extracted, without material adjustment, from the Audited Financial Statements.

The selected financial information set forth below should be read in conjunction with, and is qualified by reference to, the Audited Financial Statements and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations". The results of operations for any period are not necessarily indicative of the results to be expected for any future period.

Consolidated statement of comprehensive income data

	For the year ended 31 December			
	2021	2022	2023	2024
	AED (Audited)			
Revenue	1,282,893,786	1,697,881,878	2,006,617,742	2,323,114,646
Cost of sales.....	(1,106,120,995)	(1,489,524,785)	(1,738,269,158)	(2,032,066,756)
Gross profit	176,772,791	208,357,093	268,348,584	291,047,890
Other income	3,418,658	6,860,680	9,515,995	11,310,782
General and administrative expenses	(102,622,784)	(118,854,038)	(146,055,201)	(161,387,950)
Finance costs / income	(348,437)	(1,175,133)	1,277,057	(3,420,027)
Net fair value gain on advances paid on purchases of properties and investment properties	5,967,227	5,981,022	–	1,947,600
Profit before tax	83,187,455	101,169,624	133,086,435	139,498,295
Income tax expense	–	–	–	(12,664,047)
Profit after tax	83,187,455	101,169,624	133,086,435	126,834,248
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	83,187,455	101,169,624	133,086,435	126,834,248

Consolidated statement of financial position data

	As at 31 December			
	2021	2022	2023	2024
	AED (Audited)			
ASSETS				
Non-current assets				
Property and equipment.....	54,669,651	50,708,874	46,991,740	16,627,310
Advances paid on purchases of properties	5,485,988	5,485,988	–	–
Investment properties	163,300,000	170,664,999	176,743,193	15,945,000
Total non-current assets.....	223,455,639	226,859,861	223,734,933	32,572,310
Current assets				
Inventories and work in progress.....	191,090,738	244,311,245	269,053,279	170,952,168
Contract assets	169,943,373	260,844,870	242,799,350	352,795,707
Trade and other receivables	318,786,419	294,330,177	379,367,524	368,880,765
Cash and bank balances.....	47,122,583	81,521,578	103,076,793	35,367,079
Total current assets	726,943,113	881,007,870	994,296,946	927,995,719
Total assets	950,398,752	1,107,867,731	1,218,031,879	960,568,029
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	3,000,000	3,000,000	3,000,000	30,000,000
Statutory reserve.....	1,500,000	1,500,000	1,500,000	15,000,000
Retained earnings	477,494,397	509,712,021	543,038,456	183,624,722
Total equity	481,994,397	514,212,021	547,538,456	228,624,722
Non-current liabilities				
Trade finance	19,226,979	9,736,739	2,979,080	2,118,810

	As at 31 December			
	2021	2022	2023	2024
	<i>AED (Audited)</i>			
Provision for employees' end of service benefit.....	30,615,929	35,077,463	39,613,382	44,322,201
Total non-current liabilities	49,842,908	44,814,202	42,592,462	46,441,011
Current liabilities				
Bank borrowings	–	–	–	12,451,182
Trade and other payables	416,526,306	546,548,425	625,401,783	660,387,067
Income tax payable.....	–	–	–	12,664,047
Deferred revenue	2,035,141	2,293,083	2,499,178	–
Total current liabilities.....	418,561,447	548,841,508	627,900,961	685,502,296
Total liabilities	468,404,355	593,655,710	670,493,423	731,943,307
Total equity and liabilities.....	950,398,752	1,107,867,731	1,218,031,879	960,568,029

Consolidated statement of cash flows data

	For the year ended 31 December			
	2021	2022	2023	2024
	AED (Audited)			
Cash flows from operating activities				
Profit for the year.....	83,187,455	101,169,624	133,086,435	139,498,295
Adjustments for:				
Depreciation of property and equipment.....	6,157,658	6,336,231	6,297,188	5,035,588
Allowance for expected credit losses.....	7,219,451	4,827,475	7,100,952	7,613,208
Employees' end of service benefit charge	5,840,538	6,999,004	8,990,830	9,613,465
Allowance for inventory obsolescence	4,242,400	3,742,400	3,242,400	3,292,400
Fair value loss on advance paid on purchase of properties.....	5,334,864	—	—	—
Fair value gain in investment properties	(11,302,091)	(5,981,022)	—	—
Finance cost / income	348,437	1,175,133	(1,277,057)	3,420,027
Gain on disposal of property and equipment.....	(48,288)	(69,264)	(84,917)	(42,081)
Gain on fair valuation of investment properties..	—	—	—	(1,947,600)
Loss on disposal of investment properties	—	—	—	396,000
Operating cash flows before changing in working capital	100,980,424	118,199,581	157,355,831	166,879,302
Movements in working capital:				
(Increase)/decrease in inventories.....	45,823,874	(56,962,907)	(27,984,434)	94,808,711
Decrease/(increase)in trade and other receivables	(72,944,736)	19,628,767	(92,138,300)	4,653,702
(Increase)/decrease in contract assets.....	13,907,090	(90,901,497)	18,045,520	(109,996,359)
Increase in trade and other payables	13,422,582	120,531,879	72,095,699	31,625,839

Increase in deferred revenues.....	302,759	257,942	206,095	–
Cash generated by operating activities.....	101,491,993	110,753,765	127,580,411	187,971,195
Employees' end of service benefit paid.....	(2,305,584)	(2,537,470)	(4,454,911)	(4,904,646)
Net cash generated by operating activities.....	99,186,409	108,216,295	123,125,500	183,066,549
Cash flows used in investing activities.....				
Payments for advances paid on purchases of properties.....	(50,209,215)	–	(381,412)	–
Payments for purchases of property and equipment	(1,027,844)	(2,375,454)	(2,726,700)	(1,466,918)
Payments for additions of investment in properties	–	(1,383,977)	(210,793)	–
Proceeds from sale of investment properties.....	7,800,000	–	–	3,500,000
Proceeds from disposal of property and equipment	95,488	69,264	231,563	45,500
Net cash used in investing activities.....	(43,341,571)	(3,690,167)	(3,087,342)	2,078,582
Cash flow used in financing activities.....				
Dividends and zakat paid.....	(79,185,000)	(68,952,000)	(99,760,000)	(261,886,000)
Finance cost paid / income received	(348,437)	(1,175,133)	1,277,057	(3,420,027)
Bank borrowings obtained.....	–	–	–	–
Net cash used in financing activities.....	(79,533,437)	(70,127,133)	(98,482,943)	(265,306,027)
Net increase/(decrease) in cash and bank balances	(23,688,599)	34,398,995	21,555,215	(80,160,896)
Cash and bank balances at the beginning of the year.....	70,811,182	47,122,583	81,521,578	103,076,793
Cash and bank balances at the end of the year	47,122,583	81,521,578	103,076,793	22,915,897
Non-cash transactions:				
Increase in share capital from retained earnings	–	–	–	27,000,000
Increase in statutory reserve from retained earnings	–	–	–	13,500,000

Dividends in kind declared – property and equipment	–	–	–	25,012,189
Dividends in kind declared – investment properties	–	–	–	158,849,793
Transfer from advance on purchase of properties to investment properties	<u>109,342,908</u>	<u>–</u>	<u>5,867,400</u>	<u>–</u>

Non-IFRS financial measures

The Group presents in this Offering Memorandum certain measures to assess the financial performance of its business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These selected non-IFRS financial measures include operating income, Adjusted EBITDA, Adjusted EBITDA margin, capital expenditure, Free Cash Flows, Free Cash Flow Conversion, Return On Equity, Return On Assets and Dividend Payout ratio. The Group presents non-IFRS measures because it believes that they, and similar measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Group believes that these non-IFRS financial measures are a useful indicator of its ability to incur and service its indebtedness and can assist certain investors, securities analysts and other interested parties in evaluating the Group. There is no authoritative literature or common standard with respect to the calculation of these non-IFRS financial measures and other companies may calculate these differently.

The non-IFRS measures the Group presents herein may not be comparable to similar measures computed by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS. The non-IFRS measures of the Group should be read only in conjunction with underlying IFRS financial numbers.

The table below shows the Group's non-IFRS measures for the years shown.

	<i>Financial Year ended 31 December 2021</i>	<i>Financial Year ended 31 December 2022</i>	<i>Financial Year ended 31 December 2023</i>	<i>Financial Year ended 31 December 2024</i>
Gross Profit (AED millions)	177	208	268	291
Gross Margin %	13.8%	12.3%	13.4%	12.5%
Gross Profit by Segment (AED millions)				
Solutions	96	115	161	177
Services	60	66	80	89
Talent	21	27	27	25
Total	177	208	268	291
Gross Margin %				
Solution	9.7%	8.6%	10.7%	9.6%
Service	32.5%	29.1%	21.8%	24.7%
Talent	18.6%	21.3%	19.5%	19.8%
Adjusted EBITDA (AED millions)	80	96	129	135
Adjusted EBITDA %	6.3%	5.6%	6.4%	5.8%
Net Income (AED millions)	83	101	133	127
Net Income %	6.5%	6.0%	6.6%	5.5%
Dividend (AED millions)	60	90	90	435
Dividend Payout	72%	89%	67%	71% ³
FCF (AED millions)	56	105	120	185
FCF Conversion	69.6%	109.1%	93.4%	137.7%
Net Debt / Cash	16	60	92	20
Net Leverage	0.2	0.6	0.7	0.15
Net Working Capital	273	263	274	233
Return On Equity	24.1%	26.6%	34.1%	56.3%
Return On Assets	9.8%	9.7%	12.1%	12.7%

³ **Note:** this figure (71%) is based on a dividend amount of AED 90,000,000 in the financial year ended 31 December 2024 (i.e. excluding the "special pre-IPO" dividend of AED 161,025,000).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The management's discussion and analysis of our financial position and results of operations should be read in conjunction with the information included in the sections entitled "Capitalisation", "Selected Historical Financial and Key Operating Information" and the Audited Financial Statements included elsewhere in this Offering Memorandum. This management's discussion is based upon the Audited Financial Statements, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of laws of the United Arab Emirates.

This management's discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Offering Memorandum, particularly under the headings "Information Regarding Forward-Looking Statements" and "Risk Factors".

The following discussion of the Group's financial condition and results of operations as at and for the years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 should be read in conjunction with the Group's Audited Financial Statements including the related notes, and the information relating to the Group's business included elsewhere in this Offering Memorandum.

Note that audit presentation for the year ended 31 December 2023 was restated in the Group's Audited Financial Statements for the year ended 31 December 2024. This Offering Memorandum presents the restated figures for the year ended 31 December 2023.

Investors should read the whole of this Offering Memorandum and not just rely upon summarised information.

All amounts in this section have been rounded to the nearest AED million unless otherwise stated, and numbers and percentages are rounded to the nearest decimal. As such, the sum of the numbers may differ from those stated in the tables. Accordingly, all annual percentages, indicators and expenses are based on rounded figures.

OVERVIEW

Established in 1981, the Group is one of the leading digital transformation and system integration services providers in the United Arab Emirates. The Group also has smaller operations in KSA (launched in 2022) and Qatar (re-launched in 2022), which the Group plans to grow in the future.

The Group develops and builds customised electronic (computer-based) solutions for customers (including businesses and governmental bodies) principally by using third party-developed hardware, software, networking and storage products (developed by many of the world's leading technology companies). In doing so, the Group typically integrates numerous products and/or services into a solution and/or service delivered by the Group. The Group also outsources specialist IT personnel to customers.

The Group operates across three business segments (refer to "*Business Description*" for further details):

- **Solutions:** The Group's relationship with its customers typically begins with the provision of an enterprise solution. This includes IT infrastructure solutions, including servers, storage, network infrastructure, audio-visual infrastructure, physical security infrastructure (i.e. CCTV networks) and backup and disaster recovery infrastructure. This also includes providing and implementing tailored solutions by integrating advanced technologies such as cybersecurity, cloud, mobility, AI, big data, digital transformation and software automation technology. The Group provides physical and virtual solutions to customers using a combination of different technological hardware and software provided by different vendors. The Group aggregates such technology solutions to provide a bespoke and customised technological solution to the customer to serve a specific function for the customer's business or infrastructure. This segment represented a significant portion of the Group's revenue, accounting for 76.9%, 79.1%, 74.8% and 79.0% of total revenue for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.
- **Services:** The Group offers a full range of services to customers to consult, implement, monitor, manage and maintain IT infrastructure and solutions. These include (i) managed services, (ii) professional services, (iii) support and maintenance services and (iv) consulting services. The Group provides network and cybersecurity services by providing to customers a Network Operations Centre ("NOC") and/or Security Operations Centre ("SOC") through the Group's Digital Transformation Centre. As part of its services offering, the Group provides general IT customer service desk support and call centre support. The Group's managed services offering involves the Group managing all, or a significant part of, an enterprise's IT servicing needs through a single package. The Group has higher profit margins from delivering Services than Solutions and the Group is growing its Services business, including as part of its strategy to provide 'everything-as-a-service' to its customers. The Group believes its strong Services segment differentiates itself from many of its competitors. This segment accounted for 14.4%, 13.4%, 18.3% and 15.6% of the total revenue for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.

- **Talent:** Through the Group's subsidiary, "Alpha Data Recruitment", the Group recruits and outsources specialist IT personnel to customers, to meet high customer demand for skilled IT individuals. The Talent segment includes the following offerings:
 - *Resource-as-a-Service (RAAS)* – providing IT personnel on a contract or contract-to-hire basis or for seasonal or niche needs, as well as offering flexible contract durations with the option to hire after contract expiry.
 - *Permanent staffing service (PSS)* – leveraging web portals, digital marketing, and headhunting to source the right candidates for permanent staffing positions.
 - *Emirati/Saudi recruitment services* – offering a full service recruitment team, with proficiency in Arabic language, comprehensive understanding of Emiratisation and Saudization requirements, with access to in excess of 5,000 Emirati and Saudi national employees; and
 - *Resource rebadge* – assisting with client hiring obligations regarding sponsorship transition for personnel who do not originate from the country in which they are working.

This segment works in conjunction with the Solutions and Services segments to assist clients to manage / operate technologies. This segment accounted for 8.7%, 7.4%, 6.9% and 5.4% of the total revenue for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.

The Group's extensive experience, combined with its comprehensive service offerings and strategic partnerships, positions it as a key enabler for businesses looking to navigate the complexities of digital transformation in an increasingly digitalised global economy.

DIRECTORS' DECLARATION ON THE FINANCIAL STATEMENTS

To the best of the Directors' knowledge, the Audited Financial Statements fairly represent, in all material respects, the consolidated financial position, results of operations and cash flows of the Group.

KEY FACTORS AFFECTING RESULTS OF OPERATIONS

The results of operations, financial condition of the Group are primarily driven by the Group's revenues and costs. These are determined by the prices of underlying products and services, and the cost of the key materials and personnel. These can be affected by numerous factors, many of which are macroeconomic industry variables that have a sector-wide impact. Market prices fluctuate as a result of the global supply or demand balance of the industries in which the Group operates.

The principal factors that have impacted the Group's business during the financial periods presented in this Offering Memorandum and that are likely to continue to influence the business, are:

- Macroeconomic and geopolitical conditions
- Robust revenue foundation in the Solutions segment
- Competition and pricing dynamics
- Seasonality
- Key vendor relationships
- Customer spending on key digital transformation initiatives
- Introduction of the UAE corporate tax law

Given that many of these factors are beyond the Group's control and some have historically been volatile, the past performance of the Group is not necessarily indicative of future results and it is difficult to predict future performance with any degree of certainty.

Macroeconomic and geopolitical conditions

The Group is subject to macroeconomic conditions, including, but not limited to the global economic recovery from the Covid-19 pandemic, inflation in the USA and Europe, driven by, among other factors the UAE's golden visa program and events such as Expo2020, as well as global geopolitical conditions, including the global repercussions of the ongoing conflicts in Ukraine and the Middle East.

Negative shifts in the UAE's credit rating, consumer behavior, employment rates, and inflation or deflation could lead to market volatility and affect demand for the Group's offerings. Global economic tightening and external factors such as market fluctuations, trade issues, and protectionist policies could also slow down the UAE's non-oil economic growth. This includes specific risks like economic downturns or shocks on a regional or global scale, regulatory changes affecting the Group's market operations and deflation making it difficult for the Group to adjust its costs and remain profitable.

Geopolitical conflicts and economic recessions could lead to reduced customer demand and delayed purchases, negatively affecting the Group's business prospects. The unpredictable nature of these risks poses significant challenges for preparation and mitigation.

Moreover, the UAE's economy is significantly affected by international crude oil price fluctuations, with a heavy reliance on hydrocarbon revenues. Factors such as global economic and political events, supply and demand dynamics, OPEC and OPEC+ production agreements, environmental regulations, and alternative fuels influence oil prices. Prolonged periods of low oil prices can adversely impact various sectors, leading to decreased government spending, reduced public and private revenues, and liquidity issues for financial institutions, posing risks to the UAE's economic stability and businesses operating in the region.

Businesses in the MENA region, including the UAE, Saudi Arabia, and Qatar, face uncertainty due to significant government influence over economies and regulatory environments. Government interventions can lead to policy changes that affect foreign investment, trade, and sectors like oil and gas, potentially causing inflation control measures, tariffs, currency controls, and regulatory shifts. These changes can increase costs and reduce competitiveness, impacting business operations and financial health. Despite previous economic growth, the UAE's government driven economy is at risk of downturns or instability, which could be exacerbated by regional conflicts and efforts to attract foreign workers and investment.

The Group operates in a dynamic legal environment where new laws and regulations can create uncertainty for investment and business, potentially affecting its operations and financial health. Tax uncertainties also pose risks to the Group's business outcomes. Additionally, the Group is required to comply with local employment initiatives like Emiratisation, Saudisation, and Qatarisation, which can increase costs and reduce workforce flexibility, impacting financial performance.

Robust revenue foundation in the Solutions segment

The Group's historical performance demonstrates robust synergies with its Solutions segment, which has consistently driven revenue growth. For the year ended 31 December 2024, the Group's total revenue reached AED 2,323 million, a marked increase from AED 2,007 million for the year ended 31 December 2023, AED 1,698 million for the year ended 31 December 2022 and AED 1,283 million for the year ended 31 December 2021.

The Solutions segment was a primary contributor to this upward trend, adding AED 334 million to the revenue increase for the year ended 31 December 2024, AED 157 million for the year ended 31 December 2023 and AED 357 million for the year ended 31 December 2022, accounting for 76.9%, 79.1%, 74.8% and 79.0% for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.

Given the Solutions segment's significant contribution to the Group's overall revenue, its performance is critical to the overall Group's performance. Any disruption or downturn in this segment could impact the Group's revenue streams and growth trajectory.

Competition and pricing dynamics

The historical results of operations for the Group were influenced by the interplay of competition and pricing dynamics within the industry, as evidenced by the trends in gross margins. The Group's gross margin decreased from 13.8% for the year ended 31 December 2021 to 12.3% for the year ended 31 December 2022, then increased to 13.4% for the year ended 31 December 2023, followed by a slight decrease to 12.5% for the year ended 31 December 2024, while revenue increased from AED 1,283 million for the year ended 31 December 2021 to AED 2,323 million for the year ended 31 December

2024. This pattern of revenue growth, despite tighter margins since 2021, highlights the Group's proactive adaptation to a dynamic competitive landscape, successfully refining its pricing strategies to sustain and enhance market presence. Further, note that gross profit grew from AED 177 million for the year ended 31 December 2021 to AED 291 million for the year ended 31 December 2024, indicating that despite a decrease in margin percentage, gross profit demonstrated robust growth.

Analysis of specific segments reveals that the Solutions segment margin remained relatively stable and in the range of 8.6% to 10.7% between the years ended 31 December 2021 and 2024. The Services segment witnessed a more pronounced decline from 32.5% for the year ended 31 December 2021 to 29.1% for the year ended 31 December 2022 to 21.8% for the year ended 31 December 2023 followed by an increase to 24.7% for the year ended 31 December 2024. The spike in Services segment margin for the year ended 31 December 2021 was primarily driven by a surge in demand for infrastructure and network services during the COVID-19 pandemic. The Talent segment margin remained relatively stable and in the range of 18.6% to 21.3% between the years ended 31 December 2021 to 2024.

The Group operates in a competitive market, as typical for businesses within this industry, that is subject to technological changes and developments. In this context, the Group competes on various fronts including reputation, experience, performance, reliability, and pricing. The Group's ability to win new business reflects its ability to differentiate its services and solutions and to clearly convey their value. The competition stems from other local system integrators and IT service companies with strong local market experience, subsidiaries of large local ICT companies with robust financial backing, and multinational technology companies with extensive technical expertise.

As within any competitive market, the emergence of new entrants, including smaller companies with niche expertise, can add to competitive pressures. It would be expected that competitors may also engage in aggressive pricing strategies, to gain market entry or increase their market share. It is therefore important that the Group continues to supply products and services that are better tailored to customer needs than those provided by competitors.

The Group has implemented more margin flexibility in recent years to pursue its strategy to both maintain and grow revenue through volume. This was in recognition of the need to remain price-competitive while demonstrating value across its services and differentiating its offerings. However, despite competition, the Group managed to increase its revenue and protect its profitability in recent years. The ongoing challenge for the Group is to balance volume growth with margin retention, which is essential for long-term sustainability and profitability.

Seasonality

As is typical for most companies operating in the region and in the IT industry, the Group is susceptible to revenue seasonality. The first and last quarter of the year are typically the most revenue generating (due to residual billing from the previous year and exhausting yearly company spend, respectively), and the third quarter being the least revenue generating due to the summer holiday season resulting in reduced business activity.

For the year ended 31 December 2024, a shift is noted in Quarter 1, which dropped to 21.7%, while Quarter 2 increased to 26.8%, diverging from historical trends where Quarter 1 typically outperformed Quarter 2. This deviation in Quarter 1 for the year ended 31 December 2024 performance can be attributed to accelerated invoicing in anticipation of the then forthcoming corporate tax introduction in 2024. However, note that this has no impact on revenue recognition due to the application of IFRS 15.

The following table sets out the percentage of the Group's revenue that is generated in each quarter:

(%)	Quarter1	Quarter 2	Quarter 3	Quarter 4
2021	29.5%	24.0%	18.0%	28.5%
2022	23.2%	25.4%	22.8%	28.6%
2023	27.7%	24.8%	21.4%	26.1%

2024 21.7% 26.8% 23.7% 27.8%

Note: the analysis above excludes IFRS 15 adjustments that are recorded at each year end.

A weaker sales performance in the first, second, or fourth quarters could negatively impact the Group's financial results. Moreover, any events that negatively affect the Group's sales during these quarters, such as a change in commercial terms with suppliers, customers' digital spend cutbacks or negative media coverage, could have an impact on its performance.

Dependence on key vendor relationships

The Group's strong strategic relationship with prime vendors has been instrumental in its historical performance operations, driving growth and enabling it to capitalise on market opportunities effectively. Maintaining and evolving these partnerships in alignment with shifting vendor strategies continues to be a vital aspect of the Group's roadmap for sustained success and enhanced profitability.

The analysis provided below offers an overview of purchases rather than the cost of sales. The primary distinction between the two stems from timing differences associated with the completion of performance obligations (as per IFRS 15), rebates, and other factors. For a detailed overview of the cost of sales, refer to "*Description of principal income statement line items*". Analysing purchases by vendor serves as a more accurate indicator of vendor relationships, as it reflects actual spending, whereas the cost of sales is contingent upon the fulfillment of performance obligations.

The Group's total purchases from vendors increased from AED 944 million for the year ended 31 December 2021 to AED 1,882 million for the year ended 31 December 2024, in line with the overall growth in the business.

The top 20 vendors accounted for 69.4% of the Group's total purchases for the year ended 31 December 2024, underscoring a substantial reliance on a core group of vendors. Below is a brief overview of the Group's top 5 vendor relationships for the years ended 31 December 2021, 2022, 2023 and 2024 (anonymised for confidentiality reasons):

<i>(AED millions)</i>	For the year ended 31 December			
	2021	2022	2023	2024
Vendor 1.....	136	188	317	472
Vendor 2.....	93	143	167	117
Vendor 3.....	78	90	105	167
Vendor 4.....	22	48	97	22
Vendor 5.....	39	81	78	92
Top 5 vendors.....	368	550	764	871
Others.....	576	917	916	1,011
Total purchases.....	944	1,467	1,680	1,882
IFRS 15 adjustments, timing of performance obligations, rebates etc.*.....	7	(159)	(141)	(57)
Cost of sales- Materials.....	951	1,308	1,539	1,826

**Note: This is a balancing entry*

- **Vendor 1** (leading software vendor) – The Group's purchases from this vendor increased significantly, from AED 136 million for the year ended 31 December 2021 to AED 188 million for the year ended 31 December 2022, AED 317 million for the year ended 31 December 2023 and AED 472 million for the year ended 31 December 2024. This increase was driven by a strategic alliance and targeted investments by this vendor across the UAE, particularly in Abu Dhabi. The Group responded to this development by investing in related technologies to ensure

alignment with customer requirements. These investments were key in enabling the Group to expand its business and meet the growing demand for the vendor's offerings in the country.

- **Vendor 2** (infrastructure solutions) – The Group's purchases from this vendor increased significantly, from AED 93 million for the year ended 31 December 2021 to AED 167 million for the year ended 31 December 2023. This growth was attributed to the Group's strategic alignment with the vendor in key investment areas such as HyperConverged infrastructure, virtualisation, devices, and modern workspace solutions. By focusing on these areas, the Group was able to grow its business in tandem with the vendor, leveraging the latest technological advancements and market trends. In addition, the Group's purchases from this vendor decreased to AED 117 million for the year ended 31 December 2024 due to the acquisition of Vendor 2's cloud infrastructure software partner due to which these solutions were temporarily unavailable during the year. However, the situation was addressed in June 2024 when Vendor 2 signed a new agreement with the acquiring entity, restoring access to these solutions which is expected to lead to renewed activity with Vendor 2 in the future.
- **Vendor 3** (infrastructure solutions): The Group's purchases from this vendor increased from AED 78 million for the year ended 31 December 2021 to AED 90 million for the year ended 31 December 2022, AED 105 million for the year ended 31 December 2023 and AED 167 million for the year ended 31 December 2024. This increase is primarily driven by two factors: the vendor's expansion of their product portfolio and the Group securing a direct supplies contract with a related large vendor of infrastructure solutions. The direct contract with the related vendor has notably boosted the Group's transactions with Vendor 3, as it allowed for an enhanced supply of the related vendor products.
- **Vendor 4** (enterprise technology provider): The Group's purchases from Vendor 4 more than quadrupled between the years ended 31 December 2021 and 2023, from AED 22 million for the year ended 31 December 2021 to AED 97 million for the year ended 31 December 2023. This substantial growth was driven by significant investments made by the Abu Dhabi Government in Artificial Intelligence (AI). In response to this initiative, the Group, in collaboration with Vendor 4, has provided high performance computing solutions to enable AI applications. The delivery of these advanced computing solutions has resulted in large orders for both Vendor 4 and the Group. Further, a decrease in purchases to AED 22 million for the year ended 31 December 2024 was primarily due to the cancellation of several strategic orders with this vendor involving Nvidia GPUs.
- **Vendor 5** (network equipment provider): The Group's purchases from Vendor 5 increased from AED 39 million for the year ended 31 December 2021 to AED 81 million for the year ended 31 December 2022, before decreasing slightly to AED 78 million for the year ended 31 December 2023 and increasing again to AED 92 million for the year ended 31 December 2024. The increase for the year ended 31 December 2022 reflected a period of heightened activity and specific large-scale engagements (public infrastructure projects) that contributed to the spike in purchases. For the years ended 31 December 2023 and 2024, the business from Vendor 5 normalised, with purchases aligning more closely with the usual levels of procurement. This highlights the impact of individual engagements on the Group's purchase patterns.

The Group maintains critical relationships with a range of vendors that have been crucial for fulfilling customer requirements and gaining market share. Alterations to these supplier relationships or the terms of contracts could potentially impact the Group's financial performance.

Customer spending on key digital transformation initiatives

The Group's historical financial performance was closely linked to its customers' commitments to digital transformation. Significant investments by customers in IT infrastructure, cybersecurity, cloud services, and AI were the key drivers of growth for the Group. The ability to secure substantial contracts, adapt to strategic customer shifts, and provide ongoing services was instrumental in leveraging these customer investments.

The table below provides a brief overview of key customer relationships (anonymised for confidentiality reasons) selected from the Company's top 10 customers (by revenue for the year ended 31 December

2024). This selection encompasses a broad spectrum of customers across various sectors, illustrating that spending patterns are not confined to specific industries but rather transcend sectoral boundaries. This diversity underscores the Company's wide-ranging appeal and its ability to cater to a multitude of spending behaviors across different sectors.

<i>AED millions</i>	For the year ended 31 December			
	2021	2022	2023	2024
Customer 1.....	100	111	150	197
Customer 2.....	25	53	92	100
Customer 4.....	8	115	162	85
Customer 5.....	25	47	65	69
Customer 7.....	60	51	51	53
Total	218	377	520	504

Below is a brief description of the impact of the selected customers' investments on the Group's historical operations:

- **Customer 1 (government agency)** – This customer is a large telecommunications player in the region. The Group's revenue from this customer increased from AED 100 million for the year ended 31 December 2021 to AED 111 million for the year ended 31 December 2022, AED 150 million for the year ended 31 December 2023 and AED 197 million for the year ended 31 December 2024 primarily driven by enterprise computing solutions.
- **Customer 2 (sovereign wealth fund)** – The Group experienced a marked increase in sales from this government client with an increase in revenue from AED 25 million for the year ended 31 December 2021 to AED 53 million for the year ended 31 December 2022, AED 92 million for the year ended 31 December 2023 and AED 100 million for the year ended 31 December 2024 driven by a significant contract for end-user devices, cybersecurity, and software supported by a managed services contract reflecting the Group's ability to deliver comprehensive digital offerings that align with the customer's evolving needs.
- **Customer 4 (private sector company)** – This customer is a recognised player for digital transformation, cloud and cyber security solutions in the region. Revenue from this customer increased from AED 8 million for the year ended 31 December 2021 to AED 115 million for the year ended 31 December 2022 and to AED 162 million for the year ended 31 December 2023. The growth was primarily due to a major IT infrastructure and services contract, highlighting the Group's proficiency in executing large-scale IT projects that contribute significantly to its revenue stream. However, revenue declined to AED 85 million for the year ended 31 December 2024, a shift attributed to a collections issue with this customer, prompting the Group to strategically scale back its business engagements with them.
- **Customer 5 (government agency)** – This customer enabled the Group to benefit from substantial public infrastructure projects. The Group has seen an increase in revenue from "hardware-license-support" contracts with this customer, from AED 25 million for the year ended 31 December 2021 to AED 47 million for the year ended 31 December 2022, AED 65 million for the year ended 31 December 2023 and AED 69 million for the year ended 31 December 2024, underscoring the Group's role in supporting critical public sector initiatives.
- **Customer 7 (large UAE bank)** – This customer illustrates the impact of strategic shifts on the Group's revenue mix. The bank's transition from on-premises to cloud services led to a decrease in revenue from the division offering on-premises support, dropping from AED 17 million for the year ended 31 December 2021 to AED 6 million for the year ended 31 December 2024. Conversely, revenue from the division that provided cloud computing support increased from AED 42 million for the year ended 31 December 2021 to AED 46 million for the year ended 31 December 2024, indicating the Group's adaptability to changing customer preferences in the banking sector.

The Group's financial performance is notably dependent on its customers' ongoing commitment to digital transformation. While this has historically driven growth, it also presents a risk that the Group's revenue is closely tied to the technological investment trends of its customers. Should these customers' priorities shift away from such digital advancements, or if there is a market-wide slowdown in technology spending, the Group could face an impact on its revenue growth.

Introduction of UAE corporate tax law

On 9 December 2022, the Ministry of Finance ("**MoF**") released the Federal Decree-Law No. 47 of 2022, on the Taxation of Corporations and Businesses ("**CT Law**") applicable from financial years commencing on or after 1 June 2023. In addition, the MoF has released various Frequently Asked Questions ("**FAQs**") in order to provide clarity on the UAE CT Regime. The CT Law has been supplemented by MoF Ministerial Decisions and Cabinet Decisions, which provide further provisions for the application of aspects of the UAE CT Law. In addition, the Federal Tax Authority ("**FTA**") has also issued several Tax Procedural Guides on aspects of the UAE CT Law, though these guides cannot be relied upon as law.

Generally, the UAE CT Law will apply to both UAE Tax 'Resident Persons' (and Non-Resident Persons in certain situations). A UAE taxable Resident Person will include, among other things, a juridical person incorporated or otherwise established or recognised in the UAE, including a Free Zone ("**FZ**").

A Resident Person for UAE CT Law purposes also includes a juridical person that is incorporated or otherwise established or recognised under the applicable legislation of a foreign jurisdiction that is effectively managed and controlled in the UAE.

There are broadly two categories of CT rates under the new UAE CT Law:

- A Taxable Person's 'Taxable Income' (as calculated in line with the UAE CT Law) will be subject to a 9% CT rate for taxable income exceeding AED 375,000 and a rate of 0% CT rate will apply to Taxable Income up to AED 375,000.
- Where a Free Zone Person ("**FZP**") meets certain conditions required to be treated as a 'Qualifying' FZP ("**QFZP**"), CT is imposed at the rate of 0% on Qualifying Income ("**QI**") or 9% on Taxable Income that is not QI, provided it does not exceed the de-minimis limits under the law (without a 0% rate applicable to the first AED375,000). A QFZP may also have a domestic PE, in which case such PE is treated as a separate Taxable Person and subject to the 9% / 0% CT rates as described in the previous paragraph. There are additional provisions which apply to QFZP entities which allow for it to earn certain 'non Qualifying Income' and still retain its QFZP status.

Given the above, starting 1 January 2024 (based on Group's year end being 31 December) UAE based entities of the Group shall be subject to UAE CT. The Group does not intend to seek benefits from the QFZP regime, and therefore, it is expected that the UAE entities of the Group shall be subject to 9% corporate tax rate on Taxable Income above AED 375,000. Furthermore, the UAE CT rules indicate for a higher tax rate of 15% to apply where a business falls within the scope of the Pillar 2 rules of the OECD BEPS 2.0 framework. However, currently, the Group does not breach the global revenue threshold (as indicated in the FAQs) within the scope of such rules for the year ended 31 December 2024.

The Ministry of Finance / Cabinet of Minister continues to issue guidance / decisions to further clarify certain aspects of the UAE CT Law. The Group will continue to monitor and assess such guidance to fully evaluate the impact of UAE CT Law on the Group and how it may evolve.

NON-IFRS MEASURES

The Company presents in this section certain measures to assess the financial performance of its business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS Accounting Standards or are calculated using financial measures that are not calculated in accordance with IFRS Accounting Standards. These selected non-IFRS financial measures include (but are not limited to), Adjusted EBITDA, Adjusted EBITDA Margin, Net Income Margin,

capital expenditure, Net Working Capital, Free Cash Flows, Free Cash Flow Conversion, Dividend Payout ratio, Return on Equity and Return on Assets.

The Company presents non-IFRS measures because it believes that they, and similar measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Company believes that these non-IFRS financial measures are a useful indicator of its ability to incur and service its indebtedness and can assist certain investors, securities analysts and other interested parties in evaluating the Company. There is no authoritative literature or common standard with respect to the calculation of these non-IFRS financial measures and other companies may calculate these differently.

The non-IFRS measures the Company presents herein may not be comparable to similar measures computed by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's operating results as reported under IFRS Accounting Standards. The non-IFRS measures of the Company should be read only in conjunction with underlying IFRS Accounting Standards' financial numbers.

▶ Non-IFRS financial measure	▶ Definition and method of calculation
▶ Adjusted EBITDA	▶ Profit for the year excluding depreciation of property and equipment, net fair value gain on advances paid on purchases of properties and investment properties, finance costs and other income.
▶ Adjusted EBITDA Margin	▶ Adjusted EBITDA divided by revenue.
▶ Cash Conversion Cycle ("CCC")	▶ DIO plus DSO minus DPO.
▶ Days Inventory Outstanding ("DIO")	▶ Inventories and work-in-progress divided by materials multiplied by 360.
▶ Days Payables Outstanding ("DPO")	▶ Trade payables divided by cost of sales - materials, multiplied by 360.
▶ Days Sales Outstanding ("DSO")	▶ Trade receivables divided by revenue (excluding IFRS 15 adjustments) multiplied by 360.
▶ Dividend Payout	▶ Dividend paid in year (x) divided by net income of year (x-1).
▶ Free Cash Flow ("FCF")	▶ Net cash generated by operating activities plus net cash used in investing activities.
▶ Free Cash Flow Conversion	▶ FCF divided by Adjusted EBITDA.
▶ Gross Margin	▶ Gross profit divided by revenue.
▶ Net Debt	▶ Total trade finance and bank borrowings minus cash and bank balances.
▶ Net Leverage	▶ Net Debt divided by Adjusted EBITDA.
▶ Net Profit Margin	▶ Profit for the year divided by revenue.
▶ Net Working Capital	▶ Inventories and work in progress, contract assets and trade and other receivables and trade and other payables (excluding trade finance current liabilities).
▶ Return on Assets ("ROA")	▶ Net income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total assets minus "Investment properties"
▶ Return on Equity ("ROE")	▶ Net income excluding "Rental income, net" and "Net fair value gain on investment properties" divided by Total Equity minus "Investment properties"

The following table presents the Group's key non-IFRS measures for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
(AED million, except for percentages, days count and ratios)	2021	2022	2023	2024
<i>Non-IFRS measures summary:</i>				
Gross margin	13.8%	12.3%	13.4%	12.5%
Adjusted EBITDA	80	96	128	135
Adjusted EBITDA margin	6.3%	5.6%	6.4%	5.8%
Net Profit Margin	6.5%	6.0%	6.6%	5.5%
Dividend payout	72.1%	89.0%	67.6%	71.0%*
Return on assets	9.8%	9.7%	12.1%	12.7%
Return on equity	24.1%	26.6%	34.1%	56.3%
Net working capital	273	263	274	233
Change in net working capital	(1)	7	30	21
Days Inventory Outstanding	72	67	63	34
Days Sales Outstanding	89	68	66	59
Days Payables Outstanding	59	47	55	50
Cash Conversion Cycle	102	88	74	42
Net debt	(16)	(60)	(90)	(20)
Net leverage	(0.2x)	(0.6x)	(0.7x)	(0.1x)
Free cash flow	56	105	120	185
Free cash flow conversion	69.6%	109.1%	93.4%	137.7%

*Note: Excluding special pre-IPO dividend of AED 161 million

The following table presents the Group's adjusted EBITDA and Adjusted EBITDA margin for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
(AED million, except for percentages)	2021	2022	2023	2024
<i>Adjusted EBITDA:</i>				
Profit Before Tax	83	101	133	139
Add: Depreciation of property and equipment	6	6	6	5
Add: Finance costs/(income), net	0	1	(1)	3
Less: Other Income	(3)	(7)	(10)	(11)
Less: Fair value gain on Investment properties	(6)	(6)	-	(2)
Adjusted EBITDA	80	96	128	135
<i>Adjusted EBITDA margin:</i>				
Revenue	1,283	1,698	2,007	2,323
Adjusted EBITDA margin	6.3%	5.6%	6.4%	5.8%

The following table presents the Group's net working capital and change in net working capital for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
(AED million)	2021	2022	2023	2024
Inventories and work in progress	191	244	269	171
Add: Trade and other receivables	319	294	379	369
Add: Contract Assets	170	261	243	353
Less: Trade and other payables	(405)	(535)	(615)	(656)

Less: Deferred revenue	(2)	(2)	(2)	(4)
Net working capital	273	263	274	233
Add: Allowance for inventory obsolescence (excl. write-offs)	15	19	22	25
Add: allowance for expected credit loss	35	40	47	54
Less: Trade finance - current portion	(12)	(12)	(10)	(1)
Less: other receivables	-	-	-	(2)
Less: Trade finance - non current portion	(19)	(10)	(3)	(2)
Adjusted net working capital	292	299	329	308
Change in net working capital	(1)	7	30	21
of which:				
(Increase) / Decrease in inventories	(46)	57	28	95
(Increase) / Decrease in trade and other receivables	73	(20)	92	5
(Increase) / Decrease in contract assets	(14)	91	(18)	(110)
Increase / (Decrease) in trade and other payables	(13)	(121)	(72)	31
Increase / (Decrease) in deferred revenues	(0)	(0)	(0)	1
Total change in net working capital	(1)	7	30	21

The following table presents the Group's Days Inventory Outstanding, Day Sales Outstanding and Days Payables Outstanding for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
<i>(AED million, except for days count)</i>	2021	2022	2023	2024
<i>Days Inventory Outstanding:</i>				
Inventories and work in progress	191	244	269	171
Cost of sales- Materials	951	1,308	1,539	1,826
Days Inventory Outstanding	72	67	63	34
<i>Days Receivables Outstanding:*</i>				
Gross receivables	316	302	376	341
Revenue*	1,279	1,609	2,050	2,085
Days Receivables Outstanding	89	68	66	59
<i>Days Payable Outstanding:</i>				
Trade payables	156	170	234	254
Cost of sales - Materials	951	1,308	1,539	1,826
Days Payable Outstanding	59	47	55	50

**excluding IFRS 15 adjustments*

The following table presents the Group's Net Debt and Net Leverage for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
<i>(AED million, except for ratios)</i>	2021	2022	2023	2024
<i>Financial debt:</i>				
Trade finance - current portion	12	12	10	1
Trade finance - non-current portion	19	10	3	2
Bank borrowings	-	-	-	12
Financial debt	31	22	13	16

Net debt:

Trade finance - current portion	12	12	10	1
Trade finance - non-current portion	19	10	3	2
Bank borrowings	-	-	-	12
Less: Cash and short-term deposits	(47)	(82)	(103)	(35)
Net debt	(16)	(60)	(90)	(20)
<i>Net leverage:</i>				
Adjusted EBITDA	80	96	128	135
Net debt / (cash)	(16)	(60)	(90)	(20)
Net leverage	(0.2x)	(0.6x)	(0.7x)	(0.1x)

The following table presents the Group's free cash flow and free cash flow conversion for the years ended 31 December 2021, 2022, 2023, and 2024.

<i>(AED million, except for percentages)</i>	For the year ended 31 December			
	2021	2022	2023	2024
<i>Free cash flow:</i>				
Adjusted EBITDA	80	96	128	135
Add: Other income	3	7	10	11
Add: Other non-cash items (ECL, EOSB charge, inventory obsolescence)	17	16	19	21
Less: EOSB paid	(2)	(3)	(4)	(4.9)
Add/(Less): Change in net working capital	1	(7)	(30)	21
Less: Cash flow from investing activities	(43)	(4)	(3)	2
Free cash flow	56	105	120	185
<i>Free cash flow conversion:</i>				
Free cash flow	56	105	120	185
Adjusted EBITDA	80	96	128	135
Free cash flow conversion	69.6%	109.1%	93.4%	137.5%

The following table presents the Group's gross margin, net profit margin for the years ended 31 December 2021, 2022, 2023, and 2024.

<i>(AED million, except for percentages)</i>	For the year ended 31 December			
	2021	2022	2023	2024
<i>Gross margin:</i>				
Revenue	1,283	1,698	2,007	2,323
Gross Profit	177	208	268	291
Gross margin	13.8%	12.3%	13.4%	12.5%
<i>Net Profit Margin:</i>				
Revenue	1,283	1,698	2,007	2,323
Profit for the year	83	101	133	127
Net Profit Margin	6.5%	6.0%	6.6%	5.5%

The following table presents the Group's dividend payout for the years ended 31 December 2021, 2022, 2023, and 2024.

For the year ended 31 December

<i>(AED million, except for percentages)</i>	2021	2022	2023	2024
<i>Dividend payout:</i>				
Profit for the year	83	101	133	127
Dividends paid	60	90	90	90
				71.0%
Dividend payout	72.1%	89.0%	67.6%	*

**Note: Excluding special pre-IPO dividend of AED 161 million.*

The following table presents the Group's ROA and ROE for the years ended 31 December 2021, 2022, 2023, and 2024.

	For the year ended 31 December			
<i>(AED million, except for percentages)</i>	2021	2022	2023	2024
<i>Return on total assets and equity:</i>				
Profit for the year	83	101	133	127
Less: Rental income, net	(0)	(4)	(7)	(5)
Less Net fair value gain on investment properties	(6)	(6)	-	(2)
Adjusted profit for the year	77	91	126	120
Total assets (as at the end of the year)	950	1,108	1,218	961
Less: Investment properties	(163)	(171)	(177)	(16)
Adjusted total assets	787	937	1,041	945
Total equity (as at the end of the year)	482	514	548	229
Less: Investment properties	(163)	(171)	(177)	(16)
Adjusted total equity	319	344	371	213
Return on assets	9.8%	9.7%	12.1%	12.7%
Return on equity	24.1%	26.6%	34.1%	56.3%

DESCRIPTION OF PRINCIPAL INCOME STATEMENT LINE ITEMS

Revenue

The Group's Audited Financial Statements historically did not present segment information as required by IFRS 8 Operating Segments, as the standard's scope was not applicable to the Group before 31 December 2024. The Group's 31 December 2024 Financial Statements have since incorporated IFRS 8 Operating Segments.

While the Audited Financial Statements remain without segmental data, the Group has compiled revenue breakdowns for the years ended 31 December 2021, 2022, and 2023, in line with the 31 December 2024 Financial Statements. These breakdowns are structured in accordance with the segments identified by IFRS 8, specifically: Solutions, Services, and Talent. For a comprehensive overview of this segmented financial information, refer to "Overview" for further details.

Solutions

Solutions segment represents the largest proportion of the Group's revenue and provides IT infrastructure solutions and customises advanced technology offerings like cybersecurity and cloud computing to meet specific customer needs.

Services

Services segment includes a range of IT services including managed, professional, support, and consulting services, with a focus on network and cybersecurity. The Group is expanding this segment to provide 'everything-as-a-service'.

Talent

Talent segment (through Alpha Data Recruitment) specialises in IT personnel recruitment and outsourcing, offering services like contract staffing, permanent placement, and support for Emiratisation and Saudisation initiatives.

Cost of sales

The Group's cost of sales mainly represents cost of materials and staff costs of direct employees. Materials relate to all products including hardware equipment (e.g., computers, accessories) and software (e.g., licenses). Staff costs of direct employees represent the payroll costs of engineers and technicians directly involved in the delivery of services/products.

The Group's cost of sales also includes commission paid to sales personnel and provision for inventory obsolescence for the years ended 30 December 2021 and 2022 (these were reported in general and administrative expenses for the years ended 31 December 2023 and 2024). Commission paid to sales personnel is variable and is calculated as a fixed percentage of the employee's sales' profit net of the payroll cost and is settled on a quarterly basis.

Other income

Other income primarily relates to rental income earned from the Group's investment properties, interest income earned on excess cash placed in interest bearing bank deposits (for the year ended 31 December 2021 and 2022) and income from rebates received from suppliers. Note that rental income is not expected to be material going forward as a result of transfer of a significant portion of investment properties to shareholders during the year ended 31 December 2024.

General and administrative expenses

General and administrative expenses mainly relate to staff costs of indirect employees which includes payroll cost of non-customer facing personnel in divisions such as finance, IT, sales, HR, and other back office / support personnel. Other key expenses include insurance and medical, depreciation, bad debt and commission expenses.

Finance (costs)/income, net

Finance cost mainly include interest expenses incurred in relation to overdraft facilities availed and other financing arrangements entered during the year. It also includes interest income earned on cash deposits placed with banks.

Net fair value gain on investment properties

Net fair value gain on investment properties relate to the net fair value gains on the Group's investment properties supported by yearly valuations.

RESULTS OF OPERATIONS

Comparison of the years ended 31 December 2021, 2022, 2023 and 2024

The table below presents the Group's statement of profit or loss and other comprehensive income for the periods indicated, which have been extracted from the Audited Financial Statements.

<i>(AED millions)</i>	For the year ended 31 December			
	2021	2022	2023	2024

Revenue.....	1,283	1,698	2,007	2,323
Cost of sales.....	(1,106)	(1,490)	(1,738)	(2,032)
Gross profit.....	177	208	268	291
Other income.....	3	7	10	11
General and administrative expenses.....	(103)	(119)	(146)	(161)
Finance (costs)/income, net.....	(0)	(1)	1	(3)
Net fair value gain on investment properties.....	6	6	-	2
Profit before tax.....	83	101	133	139
Corporation tax.....	-	-	-	(13)
Total comprehensive income for the year...	83	101	133	127

Revenue

The table below provides a breakdown of the Group's revenue for the years ended 31 December 2021, 2022, 2023 and 2024 presented in accordance with the Group's segments.

(AED millions)	For the year ended 31 December							
	2021		2022		2023		2024	
	(% of total)		(% of total)		(% of total)		(% of total)	
Solution.....	987	76.9%	1,343	79.1%	1,500	74.8%	1,835	79.0%
Services.....	185	14.4%	228	13.4%	368	18.3%	362	15.6%
Talent.....	112	8.7%	126	7.4%	139	6.9%	127	5.4%
Revenue.....	1,283	100.0%	1,698	100.0%	2,007	100.0%	2,323	100.0%

The Group's total revenue for the year ended 31 December 2024 amounted to AED 2,323 compared to AED 2,007 million for the year ended 31 December 2023, AED 1,698 million for the year ended 31 December 2022 and AED 1,283 million for the year ended 31 December 2021. The Group's total number of customers stood at c. 2,200 customers, for the year ended 31 December 2024. Revenue generated with new customers accounted for 11.0% for the year ended 31 December 2024.

The increase in revenue of AED 415 million for the year ended 31 December 2022 compared to the year ended 31 December 2021 was mainly driven by the Solutions segment which contributed AED 357 million to the overall increase and formed 76.9% and 79.1% of total revenue for the years ended 31 December 2021 and 2022, respectively. This increase in revenue was also driven by the Services segment which contributed AED 43 million to the overall increase and formed 14.4% and 13.4% of total revenue for the years ended 31 December 2021 and 2022, respectively.

The increase in revenue of AED 309 million for the year ended 31 December 2023 compared to the year ended 31 December 2022 mainly resulted from the Solutions segment which contributed AED 157 million to the overall increase and formed 79.1% and 74.8% of total revenue for the years ended 31 December 2022 and 2023, respectively (digital infrastructure, cyber security and cloud contributed the most to revenue for the year ended 31 December 2023). The increase was also driven by the Services segment which contributed AED 140 million to the overall increase and formed 13.4% and 18.3% of total revenue for the years ended 31 December 2022 and 2023, respectively.

The increase in revenue of AED 316 million for the year ended 31 December 2024 compared to the year ended 31 December 2023 mainly resulted from the Solutions segment which contributed AED 335 million to the overall increase and formed 74.8% and 79.0% of total revenue for the years ended 31 December 2023 and 2024, respectively. This increase in Solutions revenue was offset by a decrease in revenue from the Services and Talent Segment. Talent revenue decreased from AED 139 million for the year ended 31 December 2023 to AED 127 million for the year ended 31 December 2024 primarily due to a significant reduction in revenue from one of its key top-ten customers, which decreased from AED

36 million for the year ended 31 December 2023 to AED 9 million for the year ended 31 December 2024, as the Group's contract with this customer is being gradually phased out. However, this decline was partially offset by an increase of AED 17 million in revenue from the remaining nine top-ten customers for the year ended 31 December 2024.

The table below provides a breakdown of the Group's revenue for the year ended 31 December 2024, presented in accordance with the Group's customer types.

(AED millions)	For the year ended 31 December	
	2024	
		(% of total)
GRE.....	999	43.0%
Private.....	478	20.6%
Government.....	304	13.1%
Others.....	543	23.4%
Total.....	2,323	100.0%

Note: Classification of revenue by customer type covers 76.6% of total revenue for the year ended 31 December 2024 (Others is the balancing figure)

The Group's customer base consisted of Government-Related Entities (GREs), private customers (primarily SMEs), and government entities, including UAE authorities, departments and ministries.

GRE customers were a significant contributor to revenue, which accounted for 43.0% of the total revenue for the year ended 31 December 2024 and amounted to AED 999 million. This segment showed strong growth, which can be attributed to the increased spending by these entities on digital transformation initiatives. The Group's strategic positioning in the market and its ability to foster and maintain long-term relationships have been pivotal in capturing this growth.

Private and government sector clients contributed 20.6% and 13.1% of the total revenue for the year ended 31 December 2024, respectively. The private client segment emerged as the fastest growing customer category, reporting a CAGR of 23.1% between the years ended 31 December 2021 and 2024. This growth can be attributed to increased awareness and adoption of digital transformation, as well as the Group's success in acquiring new customers.

The table below provides a breakdown of the Group's revenue by industry types for the year ended 31 December 2024.

(AED millions)	For the year ended 31 December	
	2024	
		(% of total)
Technology.....	297	12.8%
Telco.....	294	12.7%
Services.....	209	9.0%
Banking and Insurance.....	173	7.4%
Aviation.....	115	4.9%
O&G.....	115	4.9%
Investment.....	111	4.8%
Others.....	1010	43.5%
Total.....	2,323	100.0%

Note: Classification of revenue by industry covers 56.5% of total revenue for the year ended 31 December 2024 (Others is the balancing figure)

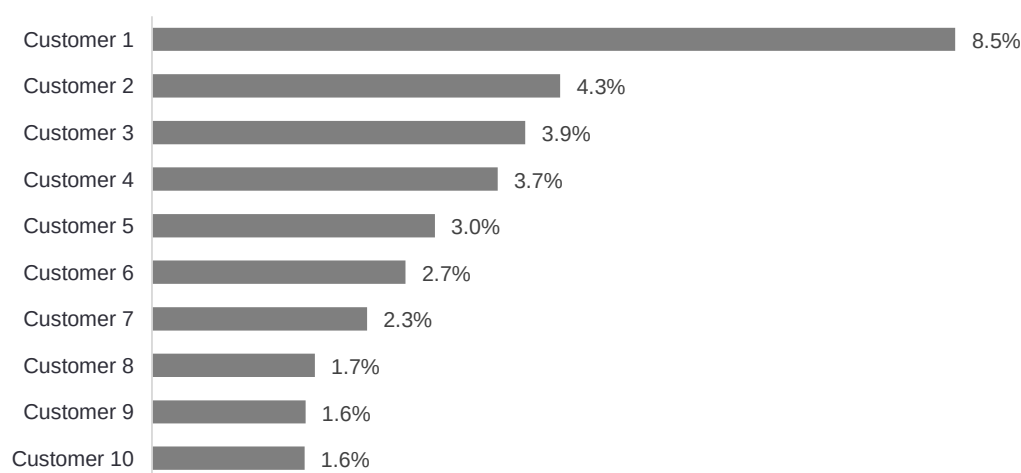
The Group is well positioned to serve a wide range of industries in the UAE, including Technology, Banking and Insurance, Telecommunication, O&G and others. Notably, no single industry represented more than 13% of revenue for the year ended 31 December 2024.

Telecommunications and Investment are some of the fastest growing sectors driven by a significant focus on cloud computing, security, artificial intelligence, and the Internet of Things.

Aviation is emerging as a key sector in the region and the Group is well positioned to capture significant business in this space.

Chart 1 below provides an overview of revenue concentration by top ten customers for the year ended 31 December 2024, depicting that top 10 customers contributed less than 35.0% of total revenue for the year ended 31 December 2024.

Chart 1: Revenue by top ten customers for the year ended 31 December 2024 (% represents revenue by customer / total revenue)



Source: Alpha Data Audited Financial Statements for 2024 and Company information
Notes: Revenue does not include IFRS15 adjustments

Cost of sales

The table below provides a breakdown of the Group's cost of sales for the years ended 31 December 2021, 2022, 2023 and 2024.

(AED millions)	For the year ended 31 December			
	2021	2022	2023	2024
Cost of materials.....	951	1,308	1,539	1,826
Direct staff costs.....	155	182	200	207
Cost of sales.....	1,106	1,490	1,738	2,032

Cost of sales increased from AED 1,106 million for the year ended 31 December 2021 to AED 1,490 million for the year ended 31 December 2022, AED 1,738 million for the year ended 31 December 2023 and AED 2,032 million for the year ended 31 December 2024 in line with the overall growth in revenue. Cost of sales was generally driven by cost of materials and direct staff costs.

Cost of materials increased from AED 951 million for the year ended 31 December 2021 to AED 1,308 million for the year ended 31 December 2022, AED 1,539 million for the year ended 31 December 2023 and AED 1,826 million for the year ended 31 December 2024 in line with the overall growth in revenue. Cost of materials as a percentage of revenue increased from 74.1% for the year ended 31 December 2021 to 77.0% for the year ended 31 December 2022, then slightly decreased to 76.7% for the year ended 31 December 2023 and then subsequently increased to 78.6% for the year ended 31 December 2024. This trend in the cost of materials as a percentage of revenue is primarily driven by changes in the product

mix towards higher or lower cost inventory and services. Further, note that an increase in cost of materials for the year ended 31 December 2024 (78.6%) compared to the year ended 31 December 2023 (76.7%) was mainly due some large contracts won with key strategic government clients at a competitive price.

Direct staff costs increased from AED 155 million for the year ended 31 December 2021 to AED 182 million for the year ended 31 December 2022, AED 200 million for the year ended 31 December 2023 and AED 207 million for the year ended 31 December 2024. The increase was as a result of an increase in average direct staff headcount from 972 for the year ended 31 December 2021 to 1,055 for the year ended 31 December 2022 to 1,125 for the year ended 31 December 2023 and 1,155 for the year ended 31 December 2024. Direct staff costs as a percentage of revenue decreased from 12.1% for the year ended 31 December 2021 to 10.7% for the year ended 31 December 2022, 9.9% for the year ended 31 December 2023 and 8.9% for the year ended 31 December 2024 primarily due to improved utilisation / productivity of staff against incremental revenue. Note that commission expenses for sales staff was reported in direct staff costs for the years ended 31 December 2021 and 2022, post which it was reported in general and administrative expenses for the years ended 31 December 2023 and 2024 further contributing to a decrease in direct staff costs as a percentage of revenue for these periods.

Gross profit

Reflecting the above factors, the Group's gross profit was AED 291 million for the year ended 31 December 2024 compared to AED 268 million for the year ended 31 December 2023, AED 208 million for the year ended 31 December 2022 and AED 177 million for the year ended 31 December 2021. The Group's gross margin was 13.8%, 12.3%, 13.4% and 12.5% for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.

Other income

Other income primarily related to rental and miscellaneous income for the years ended 31 December 2021, 2022, 2023 and 2024. Other income increased from AED 3 million for the year ended 31 December 2021 to AED 7 million for the year ended 31 December 2022 and AED 10 million for the year ended 31 December 2023, primarily driven by an increase in rental income from investment properties by AED 4 million for the year ended 31 December 2022 and AED 3 million for the year ended 31 December 2023.

Other income increased to AED 11 million for the year ended 31 December 2024, driven by an increase in rebate income by AED 3 million partially offset by a decrease in rental income from investment properties (AED 2 million) as certain investment properties were transferred out from the Group to shareholders during the course of the year. Refer to "*investment properties*" for further details.

General & administrative expenses

General and administrative expenses primarily related to employee cost, insurance expenses, bad debt expenses, depreciation, commission expenses and other costs such as professional fees, provision for inventory obsolescence, transportation etc. The table below provides a breakdown of the Group's General & administrative expenses for the years ended 31 December 2021, 2022, 2023 and 2024.

(AED millions)	For the year ended 31 December			
	2021	2022	2023	2024
Employee cost.....	(64)	(74)	(88)	(96)
Insurance.....	(8)	(9)	(12)	(14)
Bad debt.....	(7)	(11)	(7)	(8)
Depreciation.....	(6)	(6)	(6)	(5)
Commission.....	-	-	(14)	(14)
Others.....	(17)	(18)	(19)	(25)
General & Administrative expenses	(103)	(119)	(146)	(161)

General & administrative expenses increased from AED 103 million for the year ended 31 December 2021 to AED 119 million for the year ended 31 December 2022, primarily due to an increase in employee

cost from AED 64 million for the year ended 31 December 2021 to AED 74 million for the year ended 31 December 2022. This increase in employee cost was driven by an increase in indirect average headcount from 397 for the year ended 31 December 2021 to 409 for the year ended 31 December 2022 coupled with an increase in average cost per head driven by salary increments and incentives.

General & administrative expenses increased from AED 119 million for the year ended 31 December 2022 to AED 146 million for the year ended 31 December 2023 primarily due to an increase in employee cost from AED 74 million for the year ended 31 December 2022 and AED 88 million for the year ended 31 December 2023. This increase in employee cost was driven by an increase in indirect average headcount from 409 for the year ended 31 December 2022 to 460 for the year ended 31 December 2023, coupled with an increase in average cost per head driven by salary increments and incentives. Further, the increase in general and administrative expenses was driven by an increase in commission expenses by AED 14 million for the year ended 31 December 2023 as it was reclassified from cost of sales to general and administrative expenses 2023 onwards.

General & administrative expenses increased to AED 161 million for the year ended 31 December 2024 primarily due to an increase in employee cost from AED 88 million for the year ended 31 December 2023 to AED 96 million for the year ended 31 December 2024. This increase in employee cost was driven by an increase in indirect average headcount from 460 for the year ended 31 December 2023 to 474 for the year ended 31 December 2024, coupled with an increase in average cost per head driven by salary increments and incentives.

Insurance expenses relate to employee medical and health insurance expenses and increased from AED 8 million for the year ended 31 December 2021 to AED 14 million for the year ended 31 December 2024 in line with the overall growth in headcount and normal course increase in annual premiums.

Bad debt expenses generally remained relatively stable for the years ended 31 December 2021 to 31 December 2024. Bad debt expenses were higher for the year ended 31 December 2022 compared to the years ended 31 December 2021, 2023 and 2024 due to a one-time charge of AED 5 million.

Depreciation expenses related to the Group's fixed assets including building, leasehold improvement, computer equipment, motor vehicles and furniture and office equipment. Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Others mainly include expenses relating to office expenses, travel & accommodation, repairs & maintenance, rental expenses, professional services fees and others. Others expense increased by AED 6 million for the year ended 31 December 2024 as compared to the year ended 31 December 2023 mainly due to an increase in professional fees by AED 3 million primarily comprising of IPO related costs.

Finance (cost)/income, net

Finance costs increased from AED 0.3 million for the year ended 31 December 2021 to AED 1 million for the year ended 31 December 2022 primarily due to an increase in interest expenses related to overdraft facilities availed during the year (AED 0.5 million) and interest expenses incurred on financing arrangements from authorised suppliers (AED 0.3 million).

Net finance income of AED 1 million for the year ended 31 December 2023 related to interest income earned on cash deposits held at banks (AED 2 million). Finance costs further increased to AED 3 million for the year ended 31 December 2024 driven by an increase in the utilisation of overdraft facilities and invoice discounting facilities from Commercial Bank of Dubai, Citibank, First Abu Dhabi Bank and Arab Bank during 2024.

Net fair value gain/(loss) on investment properties

Net fair value gain/ loss on investment properties related to the fair value gains from the five investment properties held by the Group for which external valuations are done every-other-year, except for one investment property for which valuations are done on an annual basis (Jumeirah Village building). No fair value gains / losses were recorded for the year ended 31 December 2023 as these properties are carried at the same carrying value as at 31 December 2022.

Profit for the year / total comprehensive income for the year

Reflecting the above factors, the Group recorded a profit of AED 127 million for the year ended 31 December 2024 compared to a profit of AED 133 million for the year ended 31 December 2023, AED 101 million for the year ended 31 December 2022 and AED 83 million for the years ended 31 December 2021. Net profit margin stood at 6.5%, 6.0%, 6.6% and 5.5% for the years ended 31 December 2021, 2022, 2023 and 2024, respectively.

STATEMENT OF FINANCIAL POSITION

The following table presents the consolidated statement of financial position data of the Group as at 31 December 2021, 2022, 2023 and 2024.

	As at 31 December			
(AED millions)	2021	2022	2023	2024
Assets				
Non-current assets				
Property and equipment.....	55	51	47	17
Advances paid on purchases of properties.....	5	5	-	-
Investment properties.....	163	171	177	16
	223	227	224	33
Current assets				
Inventories and work in progress.....	191	244	269	171
Contract assets.....	170	261	243	353
Trade and other receivables.....	319	294	379	369
Cash and bank balances.....	47	82	103	35
	727	881	994	928
Total assets.....	950	1,108	1,218	961
Liabilities				
Equity				
Share capital.....	3	3	3	30
Statutory reserve.....	2	2	2	15
Retained earnings.....	477	510	543	184
	482	514	548	229
Non-current liabilities				
Trade finance.....	19	10	3	2
Provision for employees' end of service benefit	31	35	40	44
	50	45	43	46
Current liabilities				
Trade and other payables.....	417	547	628	660
Deferred revenue.....	2	2	-	-
Bank borrowings.....	-	-	-	12
Income tax payables.....	-	-	-	13
	419	549	628	686
Total equity and liabilities.....	950	1,108	1,218	961

Non-current assets

Non-current assets of the Group include property and equipment like freehold land, buildings, leasehold improvements, computer equipment, motor vehicles, furniture and office equipment, advances paid on purchases of properties and investment properties.

Investment properties

Investment properties as at 31 December 2021 mainly related to the JVC building (AED 146 million) and other premises in Golf Garden Villa, Addax Tower, Mazaya Business Avenue, collectively contributing AED 17 million.

Investment properties increased from AED 163 million as at 31 December 2021 to AED 171 million as at 31 December 2022 due to fair value gains of AED 6 million (of which AED 5 million related to the JVC building) and an addition of AED 1.4 million to the JVC building.

Investment properties increased from AED 171 million as at 31 December 2022 to AED 177 million as at 31 December 2023 primarily due to the addition of Dubai Star (AED 6 million) and an addition of AED 211k to the JVC building.

Investment properties decreased from AED 177 million as at 31 December 2023 to AED 16 million as at 31 December 2024, which is a decrease of AED 161 million between the two periods. The Group transferred investment properties relating to the Golf Garden Villa (AED 7 million), Addax Tower (AED 4 million) and Jumeirah Villa Building (AED 152 million) to the Group's shareholders in October 2024. Note that Addax Tower was transferred as a sale and not via dividend in kind. Further, this decrease was offset by an increase in fair value of the remaining investment properties (AED 2 million), namely Mazaya Business Avenue and Dubai Star.

Investment properties are stated at fair value supported by yearly valuations by external third-party valuers and/or internal management assessments. Note that as at 31 December 2024, investment property with fair value of AED 16 million was valued by an independent external professionally qualified valuer.

Property and equipment

The table below provides a breakdown of the Group's property and equipment as at 31 December 2021, 2022, 2023 and 2024.

<i>(AED millions)</i>	As at 31 December			
	2021	2022	2023	2024
Cost:				
Land	2	2	2	-
Buildings	69	69	70	28
Leasehold improvement	11	8	8	6
Computer equipment	24	24	25	18
Motor vehicles	4	5	5	5
Furniture and office equipment	11	11	11	8
Cost	120	118	120	65
Accumulated depreciation and impairment:				
Land	-	-	-	-
Buildings	22	27	31	18
Leasehold improvement	8	5	5	4
Computer equipment	21	22	24	16
Motor vehicles	4	4	4	4
Furniture and office equipment	10	10	10	7
Accumulated depreciation and impairment	66	68	74	48
Net Carrying Amount:				
Land	2	2	2	-

Buildings	46	42	39	11
Leasehold improvement	3	3	3	2
Computer equipment	2	2	2	2
Motor vehicles	1	1	1	1
Furniture and office equipment	1	1	1	1
Net Carrying Amount	55	51	47	17

Property and equipment decreased from AED 55 million as at 31 December 2021 to AED 51 million as at 31 December 2022 primarily due to depreciation charge during the year (AED 2 million) offset by fixed assets retirements primarily relating to leasehold improvements (AED 3 million).

Property and equipment decreased from AED 51 million as at 31 December 2022 to AED 47 million as at 31 December 2023 due to depreciation charge during the year primarily relating to buildings (AED 4 million) offset by additions in buildings (AED 1 million) and computer equipment (AED 1 million).

Property and equipment decreased from AED 47 million as at 31 December 2023 to AED 17 million as at 31 December 2024. This decrease was primarily due to the transfer of Addax Tower to the Group's shareholders during 2024.

Current assets

Inventories and work in progress

The following table sets out the Group's inventories as at 31 December 2021, 2022, 2023 and 2024.

	As at 31 December			
(AED millions)	2021	2022	2023	2024
Goods for resale.....	46	69	72	56
Work in progress.....	160	194	218	119
Less: allowance for inventory obsolescence.....	(15)	(19)	(21)	(4)
Inventories and work in progress.....	191	244	269	171

The Company's inventory balances comprised goods for resale and work in progress balances. Goods for resale represents those items which are yet to be delivered to the customer and are stored in the Company's warehouses and work in progress balances relate to the book value of goods delivered to the customers' premises for an ongoing project and are not yet invoiced.

Inventories and work in progress increased from AED 191 million as at 31 December 2021 to AED 244 million as at 31 December 2022 primarily driven by an increase in goods for resale and work in progress balances, collectively contributing AED 57 million to the increase, offset by an increase in allowance for inventory obsolescence by AED 4 million.

Inventories and work in progress increased from AED 244 million as at 31 December 2022 to AED 269 million as at 31 December 2023 primarily driven by an increase in work in progress balance (AED 25 million), partially offset by an increase in the provision for obsolete inventories (AED 3 million).

Further, inventories and work in progress balance decreased to AED 171 million as at 31 December 2024, primarily from a decrease in work in progress balances by AED 100 million, partially offset by a decrease in provision for obsolete inventories by AED 18 million. This significant decrease in both work in progress balance and provision for obsolete inventories reflects the completion of several large projects (each exceeding AED 50 million in project value) that reached their performance milestones, contributing to a more streamlined inventory position.

DIO decreased from 72 days for the year ended 31 December 2021 to 67 days for the year ended 31 December 2022 and 62 days for the year ended 31 December 2023. This year-over-year decrease was

due to improved inventory management practices and a substantial increase in COGS while inventory levels decreased, indicating that products are selling faster, leading to better cash flow and reduced holding costs. Further DIO decreased to 32 days for the year ended 31 December 2024 due to the reasons stated above (i.e., the completion of several large-scale projects).

Contract assets

Contract assets represent the Group's entitlement to payment for goods and services against which performance obligations have been fulfilled but which were not invoiced as of the reporting date. These assets are adjusted at the close of each fiscal year to ensure that revenue reporting is compliant with IFRS 15 standards. The Group's approach to recognise contract assets (and liabilities) is based on the performance obligations within each contract. Additionally, these financial elements are distinctly presented in the financial statements and are classified as either current or non-current, depending on when the economic benefits are expected to be realised.

Contract assets increased from AED 170 million as at 31 December 2021 to AED 261 million as at 31 December 2022, with a slight decrease to AED 243 million as at 31 December 2023. Subsequently, contract assets increased to AED 353 million as at 31 December 2024. The fluctuations in contract assets, including the year-over-year increases, are primarily attributable to timing differences between the fulfillment of performance obligations and the issuance of invoices, rather than being indicative of any consistent trends in revenue.

Trade and other receivables

The Group's trade and other receivables comprise (i) trade receivables and allowance for expected credit losses (ii) prepayment balances relating to staff loans, medical insurance, prepaid rent and deposits (iii) advances to suppliers which pertain to advance provided to certain suppliers prior to the receipt of shipment and, in certain occasions, advance is provided to secure rebates for early payments (iv) dues from related parties and (v) retention receivables which mainly relate to invoice payment withheld by certain customers against specific performance obligations.

The following table sets out the Group's trade receivables, prepayments and other receivables as at 31 December 2021, 2022, 2023 and 2024.

	As at 31 December			
<i>(AED millions)</i>	2021	2022	2023	2024
<i>Trade receivables:</i>				
Local and federal government entities.....	107	139	177	179
Non-government entities.....	209	162	199	162
Less: Allowance for expected credit loss.....	(35)	(40)	(47)	(29)
Net trade receivables.....	281	262	329	312
Prepayments and other receivables.....	28	26	36	48
Advances to suppliers.....	8	5	13	7
Due from related parties.....	1	1	1	1
Retention receivables.....	1	1	0	0
Trade and other receivables.....	319	294	379	369

The Group's trade and other receivables decreased from AED 319 million as at 31 December 2021 to AED 294 million as at 31 December 2022. This decrease was primarily driven by a decrease in receivables from non-government entities by AED 47 million and increase in allowance for expected credit loss by AED 5 million. Prepayments and other receivables and advance to suppliers further contributed to this trend, collectively contributing AED 5 million to the overall decrease in trade and other receivables balance.

Trade and other receivables increased from AED 294 million as at 31 December 2022 to AED 379 million as at 31 December 2023 primarily from an increase in net trade receivables balance by AED 67 million. This increase was primarily driven by an increase in receivables from both local and federal government entities by AED 38 million and non-government entities by AED 37 million. Further, the increase in trade and other receivables was driven by an increase in advances to suppliers by AED 8 million and an increase in prepayments and other receivables by AED 10 million due to an increase in advance receivable from customers by AED 9 million.

Trade and other receivables decreased from AED 379 million as at 31 December 2023 to AED 369 million as at 31 December 2024 primarily due to a decrease in net trade receivables by AED 17 million as a result of a decrease in receivables from non-government entities by AED 37 million and a decrease in advances from suppliers by AED 6 million. Allowance for expected credit loss decreased by AED 18 million as at 31 December 2024 due to a write-off of aged and fully provided for debtors. Further, prepayments increased from AED 36 million as at 31 December 2023 to AED 48 million as at 31 December 2024 due to VAT related amounts (increase of AED 10 million), other receivables related to the transfer of land to shareholders (increase of AED 2 million) and legal fees (increase of AED 1 million) related to ongoing legal matters.

The Company's DSO decreased from 89 days for the year ended 31 December 2021 to 68 days for the year ended 31 December 2022, 66 days for the year ended 31 December 2023 and 59 days for the year ended 31 December 2024. A decrease in DSO from the year ended 31 December 2021 to the year ended 31 December 2024 was due to an improvement in collections owing to efficiencies related to invoice processing (for example: manual invoices were replaced with automated invoicing through customer portals).

Cash and bank balances

The following table sets out the Group's cash and bank balances as at 31 December 2021, 2022, 2023 and 2024.

(AED millions)	As at 31 December			
	2021	2022	2023	2024
Cash in hand.....	-	-	-	-
Cash at bank.....	47	81	103	35
Cash and cash equivalents	47	82	103	35

Cash and cash equivalents increased from AED 47 million as at 31 December 2021 to AED 82 million as at 31 December 2022 and AED 103 million as at 31 December 2023, driven by a year-over-year increase in cash at bank primarily due to business as usual and lower cash outflows related to purchase of properties.

Cash and cash equivalents decreased to AED 35 million as at 31 December 2024 primarily due to the payment of pre-IPO cash dividends.

Equity

Share capital

For the periods ended as at 31 December 2021, 2022 and 2023, the share capital of AED 3 million consisted of 30 shares of AED 100,000 each and the interest of which is split between Bin Hamoodah Company LLC (67.0%) and Ibbini Investment Company LLC (33.0%).

As at 31 December 2024 share capital was increased to AED 30 million, now consisting of 1 billion shares at AED 0.03 each, while retaining the same ownership proportion between Bin Hamoodah Company LLC (67.0%) and Ibbini Investment Company LLC (33.0%). This increase in share capital was facilitated through a transfer from retained earnings.

Statutory reserve

Statutory reserve related to the non-distributable reserves maintained as per the statutory requirement. 5.0% of the profits were transferred to this reserve until it equaled 50.0% of the share capital of the Group. Statutory reserve amounted to AED 2 million for the periods ended as at 31 December 2021, 2022 and 2023. As at 31 December 2024 statutory reserve balance was increased to AED 15 million in line with the increase in the share capital with funds transferred from retained earnings.

Retained earnings

Retained earnings relate to the accumulated profits of the Group. Both the above increases were facilitated through retained earnings explaining a decrease in retained earnings from AED 543 million as at 31 December 2023 to AED 184 million as at 31 December 2024.

Non-current liabilities

Trade finance

Trade finance relates to the Group's extended payment plans with three key suppliers. These plans accommodate customers who prefer to extend their payments to the Group over a longer period (such as 36 to 48 months). Trade finance balances reduced from AED 19 million as at 31 December 2021 to AED 10 million as at 31 December 2022, AED 3 million as at 31 December 2023 and AED 2 million as at 31 December 2024. This year-over-year reduction is due to the settlement of these outstanding balances by the Company based on the agreed upon repayment terms.

Provision for employees' end of service benefit

This balance pertains to end of service provisions accrued to non-UAE national employees as per the local labor law regulations. The accrual of these provisions is based on 21 days basic salary for the first five years of service and 30 days basic salary for service beyond five years.

These provisions increased year on year from AED 31 million as at 31 December 2021 to AED 35 million as at 31 December 2022, AED 40 million as at 31 December 2023 and AED 44 million as at 31 December 2024. The increase in employees' end of services benefits was primarily due to the increase in provisions set aside each year which were partially offset by payments made to employees retiring and resigning during the year. Furthermore, this increase is driven by the increase in non-UAE national employee headcount from 1,357 as at 31 December 2021 to 1,436 as at 31 December 2022, 1,535 as at 31 December 2023 and 1,565 as at 31 December 2024.

Current liabilities

Trade and other payables

The Group's trade and other payables comprise (i) trade payables (ii) advances from customers for certain projects before the goods/services are provided. (iii) accrued expenses which comprise staff accruals relating to leave accruals, sales commissions accruals, air fare accruals and bonus accruals (iv) VAT payable (v) trade finance - current portion relating to the Group's extended payment plans with three key suppliers (as discussed under Non-current liabilities) and (vi) deferred revenue (only as at 31 December 2024).

The following table sets out the Group's trade and other payables as at 31 December 2021, 2022, 2023 and 2024.

<i>(AED millions)</i>	As at 31 December			
	2021	2022	2023	2024
Advances from customers.....	123	233	250	270
Trade payables.....	156	170	234	254
Accrued expenses.....	116	119	123	122
VAT payable.....	10	12	8	10
Trade finance – current portion.....	12	12	10	1
Trade and other payables.....	417	547	625	660

Trade and other payables increased from AED 417 million as at 31 December 2021 to AED 547 million as at 31 December 2022 primarily driven by an increase in advances from customers by AED 110 million and an increase in trade payables by AED 14 million.

Trade and other payables increased from AED 547 million as at 31 December 2022 to AED 625 million as at 31 December 2023. This increase was primarily driven by an increase in trade payables by AED 64 million which are part of normal course of operations and an increase in advance from customers by AED 17 million.

Trade and other payables increased from AED 625 million as at 31 December 2023 to AED 660 million as at 31 December 2024 primarily driven by an increase in advances from customers by AED 19 million and an increase in trade payables by AED 20 million offset by a decrease in current portion of the trade finance balance by AED 9 million due to settlement of obligations.

DPO decreased from 59 days for the year ended 31 December 2021 to 47 days for the year ended 31 December 2022, followed by an increase to 54 days for the year ended 31 December 2023, with a subsequent decrease to 50 days for the year ended 31 December 2024. The fluctuations in our DPO are directly related to our vendor mix. Different suppliers have varying payment terms, and as we yearly adjust our purchasing volume from each vendor, it influences our overall DPO. In general, we expect a DPO within a manageable range of between 45 and 55 days which allows us to balance supplier relationships and cash flow needs.

Bank borrowings and income tax payables

The Company availed AED 12 million in bank borrowing facilities in the form of bank overdraft as at 31 December 2024. Additionally, the Company reported AED 13 million of tax liability provisions as at 31 December 2024, computed as per the latest corporate tax regime implemented in the UAE by the Ministry of Finance (MoF).

Cash flow

The four years ended 31 December 2021, 2022, 2023 and 2024

The table below summarises the Group's cash flow from operating activities, investing activities and financing activities for the years ended 31 December 2021, 2022, 2023 and 2024.

<i>(AED millions)</i>	For the year ended 31 December			
	2021	2022	2023	2024
Net cash from/(used in) operating activities.....	99	108	123	183
Net cash from/(used in) investing activities.....	(43)	(4)	(3)	2
Net cash from/(used in) financing activities.....	(80)	(70)	(98)	(265)
Net increase in cash and cash equivalents.....	(24)	34	22	(80)
Cash and cash equivalents at 31 December.....	47	82	103	23

Cash flow from operating activities

Net cash from operating activities increased from AED 99 million for the year ended 31 December 2021 to AED 108 million for the year ended 31 December 2022, AED 123 million for the year ended 31 December 2023 and AED 183 million for the year ended 31 December 2024.

AED 83 million of net profit for the year ended 31 December 2021 converted to AED 99 million of cash generated from operating activities, driven by non-cash items such as depreciation, provisions for receivables and inventory and end of service benefits charges.

AED 101 million of net profit for the year ended 31 December 2022 converted to AED 108 million of cash generated from operating activities, driven by non-cash items such a depreciation, provision for

receivables and inventory and end of service charges, in addition to a partial negative offset in working capital changes (AED 7 million) driven by an increase in contract assets and inventories.

For the year ended 31 December 2023, cash generated from operating activities was slightly lower than the profit for the year as the non-cash items (AED 24 million) were offset by higher negative changes in working capital (AED 30 million) driven by inventories and trade and other receivables.

AED 127 million of net profit for the year ended 31 December 2024 converted to AED 183 million of cash generated from operating activities, driven by depreciation, provision for receivables and end of service benefits charges, in addition to higher positive changes in working capital (AED 21 million) driven by inventories and trade and other payables.

Cash flow from investing activities

Net cash outflow from investing activities decreased from AED 43 million for the year ended 31 December 2021 to AED 4 million for the year ended 31 December 2022 and AED 3 million for the year ended 31 December 2023. Cash flow from investing activities was a cash inflow of AED 2 million for the year ended 31 December 2024.

Cash flows from investing activities for the years ended 31 December 2021, 2022 and 2023 primarily related to additions and disposals of investment properties and property and equipment. Cash inflow in for the year ended 31 December 2024 related to the proceeds from the transfer of investment properties to shareholders during the year (AED 4 million) offset by cash outflow related to additions of property and equipment (AED 2 million).

Cash flow from financing activities

Cash outflow from financing activities stood at AED 80 million, AED 70 million, AED 98 million and AED 265 million for the years ended 31 December 2021, 2022, 2023 and 2024, respectively. Cash outflow from financing activities was primarily driven by dividend and zakat payments for the years ended 31 December 2021, 2022, 2023 and 2024.

The Group paid total dividends of AED 60 million for the year ended 31 December 2021, and AED 90 million for the years ended 31 December 2022, 2023 and 2024, respectively, which as a percentage of net profit stood at 72.1%, 89.0%, 67.6% and 71.0% for the years ended 31 December 2021, 2022, 2023 and 2024, respectively. Historically, the Group's dividend policy was to distribute 50.0% of profits as dividend, however, for the years ended 31 December 2021, 2022, 2023 and 2024, the average dividend payout ratio was 74.9%.

LIQUIDITY AND CAPITAL RESOURCES

The primary sources of liquidity for the Group have been cash flows from operations, while principal uses of these cash flows include capital expenditures, dividend, tax payments, and finance costs of trade finance facilities and bank overdrafts.

The ability of the Group to fund planned capital expenditures and working capital, to make scheduled principal payments, or to pay the interest on, or to refinance debt facilities, will depend on the Group's future performance and its ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors that are outside the Group's control.

Management believes that cash flows from operating activities will be sufficient to fund anticipated capital expenditure and working capital requirements as they become due. Furthermore, considering that a substantial portion of the Group's revenue is generated in the MENA region, the Group does not expect to face any hard currency shortages in the foreseeable future. In addition, the Company has overdraft facilities and invoice discounting facilities available to use as needed.

As at 31 December 2024, the Group's cash and cash equivalents amounted to AED 35 million. Out of the total cash and cash equivalents as at 31 December 2024, an amount of AED 4 million was treated as

restricted cash. Restricted cash comprised cash held in restricted accounts for bank guarantees provided to Ministry of Labor.

Contingencies and commitments

The Group had contingencies and commitment balance of AED 418 million, AED 447 million, AED 495 million and AED 507 million as at 31 December 2021, 2022, 2023 and 2024, respectively. These balances primarily relate to bank guarantees issued in the normal course of business.

FINANCIAL RISK MANAGEMENT

The Group's principal financial risk exposures are to capital risk, credit risk, liquidity risk and currency risk as described below. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques which are reviewed by management on a continuous basis.

The Group does not enter or trade in financial instruments, including derivative financial instruments, for speculative purposes.

Capital risk

The Group is committed to managing its capital prudently to ensure its ongoing viability as a going concern and to optimise returns to shareholders. While the Group does not adhere to a formalised target capital structure or specific target ratios, its overarching capital risk management objective remains consistent.

In pursuit of long-term business success and sustainable shareholder returns, the Group actively monitors and adjusts its capital structure. This involves a series of risk management practices, such as ensuring solvency, reducing financing costs, and upholding high standards of business conduct. Through these measures, the Group aims to maintain a balanced capital framework that supports its strategic objectives and enhances shareholder value.

Credit risk

Credit risk for the Group pertains to the possibility that a counterparty may fail to meet its contractual obligations, leading to financial loss for the Group. The primary areas of exposure to credit risk are within trade and other receivables, as well as bank and cash balances.

To mitigate the risk of financial loss due to defaults, the Group has implemented a policy of engaging only with creditworthy counterparties. The Group manages credit risk by closely monitoring credit exposures, restricting the volume of transactions with specific non-related counterparties, and consistently evaluating the credit standing of these counterparties. Through these risk management strategies, the Group aims to minimise potential credit losses and maintain the integrity of its financial position.

Liquidity risk

The Group addresses liquidity risk by ensuring sufficient reserves and access to banking facilities, alongside continuous monitoring of both projected and actual cash flows. This process includes aligning the maturity timelines of financial assets and liabilities.

The table provided below outlines the maturity profile of the Group's non-derivative financial instruments, based on the time remaining from the end of the reporting period to the contractual maturity date. Management actively oversees this maturity profile to guarantee that the Group sustains adequate liquidity levels to meet its financial obligations.

(AED millions)	For the year ended 31 December				
	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2024					
Trade and other payables (other than advances from customers)	-	390	-	-	390
Trade finance.....	-	1	2	-	3
Bank borrowing.....	12	-	-	-	12
	12	391	2	-	405
2023					
Trade and other payables (other than advances from customers)	-	367	-	-	367
Trade finance.....	-	10	3	-	13
	-	378	3	-	381
2022					
Trade and other payables (other than advances from customers)	-	313	-	-	313
Trade finance.....	-	-	10	-	10
	-	313	10	-	323
2021					
Trade and other payables (other than advances from customers)	-	294	-	-	294
Trade finance.....	-	-	19	-	19
	-	294	19	-	313

Currency risk

The Group finances assets in the same currency as the transactions conducted to neutralise the risk of currency exchange fluctuations. Management considers the risk of substantial losses from exchange rate movements to be minimal and, as a result, the Group does not engage in hedging activities for foreign currency exposure.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the Group's financial statements, management has made certain judgments, 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 relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period of the revision 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.

In the process of applying Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the Consolidated financial statements, apart from those involving estimations described below.

Significant judgments and estimates made by management are summarised as follows:

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property and equipment and property held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16, and IAS 40, and the intended usage of the property as determined by management.

Significant increase in credit risk

Expected credit losses ("ECL") are measured as an allowance equal to lifetime ECL for assets. 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 considers qualitative and quantitative reasonable and supportable forward-looking information.

Revenue recognition

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- 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 alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Judgements in determining the timing of satisfaction of performance obligations

The Group generally recognises revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receive and consume the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these performance obligations, the Group has considered the nature of these goods and services as well as the nature of its performance.

Judgements in determining the timing of satisfaction of performance obligations.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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. 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 lender would expect to receive, considering cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions. As at 31 December 2024, the Group's allowance for impairment of trade receivables amounted to AED 29 million (AED 47 million, AED 40 million and AED 35 million as at 31 December 2023, 2022 and 2021, respectively).

Allowance for slow moving and obsolete inventories and work in progress

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence, or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration, and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates. The allowance for slow moving and obsolete inventories was AED 4 million as at 31 December 2024 (AED 21 million, AED 19 million and AED 15 million as at 31 December 2023, 2022 and 2021, respectively).

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods, mainly the comparable method of valuation. This involves reference to observable prices and recent valuations undertaken by the experts and third parties within the region adjusted as appropriate to reflect the property specific factors. This also involves further investigations with local authorities/property experts. Adjustments to rates are made as appropriate to reflect property/community specific factors including location, indicated use, size and density. Such estimation is based on certain assumptions, which are subject to uncertainty and may differ from the actual results.

Useful lives of property and equipment

Management reviews the residual values and estimated useful lives of property and equipment at the end of each annual reporting period in accordance with IAS 16. Management determined that current year expectations do not differ from previous estimates based on its review.

INDUSTRY OVERVIEW

Generally, the market information presented in this section is taken directly or derived from the IDC Market Report, unless indicated otherwise. Market data is inherently forward-looking and subject to uncertainty, and does not necessarily reflect actual market conditions. It is based on market research, which itself is based on sampling and subjective judgements by both the researchers and respondents, including judgements about what types of products and competitors should be included in the relevant market.

1. Introduction

1.1. Introduction

The Group has commissioned IDC (International Data Corporation) (the "**Market Consultant**"), an independent market research firm, to prepare a market study on the IT industry, covering areas such as managed services, cloud solutions, data analytics, cybersecurity, and other IT-related services in two key markets: the UAE, and the KSA.

Except where expressly indicated, the information in this Industry Overview has been extracted from the market study report prepared by the Market Consultant exclusively for the benefit of the Group in relation to the markets in which the Group operates (the "**Market Report**"). The Market Report contains information obtained or derived from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed.

Forecasts and other forward-looking information contained or referenced in this Industry Overview (if any) are subject to the same qualifications and uncertainties as the other forward-looking statements in this Offering Memorandum (see "Information Regarding Forward-Looking Statements"). The Market Consultant provides research services in the field of IT market research. For more information about the Market Consultant, visit its website (www.idc.com).

The Market Consultant has prepared the Market Report in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. Research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry. The preparation and disclosure of information or summary extracted from the Market Report in this Offering Memorandum is not intended to create, and the Market Consultant does not accept, any duty of care to any recipient of the Offering Memorandum or any liability for damages suffered by any party resulting from their use of the information included in this Offering Memorandum. Other than the Group, the Market Consultant does not accept reliance by any other party on information which has been extracted from the Market Report and included herein and any such reliance shall be at such party's own risk.

The Market Report was prepared on 8 October 2024 and as such addresses statements and matters stated therein or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since. The information in this Industry Overview is therefore subject to change. The Market Consultant's conclusions, or any information or summary extracted from the Market Report and contained or referred to herein are subject to certain assumptions and qualifications set forth in the Market Report.

The information provided in this Industry Overview is based on analysis by the Market Consultant of primary and secondary information, knowledge available internally or in the public domain, and should be read in conjunction with the same. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate. Market estimates and assumptions are based on varying levels of quantitative and qualitative analyses, and actual results and future events could differ materially from such estimates, predictions, or such statements. Nothing in the Market Report constitutes valuation or advice. The Market Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of any of the information contained or referenced in this Industry Overview.

1.2. IDC Methodology for analysis

IDC's market analysis and projections leverage a rigorous, standardised research methodology designed to deliver accurate and insightful data across technology sectors. The methodology includes multiple layers of data gathering, statistical modeling, and expert analysis to provide a holistic view of market dynamics, including historical trends, current market size, and future growth forecasts.

Key components of IDC's methodology include:

Primary Research

IDC's methodology is anchored in extensive primary research, which includes surveys, interviews, and discussions with key industry stakeholders such as vendors, service providers, channel partners, and end users. This primary data collection enables IDC to gain deep insights into industry trends, technology adoption rates, spending patterns, and customer priorities across various geographies and verticals.

Secondary Research

Complementing primary research, IDC performs thorough secondary research through a range of publicly available and proprietary sources, including government reports, financial statements, and company disclosures. This multi-source approach ensures that IDC's data has a strong factual basis and that projections are supported by the latest available information.

Data Validation and Normalisation

IDC analysts validate and normalise data through established algorithms and quality checks to ensure consistency, accuracy, and completeness. The data validation process helps mitigate discrepancies and enhances the reliability of the forecasts. Outliers are carefully reviewed, and adjustments are made to reflect market realities accurately.

Market Sizing and Forecasting

IDC utilises a combination of bottom-up and top-down approaches to calculate market sizes and create forecasts. Bottom-up analysis involves aggregating individual product and service revenues to estimate market size, while top-down analysis leverages macroeconomic indicators and industry-wide data to cross-check and validate the calculations. Historical data and current market trends are incorporated to project future growth rates and market dynamics.

Data Modeling and Forecasting Techniques

IDC applies advanced statistical models and forecasting techniques to produce forward-looking estimates. This includes time series analysis, regression modeling, and factor analysis, enabling IDC to account for a wide range of market variables. Forecasts typically cover a 3 to 5 year period, with periodic updates to reflect changes in market conditions, economic variables, or new information that may impact projections.

Segment-Specific Analysis

IDC's forecasts are further refined by segment, including hardware, software, and IT services, as well as emerging technologies like AI, cloud, and cybersecurity. Each segment is analysed based on its unique growth drivers, trends, and adoption rates, ensuring that IDC's forecasts accurately reflect the specific dynamics of each market category.

Cross-Regional Consistency

IDC applies standardised research methodologies across geographies to ensure cross-regional consistency. This approach allows IDC to create globally comparable datasets, while also capturing local market nuances through region-specific adjustments.

Periodic Updates

IDC periodically reviews and updates its forecasts to incorporate the latest economic data, policy changes, and market developments. This ensures that the data remains current, relevant, and reflective of any shifts in the industry landscape.

By employing a comprehensive, multi-layered research approach, IDC provides actionable insights and highly accurate market forecasts to help investors, business leaders, and industry stakeholders make informed decisions.

2. Market overview

Executive Summary

The economies of the UAE and Saudi Arabia, the two leading IT markets in the GCC region, are marked by substantial growth and strategic diversification. Both countries have implemented transformative visions—UAE Vision 2025 and KSA Vision 2030—that are steering them towards sustainable economic expansion and increased technological adoption across key sectors.

UAE Market Overview

The UAE's economy is thriving, with over 70% of its current GDP stemming from non-oil activities, supported by an attractive business climate and robust federal budget allocations. Strategic inflows of foreign direct investment (**FDI**) and a focus on social and economic advancement contribute to a favorable environment for business expansion. As inflation moderates, population growth and tourism are projected to further stimulate the UAE's business-to-consumer (**B2C**) markets, complementing Dubai's ambitious development goals.

The UAE's IT sector is experiencing rapid growth, primarily driven by substantial investments in digital infrastructure, AI, cloud, and cybersecurity. Initiatives like Smart Dubai and the UAE National Innovation Strategy are accelerating growth in digital services across the government, finance, and communications sectors as enterprises scale their technology investments to enhance resilience and drive innovation. The UAE's ICT market is projected by IDC to reach AED 87.3 billion by 2028, supported by a progressive regulatory framework focused on data privacy, cybersecurity, and "Internet of Things" (**IoT**) security. These policies, alongside initiatives to attract skilled talent, are positioning the UAE as a key regional technology hub. The Group, a prominent market player, leverages these trends by offering diversified IT solutions in services, AI, and cloud, essential for the UAE's digital transformation.

Saudi Arabia Market Overview

Saudi Arabia, the largest economy in the Arab world, witnessed a minor contraction of 0.8% in 2023 due to challenges in the oil sector. However, the non-oil sector surged by 4.4%, reflecting the Kingdom's commitment to diversification under Vision 2030. This ambitious plan prioritises growth in tourism, healthcare, and finance, fostering demand for advanced IT solutions including cloud computing, AI, and IoT. Mega-projects like NEOM and the Red Sea Project are catalysing the IT sector, which is forecasted by IDC to reach SAR 110.9 billion by 2028, driven by both domestic and foreign investments.

Saudi Arabia's IT market is growing significantly across cloud, cybersecurity, AI, and digital infrastructure. Major cloud providers like AWS and Microsoft are investing in Saudi data centres, while evolving regulatory frameworks are bolstering national cybersecurity. Government-led digital initiatives are further spurring local IT markets, with a focus on digital literacy, data sovereignty, and robust cybersecurity measures.

The Kingdom's regulatory framework is rapidly evolving, with a strong emphasis on data privacy, IoT security, and cybersecurity, led by authorities like the National Cybersecurity Authority (**NCA**) and the Saudi Data and Artificial Intelligence Authority (**SDAIA**). These regulations are fostering a secure, transparent digital ecosystem, drawing both local and international players and setting the stage for sustainable IT growth.

Together, the UAE and Saudi Arabia represent dynamic and expanding markets, underscoring the Gulf region's prominence in the global ICT landscape.

Country of Focus - UAE

2.1. Overview of the UAE's economy

The UAE's economy demonstrates robust growth with non-oil activities comprising over 70% of its GDP in 2023, with non-oil-related GDP showing a 5.9% increase in 2023 despite a decline in oil-related GDP. This shift underscores the success of the UAE's economic diversification efforts and FDI inflows, which are central to its GDP expansion. Economic diversification is expected to result in an increase in registered businesses, bolstered by strong credit ratings, high GDP per capita, and robust sovereign wealth funds. The federal budget for 2022-2026, at AED 290 billion in total for this five year period, is

the largest in UAE history, prioritising social development and economic growth. While inflation spiked in 2022 due to increased housing and utility costs, it is anticipated to moderate in 2024, contributing to a stable business environment. The UAE's favorable visa and labor reforms are enhancing its attractiveness for expatriates, contributing to a growing population and increased tourism revenues. This, combined with lower inflation, is expected to drive substantial growth in B2C sales. Dubai's goal to expand its population from 3.5 million to 5.8 million by 2040 reflects the ongoing economic dynamism.

Table (1.1): Selected Economic Indicators and Forecasts (2019A – 2028F)

Indicator	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
GDP (AED Trillion)	1.53	1.28	1.52	1.86	1.85	1.94	2.02	2.12	2.24	2.37	5.16%
Real GDP Growth %	1.1%	-5.0%	4.4%	7.9%	3.4%	3.5%	4.2%	4.3%	4.4%	4.5%	NA
GDP Per Capita (AED, 000)	161.48	138.36	159.28	193.04	190.47	197.81	204.79	213.23	223.50	234.88	4.39%
Inflation Rate	-1.9%	-2.1%	-0.1%	4.8%	1.6%	2.1%	2.0%	2.0%	2.0%	2.0%	NA
Population (in Millions)	9.50	9.28	9.56	9.64	9.71	9.79	9.86	9.94	10.01	10.08	0.73%

Source: IMF

2.2. Overview of UAE IT Industry

2.2.1. Technology Overview

The IT industry in the UAE is experiencing rapid growth driven by technological advancements, economic diversification, and increased digitalisation. The UAE market is pivotal in the broader Middle Eastern IT landscape, with substantial investments in digital infrastructure, emerging technologies, and regulatory frameworks designed to foster innovation and economic development.

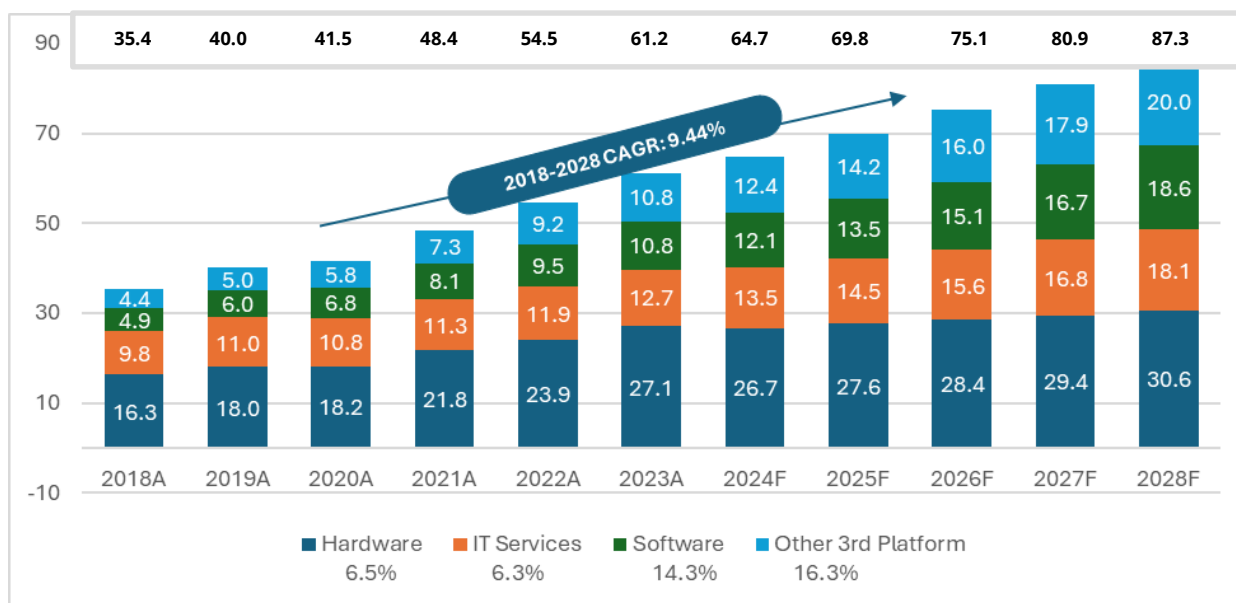
The UAE's strategic investments in technology and innovation, exemplified by initiatives such as Smart Dubai and the UAE National Innovation Strategy, are fueling this growth. Investments in AI, blockchain, and digital infrastructure are significantly boosting the non-oil sector. Additionally, the UAE is establishing itself as a regional medical hub through substantial investments in healthcare infrastructure and biotechnology, supported by initiatives like the Dubai Health Strategy.

2.2.2. Size and growth of UAE IT market

The IT market in the UAE reported growth of 12.29% in 2023 and, in the opinion of IDC, is heading towards strong growth to reach AED 87.3 billion by 2028 (from AED 61.2 billion in 2023) as organisations increase their spending on digital technologies to enhance resilience and to drive technology enabled business growth.

Investments in new data centres have also fueled growth in the digital economy. Organisations across various sectors, including government and financial services, have expanded their use of cloud services hosted locally, some even providing data sovereignty in recent years.

Figure 1: Size of IT Market in United Arab Emirates, 2018A-2028F (AED billion)



Source: IDC's 3rd Platform Spending Guide, H1 2024

2.2.3. Volume of IT spending by sector

Table (1.2): IT Spending Market in Vertical Sectors of UAE, 2022A-2028F (AED billion)

Sector	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR % (2024-2028)
Consumer	14.65	16.68	17.18	17.77	18.13	18.48	18.72	2.18%
Finance	6.45	7.35	7.97	8.90	9.90	11.02	12.20	11.25%
Communications	6.06	6.88	7.42	8.21	9.09	10.04	11.08	10.53%
Government	6.91	7.70	8.07	8.70	9.38	10.10	11.07	8.22%
Retail & Wholesale	3.88	4.35	4.66	5.12	5.65	6.23	6.87	10.18%
Energy & Resources	4.37	4.77	4.98	5.37	5.76	6.17	6.68	7.61%
Manufacturing	4.09	4.50	4.74	5.14	5.57	6.05	6.53	8.36%
Professional Services	2.54	2.91	3.16	3.53	3.93	4.38	4.89	11.51%
Transportation & Personal Services	1.97	2.17	2.32	2.54	2.78	3.05	3.45	10.42%
Education	1.81	2.00	2.11	2.30	2.49	2.69	2.90	8.23%
Healthcare	1.77	1.93	2.06	2.24	2.44	2.65	2.90	8.97%
Total IT Market	54.50	61.24	64.67	69.83	75.13	80.86	87.29	7.79%

Source: WW ICT Spending Guide Enterprise and SME by Industry (Custom Model V1 2024)

Government, finance, communications, manufacturing, energy & resources, and retail & wholesale ranked the largest sectors in terms of total IT spending in UAE in 2023 and each of these sectors contributed over AED 3.5 billion to the IT market spending in the UAE in 2023. Professional services, finance, communications, and retail & wholesale are each projected by IDC to have CAGRs higher than the total IT market CAGR of 7.79% over 2022-2028.

2.2.4. Key market drivers

Robust financial reserves, strong credit ratings, and low inflation rates create a stable environment for business growth and investment. The UAE's strategic plans, such as the Industrial Development Strategy 2030 and "Operation 300bn," emphasise enhancing industrial self-sufficiency and driving economic development.

The UAE's economic shift away from oil dependency, with over 70% of GDP from non-oil sectors, is catalysing digital transformation.

National initiatives like Smart Dubai and the UAE National Innovation Strategy are boosting demand for IT services in sectors such as tourism, healthcare, and finance. Sustainability efforts like COP28 are also driving interest in green IT solutions.

Investments in digital technologies, including AI, IoT, and cloud computing, are significantly outpacing traditional tech investments, with a projected CAGR of 14.75% from 2022 to 2028.

UAE's comprehensive regulatory framework, including the Personal Data Protection Law (**PDPL**) and National Cybersecurity Strategy, supports a secure and innovative digital landscape. The regulatory focus on data privacy, IoT security, and cybersecurity fosters a reliable environment for digital businesses.

2.2.5. Key market trends

Government initiatives

Commitment to becoming a hub for technology and innovation is evident through initiatives like Smart Dubai and the UAE National Innovation Strategy. The country is investing heavily in AI, blockchain, and digital infrastructure, which is boosting the non-oil sector.

Investing in healthcare infrastructure and biotechnology, aiming to become a regional medical hub. Initiatives like the Dubai Health Strategy support this trend.

The federal budget for 2022-2026, totaling AED 290 billion, marks the largest spending budget in the country's history, prioritising social development, government service upgrades, federal projects, and economic development.

Dubai's initiative to launch 50 digital city experiences aims to enhance daily life by integrating advanced technologies like AI and IoT across sectors such as transport, healthcare, and tourism. It seeks to provide seamless, efficient services, positioning Dubai as a global leader in smart city innovation and digital transformation.

Increased adoption of IT services

Increased investment in digital transformation and rising demand for IT consulting to support new ventures in tourism, healthcare, and finance.

COP28 and other sustainability initiative agreements drive demand for green IT services and energy-efficient technologies.

Oil price volatility to drive demand for IT services focused on cost management, operational optimisation, and risk mitigation using data analytics and AI.

UAE's Fourth Industrial Revolution (4IR) Strategy

The UAE's Fourth Industrial Revolution (4IR) Strategy aims to position the country as a global hub for the 4IR by driving economic diversification and fostering innovation through emerging technologies. The strategy focuses on establishing the UAE as a global model in adopting cutting-edge technologies to serve society while promoting sustainability.

Infrastructure investments

The "Operation 300bn" initiative aims to boost the industrial sector's contribution to AED 300 billion of GDP by 2031, up from the current AED 197 billion. Key objectives include establishing an integrated R&D ecosystem, promoting the "Made in the Emirates" brand, and launching a framework for partnerships across various industrial sectors.

The UAE Strategy for AI

The UAE's AI strategy, aligned with the UAE Centennial 2071 objectives, aims to create an integrated smart digital system that enhances efficiency across sectors through AI-driven solutions. By focusing on quick, efficient decision-making and establishing itself as a global leader in AI investments, the UAE seeks to foster innovation and attract foreign investment. Additionally, the strategy envisions the creation of new, high-value markets powered by AI, contributing to economic diversification and positioning the UAE at the forefront of the global AI landscape.

UAE Digital Government Strategy 2025

To advance the digital infrastructure, establish a unified digital platform, and develop digital services tailored to customer needs. Additionally, UAE seeks to raise the level of digital capabilities and enhance the efficiency of government operations.

Support for SMEs and entrepreneurship

The UAE's recent visa and labor reforms have significantly enhanced its appeal as a relocation destination for expatriates. These reforms include streamlined visa processes, improved residency options, and better labor conditions, all of which contribute to the country's growing attractiveness for skilled professionals seeking new opportunities.

The growing population and increasing tourism revenues will bolster private consumption.

Strong credit ratings from international agencies underscore the UAE's creditworthiness, supported by high GDP per capita, robust international relations, and innovative sustainable development policies.

Lower inflation, coupled with a rising population, is expected to drive significant growth in B2C sales.

The influx of Russian and Ukrainian arrivals has contributed to the expansion of the white-collar workforce.

Through economic diversification efforts, the UAE has significantly reduced its reliance on oil, transitioning to a competitive economy driven by knowledge and innovation, with non-oil sectors now constituting 70% of the UAE's GDP in 2023.

Implementation of vision UAE 2031

Over the next decade, the UAE will continue its development journey with a strong focus on social and economic investment, as well as overall growth. The aim is to solidify the UAE's position as a global partner and a leading, influential economic hub. Key highlights from the vision 2031 policy include:

- generating AED 800 billion in non-oil exports;
- increasing the tourism sector's contribution to AED 450 billion; and
- expanding UAE's foreign trade to AED 4 trillion.

2.2.6. The Group

2.2.6.1. The Group's position in the market

The Group operates across three main business segments: Solutions, Services, and Talent. These segments enable the Group to provide a wide range of solutions tailored to diverse client needs. In 2023, the Group held a market share of approximately 6% valued at AED 2.01 billion, within the UAE's total addressable IT market (**TAM**), which stood at AED 35.38 billion.

The TAM represents the total revenue opportunity available for IT products and services within a specific market, assuming complete market penetration. In the context of the UAE's IT landscape, the TAM encompasses all expenditures related to IT services, solutions, and infrastructure across businesses, and government entities.

Table (1.3): The size and projected growth in the UAE's TAM from 2023 to 2028 (based on data and projections from IDC)

Technology Areas	2023A	2024F	2025F	2026F	2027F	2028F	CAGR
Infrastructure	8.62	9.12	9.24	9.42	9.68	9.93	2.86%
Cybersecurity	3.39	3.76	4.14	4.57	5.04	5.53	10.31%
Cloud	5.83	6.82	7.84	8.92	9.90	11.25	14.06%
Mobility	0.22	0.26	0.31	0.36	0.41	0.46	16.30%
AI & Big Data	4.24	5.14	6.26	7.61	9.09	11.17	21.41%
Software (On premise + Automation)	3.53	3.56	3.64	3.70	3.75	3.80	1.50%
Services	9.57	10.08	10.64	11.26	11.96	12.46	5.43%
Total Addressable Market for the Group	35.39	38.74	42.08	45.84	49.83	54.61	9.07%
The Group's Market Share for 2023	5.67%						

Source: IDC's 3rd Platform Spending Guide, H1 2024

Infrastructure

The Group's Enterprise Infrastructure team offers a comprehensive range of products, including servers, storage solutions, networking solutions, data centre infrastructure solutions, and related services tailored for various sectors across the UAE. The integration of IT technologies to deliver business value is The Group's primary focus and key market differentiator. With a team of highly certified professionals, many with over a decade of experience in the IT industry, The Group ensures the successful integration of complex systems.

Cybersecurity:

The Group recognises the crucial role of cybersecurity in digital transformation, making it a cornerstone across all infrastructure domains, including cloud computing, IT infrastructure, big data, IoT, AI, mobility, and software automation. They offer a wide range of security products and managed security services, including solutions like infrastructure security, endpoint security, identity security and security operations, reflecting their commitment to holistic security measures. Their professional services team, equipped with numerous security certifications, ensures a proactive and consultative approach to security, tailoring comprehensive security stacks to meet each customer's specific needs.

Cloud

The Group's offerings include services such as cloud assessment and planning, cloud migration and deployment, cloud operations management, cloud monitoring, cloud cost optimisation, cloud security and governance, and cloud support. These solutions support a hybrid environment, encompassing public, private cloud, and on-premises capabilities. The Group has partnered with major cloud service providers like Microsoft, Amazon Web Services (AWS), Oracle, Red Hat, VMware, Core42, and others.

Mobility

The Group's mobility solutions are designed to meet this demand by facilitating the Digital Employee Experience (DEX). The Group's Desktop-as-a-Service (DaaS) solution enables enterprises to increase the quality of the hybrid experience while minimising the effort and resources needed to fulfill these requirements.

The solution offers a holistic approach to application and desktop virtualisation by combining software, hybrid cloud, and professional services. The Group takes an integrated approach, leveraging various internal departments such as Infrastructure Services, Managed Services, Cybersecurity, Cloud Services, End-user Devices, and Applications to provide a comprehensive mobility solution to clients.

Artificial Intelligence (AI):

The Group has a two-pronged AI strategy that is integral to its Digital Transformation solution portfolio. The first part is about using AI for augmenting the existing systems and applications of customers. The second part is about the development of native AI based solutions, starting from ideation to implementation and lifecycle management. Accordingly, the systems integrator has already built in-house data and AI platform capabilities which enables delivery of incremental value to its clients in their digital transformation initiatives. The Group has in-house data engineering, data science, and business analyst teams with an understanding of multiple business and industry domains. These capabilities are being leveraged to augment the business impact of a wide variety of business solutions by leveraging interpretive, predictive, and generative AI (**GenAI**) technologies.

Software & Automation

The Group's software and automation portfolio enables two key aspects of an organisation's digital transformation: business transformation and IT operations transformation. The portfolio includes a range of solutions such as intelligent process automation, AIOps-driven IT operations management (**ITOM**), IT services management (**ITSM**), application lifecycle management, and low-code/no-code application development along with application programming interface (**API**) management. It also covers information security solutions such as data privacy and protection, security intelligence driven security information and event management (**SIEM**) vulnerability exposure platforms, digital identity solutions such as privileged access management, single sign-on, identity and access management, cloud and container security, API security, and application & database security.

Services

The Group offers specialised solution practices—including cloud services, big data & AI, software & automation, mobility, infrastructure services, and cybersecurity—to create comprehensive solutions that accelerate clients' transitions to digital-first organisations. The IT services offered by the Group encompass implementation services, software development, cyber and business resilience services, and project management.

Additionally, the Group provides comprehensive support and managed services to help clients manage their deployed technological solutions, addressing internal skill gap challenges. With 24/7 local support, the Group ensures service assurance and effective IT environment management.

2.3. The opportunities in the ICT Market

The UAE IT market is experiencing substantial growth, projected to increase from AED 35.4 billion in 2018 to AED 87.3 billion by 2028. The market is divided into four main segments:

Table (1.4): UAE IT Market from 2018A to 2028F

Source: IDC's 3rd Platform Spending Guide, H1 2024

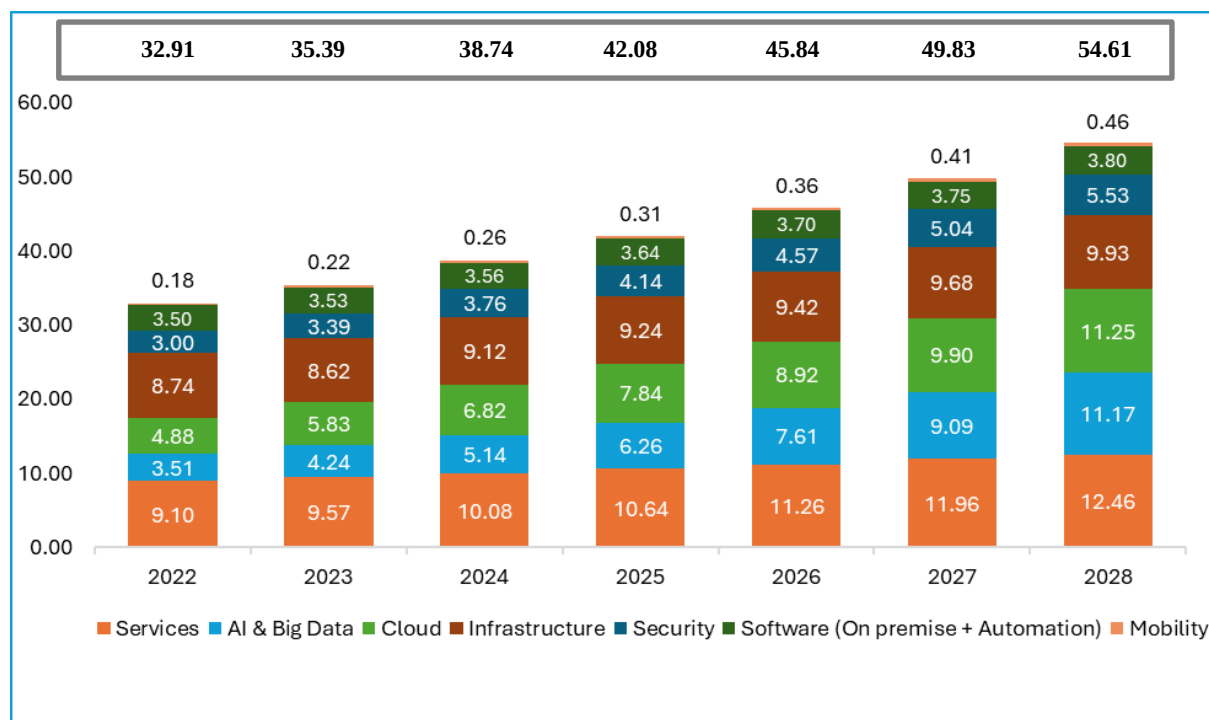
Technology	2018A	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
Hardware	16.3	18.0	18.2	21.8	23.9	27.1	26.7	27.6	28.4	29.4	30.6	3.47%
IT Services	9.8	11.0	10.8	11.3	11.9	12.7	13.5	14.5	15.6	16.8	18.1	7.61%
Software	4.9	6.0	6.8	8.1	9.5	10.8	12.1	13.5	15.1	16.7	18.6	11.35%
Other 3rd Platform	4.4	5.0	5.8	7.3	9.2	10.8	12.4	14.2	16.0	17.9	20.0	12.69%
Total	35.4	40.0	41.5	48.4	54.5	61.2	64.7	69.8	75.1	80.9	87.3	7.78%

Collectively, these segments reflect the UAE's dynamic and expanding IT landscape, underscoring its position as a regional leader in technology adoption and innovation.

2.3.1. IT Market Segmentation:

The overall business-to-business (B2B) IT market can be broken down into several categories. Every category in which the Group operates is expected to grow, led by security, cloud, emerging technologies and digital services.

Figure 2: Size of Total Addressable Market for the Group in United Arab Emirates, 2023A-2028F (AED billion)



Source: IDC's 3rd Platform Spending Guide, H1 2024

Table (1.5): Size of TAM for the Group in United Arab Emirates, 2022A-2028F (AED billion)

Technology	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
Services	9.10	9.57	10.08	10.64	11.26	11.96	12.46	5.45%
AI & Big Data	3.51	4.24	5.14	6.26	7.61	9.09	11.17	21.41%
Cloud	4.88	5.83	6.82	7.84	8.92	9.90	11.25	13.34%
Infrastructure	8.74	8.62	9.12	9.24	9.42	9.68	9.93	2.15%
Security	3.00	3.39	3.76	4.14	4.57	5.04	5.53	10.18%
Software (On premise + Automation)	3.50	3.53	3.56	3.64	3.70	3.75	3.80	1.60%
Mobility	0.18	0.22	0.26	0.31	0.36	0.41	0.46	15.73%
Total Addressable Market for the Group	32.91	35.39	38.74	42.08	45.84	49.83	54.61	8.97%

Source: IDC's 3rd Platform Spending Guide, H1 2024

Services

The UAE is a regional leader in adopting technologies like AI, Big Data, IoT, and cloud computing, supported by recent AI, cloud, and cybersecurity policies. Project services, the largest segment, will grow at 3.5% CAGR, while managed services, driven by hybrid cloud management and application modernisation, is projected to grow at 9.4% CAGR. According to IDC, support services are expected to grow at 2.0% CAGR to AED 2.7 billion, shifting from hardware to software deployment.

AI & Big Data

AI - The UAE's proactive approach to AI (with the establishment of a dedicated ministry and National AI strategy) has encouraged proofs of concept (**POCs**) across the private and public sectors.

Organisations in the UAE have moved from an experimental phase with AI, running trials and exploring how to leverage AI tools, to actual deployments of use cases with defined business value.

Big Data- Despite macroeconomic challenges and a global economic slowdown, the UAE's Big Data & Analytics (**BDA**) market has demonstrated robust growth. This growth is attributed to data modernisation initiatives, cloud migration, a heightened focus on data-driven decision making, and the integration of emerging technologies. As demand evolves, organisations in the UAE are increasingly prioritising BDA investments to meet rising expectations. The adoption of data analytics solutions among large enterprises in the UAE remains robust.

Cloud

Given the increasing investment in the in-country cloud data centres by both global, and local cloud service providers, infrastructure-as-a-service (**IaaS**) is the fastest growing category in the UAE with a CAGR of 22.32%. Data analytics, data management, AI platforms, and intelligent process automation (including RPA) are key drivers for PaaS adoption while security software, content workflow and management applications, ERM, CRM and collaborative applications are fastest growing in SaaS (Software as a Service). The investment in sovereign cloud by companies such as Oracle and Microsoft is expected to address the data residency issues in regulated sectors such as finance and government. Organisations in the UAE are increasingly investing in digital business and improving operational efficiency, resulting in an infrastructure and application modernisation drive focused on cloud.

Infrastructure

The growth in Infrastructure segment includes various enterprise infrastructure solutions like x86 and non-x86 servers, security appliances, and networking equipment. Digital transformation efforts, including initiatives like Smart Dubai and the UAE National Strategy for Artificial Intelligence 2031, are boosting the need for computing devices. IoT and Industry 4.0 projects are also enhancing enterprise infrastructure. The desktops and notebooks market, which declined in 2023, is anticipated to recover in 2024 with key deals in education and the introduction of AI PCs.

Cybersecurity

The growth in cybersecurity is driven by digital transformation, rising cyber-attacks, and demand for AI-integrated cybersecurity and IoT. Measures like the establishment of the Cybersecurity Council in 2020 and stricter regulations have led to the mitigation of over 71 million cyber-attacks in 2023. Security software, particularly Endpoint Security Software, represents over half of the security spending. To address skill shortages, organisations are increasingly turning to managed security services for automated incident responses and in-country security operations centres (SOCs).

Software Automation

Software automation is one of the fastest-growing submarkets within the overall software industry. This growth is primarily fueled by organisations' increasing need to implement process and business automation to enhance efficiency.

Within this category, ITOM and ITSM are the two largest markets, experiencing rapid expansion.

The widespread adoption of robotic process automation (RPA) and intelligent process automation tools in the UAE has further accelerated the growth of the software automation market.

Mobility

Virtual client computing, including virtual desktop infrastructure and desktop as a service, is the fastest growing mobility software market in the UAE followed by client endpoint management software. The market growth is majorly driven by the push from Microsoft and Citrix (Citrix along with Tibco are now part of Cloud Software Group) within the VDI space.

2.3.2. Technology Trends & Drivers in UAE:

Private-First Hybrid Strategy: Organisations will continue to use private data centres while integrating public cloud solutions. This strategy maintains control over critical data and enhances security, while leveraging public cloud scalability for less sensitive operations.

AI and Multi-Cloud: The AI era will see increased adoption of hybrid and multi-cloud strategies, allowing organisations to optimise AI workloads and integrate various cloud platforms for enhanced performance and cost management.

GenAI and Cybersecurity: The rise of GenAI will lead to increased cyber-attacks, including automated attacks and AI-powered malware, necessitating stronger security measures.

Compliance with GenAI: Increased regulatory scrutiny and compliance requirements are expected due to the rise of GenAI and potential data misuse, driving stricter standards and governance.

Hybrid Multi-cloud: Organisations will maintain a hybrid multi-cloud approach, balancing investments between public and private clouds based on workload needs and data residency requirements.

Digital Sovereignty: Sovereignty will be a key concern, with emphasis on data residency and operational sovereignty in line with national goals and industry-specific needs.

Cloud Operations (CloudOps) and Financial Operations (FinOps): Investment in CloudOps and FinOps will rise to manage the complexities of hybrid multi-cloud environments, focusing on governance, cost control, and security.

Intelligent Document Processing (IDP): IDP technology will streamline data handling, improving productivity and customer experience by breaking down data silos and optimising supply chains.

Virtual Desktops: Increased remote work will drive adoption of virtual desktops, enhancing secure and scalable access to enterprise resources.

Automation Return on Investment (ROI): Focus on automation will shift towards demonstrating clear ROI, with an emphasis on outcomes and business value over technology alone.

AI Network Fabrics: Deployment of AI network fabrics will optimise GenAI support, reducing training model completion times and improving implementation economics.

Upskilling for Modern IT Roles: Upskilling will be essential to align technical capabilities with business needs, emphasising collaboration and cultural fit.

Low-Code/No-Code Impact: The rise of low-code/no-code tools will create new functional roles, accelerating development cycles and integrating non-technical personnel into IT teams.

Cloud Services and Digital Transformation: Cloud services will drive digital transformation, with hybrid-multi cloud approaches gaining popularity.

AI-Enabled Services Delivery: AI will increasingly be incorporated into service delivery, shifting from human-led to automated solutions.

Customer Centres of Excellence for Innovation: Large organisations will establish Centres of Excellence to drive continuous innovation and develop new use cases using emerging technologies.

2.4. Regulatory Landscape and Outlook

UAE policymakers and regulators have significantly enhanced their focus on "digital regulations" in recent years, particularly emphasising data privacy, IoT security, and cybersecurity. These stringent regulations are designed to create a secure digital environment but can pose substantial challenges for smaller digital players.

The compliance costs associated with these regulations might deter smaller entities from entering the UAE's digital ecosystem. In contrast, larger organisations, with their greater resources and experience in managing complex regulatory frameworks, often find it easier to navigate these requirements and establish a presence in the market. Increased regulatory transparency, especially in areas such as data privacy, could further encourage both small niche and large global companies to enter the UAE market, provided they can adhere to local compliance standards.

Additionally, the need to meet data privacy and cybersecurity regulations may necessitate local infrastructure, such as hosting and connectivity services, thereby creating opportunities for local players to operate independently or form partnerships with global firms as their local counterparts.

The Data Privacy landscape in the UAE is significantly shaped by the PDPL, which was enacted in January 2022 following its publication in 2021. This law has been pivotal in defining the framework for subsequent policy and regulatory developments surrounding artificial intelligence (AI). Key provisions of the PDPL include the establishment of a unified regulatory body, the UAE Data Office under the Ministry of AI, which oversees data protection efforts. The law emphasises the right to consent, incentivises small and medium-sized enterprises (SMEs) to adopt best practices through simplified processes and guidance, and facilitates cross-border data flows. These measures aim to foster a robust data protection environment while promoting technological innovation.

In the realm of the IoT, the Telecommunications and Digital Government Regulatory Authority (**TDRA**) introduced comprehensive guidelines in 2019 to secure IoT devices. These guidelines mandate high encryption standards and type approval regulations, ensuring that manufacturers and service providers adhere to stringent security requirements. This regulatory framework is designed to promote the ethical and secure deployment of IoT technologies, safeguarding both consumers and businesses.

Cybersecurity in the UAE is governed by the National Cybersecurity Strategy, which was launched in 2019 by the TDRA. This strategy outlines a comprehensive approach to creating a secure and resilient cyber environment through five core pillars and 60 initiatives. The goal is to bolster the protection of digital infrastructure and enhance the country's overall cyber resilience. UAE policymakers and regulators have increasingly focused on "digital regulations" in recent years, addressing critical areas such as data privacy, IoT security, and broader cybersecurity concerns.

Country of Focus - KSA

3. Market overview

3.1. Overview of the KSA's economy

In 2023, Saudi Arabia's economy, the largest in the Arab world, experienced a 0.8% contraction, primarily driven by a significant downturn in the oil sector. Despite this, the non-oil sector demonstrated robust growth, expanding by 4.4% over the same period. The country's gross domestic product (GDP) at current prices reached 4 trillion riyals.

The crude petroleum and natural gas sector made the largest contribution to GDP in 2023, accounting for 25.4% of total economic activity. Government services followed, contributing 15.7%. Wholesale and retail trade, along with restaurants and hotels, added 9.7%, while manufacturing (excluding petroleum refining) contributed 8.8%. Petroleum refining activities accounted for 6.0%, and real estate activities contributed 5.9% to the nation's GDP in 2023.

Table (2.1): Selected Economic Indicators (2019A – 2028F)

Indicator	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
GDP (SAR Trillion)	3.14	2.75	3.28	4.16	4.01	4.16	4.39	4.61	4.84	5.06	5.02%
Real GDP Growth %	1.1%	-3.6%	5.1%	7.5%	-0.8%	2.6%	6.0%	4.0%	3.5%	3.0%	NA
GDP Per Capita (SAR 000)	104.63	87.38	106.50	129.38	121.88	123.75	128.63	132.38	136.13	139.50	3.04%
Inflation Rate	-2.1%	3.4%	3.1%	2.5%	2.3%	2.3%	2.0%	2.0%	2.0%	2.0%	NA
Population (in Millions)	30.10	31.60	30.80	32.20	32.80	33.50	34.20	34.80	35.50	36.20	1.96%

Source: IMF

3.2. Overview of IT Industry

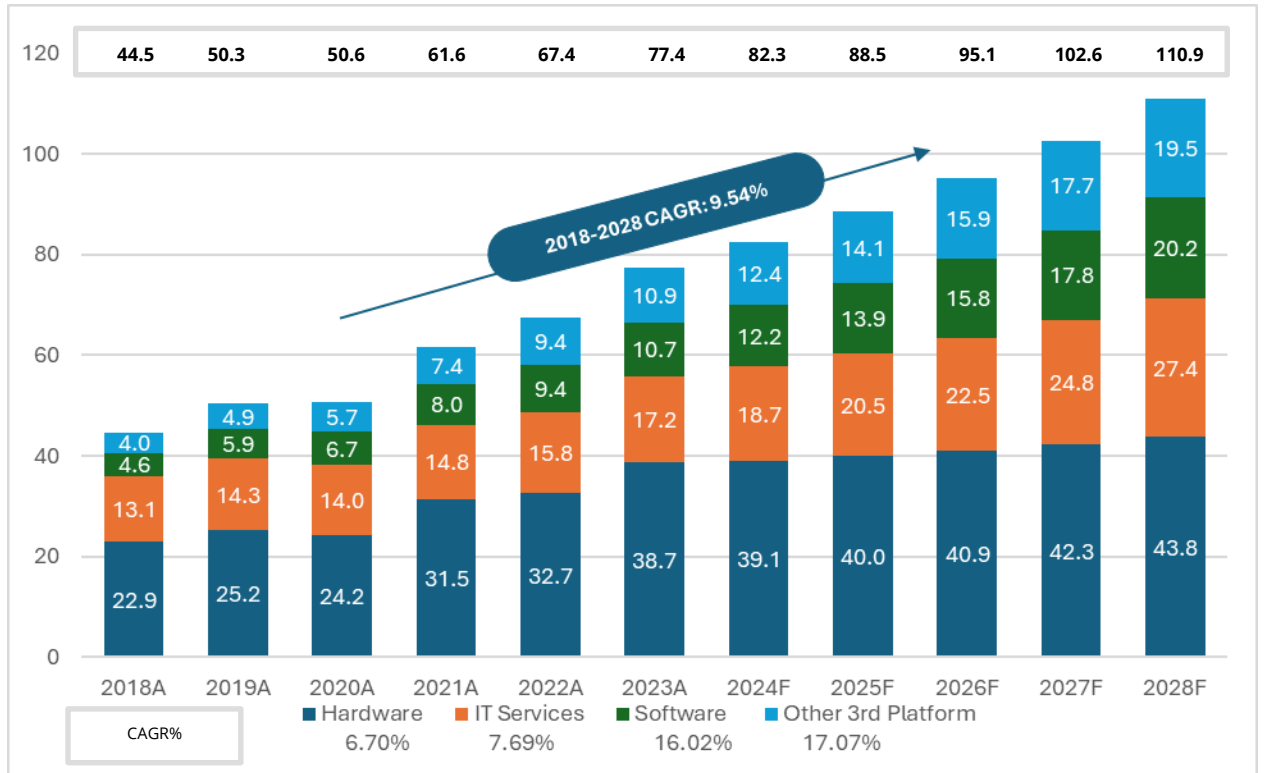
3.2.1. Technology Overview

KSA's Vision 2030 is spearheading non-oil economic growth by driving investments in tourism, entertainment, healthcare, and finance, creating a surge in demand for advanced IT services. Sector-specific initiatives such as smart city development, healthcare digitisation, and the rise of fintech are fueling the need for IT consulting, cloud computing, AI, and IoT solutions. Additionally, sustainability efforts are promoting the adoption of energy-efficient technologies. Oil price volatility is pushing businesses to adopt data analytics and AI for cost control and operational efficiency. Increased FDI inflows and mega projects like NEOM and the Red Sea Project are accelerating growth in non-oil sectors and boosting the need for cutting-edge digital infrastructure across industries like healthcare, finance, and construction.

3.2.2. Size and growth of IT market

The IT market in Saudi Arabia grew by 14.83% in 2023 and is projected to reach SAR 110.9 billion by 2028. To enhance citizen satisfaction and quality of life, the Kingdom has launched numerous digital transformation initiatives, raised awareness about digitising government workflows, and consolidated DX platforms across agencies. These efforts are driving sustainable development and IT adoption. Public-private partnerships, increased FDIs, and the integration of Industry 4.0 technologies are facilitating large-scale giga projects like NEOM, Red Sea, and Qiddiya. Investments in cloud, AI, IoT, and cybersecurity are enabling the government to meet critical business priorities and improve customer excellence.

Figure 3: Size of IT Market in KSA, 2018A-2028F (SAR billion)



Source: IDC's 3rd Platform Spending Guide, H1 2024

3.2.3. Volume of IT spending by sector

Table (2.2): IT Spending Market in Vertical Sectors of KSA, 2022A-2028F (SAR billion)

Sector	2022	2023	2024	2025	2026	2027	2028	CAGR % (2024-2028)
Consumer	24.57	29.56	30.34	31.18	31.81	32.49	33.15	5.11%
Government	8.60	9.55	10.16	10.95	11.84	12.86	13.89	8.31%
Finance	6.78	7.57	8.54	9.61	10.84	12.16	13.77	12.53%
Communications	6.34	7.21	7.90	8.75	9.75	10.91	12.10	11.38%
Energy & Resources	5.03	5.51	5.89	6.44	6.96	7.66	8.35	8.80%
Manufacturing	4.61	5.07	5.39	5.91	6.50	7.12	7.83	9.24%
Retail & Wholesale	3.41	3.83	4.20	4.69	5.26	5.92	6.77	12.12%
Professional Services	2.68	3.05	3.36	3.79	4.28	4.85	5.48	12.63%
Healthcare	1.87	2.12	2.32	2.53	2.78	3.07	3.42	10.56%
Transportation & Personal Services	1.82	2.05	2.24	2.42	2.66	2.91	3.18	9.71%
Education	1.70	1.92	2.06	2.23	2.45	2.68	2.98	9.76%
Total IT Market	67.43	77.43	82.39	88.51	95.13	102.63	110.91	8.65%

Source: WW ICT Spending Guide Enterprise and SME by Industry (Custom Model V1 2024)

The largest sectors for IT spending in KSA include government, finance, communications, manufacturing, energy & resources, and retail & wholesale, with each contributing over SAR 3.0 billion to the IT market. Professional services, finance, communications, healthcare, and retail & wholesale are experiencing growth rates surpassing the overall IT market CAGR of 8.65% forecasted for 2022-2028.

3.2.4. Key market drivers

Heightened focus on data governance and security, driving significant IT investments as businesses expand their digital presence.

Numerous digital transformation initiatives, awareness campaigns, and platform integrations aimed at improving quality of life and boosting IT adoption.

Public-private partnerships, new market entrants, and increased FDIs supporting large-scale Giga projects like NEOM, Red Sea, and Qiddiya, along with smart public infrastructure development.

Ministry of Communications and Information Technology initiatives to build hyperscale data centres powered by renewable energy, accelerating digital transformation.

Economic stability supported by strong financial reserves, robust credit ratings, and the Public Investment Fund (**PIF**), ensuring continued growth.

Expanding young population, labor market reforms, and low inflation rates contributing to increased private consumption and advancing the Kingdom's development goals.

3.2.5. Key market trends

Government initiatives

Digital Infrastructure Expansion: The Kingdom is enhancing its digital infrastructure to improve digital maturity and competitiveness on global indices such as the Global Competitiveness Index and the UN eGovernment Index.

National Transport and Logistics Strategy: Aiming to establish Saudi Arabia as a key industrial and logistics hub with 59 new logistics zones, further boosting the demand for IT and digital solutions.

Private Sector Stimulus Plan: Includes initiatives like the Export Finance Enhancing Initiative and the Saudi Exim Bank, aimed at promoting economic diversification and private sector growth.

Sector-Specific Funds: The government has launched several development funds, including the Agricultural Development Fund, Real Estate Development Fund, Social Development Fund, Human Resource Development Fund, and Tourism Development Fund, fostering investment and innovation in key sectors.

Petrochemical Industry Expansion: Strategic focus on growing the petrochemical sector, with advanced technologies and IT solutions playing a critical role in its development.

Increased adoption of IT services

Sector-Specific Investments: Growing focus on smart cities, healthcare digitisation, and FinTech is driving increased demand for IT consulting, cloud computing, AI, and IoT solutions across industries.

Sustainability Initiatives: The push for energy-efficient and eco-friendly technologies is fostering the adoption of sustainable IT solutions.

Digital Transformation Investments: Rising investment in digital transformation is fueling demand for IT consulting services to support new ventures in tourism, healthcare, and finance.

Oil Price Volatility: Fluctuating oil prices are prompting businesses to invest in data analytics and AI for improved cost control and operational efficiency, further increasing IT adoption across sectors.

Saudi Vision 2030

Human Capital Development

Vision 2030 aims to invest in education and workforce transformation to prepare the population for a knowledge-based economy. Emphasis is on upskilling youth and improving women's participation in the workforce.

The Human Capability Development Program focuses on fostering leadership, creativity, and innovation in STEM education, positioning Saudis for roles in emerging industries.

Technological and Digital Transformation

Saudi Arabia is rapidly evolving into a digital economy, driven by investments in 5G technology, AI, data centres, and cybersecurity.

Initiatives like the Saudi National Digital Transformation Program are pushing e-government services, digitising sectors like healthcare, education, and public services.

The financial sector is seeing rapid adoption of FinTech solutions, mobile payments, and digital banking under the Financial Sector Development Program.

Tourism and Entertainment Boom

Saudi Arabia is investing heavily in tourism and entertainment to establish itself as the cultural heart of the Arab and Islamic world. The Kingdom intends to attract 100 million visitors annually by 2030.

Projects like AlUla and Diriyah Gate aim to leverage the Kingdom's cultural heritage, while entertainment zones like Qiddiya and sports events such as Formula E and the Riyadh Season position Saudi Arabia as a regional entertainment hub.

Global Logistics & Trade Hub

Saudi Arabia's strategic location is driving its transformation into a global logistics hub, connecting Asia, Europe, and Africa. The Kingdom is enhancing port and airport infrastructures, such as Jeddah Islamic Port and King Abdulaziz Port, aiming to increase throughput and become a key link in global trade routes.

The launch of initiatives like Saudi Railways expansion, and major investments in airlines and cargo, supports the vision of becoming a major transit and trade corridor.

Infrastructure investments

NEOM - This project aims to create a futuristic city focused on innovation and technology. With a projected budget of \$500 billion, it is the world's largest single construction project.

The Red Sea Project - This initiative targets developing luxury tourism destinations along the Red Sea coast, known for its pristine beaches and coral reefs.

Amaala - Luxury tourism project that focuses on wellness and ultra-luxury experiences.

Diriyah - Located near Riyadh, Diriyah Gate involves the restoration and development of Diriyah, Saudi Arabia's first capital.

Qiddiya - This project aims to create a major entertainment complex with theme parks, sporting facilities, and other attractions.

The KSA Strategy for AI

Saudi Arabia's AI strategy is integral to its Vision 2030 plan, aiming to position the Kingdom as a global leader in artificial intelligence. Launched in 2020, the National Strategy for Data and Artificial Intelligence (NSDAI) seeks to attract \$20 billion in investments by 2030 and train 20,000 specialists in AI and data. This initiative is aligned with the country's broader goal of diversifying its economy and reducing its reliance on oil. The strategy emphasises leveraging AI across sectors such as healthcare, education, and governance, which is expected to contribute significantly to the national GDP. By

promoting AI innovation and education, Saudi Arabia is fostering an environment for startups and entrepreneurship, making it a key player in the region's tech landscape.

3.3. The opportunities in the ICT Market

The KSA IT market is experiencing substantial growth, projected to increase from SAR 44.6 billion in 2018 to SAR 110.9 billion by 2028. The market is divided into four main segments:

Table (2.3): KSA IT Market from 2018A to 2028F (SAR, billion)

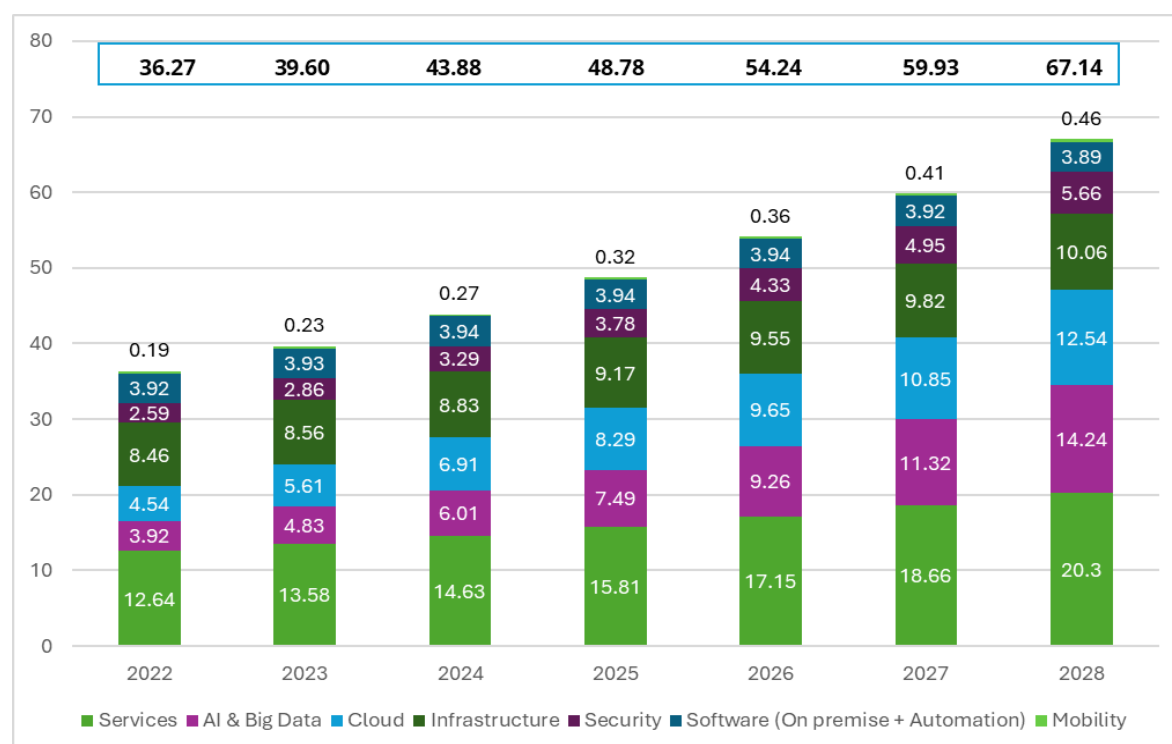
Technology	2018A	2019A	2020A	2021A	2022A	2023A	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
Hardware	22.9	25.2	24.2	31.5	32.7	38.7	39.1	40.0	40.9	42.3	43.8	2.92%
IT Services	13.1	14.3	14.0	14.8	15.8	17.2	18.7	20.5	22.5	24.8	27.4	10.04%
Software	4.6	5.9	6.7	8.0	9.4	10.7	12.2	13.9	15.8	17.8	20.2	13.33%
Other 3rd Platform	4.0	4.9	5.7	7.4	9.4	10.9	12.4	14.1	15.9	17.7	19.5	11.97%
Total	44.6	50.3	50.6	61.6	67.4	77.4	82.4	88.5	95.1	102.6	110.9	7.71%

Source: IDC's 3rd Platform Spending Guide, H1 2024

3.3.1. IT Market Segmentation:

The overall B2B IT market can be broken down into several categories. Every category in which the Group operates is expected to grow, led by security, cloud, emerging tech and digital services.

Figure 4: Size of Total Addressable Market for the Group in KSA, 2022A-2028F (SAR billion)



Source: IDC's 3rd Platform Spending Guide, H1 2024

Table (2.4): KSA TAM from 2022 to 2028F

Technology	2022	2023	2024F	2025F	2026F	2027F	2028F	CAGR (2024-2028)
Services	12.64	13.58	14.63	15.81	17.15	18.66	20.30	8.53%
AI & Big Data	3.92	4.83	6.01	7.49	9.26	11.32	14.24	24.07%
Cloud	4.54	5.61	6.91	8.29	9.65	10.85	12.54	16.07%
Infrastructure	8.46	8.56	8.83	9.17	9.55	9.82	10.06	3.31%
Cybersecurity	2.59	2.86	3.29	3.78	4.33	4.95	5.66	14.53%
Software (On premise + Automation)	3.92	3.93	3.94	3.94	3.94	3.92	3.89	-0.32%
Total Addressable Market for the Group	36.27	39.6	43.88	48.78	54.24	59.93	67.14	11.22%

Source: IDC's 3rd Platform Spending Guide, H1 2024

Services

In 2023, Saudi Arabia's services market grew 7.44% year-on-year to SAR 13.58 billion and is expected to continue expanding at a 8.53% CAGR from 2024 to 2028. Managed services surged by 12.6% due to rising demand for cloud-based solutions, while project-oriented services, making up 50% of the market, grew 7.2%, driven by data management and digital transformation projects. Support services increased by 6.4%, largely from software deployment. Investments in training programs by government entities and private organisations are addressing the skills gap, particularly in AI and cybersecurity.

AI & Big Data

AI - The Saudi AI market is set to grow from SAR 1.31 billion in 2022 to SAR 9.74 billion by 2028, with a CAGR of 39.70%. Saudi has implemented several digital strategies and initiatives as part of its vision to foster innovation through AI, diversify the economy, and improve citizen's quality of life. Some initiatives include Giga projects like NEOM, GenAI for All, National Strategy for Data and AI (NSDAI), Generative AI accelerator and PIF's planned \$40B fund in AI.

Big Data- In Saudi Arabia, the BDA market is poised for robust growth, with an expected CAGR of 9.47%, presenting a SAR 4.50 billion opportunity by 2028. As demand for data management systems grows, more enterprise data management vendors are entering the Saudi market. Informatica recently established a new "Point of Delivery" in Riyadh while Alteryx partnered with Google Cloud to offer data preparation capabilities and enhanced connectivity to Saudi customers. Seagate, a leader in mass-data storage infrastructure solutions, made inroads with its latest surveillance and enterprise products.

Companies are enhancing the high processing powers within their hardware components to be able to support the seamless transfer of large data packets in real-time.

Cloud

The growth in public cloud is driven by national digital initiatives and economic diversification. Software, the largest segment, is expected to grow at a 12.54% CAGR, reaching SAR 4.32 billion by 2028, due to increased app modernisation and AI adoption. IaaS will see the fastest growth at 29.36% CAGR, driven by investments from global and local cloud providers. Major cloud vendors like AWS, Microsoft, Google, Oracle, and ServiceNow are establishing or planning cloud regions in the country, boosting growth. Initiatives like the development of hyper-scale data centres and subsea cables support this expansion.

Infrastructure

The growth in Infrastructure spans x86 and non-x86 servers, security appliances, storage, and networking equipment. Key drivers include increased business establishment, digital transformation initiatives under

Vision 2030, and the development of smart cities like NEOM and Yanbu. Saudi Arabia remains a leading hub for data centre investments, driven by data sovereignty laws and a growing need for secure, scalable cloud infrastructure. Telecommunications operators are vital in this sector, with significant investments in data centre and cloud services supporting verticals like healthcare, education, and finance. Although the hardcopy peripherals market saw growth in 2023, a slowdown is anticipated in 2024. The desktops and notebooks market is expected to recover with new procurement deals and AI PCs.

Cybersecurity

By 2028, its cybersecurity market is expected to hit SAR 5.66 billion, reflecting a 4-year CAGR of 14.53%. This growth is driven by government initiatives aligned with Saudi Vision 2030, increased regulatory compliance, rapid digitalisation, and evolving cyber threats. Saudi Arabia ranked second in the global Cybersecurity Index for 2023. Security software, particularly endpoint protection and analytics, holds the largest market share. GRC and forensics are anticipated to grow significantly due to initiatives from the NCA, Communications, Space & Technology Commission (**CST**), SAMA, and SDAIA, while demand for hardware will be led by firewalls, and security services growth will be driven by consulting and managed services.

Mobility

The growth in mobility outpaces the UAE, driven by digital projects focusing on mobility and automation. Virtual client computing and client endpoint management, which make up 87% of the mobility market, are expected to grow at a 16.87% CAGR over the next five years, driven by advancements in virtual desktop infrastructure and client management.

Software Automation

The growth in this market is primarily driven by the rising adoption of robotic process automation (**RPA**) and IT Service Management (**ITSM**). Specifically, RPA is projected to experience a CAGR of 26.47%, while ITSM is expected to grow at a CAGR of 21.97%. Vendors like ServiceNow are actively expanding its footprint and increasing investments within Saudi Arabia which will further fuel the growth.

3.3.2. Technology Trends & Drivers in KSA:

Government-Led Digitalisation: The Saudi government remains the primary driver and consumer of computing devices, with digital transformation programs under Vision 2030 continuing to drive demand for desktops and notebooks.

Local Content Development: The government's push for incorporating local inputs in the delivery of computing devices is creating new opportunities for local manufacturing and services.

Growth in Gaming Investments: The rising investments in gaming facilities across Saudi Arabia have boosted the demand for custom-built gaming PCs, especially desktops. This trend is also aligned with the country's focus on developing its entertainment sector.

Bridging the Digital Divide: Saudi Arabia is advancing digital literacy programs, particularly aimed at women entering the workforce and rural populations, to support broader digital inclusion and empowerment initiatives.

Digital Transformation: Saudi enterprises are undergoing widespread digital transformation, reshaping business operations, product and service delivery, customer engagement, and employee experiences.

Digital Sovereignty: Investments in infrastructure are driven by the need for data sovereignty and security, with a preference for private-first hybrid cloud strategies.

Government and PIF Initiatives: Public projects and investments from PIF like NEOM and the Red Sea are boosting infrastructure growth across various sectors.

Cyber Threats: Increasing cyber threats, including hacking and ransomware, are driving investments in cybersecurity to protect critical infrastructure like energy and telecommunications.

Regulatory Compliance: Compliance with Saudi cybersecurity regulations is essential for businesses, further driving the demand for security solutions and services.

Growing Vendor Ecosystem: Saudi Arabia is seeing the growth of cybersecurity service providers, providing a robust ecosystem for addressing cybersecurity challenges.

Shift to Cloud-Compatible Systems: Companies are migrating from legacy systems to cloud-based infrastructure, leveraging the benefits of scalability and flexibility.

AI & Cloud Integration: The demand for AI-embedded applications is driving SaaS adoption, while the growing use of scalable infrastructure like GPUs is expanding IaaS investments.

Mega Projects: KSA's mega projects are spearheading data transformation, with a focus on operational efficiency through AI and data analytics.

Global Investment in AI: Global technology providers are investing heavily in Saudi Arabia, deploying AI platforms, services, and infrastructure to support the kingdom's digital ambitions.

Non-Oil Economy Focus: The focus on diversifying beyond oil is boosting software adoption in sectors like healthcare, education, and manufacturing.

3.4. Regulatory Landscape and Outlook

In Saudi Arabia, the regulatory landscape for the IT industry is evolving rapidly, with a strong emphasis on data privacy, IoT, and cybersecurity.

Data Privacy: The PDPL, effective from September 14, 2023, is governed by the SDAIA and the National Data Management Office. This regulation mandates that data controllers collect personal data only for clearly defined, lawful purposes and requires entities processing personal data to register with the appropriate authorities, detailing their data handling activities. The PDPL grants individuals' rights including access, rectification, erasure, and the ability to object to the processing of their data.

IoT: The IoT Regulatory Framework, established by the CST, addresses crucial aspects such as licensing, data protection, network and device security, and consumer protection. This framework aims to ensure secure and regulated deployment and management of IoT devices across the country.

Cybersecurity: The NCA spearheads the National Cybersecurity Strategy, designed to bolster the security and resilience of Saudi Arabia's critical infrastructure against cyber threats. This strategy encompasses a wide array of regulations and initiatives aimed at protecting national security, economic stability, and digital communications.

While the increasing regulatory requirements may pose challenges, particularly for smaller digital players due to potential compliance costs, they also create opportunities. Large enterprises with the resources to navigate these regulations can more easily enter the Saudi market, leveraging their scale and experience. Enhanced regulatory transparency in data privacy and cybersecurity can attract both small niche players and global tech giants, incentivising them to engage with the Saudi market while ensuring adherence to local regulations. Additionally, the demand for local infrastructure, driven by data privacy and cybersecurity requirements, presents opportunities for domestic companies to either operate independently or form partnerships with international firms to meet local needs.

BUSINESS OVERVIEW

Investors should read this section of this Offering Memorandum in conjunction with the more detailed information contained in this Offering Memorandum, including the financial and other information appearing in the sections entitled, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Company's Audited Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

Overview

Established in 1981, the Group is one of the leading digital transformation and system integration services providers in the United Arab Emirates. The Group also has smaller operations in KSA (launched in 2022) and Qatar (re-launched in 2022), which the Group plans to grow in the future.

The Group develops and builds customised electronic (computer-based) solutions for customers (including businesses and governmental bodies) principally by using third-party developed hardware, software, networking and storage products (developed by many of the world's leading technology companies). In doing so, the Group typically integrates numerous products and/or services into a solution and/or service delivered by the Group. The Group also recruits and outsources specialist IT personnel to customers.

The Group operates across three business segments:

- **Solutions.** The Group's relationship with its customers typically begins with the provision of an enterprise solution. This includes IT infrastructure solutions, including servers, storage, network infrastructure, audio-visual infrastructure, physical security infrastructure (ie. CCTV networks) and backup and disaster recovery infrastructure. This also includes providing and implementing tailored solutions by integrating advanced technologies such as cybersecurity, cloud, mobility, AI, big data, digital transformation and software automation technology. The Group provides physical and virtual solutions to customers using a combination of different technological hardware and software provided by different vendors. The Group aggregates such technology solutions to provide a bespoke and customised technological solution to the customer to serve a specific function for the customer's business or infrastructure.
- **Services.** The Group offers a full range of services to customers to consult, implement, monitor, manage and maintain IT infrastructure and solutions. These include (i) managed services, (ii) professional services, (iii) support and maintenance services and (iv) consulting services. The Group provides network and cybersecurity services by providing to customers a Network Operations Centre ("NOC") and/or Security Operations Centre ("SOC") through the Group's Digital Transformation Centre. As part of its services offering, the Group provides general IT customer service desk support and call centre support. The Group's managed services offering involves the Group managing all, or a significant part of, an enterprise's IT servicing needs through a single package. The Group has higher profit margins from delivering Services than Solutions and the Group is growing its Services business, including as part of its strategy to provide 'everything-as-a-service' to its customers. The Group believes its strong Services segment differentiates itself from many of its competitors.
- **Talent.** Through the Group's subsidiary Alpha Data Recruitment LLC - OPC ("**Alpha Data Recruitment**"), the Group recruits and outsources specialist IT personnel to customers, to meet high customer demand for skilled IT individuals. The Talent segment includes the following offerings:
 - *resource-as-a-service (RAAS)* – providing IT personnel on a contract or contract-to-hire basis or for seasonal or niche needs, as well as offering flexible contract durations with the option to hire after contract expiry;
 - *permanent staffing service (PSS)* – leveraging web portals, digital marketing, and headhunting to source the *right* candidates for permanent staffing positions;
 - *Emirati/Saudi recruitment services* – offering a full service recruitment team, with proficiency in Arabic language, comprehensive understanding of Emiratization and

Saudization requirements, with access to *in excess of* 5,000 Emirati and Saudi national employees; and

- o *Insourcing* – undertaking technical screening of the niche skillsets of potential candidates and providing the Group with access to these vetted candidates for employment within the Group.

This segment works in conjunction with the Solutions and Services segments to assist clients to manage / operate technologies.

The solutions and services the Group provides for customers are varied and include designing, installing, operating, managing, maintaining and providing services in respect of:

- (a) IT and network infrastructure, including computer and network infrastructure for use at customer offices, branches and facilities, including server, data storage, disaster recovery, security and audio-visual solutions and services;
- (b) cybersecurity solutions, to protect IT infrastructure, devices, data and networks from intrusions, hacking, theft and ransom;
- (c) cloud technology solutions, including storage, data analytics, security and enterprise management solutions, delivered using private, public and hybrid clouds;
- (d) mobility solutions, including enterprise devices, remote access software, virtual desktops and remote applications;
- (e) AI and big data solutions, involving generative AI (including large language models), computer vision, machine learning, sensory, data analytics and other technologies, often built onto cloud and other IT infrastructure;
- (f) software and software automation, to streamline business processes and assist customers with developing their own IT solutions; and
- (g) services, including managed services, through which the Group provides support, monitoring and maintenance services to its customers in respect of their IT infrastructure, including through the Group's Digital Transformation Centre.

The proportion of the Group's revenue that derives from its "pillars of digital transformation" - cybersecurity, cloud, mobility, AI, big data and software automation solutions, as well as services and managed services, has been increasing in recent years.

The Group's integrated and customised offerings to customers streamlines their procurement, contracting and vendor management processes, removing the need for the customer to source, contract with and manage service levels with multiple vendors.

Many vendors will only contract on their own standard terms and use procurement processes that are not convenient to navigate for many customers in the UAE, KSA and Qatar. By contrast, the Group contracts with customers on bespoke terms using contractual forms often initially prepared by the customer, which is a more attractive proposition for many large customers in the UAE, KSA and Qatar.

The Group's business and operations are primarily located in the UAE. The Group also has smaller operations in KSA (launched in 2022) and Qatar (re-launched in 2022), which the Group plans to grow in the future.

As at 31 December 2024, the Group had 1,629 employees, with 1,606 based in the UAE. This comprises 636 technical personnel, around 105 sales personnel and 320 administrative personnel, as well as around 568 employees in the Group's Talent division through Alpha Data Recruitment, which outsources employees to customers. See '*Group Companies – Alpha Data Recruitment*' below.

The Group serves more than 2,200 customers, including some of the largest enterprises in the UAE, including leading state-owned oil and gas companies, airlines, utilities, port operators and sovereign

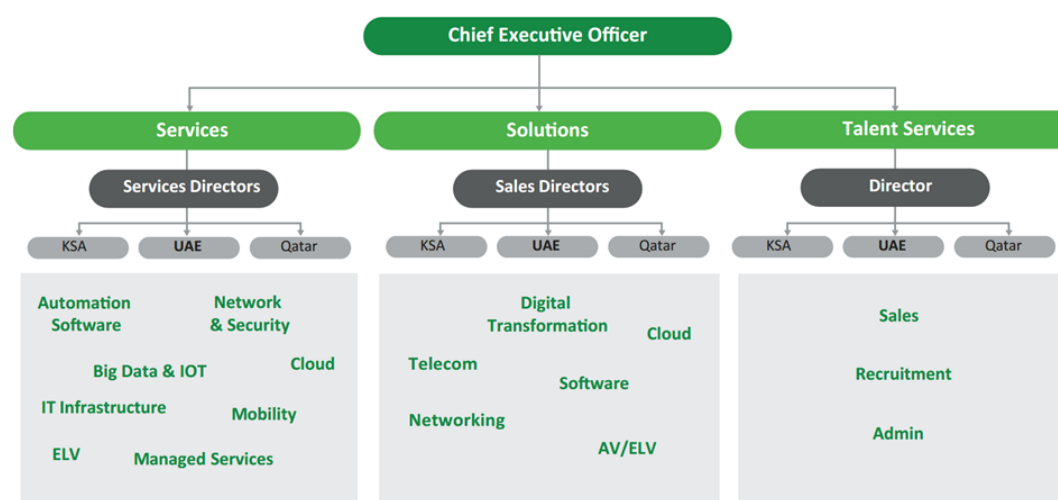
wealth funds, as well as a number of banks, financial institutions and governmental ministries and departments.

The Group's vendors include many of the world's leading technology companies, including the following:

- *IT & Network infrastructure:* Hewlett-Packard Enterprise, Huawei, Dell Technologies and Cisco;
- *Cybersecurity:* Fortinet, Palo Alto, Forcepoint and Microsoft;
- *Big Data / IoT:* Red Hat, Cloudera, IBM and Microsoft Azure;
- *Cloud Technology:* AWS, Oracle, Microsoft Azure and GitHub;
- *Mobility:* Citrix, Lakeside, Accops and Microsoft 365; and
- *Software and Automation:* Opentext, Seclere, Mendix, ManageEngine and SAP.

The Group has positioned itself to capitalise on market growth as demand for digital transformation technologies continues to increase across multiple sectors in the UAE (and across the Middle East), including as a result of the UAE's Digital Economy Strategy and Digital Government Strategy, the KSA's National Strategy for Digital Transformation and Digital Government Strategy and Qatar's Digital Strategy and Digital Government NextGen Strategy.

The below chart sets out the structure of the Group's management of its different segments.



History

The Group was established in Abu Dhabi in 1981 to offer on-demand computer services (including data processing outsourcing services) at a time when computers were large and expensive. When personal computers became more popular, the Group started to distribute IBM personal computers in the UAE market, starting an IBM personal computer dealership in 1983.

The Group commenced its Dubai operations in 1986. Subsequently, in 1995, the Group built the first structured cabling solution for a smart building in the Middle East for an oil and gas sector customer. In 1996, the Group introduced digital telephony private automatic branch exchange systems to customers in the oil and gas and governmental sectors in the UAE. The Group first participated in GITEX (Gulf International Technology Exhibition) in 1996, the largest technology-focused trade exhibition in the Middle East.

In 1997, the Group built its first ethernet network. Also in 1997, the Group developed its first asynchronous transfer mode system for an oil and gas customer's EMEA and African business. In 1998,

the Group built the first internet protocol television system in the Middle East at the Emirates Towers in Dubai. In 1999, the Group built the first security firewall and dial-up internet services system for customers in the region.

In 2000, the Group installed a city-wide video surveillance network and moved to new headquarters alongside the airport road in Abu Dhabi. Foresight was launched in 2000 to develop and provide customised solutions to the banking and finance sectors.

In 2003, the Group installed the first hospitality room management systems in the UAE. Also in 2003, the Group set up for a prominent customer the largest (at the time) call centre in the UAE.

In 2004, Tuqnia was launched to provide services using the technology of one of the Group's leading vendors. The Group also changed its logo in 2004 to the logo currently used by the Group.

In 2010, the Group launched a first-of-its-kind (for a UAE hotel) high technology video conferencing system, the Polycom RPX Immersive Telepresence Centre at the Emirates Palace in Abu Dhabi.

In 2012, the Group received its commercial licence, secured office space and commenced operations in Qatar.

In 2014, the Group set up Alpha Data Recruitment, to provide on demand IT technology specialists to its customers on an outsourced basis.

In 2015, the Group adapted its strategy to increase its focus on developing its business around the 'pillars of the new digital economy', namely cybersecurity, mobility, cloud and big data. In particular, the Group focused its strategy on attracting and nurturing talent, and developing know-how and expertise, in these areas.

In 2017, the Group's annual revenue surpassed AED 1.0bn for the first time. In 2023, the Group's annual revenue surpassed AED 2.0bn for the first time.

In 2019, the Group opened its Digital Transformation Centre in Abu Dhabi, enabling the Group to provide a range of services to customers to monitor, manage and maintain IT infrastructure and solutions, including network and cybersecurity services including through the NOC and SOC.

In 2021, the Group celebrated the 40 year anniversary of its establishment.

In 2022, the Group launched its expansion into KSA and re-launched its operations in Qatar.

In 2024, the Group initiated the launch of its AI business with a focus on developing AI solutions.

Strengths

Leading digital transformation partner for all business information communications technology ("ICT") needs

The Group is a leading digital transformation provider and system integrator. With a strong track record of over 40 years, the Group has consistently helped customers strengthen their technology by creating tailored ICT solutions ranging from mobility and cloud-based solutions to big data and automation. The Group has strong industry relationships and a diverse range of customers from various industries, including government, telecommunications, banking, insurance, real estate, construction, oil and gas, and aviation, which has allowed it to reinforce its reputation as a trusted and preferred ICT service provider in the UAE.

The Group believes that it has a number of key differentiators in the markets in which it operates, such as the depth and breadth of its technical expertise, its specialist industry knowledge, its flexible commercial models and its expertise in implementing accelerated transformation projects for its clients.

Specifically, the Group is able to differentiate itself from its competitors through:

- **Technical expertise:** the Group's technical expertise is demonstrated through its development and implementation of innovative solutions across multiple technologies;

- *Specialist industry knowledge:* the Group has a proven track record of delivering complex projects in a large number of industries since 1981 (see '*Customer Relationships and Sales*');
- *Flexible commercial models:* The Group is able to tailor its commercial models based on client preferences, using a combination of project-based, recurring contracts, licensing, leasing or build-operate-transfer contract models; and
- *Accelerated transformation:* using agile delivery methods and complemented by the Group's managed services offering, the Group is able to deliver on implementing accelerated digital transformation projects for its clients.

Favourable market and sector growth

Strong digitalisation and regional economic diversification are driving high levels of growth of all IT related services throughout the markets in which the Group operates. The Group's core markets, the UAE and the KSA, are experiencing significant growth in their ICT sectors, with the Alpha Data addressable IT market ("**Addressable Market**") in each of the UAE and the KSA projected by the International Data Corporation ("**IDC**") Middle East to grow at 9.0% CAGR between 2023 and 2028 and 11.1% CAGR between 2023 and 2028, respectively (see '*Industry Overview*'). This is supported by government-led digitalisation focused initiatives including the "UAE Digital government Strategy 2025", the "UAE National Strategy for Artificial Intelligence 2031", "Operation 300bn", the UAE's "Fourth Industrial Revolution (4IR) Strategy" and the numerous KSA Vision 2030 giga projects. The Group intends to capitalise on the favourable market and sector growth (as described above). The Group has an approximate 6% market share of its Addressable Market in the UAE according to the IDC Market Report, with the Addressable Market interpreted to include the markets in which the Group operates in the UAE, and to exclude the markets which the Group does not operate in, such as consumer IT, 3rd platform technologies, industrial IOT segment, other devices (such as mobile phones) (see '*Industry Overview*').

Leading 'one stop shop' IT business solutions provider for enterprises in UAE

As a system integrator and digital transformation company, the Group offers a comprehensive, end-to-end product offering, including hardware, software and services, providing customers with a "one stop" IT solution for all of their ICT needs, from the initial assessment and design to hardware and software supply, implementation, support and managed services.

Due to the unique nature of the IT industry and the complementary nature of available solutions and services, the Group has been able to cross-sell its multiple business lines, allowing the Group to be a 'one stop shop' solution provider.

Although the Group faces competition in each of the market sectors in which it operates, the Group believes that none of its competitors in the UAE compete with the Group across all of the Group's market sectors, giving the Group a competitive advantage in being able to offer a broader and more comprehensive range of IT solutions than its competitors.

Case Study – the Group's work with a leading state-owned utilities provider

An example of the Group providing a "one stop solution" is the Group's work for its longstanding governmental client, a leading utilities provider, with whom the Group has worked for decades, becoming a trusted partner and a driving force behind the company's digital transformation.

The Group initially commenced working with the company on a small mandate, and has since continuously expanded its engagement and services provided to the company, designing and building the company's digital infrastructure, with servers specifically identified for the company requirements. The Group implemented a data storage system for the company, as well as automated disaster recovery and back-up systems (for both SAP and non-SAP platforms). The Group established a wifi and data network solution for the company, which, together with cabling infrastructure, provides secure communications and data transmission for the company.

The Group has also designed a workflow management system, which streamlines the company's processes and maximises efficiency. The Group also assisted the company with setting up a document management system that is integrated with SAP and the Group has also implemented numerous Microsoft technology solutions for the company. By embedding itself within the company from its initial

engagement, the Group has capitalised on its deep understanding of the company's IT infrastructure requirements to develop and grow its relationship.

There are many similar examples where the Group has also maintained and developed its relationships with its customers over an extended period. In one example with a client in the healthcare industry, the Group assisted with the implementation of a cybersecurity enhancement project in 2014. In 2022-2023, the Group was engaged again to assist with implementing a metaverse for telemedicine, and in 2024 is designing a national organ transport solution for the client. In another example, the Group set up the network & security infrastructure for an internet service provider in 2007, and was engaged to assist with designing and migrating their billing application in 2014. In 2021, the Group was recognised as a "Partner of Choice" for the client.

Specialising in Leading Segments that Propel Digital Transformation

The Group is focused on high-growth sectors like cloud, AI, and big data and the Group serves fast-growing sub-segments of leading industries such as banking, finance and healthcare, which are embracing digital transformation and increasing their IT spend. These sectors are driven by macro-trends in the ICT sector such as generative artificial intelligence, the demand for automation and virtual desktop infrastructure, as well as robotic and intelligent process automation. The demand for digital transformation initiatives amongst both private and public sector clients has been accelerated by these macro-trends and the Group believes that it is well positioned to capitalise on its clients' needs in these areas.

Serving Diverse Blue-Chip and Creditworthy Customer Base with Flexible Contract Structures

The Group has a diverse customer base consisting of approximately 2,200 government, quasi-government and private entities. Its relationship with government entities strengthens its position as a key player of ICT services in the region. The Group has a strong portfolio of high-profile customers, including DP World, National Bank of Fujairah, MBRSC, DIBSA, as well as already established long term relationships with customers such as Emirates Airlines, ADNOC, Dubai Airports, amongst others.

The Group develops long-term relationships with customers, allowing the Group to understand the technological solutions best suited to its customer's business needs, as well its customer procurement processes. The Group offers a customer-centric and product-agnostic approach (such as offering flexible contract structures), which allows it produce tailored solutions for its customers. The Group also offers bespoke contracts with pricing tailored based on customer-specific factors including the number of customers, users and sites to be covered, the types of applications to be used and the level of administration and management to be provided.

Founder Led Management Team with Unique Track Record of Growth, Innovation and Execution

The Group benefits from a strong management team with clear vision and over 250 years of sector experience, which is supported by robust corporate governance, local market knowledge, and regulatory expertise. The management team has a deep commitment to maintaining the highest standards of excellence within the Group, with a proven operational and financial track record. Furthermore, the Group's management team has been strategically split with a combination of services and sector units to leverage extensive sector expertise.

Underpinned by Breadth and Depth of its Strong Multi-Vendor Partnerships

The Group has a strong vendor network, providing access to the latest technologies and preferential support through key vendor relationships. The Group offers clear value to vendors by giving them access to the local market and allowing them to easily reach customers. The Group holds high level partnerships and/or is recognised as a partner of choice by numerous global technology leaders like Microsoft, AWS, Cisco, IBM, Fortinet, and Palo Alto, having received numerous awards from such strategic partners (see 'Recent Awards'). Such partnerships ensure neutrality, high margin optimisation, and flexibility within the Group's service offerings. The Group is continuously looking to expand its network of partners, with a view to building mutually beneficial relationships and collaborating on new and emergent technologies.

Robust Financial Performance Demonstrated by Strong Topline Growth, Resilient Margins and FCF

The Group has enjoyed sustained revenue growth across each of its segments (Solutions, Services and Talent), with a four year CAGR of 21.9% based on comparing revenue in the years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

Furthermore, despite the highly competitive environment the Group operates in, the Group has maintained stable Gross Profit, Adjusted EBITDA and Net Profit Margins. Specifically, for the financial year ended 31 December 2024, the Group's Gross Margin was 12.5%, Adjusted EBITDA Margin was 5.8%, and Net Profit Margin was 5.5%. This is compared to the financial year ended 31 December 2023, in which the Gross Margin was 13.4%, the Adjusted EBITDA Margin was 6.4%, and the Net Profit Margin was 6.6%. The Group has also experienced sustained improvements in its Free Cash Flow generation, experiencing an average cash conversion rate of 103% for the years ending 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024. Thanks to the strong growth, the Group has been able to deliver strong value to the shareholders, with healthy dividends over the four years ending 31 December 2021 to 31 December 2024 and an average Dividend Payout of 75% over the same period.

Strategy

Establish Leadership in Digital Transformation Technologies and Further Grow its Market Position

The Group believes that there are numerous opportunities in the UAE market to support further growth across its segments and technologies by leveraging the Group's existing capabilities, strong customer relationships and track record.

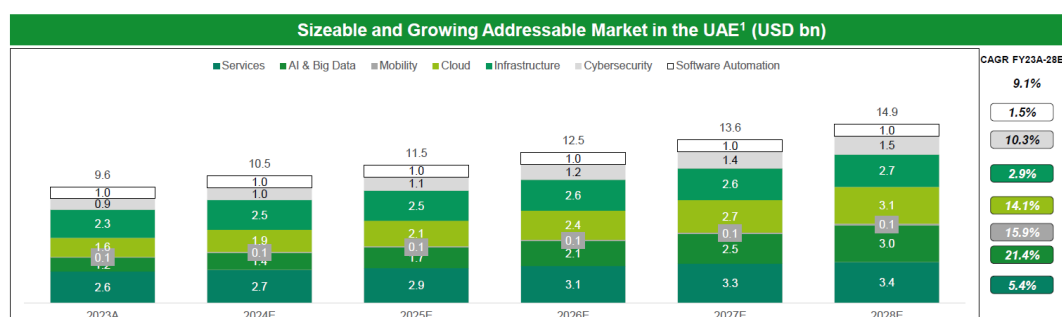
The Group believes that digitisation trends, specifically government-led digital transformation, digital economy growth, enhanced cybersecurity measures, infrastructure modernisation, data management evolution and artificial intelligence create unparalleled growth opportunities for the Group to anchor its leading market position in system integration / digital transformation services.

The Group believes that UAE government initiatives to promote investment in digital transformation, such as UAE's "Fourth Industrial Revolution" strategy (which aims to position the country as a global hub for innovation) and its AI strategy (which aims to embed smart digital systems across government sectors) will generate rising demand for its solution and services.

The Group intends to focus on transformational technologies to capture growth in the evolving technological landscape as well as identifying practical use cases and technologies to expand its product portfolio in line with the latest digital trends.

In 2023, Alpha Data held a market share of approximately 6% within the UAE's total Addressable Market, which stood at USD 9.6 billion in 2023 (see '*Industry Overview*').

The total Addressable Market for Alpha Data is expected to increase from USD 9.6 billion in 2023 to USD 14.9 billion in 2028 at a 2023-2028 CAGR of 9.1% (see '*Industry Overview*').



Note: 1. As per IDC Market Report

'Everything-as-a-Service' Business Model

The Group has moved (and continues to move) many of its customer relationships to an "Everything-as-a-Service" ("XaaS") model, whereby any IT function can be delivered by the Group (for example,

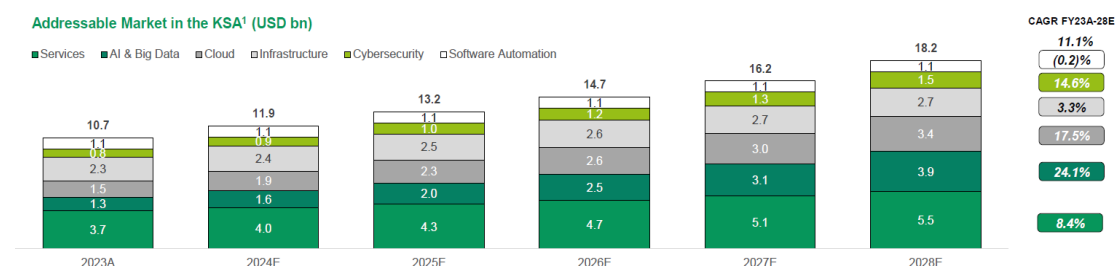
infrastructure, device, software, back-up, disaster recovery, database, platform and AI) "as-a-service". The XaaS model also encompasses the provision of managed security services (i.e. outsourcing the monitoring and management of security devices and systems). The XaaS delivery model provides greater flexibility and technological options for customers, allowing customers to scale up and down with ease and align their IT investment with their revenues. The XaaS model also allows the Group to increase customer retention and provide greater profit margins.

Expansion to other markets in the GCC region (including the KSA and Qatar)

The Group launched operations in the KSA in 2022 (and relaunched its Qatar operations in the same year) as part of its top-down strategy to expand its footprint into other ICT markets in the GCC. The Group has a team of 8 employees in Qatar and a team of 11 in KSA, which it intends to expand over the coming years. The Group intends to offer a full spectrum of solutions and services in these jurisdictions and already has a number of key governmental departments and leading corporations as some of its main customers in KSA and Qatar. The Group intends to provide support from the UAE to its operations in KSA and Qatar.

The Group intends to capitalise on various government initiatives to drive digitisation in the region, such as KSA's Vision 2030, its plan to build hyperscale data centres powered by renewable energy, and the integration of "Industry 4.0" technologies to facilitate large scale mega projects.

The Addressable Market for Alpha Data in KSA is expected to grow from USD 10.7 billion in 2023 to USD 18.2 billion in 2028 at a 2023-2028 CAGR of 11.1% (see 'Industry Overview').



Well Positioned to Capture Growth, Diversify Revenues, Launch New Services, and Target New Customers

The Group is well-positioned to capitalise on the increased growth amongst the public and private sectors in the UAE and GCC given its deep-rooted history in the region as one of the region's most well-known diversified systems integrator and digital transformation services provider. The range of the Group's service and product offerings has given the Group a diversified revenue stream, allowing it to leverage its expertise in various areas to launch ancillary services and offerings. The Group's diverse client base has provided the Group with insights into the unique demands of its various public and private sector clients, allowing it to refine its offerings and strategically target clients requiring similar products and services.

Cost control and operational efficiency

The Group had stable net income margins for the financial years ended 31 December 2021 to 31 December 2024 (see 'Strengths' above) as a result of maximising economies of scale, margin accretion (resulting from the Group's everything-as-a-service vertical) and efficient cost control. This has positioned the Group to further capitalise on potential expansion opportunities.

Solutions and Services

Products

The Group provides Solutions and Services in a range of different technology verticals, as described below.

(a) Digital Infrastructure (IT and Network)

One of the Group's core businesses is the design and implementation of IT infrastructure solutions for its customers and the provision of related services.

i. Computer System Infrastructure and On-Premise (Private Cloud) Data Centres

(A) Solutions

The Group helps its customers to design and build computer system infrastructure and data centres to allow them to run their businesses using modern technology. The Group plans and implements the installation of on-premise computer systems at customer premises and sets-up (where applicable) private cloud-based solutions for customers. The Group does not offer its own data centre facilities for use by customers.

The Group's solutions include a large number of different types of systems, servers and storage options, from traditional to more innovative options. The Group provides its customers with personal computers, laptops and other computing devices for use by their employees. The Group also provides office printing equipment and managed print solutions and services.

The Group assists its customers with setting up on-premise physical data centres, including the equipment necessary to maintain and run such data centres, including mechanical equipment (such as cooling units), electrical equipment (including power supplies) and servers (including a variety of server types). The Group also provides monitoring and management services for physical data centre infrastructure, including environment monitoring systems, power and power usage monitoring and control, thermal solutions in relation to heat containment, access control and fire safety equipment and installations. This is a significant contributor to the Group's revenue.

(B) Services

The Group provides services to customers to modernise their infrastructure, including to move their data centres and computer systems from on-premise physical infrastructure to a hybrid cloud or public cloud model. The Group helps its customers to set up business process governance frameworks to improve business processes and overall workflow.

(C) Key Vendors

The Group's computer infrastructure system and data centre vendors include HP Enterprise, Dell, Huawei, Lenovo, IBM, Commvault and Veeam.

ii. Network Infrastructure

(A) Solutions

The Group designs and builds communications network infrastructure for internal and external business communications, including providing WIFI, IP telephony, collaboration solutions and local area network ("LAN"), wide area network ("WAN") and software defined network ("SDN") solutions.

(B) Services

The Group also provides network infrastructure maintenance & monitoring services, using its Digital Transformation Centres in Abu Dhabi and Dubai.

iii. Extra-Low Voltage ("ELV") and Physical Security Infrastructure

(A) Solutions

The Group provides a range of ELV network and security solutions.

The Group's ELV solutions include structured cabling (including ethernet and fiber solutions), public address and digital signage systems and hospitality room management involving energy saving and control systems.

The Group's security solutions include CCTV networks (and integrated command and control centres), physical access control systems (involving doors, traffic barriers and gates), fencing controls and x-ray machines.

iv. Audio-Visual Infrastructure

(A) Solutions

The Group provides digital workspaces, meeting room and auditorium solutions, including supplying screen equipment, announcement systems, voice recognition systems, auditorium systems, room booking systems, smart classroom solutions and immersive spaces. As part of this, the Group also provides collaboration and unified communication systems to allow groups to communicate remotely.

The Group's projects include both greenfield projects (in connection with the establishment of new spaces) and brownfield projects (the improvement of existing spaces).

v. Key Vendors of Network, ELV, Physical Security and Audio-Visual Infrastructure

The Group's vendors of network, ELV, security and audio-visual infrastructure include Cisco, HPE Aruba Networking, Huawei, Juniper Networks, Arisa and Dell Technologies, Poly, Logitech, Extron, Alcatel, Microsoft and Audiocodes.

Cybersecurity

Cybersecurity is critical to the Group's customers and is one of the Group's fastest growing business lines. The Group recognises the importance of cybersecurity in the region and takes additional efforts in acquiring talent and cutting-edge technologies to offer to the market.

Solutions

The Group provides cybersecurity solutions that protect IT systems and infrastructure (including cloud-based IT infrastructure) and the integrity of data that is held on them. These solutions include cloud security, identity-based security, network security, application security, data security and zero trust security solutions. The Group also provides end-point security for devices (including personal computers, tablets and mobile telephones). The Group also designs and implements back-up and disaster recovery infrastructure. The Group uses specialist technology to deliver cybersecurity solutions.

The Group designs and implements cybersecurity solutions, both specific and enterprise-wide. The Group is often commissioned by existing cybersecurity Solutions customers after three to five years to review and refresh the customer's cybersecurity systems. This is a significant contributor to the Group's revenue.

Services

The Group emphasises to its customers the importance of engaging in all forms of threat readiness, including technology process and employee training. The Group helps its customers to prepare for, prevent and protect themselves against, cybersecurity threats. The Group provides cybersecurity services through training personnel and implementing processes.

The Group performs security audits, compliance audits, vulnerability assessments and penetration tests. The Group provides consultation services in respect of compliance frameworks, security auditing and cyber threat detection (particularly cyber information and event management).

The Group monitors and maintains cybersecurity infrastructure by providing an NOC and/or SOC to customers through the Group's Digital Transportation Centre. See also '*Managed Services*' at section 2.5 below.

Key Vendors

The Group has the highest level of partnership with leading cybersecurity vendors such as Fortinet (with whom the Group is at 'expert' level, demonstrating the expertise and familiarity the Group has with the vendor's products, as well as the strength of vendor relationship) and Palo Alto (with whom the Group is

at 'platinum' level). The Group also has a strong level of partnership and certification with Microsoft in the cybersecurity sphere.

The Group constantly monitors the cybersecurity market in order to identify new solutions that can be used by its customers. As well as having strategic alliances with larger cybersecurity providers, the Group also offers cybersecurity products developed by a number of niche providers in order to solve certain more specific problems.

Cloud

Cloud-based technology is central to the digital transformation journey of the Group's customers. The transfer of infrastructure, solutions and services to the cloud is a key component of the Group's ability to provide a range of digital transformation technologies to its customers. The Group's cloud-based solutions are highly integrated with, and complement, the Group's other products and services. Cloud-based solutions are one of the Group's fastest growing businesses.

Solutions

The Group provides use case assessment and feasibility studies for customers considering migrating to cloud-based technology solutions. The Group helps its customers to build business cases for migrating operations to the cloud and to understand the cost implications of a migration to cloud-technology.

The Group provides private, public and hybrid cloud solutions, as well as edge computing, through its "multi-cloud" strategy offering. It also uses vendor data centre infrastructure, on-premise customer data centre infrastructure or combination of both. The Group has been rapidly acquiring cloud customers in recent years and has seen high customer retention rates.

The Group will usually charge a one-off fee for the migration from on-premise infrastructure to the cloud. This is a significant contributor to the Group's revenue.

Services

Once a customer has migrated to cloud-based infrastructure, the Group will subsequently provide cloud-based services on a recurring fee model.

Key Vendors

The Group has a strong partnership with Microsoft Azure in the cloud segment. Sales of Microsoft Azure products and services are the largest amongst vendors in the total cloud vendor spend by the Group. Customers can pay as they go for Microsoft services or enter into annual or multi-year subscriptions (and the latter, longer term, options are more popular with the Group's customers).

The Group is developing its relationship with AWS and the Group has the highest level of partnership with AWS of any other systems integrator in the UAE. The Group closely collaborates with AWS and solutions and services involving AWS products and services represents a growing business area for the Group.

The Group also partners with Core42/Injazat and Microsoft in the UAE to deliver services in relation to the build out of the sovereign cloud of the UAE.

The Group has a number of highly skilled engineers and other personnel trained to work on Microsoft Azure, AWS and other cloud-based vendor products.

Mobility

The Group's mobility business has grown since the increased adoption of remote working during the COVID-19 pandemic in 2020.

Solutions

The Group's mobility solutions focus on end-user, remote access and connectivity. This involves a considerable amount of back-end integration with an enterprise's IT infrastructure and the Group uses its

knowledge as a systems integrator for IT infrastructure to build mobility solutions that complement such infrastructure.

The Group provides consultancy and assessment services to enterprises to assess their mobility needs and to identify the types of devices suitable for a particular enterprise to provide to employees.

Services

The Group provides virtual desktop infrastructure, mobile device management, security and compliance services, operating system management, mobile application management, endpoint provisioning and other access and visibility services (connecting the data centre to the end user) i.e. "workplace-as-a-service" offerings to optimise the digital user experience of its customers.

Key Vendors

Almost half of the Group's purchases of mobility products from vendors are from Citrix. Nutanix, Microsoft and Lakeside are also large providers of mobility products to the Group.

Artificial Intelligence and Big Data

The Group provides AI and Big Data solutions and services to its customers to solve a range of problems in a customised and innovative manner. The Group helps its customers to build scalable and cost-effective digital solutions that reduce labour and infrastructure costs and allow businesses to make more informed decisions.

Solutions

AI and big data is a key growth area for the Group, including using technologies focused on large language models, text to image models, machine and deep learning, natural language processing, generative AI and computer vision. This strategy aligns with broader market trends and governmental initiatives, including the UAE Strategy for AI. The Group's big data practice started in 2015, with an initial focus on data governance and big data solutions (which is still a key part of customer demand for AI solutions), and has expanded into different directions based on customer demand.

The Group provides architectural solutions for structured and unstructured data for businesses, to help businesses generate data insights relevant to their businesses. The Group designs and implements data lake and data pipeline infrastructure for its clients.

The Group's AI projects typically begin with proof-of-concept presentations and consulting sessions to prospective customers.

The Group has employed its AI capabilities to assist with a variety of projects for customers, which have provided tangible and clear results. One example is the use of AI technology to detect damaged shipping containers before they are offloaded from vessels at a leading port in the UAE, which allows the port operator to defend itself from claims of liability for such damage. The Group implemented such solutions using camera technology and an AI system that was trained by the Group to identify damage.

Where the Group delivers AI solutions to customers, the customer's increased confidence and appreciation of such AI technologies often causes them to look for other use cases for AI to solve business problems. In such way, AI technologies allow customers to use their own imaginations to consider additional use cases, thereby driving demand for solutions from the Group. In the example of the port operator referred to above, the successful deployment of automatic damage detection solutions using AI caused the port operator to request other AI-powered solutions, including automatic face and freight vehicle detection technology to allow more efficient entry and exit processes to the port area.

The Group has also used AI to develop solutions for a variety of applications across a wide range of industries.

For its governmental customers, the Group has:

- (A) assisted with the integration of over 900 government services into one app for customers;

- (B) provided a solution for the analysis of motor vehicle traffic on public roads (including congestion management and traffic violation detection applications);
- (C) created a solution for document review (including error detection and content categorisation and summarisation);
- (D) created a solution to standardise and scale government proposals during the procurement process;
- (E) built a solution to assist with the monitoring of systems and networks and to mitigate security incidents for government security departments;
- (F) developed a solution to implement document processing automation processes to improve efficiency and reduce man hours; and
- (G) created a solution to implement AI-powered fleet tracking and management systems to manage public transport services.

For its customers in the education sector, the Group has:

- (H) assisted with developing a system to provide analytics for the behavioural assessment of students;
- (I) automated various document processes; and
- (J) assisted with the personalisation of learning paths for students, in turn boosting academic performance and engagement.

The Group has provided AI-based anti-fraud reporting and solutions across the banking, retail and utilities industries, and has developed custom AI models and analytics to assist healthcare customers treat patients undertaking organ transplants. The Group has implemented AI technologies to assist companies with detecting false statements, to assist facilities providers with identifying unauthorised access to certain areas and to assist government bodies to help business owners take decisions about the most optimal locations to open business premises, amongst others.

Services

The Group's AI, big data and data analytics capabilities include supplying data and analytical tools, conducting analysis and reports to advisory and consultancy services. The Group provides a comprehensive suite of data services, including data modelling services.

Key Vendors

The Group's AI solutions are often based on open-source technologies but the Group has partnered with a number of industry leaders to deliver services using their technology. The Group builds AI solutions using existing cloud and other infrastructure platforms.

Software Automation

The Group deploys software automation solutions to automate business processes and reduce reliance on human labour to perform repetitive tasks. Software automation complements the Group's infrastructure solutions and services and uses a range of processes and tools to deliver results for customers.

Solutions

The Group delivers no code and low code platforms to its customers to allow customers to build software solutions for their businesses without using professional software designers or coders. This allows enterprises to build solutions themselves using their intuition and deep understanding of their organisations and industries that are customised to their requirements.

The Group deploys AI for IT operations ("**AIOPs**"), which use machine learning technology to improve the efficiency of IT operations. The Group's AIOPs solutions track and analyse IT incidents to create

insights that can be used to drive change in organisational processes. The Group uses robotics process automation to automate tasks using software robots.

The Group also deploys IT service management (structured IT services for business alignment) and operations management (which manages and automates IT infrastructure and operations).

Services

The Group uses application performance management technology to monitor applications and identify failures in performance. The Group delivers application lifecycle management technology to create and manage software applications.

Key Vendors

The Group's software automation vendors include Microfocus and Mendix (which combined constitute over half of the Group's software automation purchases), as well as SAS, One Identity, Software AG and others.

Managed Services

The Group's managed services division is a flagship offering of the Group. The Group offers customers a managed services package under which the Group maintains and monitors the entire IT infrastructure of a customer, or a particular part of it (such as cybersecurity). This includes IT infrastructure that has already been set up without the Group's involvement, as well as IT infrastructure the Group has designed and/or installed.

The Group provides its managed services to customers through an NOC and SOC (whereby customer applications are managed and supported remotely through a command centre within the NOC or SOC), remote infrastructure management and/or application management services through its Digital Transformation Centre in Abu Dhabi and Dubai. Furthermore, the Group also provides end user / workplace managed services, which typically includes proactively updating firmware, continuously monitoring end-user devices and providing digital transformation managed services for managing emerging technologies including cloud and AI, among others. The Group serves over 500 customers through its Digital Transformation Centre.

The Group's managed services provide performance monitoring, trouble ticket management, event management-guaranteed service levels and after-sales support to its customers, allowing customers to reduce operating expenses, improve technological processes and focus on their end users' overall service experience.

An NOC monitors IT networks 24/7 from a dedicated command centre and ensures all IT devices and infrastructure are working at all times. Managed services is a proactive, rather than reactive, service, and the Group seeks to identify and remedy issues before they affect end-users. A dedicated team of professionals provide customer support via the NOC (which is equipped with remote control capabilities). The Group has command centres in Dubai and Abu Dhabi providing 24/7 remote, onsite and hybrid support.

A SOC monitors all security aspects of a customer's IT infrastructure, from cybersecurity, infrastructure security and application security. The SOC ensures that a network and applications are always well maintained from a security point of view and takes corrective measures where an issue is identified. This includes continuous monitoring with immediate patching and maintenance upon the triggering of security alarms, supported by a dedicated team who provide rapid and continuous security support, including real-time threat detection, response coordination, and resolution to safeguard IT systems.

Managed services customers require a certain level of maturity and size. Managed services are typically contracted separately to the other products offered by the Group, with pricing and service levels customised to reflect the particular IT infrastructure and requirements of the customer. Typically contracts are entered into for one year or three years and the Group experiences low churn and high retention rates for customers.

Other Services

The Group's other service offerings are aimed at ensuring customers receive expert support across all facets of their IT operations. The key services provided are:

- (i) consulting services, which entail helping customers build and implement actionable technology roadmaps (including fit gap analysis, process re-engineering, financial viability analysis, defining the technology roadmap and providing assessment services for people, processes and technology);
- (ii) professional services, which entail delivering tailored IT solutions that help streamline operations, protect digital assets and ensure smooth technology integration (including project management services, implementation services, solutions architecture among others); and
- (iii) support and maintenance services, which entail providing reliable support and proactive maintenance to keep operations running without interruption, including back-to-back vendor support, comprehensive Alpha Data support, hybrid support (partly supported by Alpha Data and partly by vendors) and technical support.

Talent

The Group's Talent division, through the Company's subsidiary Alpha Data Recruitment, provides outsourced IT staff to companies to help them with a variety of IT requirements. Alpha Data Recruitment hires and employees the IT specialists (and handles their visas and payroll) before they are seconded to customers (though they continue to remain employees of Alpha Data Recruitment). Often, the hiring process is targeted for a particular customer requirement or role. The Talent division is specialised in selecting candidates that particularly suit the customer's requirements, not only from a technical perspective or with respect to the industry experience and specialism the candidate might have, but also with respect to how the candidate would fit into the company culture of the customer. The division has 4 main offerings:

- *resource-as-a-service (RAAS)* – providing IT personnel on a contract or contract-to-hire basis or for seasonal or niche needs, as well as offering flexible contract durations with the option to hire after contract expiry;
- *permanent staffing service (PSS)* – leveraging web portals, digital marketing, and headhunting to source the right candidates for permanent staffing positions;
- *Emirati/Saudi recruitment services* – offering a full service recruitment team, with proficiency in Arabic language, comprehensive understanding of Emiratization and Saudization requirements, with access to in excess of 5,000 Emirati and Saudi national employees; and
- *Insourcing* – undertaking technical screening of the niche skillsets of potential candidates and providing the Group with access to these vetted candidates for employment within the Group.

The Talent division operates in all of, and across, the Solutions and Services segments referred to within the 'Solutions and Services' section. Many customers of the Talent division are customers of the Group's other segments. When the Group discusses its Solutions and Services with customers, the Group will often also discuss whether there is a need for any new employees, in order to manage or operate new or existing technology, whether on an ongoing basis or for a handover period. The large majority of employee placements to customers through the Talent division last for a period of over one year. In some cases, the employee joins the customer on a permanent basis after the assignment, which typically deepens the relationship between the Group and the customer.

Employees on secondment to customers through the Talent division receive training and support from the Group, including to assist them in adapting to the business culture of the customer, as well as to receive financial and technical support. Whilst employees are on secondment, they are able to refer back to the Group questions on technical issues and request other support.

Alpha Data Recruitment was set up in 2014 in response to customer demand for its services, particularly from governmental enterprises in Abu Dhabi. Alpha Data Recruitment has significant number of customers in the government and large enterprise sector across all industry verticals. Alpha Data Recruitment enters into services contracts with its customers and earns recurring revenue for its services. Alpha Data Recruitment currently has 4 recruitment team leaders and 32 recruitment personnel.

Customer Relationships and Sales

The Group has longstanding and deep relationships with many of its customers, developed in some cases over decades of experience. The Group has approximately 2,200 customers, with 1,900 of these customers generating AED 2.3 billion in revenue for the Group in the financial year ended 31 December 2024.

The Group's customer base includes governmental departments and authorities in the UAE and UAE-headquartered sovereign wealth funds, corporates and banks. The Group's customer base in KSA and Qatar also includes a combination of governmental departments and authorities and leading corporations.

The Group understands well the requirements of its customers, not only on the technological side, but also in terms of regulatory compliance and how to collaborate and do business together.

The Group contracts with customers on tailored contracts incorporating their legal and administrative requirements. This stands in contrast to international vendors, who typically seek to impose their own standard form contracts on customers.

The Group's familiarity with governmental regulation and compliance standards in the UAE allow the Group to identify how vendor-developed solutions can be implemented by UAE companies in a legal, compliant and efficient way. This is particularly important for customers in regulated sectors such as healthcare, banking and energy.

Some customers approach the Group in respect of specific problems to be solved. Some customers are aware of specific solutions to their problems and approach the Group to implement such solution. At other times, the Group completes a customer assessment to identify what products and services may be of interest to that particular customer.

The Groups frequently assesses and influences customer readiness (a customer's ability to implement new technological solutions to their business processes). The Group has both a sales team and a pre-sales team, the latter of which is intended to understand and assess in advance what particular solutions may be required by a particular customer or type of customer. This requires an increased level of technical specification.

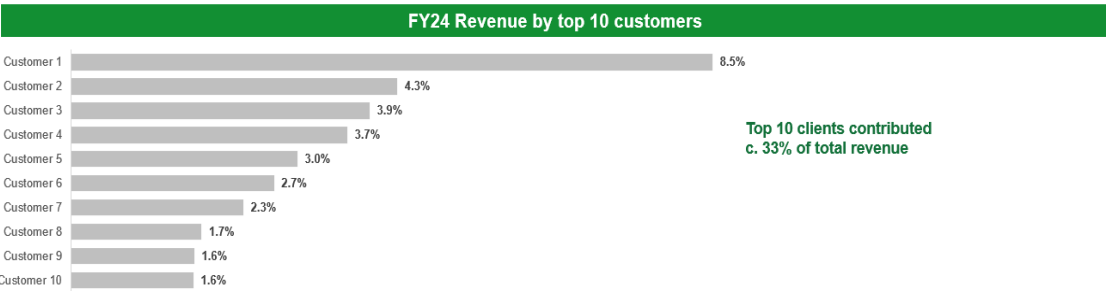
The Group cross-sells products and services to its customers. For example, for a customer that the Group is working for on an infrastructure solution, the Group may be able to develop and build on top of such infrastructure solution a cybersecurity, cloud, software automation, or AI solution. The Group's wide technological footprint allows the Group to do this. In addition, the Group can provide managed services to support all of a customer's technology, as a separate solution. See *"Leading 'one stop shop' IT business solutions provider for enterprises in UAE"* in *'Strengths'* for examples regarding cross-selling to clients over an extended period of time.

When the Group designs and builds a novel solution for one customer, the Group is able to utilise the knowledge gained in such process to provide similar solutions to other customers.

After the Group has engaged with its customer and agreed with its customer the products and services to be provided to such customer, the Group engages with the relevant vendors to acquire the relevant products and services to be combined as part of the overall product or service to be provided to the customer. There is a cap set on prices charged by the Group for the resale of some vendors' products.

The Group derived approximately 33% of its revenue from its largest ten customers during the year ended 31 December 2024, which included customers in the governmental, oil and gas, telecoms, banking, infrastructure and large enterprise sectors. Private clients are the fastest growing of any of the customer groups, with a CAGR of 23% from the financial year ended 31 December 2021 to 2024.

Customer Concentration and Retention

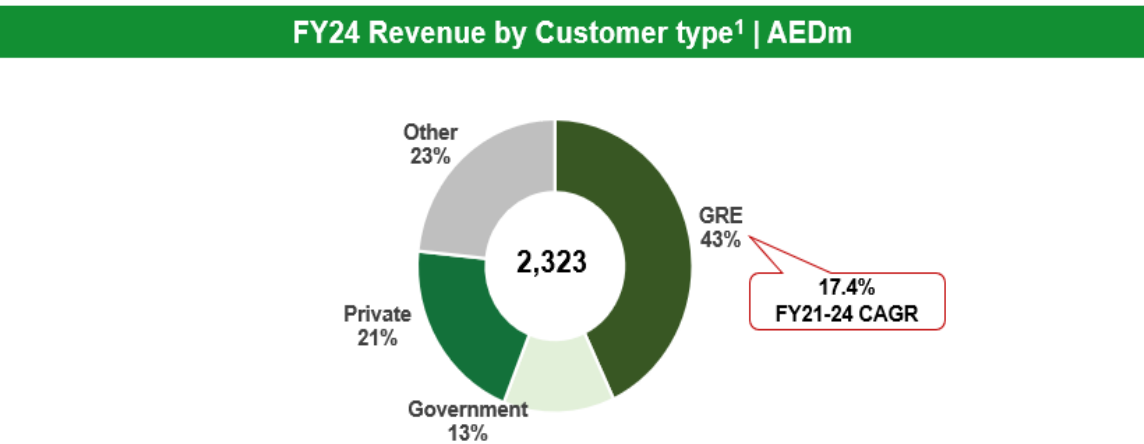


The Group's customers work in a wide range of industries. The Group has teams of employees with significant expertise in each of the industries the Group serves. The Group's teams are well versed in the latest developments within those industries and well placed to conceive, develop and implement industry-specific solutions for customers.

New customers (i.e. customers who were not customers of the Group for the preceding four financial years) contributed to 11.0% of the Group's revenue for the financial year ended 31 December 2024. During the financial year ended 31 December 2024, 80.2% of the Group's revenue was generated from customers that had generated revenues in each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

The Group's revenue breakdown per customer type for the financial year ended 31 December 2024 is set out below.

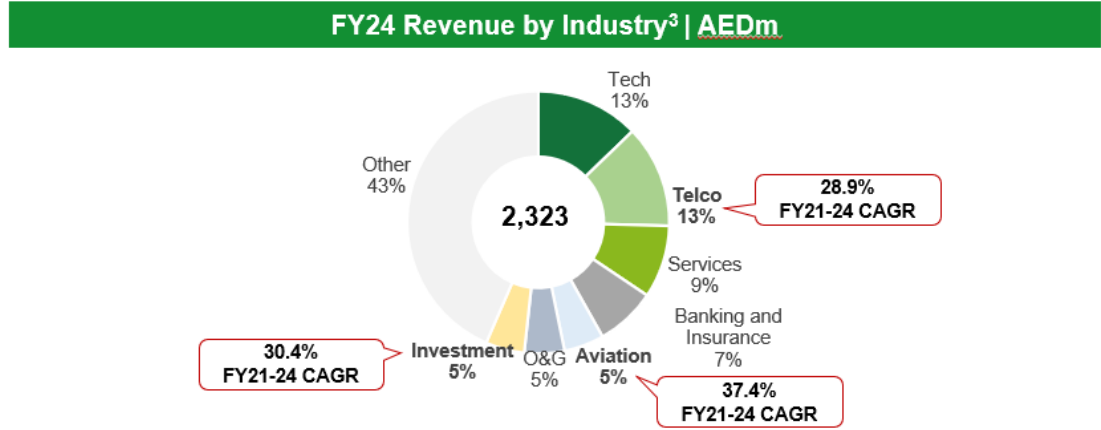
Revenue by Customer Type



Note: 1. Classification of revenue by client type covers 77% of total revenue in FY24 (Other is the balancing figure).

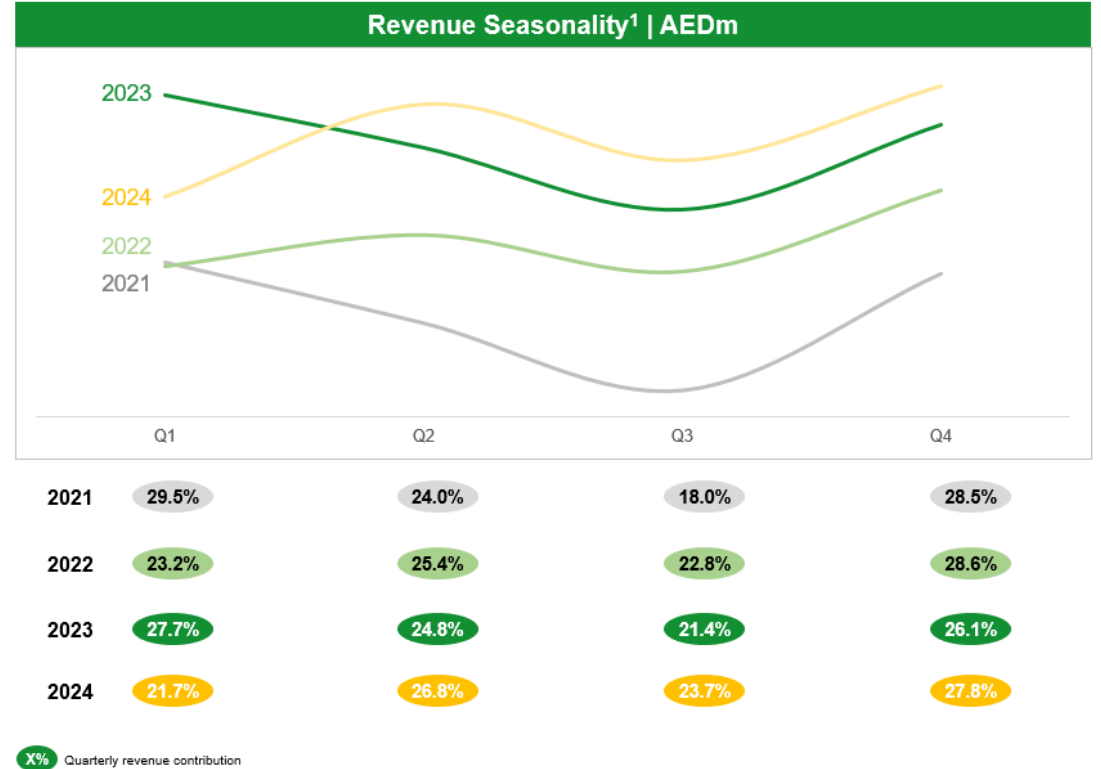
The Group does not have concentration risk in respect of any particular industry, with no single industry accounting for greater than 13% of the Group's revenue during the financial year ended 31 December 2024.

Telecommunications, technology, aviation and investment are the fastest growing customer sectors for the Group given the Group's significant focus on cloud, security, AI and IoT in recent years. The Group's revenue breakdown per industry for the financial year ended 31 December 2024, is set out below:



Note: 1. Classification of revenue by industry covers 57% of total revenue in FY24 (Other is the balancing figure).

As is typical for most companies operating in the region, the Group is susceptible to revenue seasonality. The first and last quarter of the year are typically the most revenue generating (due to residual billing from the previous year and exhausting yearly company spend respectively), and the third quarter being the least revenue generating due to the summer holiday season resulting in reduced business activity.



Note: 1. Revenues do not include IFRS15 adjustment

Vendors

Many vendors will only contract on their own standard terms and use procurement processes that are not convenient to navigate for many customers in the Middle East. By contrast, the Group contracts with customers on bespoke terms using contractual forms often initially prepared by the customer, which is a more attractive proposition for many large customers.

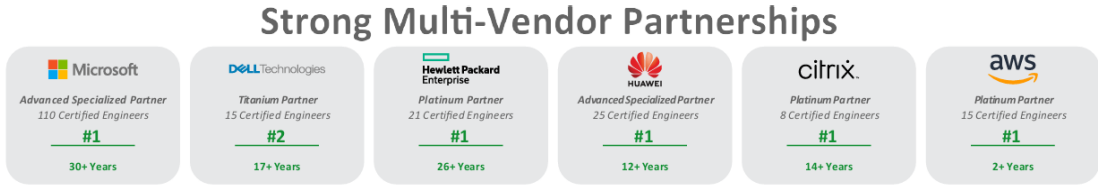
The Group's vendors often hold patented technologies (or technology protected by copyright or other laws) and the Group's value add for its customers is to identify the right technology provided by one of its vendors to meet the particular problems and demands of its customers. The Group's customers have specific demands and even customers in the same industry may have very different set-ups and approaches in respect of their IT infrastructure that necessitate different products and services being provided to them.

The Group has many employees whose expertise has been certified and developed through training provided by industry-leading vendors, facilitating the growth of dedicated teams of certified engineers to ensure technical alignment with vendors.

Alpha Data is often recognised as one of the top customers for vendors (in respect of sales generated) for IT providers in the UAE. For example, it is within the top 3 UAE-based vendors for Cisco, Microsoft, Hpe, Dell, Huawei, Fortinet, Vmware, Citrix, Micro Focus, AWS, Veeam and Mendix. The Group assigns certified engineers to each vendor (for example, 110 engineers specialise in Microsoft products). The Group has market leading positions in respect of the sale of a large number of its vendors' products and services.

The Group has a strong partnership with Microsoft and ranks first in terms of sales amongst other systems integrators for Microsoft products in the UAE. The Group has been working with Microsoft for over 35 years and the Group is the only UAE company to have the highest level of partnership with Microsoft.

The table below sets out the Group's ranking for sales within the UAE for 2023 for certain key vendors, as well as the number of highly skilled certified engineers for each vendor as of 30 June 2024 and the number of years the Group has been working with each such vendor.



The Group seeks to maintain strong relationships with its vendors such that when customers approach vendors directly, vendors recommend the use of the Group to provide bespoke customised solutions, where applicable.

The Group does not have exclusivity arrangements with any of its leading vendors, but the Group does have the highest (or amongst the highest) level of partnership status in its contracts with many leading vendors, including Microsoft, Dell and Cisco.

The Group is not a distributor of vendor products and services and does not compete with distributors. Distributors often sell directly to the Group and other systems integrators. Distributors are typically focused on increasing the volume of transactions, whereas the Group's business is based on solving problems for customers. The Group is a digital transformation company, which provides value added services to the vendor-developed products and services sold by the Group.

Contractual Arrangements

Customer contracts

The Group typically contracts on bespoke contractual forms (often proposed initially by the customer), negotiated and tailored to reflect the particular services to be provided. The Group agrees to service level obligations under its customer contracts, as well as certain warranties. The Group limits its liability to customers through its contracts. Depending on the type of client that the Group is servicing, the Group will tailor the payment and billing structure, providing the following optionality:

- *Payment structure:* one-time purchase agreements, price framework agreements and consumption model (usage-based) agreements; and
- *Billing structure:* advance down payment and milestone-based billing, progress billing and custom billing.

The Group's contract terms with customers generally range from 60 to 90 days. In the Services segment, the majority of the Group's customers contracts have a duration of 1 year with a high renewal ratio.

As of 31 January 2025, the value of the existing unbilled orders in hand of the Group amounted to circa AED 1 billion.

Vendor contracts

The Group has master framework or partnership contracts in place with its vendors, which allow the Group to make orders for vendor products and services without the negotiation of new contracts, thereby reducing bureaucracy. Under a master framework agreement structure, pricing, product offerings and key work deliverables are documented under separate orders, invoices or related documents. The Group has a 30-60 day credit line with many manufacturers and a 120 day credit line with many distributors.

General

The Group manages its working capital through aligning the timing of its payments obligations under its vendor contracts with its payment rights under its customer contracts. The Group considers the profitability of each contract before entering into it, as well as the payment terms and the overall strategic benefit to the Group for entering into the contract (including whether the contract is likely to drive further business in a particular segment or with a particular customer).

Employees

The Group's employee base consists of technical, administrative and sales staff. As at 31 December 2024, the Group had 1,629 employees (with 1,606 based in the UAE), including: (a) 568 employees working in the Group's Talent division for Alpha Data Recruitment; and (b) 568 technical employees, 105 sales employees and 320 administration/operation employees working for the Group.

The majority of training costs are borne by the Group's vendors (such as HP, Cisco, Microsoft and others).

As at 31 December 2024, the current Emiratization rate for skilled employees across all UAE entities within the Group is 8.29%. This has increased from 6.05% as at 31 December 2023 and 3.76% as at 31 December 2022 (the Emiratization law was introduced in 2022).

The Group has employees that are specialised in different technological products and services, as well as those that are specialised in the products and services of a particular vendor. The Group also has employees that are focused on delivering technological solutions in particular industry sectors.

As a sub-group of the Group's human resources function, the Group has a people operations ("**POPs**") team that plays an important role in creating a positive experience for employees. The Group was inspired by the example of Google /Alphabet when setting up its POPs team, whose role includes creating the right buzz and atmosphere within the Group's offices and amongst the Group's teams. The POPs team organises events and initiatives designed to maintain the morale of the Group's workforce and contributes to the strong employee retention rate within the Group. The Group's 'churn' rate (percentage of employees leaving the Group excluding contractors working for Alpha Data Recruitment) for the financial year ended 31 December 2024 was 17.37%. During the financial year ended 31 December 2023, the churn rate was 18.89%, in the financial year ended 31 December 2022 was 17.51%, and in the financial year ended 31 December 2021 was 22.61%.

Intellectual Property

The Group actively monitors the use of its intellectual property rights and takes steps to protect them when it considers it appropriate to do so. The Group does not generally assign the intellectual property

in the customized solutions it creates for customers to the customer, so the Group is free to use such knowhow and technology on other projects.

Real Property

The headquarters of the Company are located on Level 26, Addax Tower, Al Reem Island, Abu Dhabi, UAE. The legal title to the units in the Addax Tower used by the Group were owned by the Company until 13 December 2024, when they were transferred (by way of a distribution) to Fayez Ibbini (through Ibbini Investments LLC's entitlement to such distribution) and Bin Hamoodah Company LLC. Such units have since been leased to the Group for AED 2.25 million per year pursuant to a lease agreement effective 1 January 2025.

The Group leases approximately 3,800 square metres of warehousing space to operate their logistics and warehousing network (which also has third-party customs clearance provider capabilities) and employs approximately 36 drivers. The Group leases its other premises in Abu Dhabi, Dubai, Sharjah, Qatar and the KSA, including offices in each of these locations and service centres in Abu Dhabi and Dubai.

The Group is not aware of any environmental issues affecting the use of its properties.

Recent Awards

The Group is frequently the winner of awards in relation to its business. A number of recent awards in respect of the UAE or the Middle East region are listed below.

2024	2023	2022	2021	2020
Cisco - Collaboration Partner of the Year	BARCO - Top Gold Partner UAE	Veeam Software - UAE Top Partner of the Year	POLY - Partner of the Year for Pro Audio Conferencing Solution for UAE	SAP – Best Partner Demand Generation
	HPE - MEA Solution Provider of the Year	Zoom - Partner of the Year		
	Check Point Software Technologies Ltd - Best Partner of the Year and Rising Star	BARCO - Partner of the Year	Citrix - Partner of the Year	
	StarLink - Cyber and Cloud Specialist of the Year	HP - Corporate Services Reseller Amplify Partner of the Year Award		
HPE Aruba - Enterprise Partner of the Year	TahawulTech - Best Systems Integrator of the Year	Fortinet - Datacenter Partner of the Year	Veeam - South Gulf Partner of the Year 2021	Logitech – Strategic Partner of the Year
ADOBE - Top Performer by Adobe	Aruba - Enterprise of the Year	Adobe - Outstanding Performance for the year	Autodesk - Renewals Champion of the Year –	
	HPE - Top Partner of the Year			
Veeam - South Gulf Partner of the Year	FVC - ZOOM Collaboration Partner and Services Partner	FVC - Partner of the Year		

2024	2023	2022	2021	2020
EPSON - Best Business Printing Partner	Microsoft - Best Performing Partner			
	Logitech - Partner of the Year UAE			
	Veritas Technologies LLC - Best Partner of the Year			
	ProofPoint - Logo Acquisition Partner of the Year			
	Nutanix - Top Seller of the Year – South Gulf			
	Opentext - ITOM Partner of the Year Award			

Group Companies

The Company (Alpha Data LLC, under conversion to a PJSC)

The Company is the parent company and principal operational company for the Group. The Company holds licenses to perform multiple activities.

Foresight

Foresight Technology LLC - OPC is a software development company within the Group that designs and implements niche software solutions and services for customers in the banking and finance industry, particularly with respect to audit, compliance, risk and other back office functions. The company's solutions and services are used by around 15 banking and finance customers in the UAE. The company also works with third party data analytics solutions vendors to create solutions for audit, risk and compliance teams to identify anomalies, fraud or unusual activities within their organisations. Foresight Technology LLC - OPC was set up in 2000.

Tuqnia

Tuqnia LLC – OPC was initially set up in 2004 in order to provide an alternative source of solutions and services for the Group's customers, with separate management and employees. The Group has won awards for being the best business partner to Dell across the Europe, Middle East and Africa region.

Alpha Data Recruitment

Alpha Data Recruitment LLC - OPC is the legal entity through which the Group's Talent segment is operated. See 'Talent' section above.

Alpha Data Technology LLC (incorporated in KSA)

Alpha Data Technology LLC (incorporated in KSA) is the company through which the Group runs its business in the KSA. The Group started its business in KSA in 2022.

Alpha Data Technology LLC and Alpha Data for Information Technology LLC (in the process of incorporation in Qatar)

The Group started its business in Qatar in 2012 and re-launched its business in Qatar in 2022. The Group is in the process of transferring its Qatari business to a new legal entity, which is in the process of incorporation as Alpha Data for Information Technology LLC. Alpha Data for Information Technology LLC intends to enter into new contracts with the Group's counterparties in Qatar, while the Group's existing legal entity, Alpha Data Technology LLC, is in the process of being liquidated (expected to be completed in the first half of 2025). In the financial year ended 31 December 2024, the Group's revenue from its business in Qatar was four million Qatari riyals.

Geographical Locations

United Arab Emirates

Abu Dhabi

The Group has its head office, its Digital Transformation Centre and a warehouse in Abu Dhabi. Foresight, Tuqnia and Alpha Data Recruitment also have their head offices in Abu Dhabi. The Group's Abu Dhabi office in the Addax Tower is the central hub for the Group's operations. The Group's Digital Transformation Centre is also located in the Addax Tower in Abu Dhabi. The Group's warehouse in Abu Dhabi handles logistics and inventory management.

Dubai

The Group has an office, a service centre and a warehouse in Dubai. Foresight, Tuqnia and Alpha Data Recruitment also have offices in Dubai. The Group's office in Jumeriah Lake Towers in Dubai hosts accounts and sales teams, amongst others. The Group's service centre in Al Garhoud hosts a sales team and back-up/ancillary facilities for the Digital Transformation Centre. The Group's warehouse in Dubai Investment Park handles logistics and inventory management (including cabling).

Sharjah

The Group has an office in Sharjah, which, amongst other responsibilities, manages business and relations with governmental-related entities in Sharjah, including compliance with local regulations for government contracts. Foresight also has an office in Sharjah.

Saudi Arabia

The Group started its business in Saudi Arabia in the 3rd quarter of 2022. The Group has an office in Riyadh and the Group intends to offer the full spectrum of its solutions and services in the KSA (subject to customer demand) to private, governmental and semi-governmental clients.

Qatar

The Group started its business in Qatar in 2012 and re-launched its business in Qatar in 2022. The Group has an office in Doha and the Group intends to offer the full spectrum of its solutions and services in Qatar (subject to customer demand) to private, governmental and semi-governmental clients.

Insurance

The Group's operations are subject to various losses, potential claims, lawsuits and other proceedings, risks and hazards. The Group holds cybersecurity insurance, as well as insurance for losses related to public liability, employer liability, personal injury liability, third-party liability, property, money and marine cargo. The Group believes that its insurance coverage, including the limits of indemnity and the conditions pursuant to which such coverage is provided, is reasonable taking into account the cost of the insurance coverage and the potential risks to its business and operations.

Legal Proceedings

From time to time, the Group is involved in litigation. Moreover, in the ordinary course of the Group's business activities, the Group may, from time to time, have disputes with customers. The Group has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Group's management is aware), nor have any

lawsuits been initiated, during the twelve months preceding the date of this Offering Memorandum that may have, or have had, a significant effect on the Group's financial position or profitability.

Environmental, Social and Governance (ESG)

The Group is committed to the principles of environmental, social, and governance ("ESG"), recognising their essential role in the Group's growth trajectory and future operations. The Group is laying the groundwork for a comprehensive ESG framework that aligns with the UAE's Vision for sustainable development and the global "Sustainable Development Goals" adopted by the United Nations. This disclosure articulates the Group's forward-looking approach to integrating ESG principles across its business practices, ensuring long-term value creation for all stakeholders.

The Group's ESG journey begins with a foundational commitment to sustainable, responsible, and ethical business practices. The Group understands the importance of ESG in today's global landscape and is dedicated to embedding these principles into its strategic planning, corporate culture, and daily operations. The Group's efforts will prioritise environmental stewardship, social responsibility, and governance integrity, marking its commitment to being a positive force in the community and the information technology (IT) industry at large.

As a demonstration of the Group's efforts, the Group has developed an ESG "roadmap" ("**ESG Roadmap**") aiming at embedding sustainability across its operations. This strategic initiative outlines key areas and initiatives that are going to be implemented in the coming years to integrate ESG factors into the Group's business model and daily operations.

The Group's ESG Roadmap encompasses the development of a formal ESG policy framework that aligns with the recommendations of the Abu Dhabi Securities Exchange (ADX), applicable regulations, and investor expectations, alongside a governance structure that clearly defines the roles and responsibilities for ESG oversight within the Group. This is aimed at ensuring accountability and effective management across all levels of the Group. Additionally, the Group has prioritised the identification and assessment of material ESG topics that are crucial to the Group's business and its stakeholders. Strategic goals and objectives will be set to guide the Group's sustainability initiatives, with a focus on measurable and achievable targets to be defined once ESG foundations are built. The Group is committed to transparency, initiating regular ESG reporting starting with its inaugural report. This report will detail the Group's overall strategy, initiatives and activities implemented on ESG topics, and progress towards embedding ESG principles into the Group.

The implementation timeline of the ESG Roadmap is structured around key phases. In the initial phase, the Group's focus is on developing the initial ESG framework, which includes the adoption of the ESG policy and establishing a robust governance structure. After the Company's initial public offering, the Group's ESG Roadmap extends to defining its ESG strategies, identifying material topics and delivering reporting to showcase the Group's continued commitment to sustainability. The key initial milestones include the adoption of the ESG policy framework, the publication of the Group's first ESG report and the definition of the Group's ESG commitments that complements its ESG strategy.

This ESG Roadmap signifies the Group's dedication to sustainability and responsible business practices, signaling to investors and stakeholders the Group's commitment to long-term value creation and ethical business conduct. As planned in the ESG Roadmap, to align the Group's ESG strategy and ESG reporting with the industry's best practices, with its stakeholders' expectations and key impacts, the Group will conduct a materiality assessment, engaging various stakeholders as applicable. In the assessment, the Group will take into consideration various aspects, such as its internal vision and mission on ESG, initiatives already in place, trends in the IT industry and regional and global reporting frameworks, such as the ADX ESG Disclosure Guidance and other applicable international ESG frameworks and standards.

The Group's current efforts to integrate ESG

The Group's efforts are indicative of Alpha Data's proactive approach to integrating ESG principles into its daily operations, highlighting its dedication to sustainability, efficiency, and employee well-being. Through these efforts, the Group aims to continue to build a resilient and responsible business that is prepared to meet the challenges of the future while contributing positively to the community and environment.

With regard to the Group's social efforts, its "People Operations" (POPS) team is dedicated to enhancing employee satisfaction and retention. This initiative is focused on boosting engagement through various programs that promote a positive work environment. By improving communication, promoting transparency, and fostering collaboration across all levels of the organisation, the Group aims to facilitate a culture that values and supports its employees.

Additionally, the Group has taken steps to reduce its environmental impact. For example, the Group has implemented the 'Managed Printing Services' initiative, that consolidates the Group's printing devices, optimises workflows and reduces the consumption of resources such as paper and ink. The initiative not only cuts costs but also boosts efficiency and reduces waste and energy usage.

Additionally, the Group has replaced bottled water with water filtration systems throughout its offices. This shift not only reduces costs but also diminishes the Group's environmental impact by cutting down on plastic waste whilst ensuring that staff have access to clean and safe drinking water.

To ensure high ethical standards, the Group has adopted a Code of Business Conduct, an Anti-Corruption Policy and an Employees Code of Conduct & Ethics. These are aimed at maintaining standards around compliance and transparent business conduct and that the Group's stakeholders, such as its employees and suppliers, exercise the highest level of integrity. The Group recognises the importance of ESG principles for its business and its stakeholders.

The governance of ESG at the Group will be characterised by strong leadership and clear accountability. The Board of Directors will provide overall oversight on ESG matters and will embody the Group's ESG vision, ensuring ongoing attention and strategic consideration of the topic.

The Group is committed to evolving its ESG strategies and initiatives in line with environmental stewardship, social responsibility, and ethical governance, aligning with the UAE's sustainability goals and the broader global agenda for sustainable development.

MATERIAL CONTRACTS

The following is a summary of material contracts that the Group is currently party to which are, or may be, material or that contain any provision pursuant to which the Group has any obligation or entitlement which is, or may be, material to the Group at the date of this Offering Memorandum. These summaries do not purport to describe all the applicable terms and conditions of such agreements and are qualified in their entirety by the respective agreements.

Agreement with Leading Telecommunications Company in the UAE

The Company has entered into an agreement in 2024 with a leading telecommunications provider in the UAE to provide solutions and services related to VMWare Cloud infrastructure. The contract price is approximately AED 98 million. Under the agreement, the Company undertakes to supply, install, test, commission and integrate a VMWare Cloud project on a "turnkey" basis to the telecommunications provider. The agreement also contemplates the delivery of various hardware, software and professional services (as outlined in various appendices) over a minimum period of 16 to 17 months, with unit / item prices fixed for a period of three years.

The Company is liable to make payment of certain liquidated damages if the Company fails to complete the supply and/or installation of the relevant deliverables. Specifically, the Company is required to pay the aggregate sum of 1% of the delayed line item for each week (pro-rata for parts of each week) of delay beyond the specified completion date, up to 10% of the relevant line item. These liquidated damages shall be deducted from the invoice amounts submitted by the Company for payment. The contract is governed by UAE law.

Hewlett-Packard Europe BV (HP) Agreement

The Group entered into a partner agreement with HP in 2010 authorising the Group to be a non-exclusive partner for the purchase, resale (through distribution) and/or sublicense of HP products and services.

Under the agreement, the Group is authorised to re-sell certain HP products in the UAE (subject to fulfilling minimum volume thresholds, certification and other requirements). The relevant product sales are confirmed through signing a product exhibit every 6 months. The agreement comprises HP's partner terms, a "reseller authorisation addendum", terms of purchase, and an "end-user special negotiated discount program terms".

The Group must notify HP in case of an ownership change i.e. a merger, acquisition that results in an entity controlling 20% or more of the Company's shares.

The Group may terminate the agreement for convenience upon 30 days' written notice and HP may terminate the agreement at any time. The agreement contains standard intellectual property, liability and indemnification provisions customary for a software partnership agreement of this kind.

Microsoft Agreement

The Company and Microsoft entered into the Microsoft Channel Partner Agreement for Resellers on 1 March 2021 relating to the use, integration, sublicense, distribution, resale, promotion or marketing of Microsoft's products. The agreement comprises the core terms, channel authorisation terms and the channel terms, as well as an enrolment form and program-specific terms.

The channel authorisation terms allow the Company to resell the products (i.e. online services, tools, software, hardware or professional support or consulting services) to customers within the specified territory (as defined in the relevant enrolment process and/or program specific terms).

Microsoft reserves the right to unilaterally modify the terms of the agreement, so long as they provide the Company with 180 days' notice of any changes. Under the terms of the agreement, either party can terminate without cause by giving the other party 30 days' notice.

The agreement contains terms that are customary for a software reseller agreement, including provisions relating to the use of intellectual property (including anti-piracy and non-reverse engineering provisions), audit rights and procedure for Microsoft, confidentiality, data security and protection.

Agreement with Abu Dhabi Governmental Department for Technical Specialists

Alpha Data Recruitment and a governmental department in Abu Dhabi entered into an agreement in early 2024 for the provision of outsourced IT specialists.

The agreement contemplated assignments being arranged on a daily, weekly, monthly and yearly basis for junior, intermediate, senior and expert roles across the following areas: software / application development, infrastructure (data centre, networks, servers, storage / back-up), information security and risk and compliance, IT support, IT service management, IT project management, IT advisory and business development, data management, health information and enterprise architecture.

The agreement is non-exclusive and the governmental department is under no minimum volume obligation for the services under the agreement. The contract is governed by UAE law.

The agreement is valid for two (2) years (i.e. until early 2026) unless otherwise terminated early by the governmental department. The agreement may be extended for one year periods thereafter.

Agreements with Subsidiaries of Leading Dubai Public Utilities Company for Technical Specialists

Smart Cities

Alpha Data Recruitment and a subsidiary of a leading Dubai public utilities company entered into an agreement in mid-2022 for the provision of engineers and senior technicians specialising in "Smart Cities Operations".

The customer reserves the right to, at its sole discretion, cancel the agreement (with 15 days' prior written notice) if it believes that Alpha Data Recruitment's performance under the agreement is unsatisfactory.

The agreement is non-exclusive and the customer is under no minimum volume obligation for the services under the agreement.

Digital Services

Alpha Data Recruitment and a different subsidiary of the same leading Dubai public utilities company entered into a master resource outsourcing agreement in mid-2020 for the provision of IT specialists. The services to be provided by Alpha Data Recruitment are to be provided on a case by case basis and set out in a relevant addendum. The agreement may be terminated by either party providing 60 days' written notice to the other party.

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The Board of Directors will be formally appointed by the shareholders during the constitutive general assembly of the Company (the "**Constitutive General Assembly**") on or around 5 March 2025. The Board of Directors is responsible for the overall strategy, supervision and control of the Group. The Board of Directors has final authority to decide on all issues save for those which are specifically reserved to the General Assembly, by law or by the Company's Articles of Association (the "**Articles of Association**").

The key responsibilities of the Board include:

- determining the Group's strategy, budget and structure;
- approving the Group's fundamental policies;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of shares and any restructuring of the Group;
- appointing executive management;
- determining the remuneration policies of the Group and ensuring the independence of Directors and that potential conflicts of interests are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

Members of the Board are appointed by the shareholders for three-year terms. Board members may serve any number of consecutive terms.

The Board of Directors consists of nine members, of which there are two executive directors of the Company (the "**Executive Directors**") and seven non-executive directors of the Company (the "**Non-Executive Directors**"), three of whom are independent Directors. The following table lists the members of the Board of Directors that will be formally appointed following the Constitutive General Assembly:

Name	Year of birth	Nationality	Position	Status
Mohamed Hasan Abdulla Omran Al Shamsi	1953	UAE	Chairman	Independent / Non-Executive
Khamis Buharoon Al Shamsi	1964	UAE	Vice Chairman	Independent / Executive
Nadeem Zaman	1970	UK	Director	Independent / Non-Executive
Fayez Ibbini	1954	Jordan	Director / Chief Executive	Executive
Khalid Ghanim Ali Bin Hamoodah Hamoodah	1986	UAE	Director	Non-Executive
Zakaria Ibbini	1986	UK	Director	Executive
Julia Ibbini	1980	UK & Jordan	Director	Non-Executive
Ahmed Ali Bin Hamoodah	1999	UAE	Director	Non-Executive
Mario Bou Tayeh	1978	Lebanon	Director	Non-Executive

The business address of each of the Directors is Level 26, Addax Tower, Al Reem Island, Abu Dhabi, United Arab Emirates.

The management expertise and experience of each of the Directors is set out below:

Mohamed Hasan Abdulla Omran Al Shamsi

Mohamed Hasan Abdulla Omran Al Shamsi is an Emirati businessman and the former CEO and chairman of Etisalat (which he joined in 1977). He serves on the boards of the Ras Al Khaimah University for Medical and Health Sciences, the American University of Ras Al Khaimah, RAK Bank (the national bank of Ras Al Khaimah), the Emirates Foundation (a philanthropic organisation) and Ras Al Khaimah Properties Company.

He was appointed as chairman of Etisalat in 2005 and left in 2012 at a time when Etisalat was named the most powerful company in the UAE by Forbes Middle East.

He was a member of the board of trustees of the Higher Colleges of Technology (HCT) in the UAE in 2005 and became President of the HCT in 2013.

Earlier, in 1997, he served as chairman of Thuraya, the UAE-based satellite telephony and data provider, which provides telecommunications coverage for customers in Europe, the Middle East, North, Central and East Africa, Asia and Australia. He was also chancellor and chairman of the UAE-based Higher Colleges of Technology, as well as a member of the board of directors of the Arab Satellite Communications Organization (Arabsat).

He has received many local, regional and international awards, including a "Lifetime Achievement Award" from the CEO Middle East Conference (CEO of the Year). He won the 2010 International CEO Award at the International Telecommunications Awards, which were held in London. He graduated from Cairo University's Faculty of Engineering, Department of Communications and Electronics in 1977.

Khamis Buharoon Al Shamsi

Khamis Buharoon Al Shamsi is the managing director of Royal Capital Investment Company and the chairman of Aram Group Company PSC. Khamis Buharoon has over 37 years of experience in banking and has acted as CEO, manager, and chairman of several boards. Over the years, he has had numerous leadership roles, including head of the settlements committee, member of the executive committee, and vice-chairman of the nominations and remuneration committee. He spent 14 years at Abu Dhabi Islamic Bank, from 2007 to March 2021, where he was, at various times, managing director, member of the board of directors and vice-chairman of the board of directors, as well as acting CEO for two years.

Before his time at Abu Dhabi Islamic Bank, Mr Buharoon Al Shamsi served for two years as CEO of Commercial Bank International, during which time he contributed to the restructuring of the bank. His work at Commercial Bank International included acting as managing director for financial brokerage, as well as managing director for Takamul Real Estate.

He has helped to establish several investment companies, such as Arqaam Capital Investment in the DIFC. He served as a board member in Tharawat Investment House in the Kingdom of Bahrain, Naeem Holdings in Egypt and Unifund Capital Financial Investment in the UAE and as the Chairman of Etihad Capital in the UAE. He has a Bachelor of Arts degree in Business and Accounting.

Nadeem Zaman

Nadeem Zaman is the Chief Strategy Officer for Rua Al Madinah Holding (which is wholly owned by the Public Investment Fund of KSA), where he is responsible for group strategy and performance, enterprise project management, and operational excellence. He currently serves as a board member and advisor to multiple companies in KSA and internationally. Previously, he was chief advisor to the KSA Minister for Investment and was instrumental in driving the KSA's National Investment Strategy, which underpins Vision 2030. Before joining the Ministry, Nadeem was an advisor on corporate development and transformation at Digital Dubai Authority, where he managed strategy, HR, finance, procurement, legal and HSE in addition to overseeing multiple group-wide and city-level transformation and digitisation initiatives.

Before taking up his position at Digital Dubai Authority, Nadeem was the CEO of a private family office. He has held many senior positions, including Group Chief Strategy Officer for GEMS Education as well as various vice-president posts at Dubai World Trade Centre. Before moving to the Middle East in 2008, Nadeem specialised in strategy delivery and business transformation for Virgin, and Prudential.

Nadeem holds a Global Executive MBA from TRIUM (a partnership between the London School of Economics (UK), Stern School of Business, New York University (USA) and HEC (France)). He also has a BA (hons) in Accounting & Financial Management from the University of Essex in the United Kingdom. He is a fellow of both the Institute of Business Consulting and the Association for Project Management.

Fayez Ibbini

Fayez Ibbini is the Chief Executive Officer of the Company. He established the Company in 1981, initially to offer data processing services. Over time, he pioneered the shift in Alpha Data's offerings to make it one of the leading digital transformation providers and systems integrators in the Middle East. Under his leadership, the Group now has over 1,500 employees across the UAE, Qatar and KSA. A serial entrepreneur by nature, he has set up and/or acquired multiple companies, including:

(a) Intelligent Care – a healthcare provider; (b) Intel-Lab – a medical lab business; (c) Taqteer – an educational establishment in Qatar; and (d) Foresight – audit and banking software and part of the Group. All have been highly successful ventures.

Fayez Ibbini has been recognised as an "Outstanding Achiever" by HH Sheikh Mohammed Bin Rashid Al Maktoum for his contribution as CEO of one of the UAE's oldest and most well-established companies. He has a Bachelor of Science degree in Electrical & Electronic Engineering from Leeds University in the United Kingdom.

Khalid Ghanim Ali Bin Hamoodah

Khalid Ghanim Ali Bin Hamoodah is a seasoned board member with a Bachelor of Business Administration from the American University in Dubai. Fluent in Arabic and English, Khalid serves on the boards of several prominent UAE-based companies, including Ghanem Ali Bin Hamoodah & Sons LLC, Arbah Investment LLC, and Bin Hamoodah Auto.

His key skills include strategic decision-making, ensuring alignment with organisational goals, and fostering effective stakeholder engagement.

Zakaria Ibbini

Zakaria Ibbini is the Director of the Group's Talent division, through Alpha Data Recruitment. He has over 17 years of experience at the Company and Alpha Data Recruitment, specialising in business development, project management, marketing and human resources. Zakaria led the expansion of the Group's Talent division, through Alpha Data Recruitment, achieving significant year-on-year revenue growth, and growing Alpha Data Recruitment into a team of 30 internal staff and 600 outsourced employee contractors across the UAE. Zakaria led the onboarding of several major customers such as government entities and state owned technology initiatives.

Before joining the Group, Zakaria worked as a sales executive at Zenith Staybrite Ltd. In the UK. He gained his Bachelor of Science degree (hons) in Multimedia and Audio Engineering in 2007 from Nottingham Trent University in the United Kingdom.

Julia Ibbini

Julia Ibbini is a designer and marketing specialist with 22 years' experience spanning corporate marketing and independent design practice.

Julia joined Alpha Data in 2002, focusing on marketing for the Company. During her 10 years of service as the Marketing Manager of Alpha Data, she oversaw multiple initiatives that transformed the company's public image into a more progressive organisation with digital transformation at the core of its mission.

Her long-time passion for art and design led her to establish Ibbini Studio, a collectible design practice based in Abu Dhabi. Julia's commitment to research and innovation within her field has led to Ibbini Studio becoming well known for using cutting edge software and technologies to create pieces that intersect art, design and engineering. She led Ibbini Studio from a small local presence to widespread recognition internationally. In 2019, Julia was awarded the Van Cleef & Arpels Middle East Design Prize. Ibbini Studio's work can be found in private, corporate and museum collections worldwide.

Julia has a BA Hons in Visual Communications (2002) from Leeds Arts University, United Kingdom.

Ahmed Ali Bin Hamoodah

Ahmed is a finance professional and is a financial analyst at Afhad Holding LLC. With a background in U.S. stock market research, Ahmed specialises in conducting in-depth analysis of financial statements, market trends, and economic indicators to uncover potential investment opportunities. His expertise extends to private equity research, where he has studied investment methods, evaluated opportunities, and assessed deal structures and exit strategies.

In addition to his analytical work, Ahmed is experienced in market research, where he identifies opportunities for property expansion, investment, and divestment. His strategic planning skills have been honed through collaboration with senior management.

Ahmed has a Bachelor of Science in Finance from Zayed University, Abu Dhabi.

Mario Bou Tayeh

Mario has over 20 years of investment, finance, management, advisory and financial services and industries experience. He joined Faraj Bin Hamoodah Holding LLC in 2018 as an investment manager and shortly after, he became the general manager of a group of companies including Faraj Bin Hamoodah Holding LLC, Wise Investment LLC and Noon Investment – Sole Proprietorship LLC, managing a portfolio of over AED 3 billion. Prior to this, he was a director in Chescor Capital, a boutique investment banking/financial advisory, for 12 years where he worked on a range of client projects including investments, financial advisory, valuations, M&A, equity & debt, financial modelling, budgeting, fund management, due diligence & business planning.

Mario speaks Arabic, English and French and has an MBA (International Business) from the University of Quebec at Montreal, Canada and a B.S. in Finance from Saint Joseph University, Lebanon.

Senior Management

In addition to the members of the Board, the day-to-day management of the Group's operations is conducted by the senior management team, as follows:

Name	Year of birth	Position	Year of appointment
Fayez Ibbini	1954	CEO	1981
Zakaria Ibbini	1986	Director of Talent division	2014
Haytham Al Momany	1978	Chief Financial Officer	2004
Layth Ibbini	1975	Chief Operating Officer	1997
Farid Abou El-Fetouh	1976	Director of Services – Abu Dhabi	2006
Sajeev Perunnelly	1972	Director of Sales – Solutions – Dubai	2013
Amar Singh	1969	Director of Sales – Solutions – Abu Dhabi	2001

Name	Year of birth	Position	Year of appointment
Murugesan Vaithilingam	1969	Director of Services – Dubai	1995
Khurram Shahzad	1981	Financial Controller	2008
Nevine El Tanahy	1978	Head of Investor Relations and Marketing	2010
Marlin Riad	1989	Internal Auditor	2023
Alejandro Aguiar	1990	Deputy of Investor Relations	2024
Suhad Al Rabayeh	1987	Human Resources Officer	2016

The Group expects that current executive management personnel will remain in their roles after Listing of the Company, with no immediate departures or changes to the leadership team expected. The management expertise and experience of each of the senior management team is set out below:

Fayez Ibbini – Chief Executive Officer

See under '*Details of the Board Members*' above.

Zakaria Ibbini – Director of Talent division

See under '*Details of the Board Members*' above.

Haytham Al Momany – Chief Financial Officer

Haytham Al Momany is the Chief Financial Officer of the Company. He joined in August 2004 and has over 21 years of experience with the Company. Haytham is responsible for the financial operations of the Company including bank relations and facility management, managing cash flow, overall financial planning and financing, managing financial reporting, budget finalisation, review and implementation, overseeing the procurement function of the Company as well as analysing the company's financial strengths and weaknesses and proposing corrective actions, in addition he has been the board secretary.

Before joining the Company, he was an auditor with KPMG. He has a Bachelor's degree in Commerce (majoring in Accounting) from Philadelphia University in Amman, Jordan.

Layth Ibbini – Chief Operating Officer

Layth Ibbini is the Chief Operating Officer of the Company. He joined in January 1997 and he has over 28 years of experience with the Company. Layth manages the operations of the Company, including streamlining business operations, ensuring quality control, optimising supply chain logistics, and managing budgets and forecasts and procurement function.

Before joining the Company, he was an auditor with Talal Abu-Ghazaleh & Co International. Layth gained his Bachelor's degree in Business Administration (majoring in Accounting) from Yarmouk University in Irbid, Jordan.

Farid Abou El-Fetouh – Director of Services – Abu Dhabi

Farid Abou El-Fetouh manages the Company's Business in Abu Dhabi, Qatar and KSA. He has over 29 years of experience in management and leadership in the IT industry. He leads a team of over 550 business and technical professionals across the sales, business development, technical delivery, operations and services functions. Farid has a successful track record of leading digital transformation business for well-known clients and has secured several long-term partnerships with prominent entities across a variety of sectors on behalf of the Company.

Before joining the Company, Farid worked for IBM, as well as in Egypt's financial markets. He has a Bachelor's degree in Engineering (Electrical, Electronics and Communications) from the Alexandria University.

Sajeev Perunnelly – Director of Sales – Solutions – Dubai

Sajeev Perunnelly manages the Company's Solutions business in Dubai and the Northern Emirates. He has been with the Company for over 11 years and is a well-known figure in the UAE's IT industry, with over 25 years' extensive experience managing IT businesses. He has expertise in planning, strategy, sales management, services management, budgeting, and P&L ownership. Sajeev has successfully led teams, driven revenue growth, established key technology partnerships and implemented strategic initiatives. His strengths include his corporate affairs acumen, people management skills, effective negotiation skills, risk assessment capabilities, operations management and finance management proficiency and he advocates for long-term strategies supported by short-term plans.

Before joining Alpha Data, Sajeev held key roles at Hewlett Packard Enterprise and GBM, contributing significantly to their business development and strategic planning efforts. He has a Bachelor's degree in Science from Calicut University, in Kerala, India.

Amar Singh – Director of Sales - Solutions – Abu Dhabi

Amar Singh is the Director of Sales – Solutions at the Company's head office in Abu Dhabi and has worked for Alpha Data since 2001. With over 31 years of experience in the IT industry across India, Bahrain and UAE, he holds an important senior management role, driving business development and fostering growth alongside a skilled team of IT professionals spanning various domains. He has also been instrumental in the strategic initiatives of Alpha Data, contributing significantly to forging key partnerships and maintaining strong business relationships. Amar Singh was born in India and holds a bachelor's degree in economics Honors from Delhi University, India.

Murugesan Vaithilingam – Director of Services – Dubai

Murugesan Vaithilingam is the Director of Services (Dubai) at Alpha Data. He has worked at the Company for 29 years, having joined in 1995. He plays an important role in the Group's strategic development and the expansion of the services business. His responsibilities include managing the Group's P&L, sales management, and overseeing service delivery in Dubai and the Northern Emirates, whilst promoting the Company's core values both internally and to clients.

He has led several key initiatives to expand service offerings, including the Digital Transformation Centre (and the NOC and SOC offerings), cloud services, unified communications, collaboration platforms, and smart solutions.

Before joining Alpha Data, Murugesan worked for four years at Omni Communications in Mumbai, India, where he served as a manager responsible for driving business growth and delivering telecommunications solutions. He holds a Bachelor's degree in Engineering (Electronics and Communication) from the University of Madras.

Khurram Shahzad – Financial Controller

Khurram Shahzad is the Group Financial Controller. He joined the Company in 2008 and has over 17 years of experience with the Company. Khurram leads the accounting department of the Company. He specialises in financial accounting and reporting, overseeing the Company's accounting functions and ensuring the regulatory compliance of the entities he works with. Before joining the Company, he worked at Nasir & Company Chartered Accountants in Sialkot, Pakistan for three years. He gained his Bachelor's degree in Commerce from the University of the Punjab in Lahore, Pakistan.

Nevine El Tanahy – Head of Investor Relations and Marketing

Nevine El Tanahy has been managing marketing operations for Alpha Data across the UAE, Qatar, and KSA for 14 years and has over 21 years of experience in the IT marketing field. In her role, Nevine is responsible for representing the Company in the capital markets, helping to communicate the Company's equity story and interacting with investors and analysts, crafting and executing the company's marketing strategy, with a focus on strengthening brand identity, digital media, and marketing tactics.

Her role includes ensuring that Alpha Data's offerings are effectively promoted, keeping customers informed and engaged. Nevine is dedicated to retaining existing customers and attracting new ones through innovative and targeted marketing initiatives.

Nevine has played a key role in helping the Company earn several marketing awards from partners, including the EMEA Best Marketing Partner award from Cisco.

Before joining Alpha Data, Nevine worked at Xerox and Emirates Computers in the UAE. She holds a Bachelor's degree in Accounting and a Master's degree in Marketing from the University of Wales.

Marlin Riad – Internal Auditor

Marlin Riad is the Internal Auditor of the Company. She joined the Company in such role in 2023 and she manages the full audit cycle of the Company, including risk and control management, its compliance with applicable policies and regulations, and documentation of the audit process. Before joining the Company, Marlin has had audit and risk management roles at KPMG, Deloitte and Ghabbour Auto. In 2012, she gained a Bachelor's degree in Commerce (majoring in Accounting) from Cairo University and has been a certified internal auditor (CIA) since May 2022.

Alejandro Aguiar – Deputy of Investor Relations

Alejandro Aguiar is the Deputy of Investor Relations. His role shall include assisting in representing the Company in the capital markets, helping to communicate the Company's equity story and interacting with investors and analysts.

Prior to joining the firm Alejandro served as a Senior Manager for Investor Relations at the BMW Group Headquarters in Munich, Germany. Alejandro has over 11 years of experience in P&L and balance sheet analysis, business valuation, project management and financial data interpretation for business decision-making. Alejandro studied in Europe and holds a Business Administration Degree with Finance Specialty from ICADE university.

Suhad Al Rabayah – Human Resources Officer

Suhad Al Rabayah serves as the Group's Human Resources Officer at the Company. She began her career with the Group in 2016 as a Division Administrator for Alpha Data Recruitment, where she oversaw the administration and operational cycle of outsourced employees, including onboarding, offboarding, and employee relations. In 2021, Suhad transitioned to the HR department of the Company, where she now manages employee relations, recruitment, offboarding processes, employee performance, and the Tawteen file.

Prior to joining the Group, Suhad worked as a Manager Assistant at DASPM in Abu Dhabi. She earned her Master's degree in Applied Linguistics from Jordan University of Science and Technology (JUST) in 2009 and became a certified Human Resources Manager (CHRM) in 2020.

Directors' Compensation

As the Board will only be formed upon Listing, the Board members have not and will not receive remuneration from the Company before then (excluding Board members currently or previously employed by the Company, in their capacity as employees).

Corporate Governance

Directors must represent the best interests of the Company and the shareholders, must act professionally and exhibit high standards of integrity, commitment and independence of thought, and must devote sufficient time to ensure the diligent performance of their respective duties.

Directors are also, among other matters, under a duty to maintain confidentiality of sensitive information and avoid conflicts of interest, and there are restrictions regarding securities trading, including a ban on trading with inside information, and responsibilities with regards to whistleblowing.

Governance Rules

The Board of Directors is committed to standards of corporate governance that are in line with international best practice. As at the date of this Offering Memorandum and on and following Admission, the Board intends to comply with the corporate governance requirements applicable to public joint stock companies listed on the ADX listing rules as set out in the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) (the "**SCA Governance Guide**").

Board Composition

The members of the Board shall, collectively, have the appropriate skills, knowledge, competencies, experience, diversity and independence to perform their role, in addition to individually fulfilling the nomination criteria detailed in the Governance Rules.

From the date of Admission, the Board is expected to consist of two Executive Directors and seven Non-Executive Directors (including the Chairman). Three of the Non-Executive Directors are "independent members of the Board" within the meaning of the SCA Governance Guide and free from any personal business or other relationship that could materially interfere with the exercise of their independent judgement.

The Governance Rules also require that the Board meet at least four times a year.

Board committees

The Board will establish two permanent committees – an Audit Committee and a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairperson is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

A high-level overview of the mandate of each of these committees, as at listing upon ADX, is set out below.

Audit Committee

On and following Listing, the Audit Committee shall assist the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's financial statements, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the Group's external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Group's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the ADX.

The Audit Committee charter requires that the Audit Committee must comprise at least three members who are Non-Executive Directors of whom at least two of its members must be independent. In addition, at least one member is required to have practical audit and accounting experience. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet not less than four times per year.

The Audit Committee will take appropriate steps to ensure that the Group's external auditors are independent of the Group as required by applicable law. The Group has obtained written confirmation from its auditors that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The members of the Audit Committee will be as follows: Khamis Buharoon Al Shamsi (as chairperson), Nadeem Zaman and Ahmed Ali Bin Hamoodah.

Nomination and Remuneration Committee

On and following Listing, the Nomination and Remuneration Committee shall assist the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management. In such capacity, it is responsible for evaluating the hiring of the Group's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Group's policy on executive remuneration, setting the over-arching principles, parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of the Group's senior management.

The Nomination and Remuneration Committee must be comprised of at least three Non-Executive Directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members. The members of the Nomination and Remuneration Committee will be appointed in accordance with the Articles of Association. The Nomination and Remuneration Committee is required to meet not less than once a year, and otherwise from time to time based on the Company's requirements.

The members of the Nomination and Remuneration Committee will be as follows: Nadeem Zaman (as chairperson), Khamis Buharoon Al Shamsi and Julia Ibbini.

PRINCIPAL AND SELLING SHAREHOLDERS

The principal shareholders and the Selling Shareholders are Bin Hamoodah Company LLC and Ibbini Investment Company LLC.

The following table details the shareholder holding the Shares: (i) as at the date of this Offering Memorandum, with a total share capital of AED 30,000,000 divided into 1,000,000,000 shares of AED 0.03 each; and (ii) immediately following the Global Offering, assuming that the Selling Shareholders sell all of the Shares being offered:

Shareholders	As at the date of this Offering Memorandum		Immediately following the Global Offering	
	Number of shares	Percentage	Number of shares	Percentage
Bin Hamoodah Company LLC	666,666,667	66.7%	400,000,000	40%
Ibbini Investment Company LLC	333,333,333	33.3%	200,000,000	20%
Public investors	-	-	400,000,000	40%

No Shares have voting rights that differ from those of any other Shares. As at the date of this Offering Memorandum, the Company is not aware of any arrangements that may result in a change in control of the Company.

RELATED PARTY TRANSACTIONS

The Group is and has been a party to various agreements and other arrangements with related parties comprising the Company and certain of its other subsidiaries. For details of the impact of related party transactions on the Group's financial position and financial results as at and for the years ended 31 December 2024, 31 December 2023, 31 December 2022, and 31 December 2021, please refer to note 19 and note 23 to each of the Audited Financial Statements.

The Group's revenue from related party transactions amounted to AED 2,556,512 for the year ended 31 December 2024, AED 3,187,339 for the year ended 31 December 2023, AED 2,220,393 for the year ended 31 December 2022, and AED 1,892,043 for the year ended 31 December 2021.

During the year ended 31 December 2024, the Company distributed approximately AED 435 million as dividends to its shareholders to optimise its capital structure, distribute excess cash and dispose of real estate investments which were non-core for the business. These distributions include the following:

- the payment of several cash dividends by the Company to its shareholders during the year ended 31 December 2024 with an aggregate total amount of AED 251,025,000. These included: (a) AED 90,000,000 paid as an ordinary dividend (in line with the amount paid for the year ended 31 December 2023); and (b) AED 161,025,000 as a special pre-IPO dividend to distribute excess cash and retained earnings accumulated over the previous years to the Selling Shareholders. These cash dividends were paid in different tranches based on available cash (to minimise reliance on external financing) and the Company maintained a positive net cash position as of 31 December 2024; and
- the transfer of certain real estate assets of the Company to its shareholders in the year ended 31 December 2024, which had an aggregate value attributed to them of AED 183,361,982 in the 2024 Financial Statements. These included: (a) 18 units on the 26th and 7th floors of the Addax Tower which were held as a 'Buildings' and part of the Company's 'Property and equipment' in the 2024 Financial Statements; and (b) the title to the Alpha Green Tower building in JVC District 12, Jumeirah Village Circle, Dubai, which was held as an 'Investment Property' in the 2024 Financial Statements.

DESCRIPTION OF SHARE CAPITAL

Conversion

The Company is in the process of being converted from a limited liability to a public joint stock company, in the Emirate of Abu Dhabi, UAE, pursuant to the applicable laws of the UAE. Completion of the conversion process and incorporation is expected to occur prior to the Closing Date, subject to obtaining all relevant regulatory approvals in the UAE and subject to the Constitutive General Assembly of the Company approving such conversion.

All purchasers must note that the notice convening the Constitutive General Assembly is served pursuant to this Offering Memorandum. See "*Form of Notices and Communications*" below. The Constitutive General Assembly will be held at 9:00 a.m. on or around 5 March 2025 in person and electronically at Level 26, Addax Tower, Al Reem Island, Abu Dhabi, UAE.

The purchasers to whom Shares have been allocated may attend the Constitutive General Assembly electronically or through an authorised representative following the production of a valid official identification document. Any successful purchaser attending and voting at the Constitutive General Assembly shall have a number of votes equivalent to the number of Shares that are allocated to that purchaser, following allocation.

If a representative of the shareholder attends the Constitutive General Assembly, he/she must bring along a written proxy authorising his/her attendance on behalf of that shareholder. It should be noted that if the proxy holder is not a shareholder, then the proxy needs to be notarised and the proxy holder should not be one of the Company's Board members; and the proxy holder should not be representing Shares for more than one shareholder of a value that exceeds 5% of the share capital of the Company.

All persons attending the Constitutive General Assembly will be required to present proof of identification (i.e., Emirates ID or passport). If purchasers are attending through an authorised representative, the respective authorised representative will be required to present: (i) the original allocation letter or SMS confirming the allocation of Shares; (ii) a certified copy of their respective purchaser's passport; (iii) their original passport; and (iv) the notarised power of attorney.

Share Capital

Set out below is a summary of certain information concerning the Shares, certain provisions of the Company's Articles of Association, and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

The Company was incorporated in 1981 with a share capital of AED 100,000. In 1991, the share capital of the Company increased to AED 3,000,000.

As at 31 December 2023, the Company's name was Alpha Data LLC and its share capital was AED 3,000,000, divided into 30 ordinary shares of AED 100,000 each.

The Company's share capital structure has since been recapitalised and its share capital is AED 30,000,000 divided into 1,000,000,000 ordinary shares of AED 0.03 each as at 31 December 2024.

The Company's Articles of Association

The rights and responsibilities of the shareholders are set out in the UAE Federal Decree Law No. 32 of 2021, as amended (the "CCL") and the Articles of Association. A summary of such key rights and responsibilities is set out below:

Share Capital

Without prejudice to any rights attached to any existing Shares, and subject to the other provisions of the Articles of Association, the Company may, by way of special resolution of its General Assembly, and subject to obtaining the approval of the SCA increase or reduce the share capital of the Company.

The Shares are not divisible and each Share shall entitle its holder to a proportion equal to that of other shareholders without distinction (i) in the profits of the Company; (ii) in the ownership of the assets of

the Company upon dissolution; (iii) in the rights to attend the general assembly meetings; and (iv) in the voting of resolutions of the Company.

Share register

Upon listing on the ADX, the Shares will be dematerialised and the share register will be maintained by the ADX.

The Shares may be sold, transferred, or otherwise disposed of in accordance with the provisions of the Articles of Association and the applicable regulations for selling, purchasing, clearing, settling and recording.

Pre-emption Rights

Subject to provisions 225, 226, 227, and 231 of the CCL, the approval of SCA, and a resolution of the General Assembly, the Company may carry out a share capital increase by disapplying shareholders' pre-emption rights to subscribe for their pre-rate share in such capital increase in the following circumstances:

- (a) a strategic partner becoming a shareholder;
- (b) capitalising the Company's debts; and/or
- (c) conversion of the Company's debts, sukuk or bonds into Shares.

Financial year

The financial year of the Company starts on 1 January and ends on 31 December of each year.

Dividends and liquidation proceeds

The Company shall pay dividends on Shares to the shareholders in compliance with the regulations and decisions issued by the SCA and the ADX. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each shareholder shall be entitled to a part of the Company's assets in accordance with Article 223 of the Companies Law.

Transfer of Shares

The Shares offered pursuant to this Offering Memorandum shall be held in dematerialised form in a shareholder registry maintained by the ADX and transfers shall be governed by and shall comply with the regulations applicable to companies listed on the ADX. The Shares may be sold, assigned, pledged or otherwise disposed of in accordance with the Articles and the regulations issued by the SCA and the ADX. The transfer of title to Shares or any other disposal thereof shall become effective from the date of its registration in the share register of the ADX.

General Assembly

The Board has broad authority to manage the Company's affairs and to perform all tasks that are not specifically reserved for the General Assembly.

Convening of general meetings

The Board may convene a general assembly whenever it deems necessary. The shareholders may also require the Board to convene a meeting if it is requested by a number of shareholders holding not less than 10% of the Company's issued share capital. In any event, the general assembly must convene at least once a year upon an invitation by the Board within the four (4) months following the end of the financial year at the place and the time specified in the invitation to the meeting.

Invitation and notice period

A General Assembly is convened by a notice from the Board. After obtaining the SCA's approval, notice to the shareholders must be sent by registered mail, and published in two daily newspapers published in the UAE, in English and Arabic language, and by registered mail, email or SMS (if available) at least

twenty-one (21) days before the date set for the General Assembly. The notice must include an agenda. Copies of the invitation and the agenda must also be sent to the SCA and the Competent Authority.

Agenda

The agenda of the General Assembly is to be set by the Board. However, in cases where the General Assembly is convened at the request of the shareholders, the auditors or the SCA, the agenda is to be set by the party requesting the convening of the General Assembly. However, the General Assembly may be permitted to discuss important matters revealed during the meeting, matters requested by the SCA, or matters requested to be included by shareholders representing at least 5% of the share capital of the Company who have a specific matter included at the start of the General Assembly.

Registration

A shareholder who wishes to attend a General Assembly must register their name in an electronic register made available by the management of the Company at the place of the General Assembly meeting prior to the convening of the General Assembly. Such register is to include the name of the shareholder or their representative, the number of Shares they own or represent, and the names of the represented shareholders (if any).

Quorum

Registration for attending a General Assembly shall be closed at the time when the Chairperson announces whether or not the quorum for such meeting has been met.

There shall be a quorum present at a General Assembly if shareholders holding (or representing by proxy) at least 50% of the share capital of the Company are present. If quorum is not present at the first meeting of the General Assembly, the General Assembly shall be adjourned to another meeting to be held at least five days, but not in excess of 15 days, from the date of the first meeting. There will be a quorum present at the second meeting irrespective of the number of shareholders present.

Rights of Shareholders at General Assemblies

Every shareholder is entitled to attend the General Assemblies and vote at a General Assembly. Any shareholder may appoint a proxy, who must not be a member of the Board, to attend the General Assembly on their behalf. Such authorisation is to be considered valid if it is confirmed by a written proxy according to conditions set by the Board. In all cases, the proxy holder may not in such capacity hold more than 5% of the Shares of the Company.

Chairing the General Assembly

The General Assembly is to be chaired by the Chairman of the Board or, in his/her absence, the Vice Chairman of the Board or, in the absence of both of them, by any person elected by the Board. In the event that all of the aforementioned individuals are absent from the General Assembly, the General Assembly shall appoint one (1) of the shareholders to chair the meeting and shall appoint a secretary for the meeting.

The Company must record the minutes of meetings of the General Assembly, and confirm attendance in records maintained for this purpose. These minutes are to be signed by the chairman of the General Assembly, the secretary of the General Assembly, the vote collector and the Company's auditors. Signatories to the minutes shall be responsible for the accuracy of the information contained therein.

The Board of Directors

Appointment of the Board of Directors

The Company is managed by a Board. The members of the Board are elected by a decision of the shareholders of the Company in the Constitutive General Assembly to be held on or around 5 March 2025 for a duration of three years in accordance with article 21 of the Company's articles of association. It is permissible for members of the Board whose tenure has expired to be re-appointed.

Appointment of the Chairman and the Powers of the Chairman

The Articles provide that the new Board is to elect, from amongst their members, a Chairperson and a Vice Chairperson. The Chairperson is responsible for leading the Board. The Vice Chairperson shall assume the role of Chairperson in the Chairperson's absence or if the Chairperson is unable to act.

Board Meetings

The Board meets a minimum of four (4) times a year, at the written invitation of the Chairman of the Board, the board secretary as directed by the Chairman or upon a written request filed by at least two (2) Board Directors.

Liability of the Board of Directors

The Board Directors and the management are liable towards the Company, the shareholders and third parties for all acts of fraud, abuse of power, violation of the CCL and violation of the Articles of Association, in addition to mismanagement.

The liability of the members of the Board is joint if the mismanagement resulted from a unanimous resolution of the Board. However, where the relevant resolution was adopted by a majority vote, the dissenting members of the Board will not be liable provided that they have recorded their objection in the minutes of the meeting. A member of the Board who was absent from the meeting in which the resolution was adopted will not be relieved from liability unless it can be proven that he/she had no knowledge of the resolution or that he/she knew about the resolution but had not been able to object to it.

Directors' Remuneration

The remuneration of the Board of Directors shall consist of a percentage of the net profits of the Company, provided that it does not exceed 10% of the net profits of the relevant financial year after deducting the depreciations and reserves. Furthermore, the Company may reimburse any Director or assign further remuneration or monthly salary in amounts to be determined by the Board if such Director is a member of a committee or makes extra efforts or performs additional work to serve the Company in addition to his duties as a Director. By way of an exception to the above and subject to the CCL, the Company may pay at the end of each financial year a fixed fee to each Director not exceeding AED 200,000 subject to the approval of the General Assembly if:

- the Company has not generated any profits; or
- the Company generates profits but the share of each Director in such profits is less than AED 200,000. In which case, the fixed fee and the board remuneration may not be combined.

Winding-up

The Company is incorporated for a ninety nine year term, which is renewable automatically for consecutive similar terms unless a special resolution amending the term or dissolving the Company is passed by the General Assembly.

Form of Notices and Communications

Unless the Articles of Association expressly require otherwise, any notice, document or information to be sent or supplied by the Company to shareholders (including forms of appointment of a proxy and copies of the Company's annual accounts) may be sent or supplied in hard copy form, in electronic form (for example, by email or facsimile) or by means of the Company's or another website.

TAXATION

UAE Taxation

The following comments are general in character and are based on the current and proposed tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Offering Memorandum. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay. Given that the new CT Law has been recently issued, there are significant reservations around its interpretation pending the issuance of all related implementing guidance. Therefore, definitive comments on the expected UAE tax treatment of the matters discussed herein may not be possible at this stage and may be subject to further modification or interpretation in light of the implementation of the CT Law. Therefore, we recommend that the below comments are read in this context, and that any Investors supplement the below based on the current tax rules, guidance, and practice as adopted at the time of making any assessments of tax matters, as related to the group or investment.

Taxation of Corporates and Individuals

On 31 January 2022 the UAE Ministry of Finance announced the introduction of the CT Law. The CT Law was published on 9 December 2022 and came into effect for financial years beginning on or after 1 June 2023. Although, Article 61 of the CT Law provides for transitional rules, which require a Taxable Persons opening balances for corporate tax purposes to be their closing balances, as prepared for financial reporting purposes on the last day of the financial year that ends immediately before the Taxable Persons first taxable period, where such opening balances should take into consideration the arm's length principle and reflect any arm's length adjustments arising from related party transactions in accordance with the CT Law. In addition, the General Anti Abuse Rules should apply to all transactions or arrangements which were entered into from 15 days after the CT Law was published in the Official Gazette (i.e. which was published on 10 October 2022 and therefore came into force on 25 October 2022).

Corporate Tax Rate

In terms of the CT Law, corporate tax is imposed on the taxable income of a Taxable Person (who is not a qualifying free zone person) ("QFZP") at the standard rate of 9%, provided that the first AED 375,000 (three hundred and seventy-five thousand UAE dirhams) is subject to a tax rate of 0%. Broadly, income of a revenue nature and capital gains are taxed at the same rate of 9%. Where the Taxable Person constitutes a QFZP, its qualifying income may be subject to corporate tax at a rate of 0%. The CT Law also provides specific relief for small businesses with an annual revenue below AED 3,000,000 (three million UAE dirhams), which, if applicable, would allow such Taxable Person to be treated as not having derived any taxable income during the relevant tax period. The standard 9% corporate tax rate, which is referred to in the remainder of this section, should increase to 15% for certain Taxable Persons from 1 January 2025 onwards pursuant to amendments to the CT Law (Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses) announced on 9 December 2024 by the UAE Ministry of Finance, which included the implementation of the DMTT (the DMTT being part of the wider BEPS Pillar 2 rules). Such rules should apply from 1 January 2025 to provide for a tax rate of 15%, however further guidance on the application of such rules is yet to be released.

Taxable Persons

The CT Law applies to all Taxable Persons, which includes a Resident Person and Non-Resident Person as defined in the CT Law. A Resident Person will be taxed on its worldwide income, while a Non-Resident Person will only be taxed on its UAE sourced income.

Taxation of natural persons

A natural person will only constitute a Taxable Person where the person conducts a "Business" or "Business Activity" (as defined in the CT Law) in the UAE and the person's total turnover derived from such Business or Business Activities exceeds AED 1,000,000 (one million Dirhams) within a calendar year. This is subject thereto that revenue derived from wages, personal investments and real estate

investments shall not be considered as derived from Business or Business Activities, regardless of the quantum of the revenue derived from such activities. Insofar as a natural person receives income from any of these three sources, such income will not be subject to Corporate Tax. These amounts can be excluded from the AED 1,000,000 (one million UAE dirhams) threshold contemplated above. A natural person that is not conducting a Business or Business Activity subject to Corporate Tax in accordance with the guidelines set out above shall not be required to register for Corporate Tax in the UAE.

Taxation of dividends

A dividend is defined in Ministerial Decision No. 116 of 2023 as: "Any payments or distributions that are declared or paid on or in respect of shares or other rights participating in the profits of the issuer of such shares or rights which do not constitute a return on capital or a return on debt claims, whether such payments or distributions are in cash, securities, or other properties, and whether payable out of profits or retained earnings or from any account or legal reserve or from capital reserve or revenue. This will include any payment or benefit which in substance or effect constitutes a distribution of profits made in connection with the acquisition or redemption or cancellation of shares or termination of other ownership interests or rights or any transaction or arrangement with a Related Party or Connected Person which does not comply with Article (34) of the Corporate Tax Law". Dividends as contemplated above, received by a UAE Taxable Person from a UAE resident juridical person will be exempt from corporate income tax under the CT Law. Furthermore, UAE sourced dividends paid to a non-resident person are currently subject to withholding tax at a rate of 0%. Shareholders who are a tax resident outside the UAE (both corporate and individual), should consult their tax advisors as to the taxation of dividend income derived from the Shares under the applicable local laws in those jurisdictions.

Taxation on subscription for Offer Shares

There are no taxes that arise in the UAE on the subscription for Offer Shares by the investors in the Global Offering. Accordingly, the subscription for Offer Shares should not in itself result in any UAE tax liabilities for the investors in the Global Offering. Investors in the Global Offering who are tax resident outside the UAE should consult their tax advisers in such foreign jurisdiction as to any possible tax consequences that might result from the subscription for Offer Shares.

Disposal of Shares

The future disposal of Shares by a shareholder that is a Taxable Person may give rise to a gain for corporate tax purposes where the proceeds exceed the tax cost base in respect of such shares. As indicated above, the UAE taxes both capital gains and revenue receipts at the same 9% rate subject to possible reliefs and exemptions as might be applicable to the particular shareholder concerned. A Resident Taxable Person will be subject to corporate tax at a rate of 9% on gains derived from the disposal of the Shares subject to possible reliefs and exemptions that might be applicable, for example small business relief, qualifying free zone relief or the participation exemption. A Taxable Person that is a natural person may be exempt from tax on gains derived from the future disposal of Shares where such gains constitute personal investment income of such person or falls below the AED 1 million threshold discussed earlier. As mentioned, a Non Resident Person should be subject to UAE tax on State Sourced Income. State Sourced Income includes income derived from shares in a Resident Person, and therefore any gains derived by a Non Resident Person on a sale of the Shares should be taxable in the UAE. However, as per Article 45 of the CT Law, certain categories of State Sourced Income realised by a Non Resident Person are expected to be subject to withholding tax, and the current wording of the CT Law states that the current withholding tax rate is 0% (although the CT Law mentions that it is possible that the rate could be changed in the future, therefore any updates in relation to these rules should be continuously monitored). In case a Non Resident Person would have a permanent establishment for UAE CT purposes, in the UAE, and income from the Shares would be attributable to such a permanent establishment, then the standard UAE corporate tax rules (including a 9% corporate tax rate) may need to be considered, as opposed to withholding tax. Depending on the nature of the shareholder concerned, such shareholder might also be eligible for particular entity-based exemptions as contained in the CT Law, for example government entities, government controlled entities, pension funds etc. The participation exemption mentioned above would also be available to all Taxable Persons, except for QFZPs, provided the requirements in respect thereof are met. Shareholders who are tax residents outside the UAE (both corporate and individual), should consult their tax advisers as to the taxation of gains on the future sale of the Shares under the applicable local laws in those jurisdictions.

Securities transfer tax

The UAE does not currently impose any stamp duty or securities transfer tax on the issuance or transfer of shares.

Value-added tax

From a UAE VAT perspective the issue, allotment or transfer of ownership of an equity security (which includes the Offer Shares) will constitute a supply of financial services which is exempt in terms of article 46(1) of the VAT Law as read with article 42(3)(b) of the Executive Regulations to the VAT Regulations. Accordingly, there would be no VAT charge on the issue or transfer of the Offer Shares. This VAT exempt treatment will only apply if the Offer Shares are issued to a recipient within the UAE. Where the Offer Shares are issued to a non-UAE resident, VAT at zero-rate may apply.

THE ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

SUBSCRIPTION AND SALE

Underwriting Agreement and Pricing Memorandum

The Company, the Selling Shareholders and the Joint Bookrunners have entered into an underwriting agreement with respect to the Shares (the "**Underwriting Agreement**"). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement, including the execution of the Pricing Memorandum (as defined below), the Joint Bookrunners have agreed, severally and not jointly, nor jointly and severally, to procure purchasers, or failing which to purchase themselves, certain of the Shares at the offer price on the Closing Date and otherwise. The number of Shares and the offer price for the Shares will be determined no later than on the Pricing Date and set out in the Pricing Memorandum. Such number of Shares and the offer price for the Shares may also be communicated in a press release to be issued by the Company, upon obtaining the consent of the Joint Global Coordinators.

In the Underwriting Agreement, each of the Company and the Selling Shareholders has made certain representations and warranties and the Company has agreed to indemnify the Joint Bookrunners against certain liabilities, including liability under the Securities Act. The Joint Bookrunners are offering the Shares and when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, such as the receipt by the Joint Bookrunners of officers' certificates and legal opinions.

The underwriting commitment of the Joint Bookrunners will be subject to certain conditions precedent, including among others, the execution of a pricing memorandum (the "**Pricing Memorandum**") by the Company, the Selling Shareholders and the Joint Bookrunners setting forth the offer price for the Shares and the final number of Shares offered in the Global Offering. The Pricing Memorandum is expected to be executed by no later than the Pricing Date.

The Joint Bookrunners may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then this Global Offering will lapse.

Offer Price Range and Pricing of the Global Offering

The price range for the Shares offered in the Global Offering is AED 1.45 to AED 1.50 per Share.

Prior to the Global Offering, there has been no public market for the Shares. The offer price will be determined by the Company and the Selling Shareholders, following consultation with the Joint Global Coordinators. Among the factors considered in determining the offer price following the bookbuilding process will be the Company's future prospects and the prospects of the Company's industry in general, the Company's revenue, the Company's profit and certain other financial operating information with respect to the Company in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to the Company.

Stabilisation

In connection with the Global Offering, the Company and the Selling Shareholders has appointed the Stabilisation Manager, a duly authorised price stabilisation manager by the ADX to act as a price stabilisation manager (the "**Stabilisation Manager**"), who may, to the extent permitted by applicable law, including the ADX Rules, and for stabilisation purposes, effect stabilising transactions with a view to supporting the market price of the Shares, in each case at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager will be appointed for a time period commencing on the date of trading of the Shares on the ADX and ending no later than 30 days thereafter (the "**Stabilisation Period**"). All stabilising transactions will be undertaken in compliance with the ADX Rules. In accordance with Article 3, Chapter 15 of the ADX Rules, the Stabilisation Manager will disclose to the market the extent of any stabilising transactions conducted in relation to the Global Offering.

As part of the Global Offering, the Selling Shareholders will sell a number of Shares not exceeding 10% of the Offer Shares (the "**Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. If at any time during the Stabilisation Period, the share price of the Shares on the ADX falls below the Offer Price, the Stabilisation Manager shall use the

proceeds of the sale of the Stabilisation Shares to purchase from the market up to a number of Shares equivalent to the number of Stabilisation Shares at or below the Offer Price for the purpose of supporting the market price of the Shares. In the event the Stabilisation Manager does not purchase any shares, the Stabilisation Shares will remain fully allocated. At the end of the Stabilisation Period, the Stabilisation Manager will return to the Selling Shareholders the Stabilisation Shares which have been purchased in the market as a result of stabilising transactions and/or any remaining portion of the proceeds which were not used for stabilising transactions, as well as any interest/profit that has accumulated for the amounts corresponding to such proceeds.

Any Stabilisation Shares made available will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Global Offering and will form a single class for all purposes with the other Shares.

None of the Joint Bookrunners or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilisation Manager.

Lock-Up Arrangements

Pursuant to the terms of the Underwriting Agreement, the Company and the Selling Shareholders agree that for 180 days from the date of Listing they will not directly or indirectly effect any issue, offer, sale, contract to sell, grant or sale of options over, purchase of any option or contract to sell, transfer, charge, pledge, grant any right or warrant to purchase or otherwise dispose, transfer or lend, directly or indirectly, any ordinary shares in the share capital of the Company ("**Ordinary Shares**") or any securities convertible into or exchangeable for or substantially similar to Ordinary Shares or any interest in Ordinary Shares or the entry into of any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Ordinary Shares whether any such transaction described above is to be settled by the delivery of Ordinary Shares or such other securities, in cash or otherwise, or any other disposal or any agreement to dispose of any Ordinary Shares or any announcement or other publication of the intention to do any of the foregoing without the prior written consent of the Joint Global Coordinators. These restrictions shall not apply to:

- (a) any inter-company transfers of Ordinary Shares by a Selling Shareholder in favour of its affiliates (the "**Transferees**"), *provided that*: (i) prior to the making of any such transfer, the Transferees shall agree to be bound by the lock-up obligations of such Selling Shareholder as are set forth above; (ii) any of such inter-company transfers of Ordinary Shares shall be performed on terms and conditions that do not conflict with the Global Offering; and (iii) in the event that a Transferee ceases to be an affiliate of such Selling Shareholder, the Ordinary Shares transferred to such Transferee shall, prior to such cessation, be transferred back to such Selling Shareholder;
- (b) accepting a general offer made to all holders of Ordinary Shares then in issue (other than Ordinary Shares held by the person making the offer or its affiliates) on terms which treat all holders of Ordinary Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Ordinary Shares or any interest therein);
- (c) taking up any rights granted in respect of a pre-emptive share offering by the Company in order to sell a sufficient number of its rights in order to acquire the balance of its rights;
- (d) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms to all holders of Ordinary Shares in the Company;
- (e) any disposal by and/or allotment and issue of shares to a Selling Shareholder pursuant to any capital reorganisation in respect of any Ordinary Shares beneficially owned, held or controlled by such Selling Shareholder, *provided that* any shares issued

to or otherwise acquired by such Selling Shareholder pursuant to such capital reorganisation shall be subject to the restrictions of this clause;

- (f) transferring or otherwise disposing of Ordinary Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority; or
- (g) transferring or otherwise disposing of shares of the Company where such transfer or disposal is required by law or any competent authority or by a final order of a court of competent jurisdiction.

Any Shariah pronouncement issued in relation to the Global Offering does not extend in scope to the transactions listed above and the parties involved in any transactions that lead to a lock-up waiver request should undertake their own assessment as to whether such transactions are structured in a Shariah compliant manner.

Allocation

The Global Offering comprises the Qualified Investor Offering, the UAE Retail Offer and the EIA Offer. The allocation of Shares in the Qualified Investor Offering will be determined by the Joint Global Coordinators, the Company and the Selling Shareholders.

Factors that may be taken into account by the Joint Global Coordinators, the Company and the Selling Shareholders when determining the allocations between prospective investors in the event of oversubscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Joint Global Coordinators, the Company and the Selling Shareholders may deem relevant.

Other Relationships

In connection with the Global Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Shares in the Global Offering as a principal position, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Bookrunners and any of their affiliates acting in such capacity. In addition, certain Joint Bookrunners or their affiliates may enter into financing and hedging arrangements with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Joint Bookrunners intends to disclose the extent of any such investment or transactions otherwise than to the Company and in accordance with any legal or regulatory obligation to do so.

Each of the Joint Bookrunners, together with its respective affiliates, is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, issuing or creating and trading in securities and financial products, publishing research and exercising voting power over securities on behalf of third parties, financing and brokerage activities, for which it receives customary fees. In the ordinary course of their business with the Company, including parties affiliated with the Company, the Joint Bookrunners and their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, may at any time deal as principal or agent for more than one party in, or hold trading positions, and may trade or otherwise effect transactions, for their own accounts or the accounts of customers, in the Company's debt or equity securities or financings, their respective associates or any counterparty. The sharing of information relating to such activities is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company.

Any Shariah pronouncement issued in relation to the Global Offering does not extend in scope to the transactions listed above and the parties involved in any such transactions should undertake their own assessment as to whether such transactions are structured in a Shariah compliant manner.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company, the Selling Shareholders or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Shares are being offered and sold solely outside the United States in reliance on Regulation S.

United Kingdom

In relation to the UK, no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Shares which has been approved by the UK Financial Conduct Authority in accordance with the UK Prospectus Regulation and the FSMA, except that offers of Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

- (ii) to any UK Qualified Investor;
- (iii) to fewer than 150 natural or legal persons (other than UK Qualified Investors), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (iv) at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Shares shall result in a requirement for the publication by the Group or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression "**FSMA**" means the Financial Services and Markets Act 2000.

This Offering Memorandum is for distribution only to persons who: (A) are outside the United Kingdom; or (B) are in the United Kingdom; and are UK Qualified Investors who: (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"); (ii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment

or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The Company and the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

Each person in the UK who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a relevant person as defined above.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to UK Qualified Investors, in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale.

In connection with the Global Offering, the Joint Bookrunners are not acting for anyone other than the Company and the Selling Shareholders and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

European Economic Area

In relation to each Relevant State, no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State all in accordance with the Prospectus Regulation, except that offers of Shares may be made to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

- (i) to any Qualified Investor;
- (ii) to fewer than 150 natural or legal persons (other than Qualified Investors), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Group or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression of an "**offer to the public**" in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to Qualified Investors, in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale.

Each person in a Relevant State who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a Qualified Investor.

The Company and the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

UAE (excluding the ADGM and the DIFC)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Bookrunners received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that any of the Joint Bookrunners is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with Federal Decree-Law No. (32) of 2021 on Commercial Companies or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

ADGM

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the FSRA. The FSRA has not approved this document nor has any responsibility for reviewing or verifying any document or other documents in connection with this Global Offering. Accordingly, the FSRA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

- (i) an "Exempt Offer" in accordance with the FSMR; and
- (ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

The FSRA has not taken steps to verify the information set out in this Offering Memorandum, and has no responsibility for it. If you do not understand the contents of this Global Offering or are unsure whether the securities to which the Global Offering relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

DIFC

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the DFSA. The DFSA has not approved this Offering Memorandum nor has any responsibility for reviewing or verifying any document or other documents in connection with the Global Offering. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and
- (ii) made only to persons who meet the "Deemed Professional Client" criteria set out in the Conduct of Business (COB) Module of the DFSA Rulebook, who are not natural persons.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person. The Global Offering to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the Global Offering.

The DFSA has not taken steps to verify the information set out in this Offering Memorandum, and has no responsibility for it. If you do not understand the contents of this Global Offering or are unsure whether the securities to which this the Global Offering relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

Kingdom of Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this document, they should consult an authorised financial advisor.

The Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than to institutional or qualified clients under Article 8(a)(1) of the Saudi Regulations as such term is defined in the CMA Glossary of Defined Terms used in Regulations and Rules of the CMA (issued by the Board of the CMA pursuant to resolution number 4-11-2004 dated 4 October 2004G, as amended pursuant to Resolution of the Board of the CMA number 3-114-2024 dated 7 October 2024G) or by way of a limited offer under Article 9 of the Saudi Regulations.

The offering of the Shares in the KSA shall not constitute a "public offer" pursuant to the Saudi Regulations. Prospective subscribers are informed that Article 14 of the Saudi Regulations place restrictions on secondary market activity with respect to the Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by us.

TRANSFER RESTRICTIONS

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

Each purchaser of the Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Shares, will be deemed to have represented, agreed and acknowledged as follows:

- (i) The purchaser is, or at the time the Shares were purchased will be, the beneficial owner of such Shares and: (a) is, and the person, if any, for whose account it is acquiring the Shares is, outside the United States; (b) is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (c) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- (ii) The purchaser is aware that such Shares: (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.
- (iii) The purchaser acknowledges that the Company, the Selling Shareholders, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Shares will take place through the trading system of the ADX. Shares will be held under National Investor Numbers ("NINs") assigned by the ADX either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the ADX by brokers or custodians may be performed only through members of the ADX that are Clearing Members. Settlement of securities trading on the ADX is governed by the ADX's rules and regulations, which are available from its website at www.ADX.ae.

Investors will be required to complete an application form for the Shares and return such form to the Joint Bookrunners during the bookbuilding period. Application forms will be available from the Joint Bookrunners.

Investors who receive an allocation of Shares may be required to deliver to the Joint Bookrunners a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on 4 March 2025 to investors subscribing in the Qualified Investor Offering.

Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either USD or AED, as specified by each subscriber to the Joint Bookrunners during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners six business days prior to the Expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges.

Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the ADX. There can be no assurance that such Shares will be credited to the NIN account of the relevant investor during trading hours of the ADX on the Closing Date and such investor may not be able to deal in the relevant Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for the Company by Ashurst LLP. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Bookrunners by Latham & Watkins LLP.

INDEPENDENT AUDITORS

The Audited Financial Statements included in this Offering Memorandum have been audited by Deloitte in accordance with the International Standards on Auditing as stated in their independent auditor's report appearing herein.

ADDITIONAL INFORMATION

Significant Change

There has been no significant change in the Group's financial or trading position since 31 December 2024 being the date of the most recent financial statements of the Company.

Consents

The Group has obtained all consents, approvals and authorisations in the UAE in connection with the Global Offering.

Documents available for Inspection

The following documents have been made available for inspection during ordinary business hours until Admission at the offices of the Company at Level 26, Addax Tower, Al Reem Island, Abu Dhabi, United Arab Emirates:

- (a) the Articles of Association;
- (b) the reports from Deloitte which are incorporated in the "*Audited Financial Statements*" set out in the Appendix of this Offering Memorandum; and
- (c) this Offering Memorandum.

Subsidiaries

As of the date of this Offering Memorandum, the subsidiaries of the Company are as follows:

Subsidiary	Shareholder	Share Capital	Ownership
Alpha Data Technology (KSA)	the Company	1,200,000 Saudi Riyals	100%
Tuqnia LLC - OPC	the Company	AED 900,000	100%
Alpha Data Recruitment LLC - OPC	the Company	AED 100,000	100%
Foresight Technology LLC - OPC	the Company	AED 100,000	100%
Alpha Data Technology LLC (Qatar) (in the process of liquidation in Qatar)	the Company	300,000 Qatari Riyals	49%
Alpha Data for Information Technology LLC (Qatar) (in the process of incorporation in Qatar)	the Company	150,000 Qatari Riyals	100%

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ALPHA DATA LLC

**Reports and consolidated
financial statements for the year
ended 31 December 2024**

ALPHA DATA LLC

Reports and consolidated financial statements for the year ended 31 December 2024

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**Directors' report
for the year ended 31 December 2024**

The Directors present their annual report, together with the audited consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2024.

Principal activity

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services such as alpha public cloud, mobility, big data, and security solutions.

Results

Revenue for the year was AED 2,323.11 million compared to AED 2,006.62 million for the preceding year. Total comprehensive income for the year was AED 126.83 million compared to AED 133.09 million for the preceding year.

The proposed appropriation of profits is as follow:

	AED
Retained earnings at 1 January 2024	543,038,456
Total comprehensive income for the year	126,834,248
Dividends paid	(434,886,982)
Zakat paid	(10,861,000)
Increase in share capital	(27,000,000)
Increase in statutory reserve	(13,500,000)
Retained earnings at 31 December 2024	183,624,722

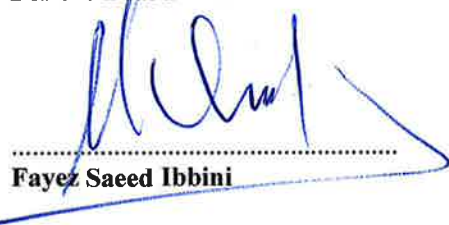
Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2024.

Auditors

The Directors propose the reappointment of Deloitte & Touche (M.E.) as external auditor of the Group for the year ending 31 December 2025.

For the Board of Directors


Fayeز Saeed Ibbini


Faraj Ali Bin Hāmoodah

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Alpha Data LLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year, and notes to the consolidated financial statements, including a summary of material accounting policy 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 cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

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

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 on the other information that we obtained prior to the date of this auditor's report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALPHA DATA LLC (continued)**

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 as issued by the IASB, and the applicable provisions of the articles of association of the Company and the UAE Federal Law No. (32) of 2021, and for such internal control as management determine 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 have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 based on these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, we report that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021;
- The Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Group's books of account;
- As disclosed in note 1 to the consolidated financial statements, the Company has not purchased or invested any in shares during the financial year ended 31 December 2024;
- Note 23 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted; and
- 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 of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
3 February 2025
Abu Dhabi
United Arab Emirates

**Consolidated statement of financial position
at 31 December 2024**

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property and equipment	5	16,627,310	46,991,740
Investment properties	7	15,945,000	176,743,193
Total non-current assets		32,572,310	223,734,933
Current assets			
Inventories and work in progress	8	170,952,168	269,053,279
Contract assets	9	352,795,707	242,799,350
Trade and other receivables	10	368,880,765	379,367,524
Cash and bank balances	11	35,367,079	103,076,793
Total current assets		927,995,719	994,296,946
Total assets		960,568,029	1,218,031,879
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	30,000,000	3,000,000
Statutory reserve	13	15,000,000	1,500,000
Retained earnings		183,624,722	543,038,456
Total equity		228,624,722	547,538,456
Non-current liabilities			
Trade finance	16	2,118,810	2,979,080
Provision for employees' end of service benefit	14	44,322,201	39,613,382
Total non-current liabilities		46,441,011	42,592,462
Current liabilities			
Bank borrowings	15	12,451,182	-
Trade and other payables	16	660,387,067	627,900,961
Income tax payable	17	12,664,047	-
Total current liabilities		685,502,296	627,900,961
Total liabilities		731,943,307	670,493,423
Total equity and liabilities		960,568,029	1,218,031,879



Fayer Saeed Ibbini



Faraj Ali Bin Hamoodah

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

**Consolidated statement of profit or loss
for the year ended 31 December 2024**

	Notes	2024 AED	2023 AED
Revenue	18	2,323,114,646	2,006,617,742
Cost of sales	19	(2,032,066,756)	(1,738,269,158)
Gross profit		291,047,890	268,348,584
General and administrative expenses	20	(161,387,950)	(146,055,201)
Finance (costs)/income, net		(3,420,027)	1,277,057
Net fair value gain on investment properties	7	1,947,600	-
Other income	21	11,310,782	9,515,995
Profit before tax		139,498,295	133,086,435
Income tax expense	17	(12,664,047)	-
Profit after tax		126,834,248	133,086,435
Basic and diluted earnings per share (AED)	22	0.24	4,436,214

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

**Consolidated statement of comprehensive income
for the year ended 31 December 2024**

	Notes	2024 AED	2023 AED
Profit after tax		126,834,248	133,086,435
Other comprehensive income		-	-
Total comprehensive income for the year		126,834,248	133,086,435

**Consolidated statement of changes in equity
for the year ended 31 December 2024**

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total Equity AED
Balance at 1 January 2023	3,000,000	1,500,000	509,712,021	514,212,021
Dividends paid (note 26)	-	-	(90,000,000)	(90,000,000)
Zakat paid (note 27)	-	-	(9,760,000)	(9,760,000)
Total comprehensive income for the year	-	-	133,086,435	133,086,435
Balance at 1 January 2024	3,000,000	1,500,000	543,038,456	547,538,456
Total comprehensive income for the year	-	-	126,834,248	126,834,248
Dividends (note 26)	-	-	(434,886,982)	(434,886,982)
Zakat paid (note 27)	-	-	(10,861,000)	(10,861,000)
Increase in share capital (note 12)	27,000,000	-	(27,000,000)	-
Increase in statutory reserve (note 13)	-	13,500,000	(13,500,000)	-
Balance at 31 December 2024	30,000,000	15,000,000	183,624,722	228,624,722

**Consolidated statement of cash flows
for the year ended 31 December 2024**

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit before tax		139,498,295	133,086,435
Adjustments for:			
Depreciation of property and equipment	5	5,035,588	6,297,188
Allowance for expected credit losses	10	7,613,208	7,100,952
Employees' end of service benefit charge	14	9,613,465	8,990,830
Allowance for inventory obsolescence	8	3,292,400	3,242,400
Finance costs/(income), net		3,420,027	(1,277,057)
Gain on disposal of property and equipment	21	(42,081)	(84,917)
Gain on fair valuation of investment properties	7	(1,947,600)	-
Loss on disposal of investment properties	21	396,000	-
Operating cash flows before changing in working capital		166,879,302	157,355,831
Movements in working capital:			
Decrease/(increase) in inventories		94,808,711	(27,984,434)
Decrease/(increase) in trade and other receivables		4,653,700	(92,138,300)
(Increase)/decrease in contract assets		(109,996,359)	18,045,520
Increase in trade and other payables		31,625,839	72,095,699
Increase in deferred revenues		-	206,095
Cash generated by operating activities		187,971,193	127,580,411
Employees' end of service benefit paid	14	(4,904,646)	(4,454,911)
Net cash generated by operating activities		183,066,547	123,125,500
Cash flows used in investing activities			
Payments for advances paid on purchases of investment properties	6	-	(381,412)
Payments for additions in property and equipment	5	(1,466,918)	(2,726,700)
Payments for additions in investment properties	7	-	(210,793)
Proceeds from disposal of property and equipment		45,502	231,563
Proceeds from sale of investment properties		3,500,000	-
Net cash generated by (used in) investing activities		2,078,584	(3,087,342)
Cash flow used in financing activities			
Dividends and zakat paid		(261,886,000)	(99,760,000)
Finance (cost paid)/income received, net		(3,420,027)	1,277,057
Net cash used in financing activities		(265,306,027)	(98,482,943)
Net (decrease)/increase in cash and bank balances		(80,160,896)	21,555,215
Cash and bank balances at the beginning of the year		103,076,793	81,521,578
Cash and bank balances at the end of the year	11	22,915,897	103,076,793

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

**Consolidated statement of cash flows
for the year ended 31 December 2024 (continued)**

Non-cash transactions:		2024 AED	2023 AED
Increase in share capital from retained earnings	12	27,000,000	-
Increase in statutory reserve from retained earnings	13	13,500,000	-
Dividends in kind declared – property and equipment	5 & 26	25,012,189	-
Dividends in kind declared – investment properties	7 & 26	158,849,793	-

**Notes to the consolidated financial statements
for the year ended 31 December 2024****1 General information**

Alpha Data LLC (“the Group”) and its subsidiaries (together “the Group”) is a limited liability Company registered in Abu Dhabi, United Arab Emirates (“UAE”). The registered office is P.O. Box 45384, Abu Dhabi, UAE.

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services like alpha public cloud, mobility, big data and security solutions.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2024.

2 Application of new and revised International Financial Reporting Standards (IFRSs)**2.1 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 periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRSs)
(continued)**

2.2 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>
Amendment to IAS 21 - Lack of Exchangeability	1 January 2025
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11.	1 January 2026
The pronouncement comprises the following amendments:	
• IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a ‘de facto agent’ • IAS 7: Cost method	
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided
IFRS Accounting Taxonomy 2023—Update 1 International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates)
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates)

The above stated new standards and amendments are not expected to have any significant impact on these consolidated financial statements of the Group.

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 these consolidated financial statements of the Group.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information****Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the UAE Federal Law No. (32) of 2021.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties which are recognized at fair value. The principal accounting policies adopted are set out below:

Basis of consolidation

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

- 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 Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Basis of consolidation (continued)

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Place of incorporation and operation	Legal status	Proportion of ownership interest		Principal activities
			2024	2023	
Tuqnia LLC OPC	UAE	Limited Liability Company	100%	100%	Computer trading, network maintenance and wireless system equipment trading and installation.
Foresight Technology LLC OPC	UAE	Limited Liability Company	100%	100%	Ready software trading, computer network maintenance and computer system and software design.
Alpha Data Recruitment LLC OPC	UAE	Limited Liability Company	100%	100%	Supply of labors on demand.
Alpha Data Technology	Qatar	Limited Liability Company	100%	100%	IT installation, data processing and equipment's, maintenance services, set up/develop computer programs and systems.
Alpha Data Information Technology L.L.C.	Qatar	Limited Liability Company	100%	-	IT installation, data processing and equipment's, maintenance services, set up/develop computer programs and systems.
Alpha Data Information Technology (Single Person Limited Liability Company)	KSA	Sole proprietorship	100%	100%	Construction Information and Communication Other service activities

Tuqnia LLC was registered in the name of Bin Hamoodah Company and Mr. Fayez Saeed Ibbini, Chief Executive Officer, and was assigned to the Company, and held in trust for the benefit of the Company as at 31 December 2022. The shareholders transferred the legal ownership on 13 November 2023 and the name was changed to Tuqnia LLC OPC.

Foresight Technology LLC was registered in the name of Mr. Faraj Ali Bin Hamoodah, chairman, and was assigned to the Company and held in trust for the benefit of the Company as at 31 December 2022. The shareholders transferred the legal ownership on 10 November 2023 and the name was changed to Foresight Technology LLC OPC.

Alpha Data Recruitment LLC, was registered in the name of Khaled Ghamem Ali Binhamouda Aldhaheeri, director, and was assigned to the Company and held in trust for the benefit of the Company as 31 December 2022. The shareholders transferred the legal ownership on 13 November 2023 and the name was changed to Alpha Data Recruitment LLC OPC.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Basis of consolidation (continued)

Alpha Data Technology, registered in the name of Alpha Data LLC and Naser Jasim Hasan Ahmed Al Khalf (Sponsor), is assigned to the Company, and is held in trust for the benefit of the Company.

Alpha Data Information Technology L.L.C. is established in 24 October 2024.

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

All intra-group transactions, balances, income, and expenses are eliminated on consolidation.

Property and equipment

Property 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.

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. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Buildings	20
Leasehold improvement	4 - 8
Computer equipment	4 - 5
Motor vehicles	3 - 6
Furniture and office equipment	4

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties are stated at fair value as at the reporting date. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise. The fair values of investment properties are determined by an independent professional valuer.

The determination of the fair value of investment properties requires the use of estimates such as projected annual net operating income based on expected lease and capitalizing it in perpetuity. These estimates are based on local market conditions existing at the consolidated statement of financial position date. In arriving at their estimates of fair values as at 31 December 2024 and 2023, the valuers have used their market knowledge and professional judgment and have not only relied solely on historic transactional comparables. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

Direct comparison approach

The direct comparison approach was used in determining the fair value of the investment properties. The direct comparison approach involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and comprises invoiced cost, related freight charges and import duties. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Work in progress includes cost and expenses incurred directly relating to projects, which are yet to be completed and invoiced.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Impairment of tangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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.

Where 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and as a result of services rendered by eligible employees up to the end of reporting year.

A provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with UAE Federal Labour Law, for their year of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Revenue recognition**

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue when it transfers control over goods or services to its customers.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately the Group estimates standalone selling prices using other methods (i.e., adjusted market assessment approach, cost plus margin approach or residual approach).

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.

The Group recognizes revenue from the following segments:

- Solutions segment, which provides integration of IT technologies which includes a complete range of service such as supply of servers, storage solutions, printing solutions, security solutions and services to a variety of customers. This segment is to deliver a successful integration of complex systems which requires both specialized skills and the right level of experience.

There are contracts in this segment which provides one complete solution including supply of hardware, software, installation and maintenance and support for specialized business operations, which can be short-term or long-term in nature. Such services are recognized as performance obligation satisfied over time based on stage of completion based on actual cost to estimated cost to complete. The transaction price is fixed in accordance with the contract.

In some contracts in this segment which include delivery software to its customers, of which revenue is recognized as the performance obligation is satisfied at a point in time based on deliveries. For licenses, the Group satisfies its performance obligation at the point in time when the right to use is granted to the customer, as the related software have significant stand-alone functionality and a substantial portion of the benefit is derived from this functionality. The customer can direct the use of, and obtain substantially all of the remaining benefits from, the license at the point in time at which the license transfers. The transaction price is fixed in accordance with the contract.

In some contracts in this segment, the customer may require the Company to source specific hardware that will be needed for the customer's use. Revenue for procurement of hardware is recognised at a point in time as these are delivered at a specific point in time, i.e. when the hardware is delivered and transferred to the customer. The transaction price is determined according to the contract.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Revenue recognition (continued)**

- Service segment, which involves hardware support through to proactive 24/7 infrastructure and applications management. Services help shape our customers develop and run their operations and include a range of services that deliver solutions and transition services, on time, on budget and within your agreed criteria. Revenue is recognized from these contracts when the related services are provided to the customer over a period of time based on term of the contract. The transaction price is fixed in accordance with the contract.
- Talent segment, which involves outsourcing resources to customers who are looking for excellent people who are able to contribute to the organizations where they work. Revenue is recognized from these contracts when the related services are provided to the customer over a period of time based on term of the contract. The transaction price is fixed in accordance with the contract.

Contract assets and liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

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 the reporting 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 profit or loss in the period in which they arise.

Provisions

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments

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.

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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.

Classification of financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Financial instruments (continued)*****Financial assets (continued)******Impairment of financial assets***

The Group recognises a loss allowance for expected credit losses on, trade receivables, contract assets, as well as on financial guarantee contracts. 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 receivables, contract assets and lease receivables. 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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 profit or loss. 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 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 investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****Financial instruments (continued)*****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 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 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 statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to 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 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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

Current and deferred tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the condensed statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in condensed statement of profit or loss and other comprehensive income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty**

While applying the accounting policies as stated in note 3, management has made certain judgments, 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 ongoing basis. Revision to accounting estimates are recognised in the period of the revision 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 judgments and estimate made by management are summarised as follows:

Critical judgments in applying the Group's accounting policies

In the process of applying Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the Consolidated financial statements, apart from those involving estimations described below.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of the property as determined by management.

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to lifetime ECL for assets. 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.

Revenue recognition

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- 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 alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty (continued)**Judgements in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2024, the Group's allowance for impairment of trade receivables amounted to AED 28.57 million (2023: AED 46.75 million).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Property and equipment

	Land AED	Buildings AED	Leasehold improvement AED	Computer equipment AED	Motor vehicles AED	Furniture and office equipment AED	Total AED
Cost							
At 1 January 2023	1,780,150	68,785,461	7,716,497	24,282,752	5,026,039	10,862,599	118,453,498
Additions	-	959,357	-	874,572	457,747	435,024	2,726,700
Disposals	-	-	-	-	(683,543)	-	(683,543)
At 1 January 2024	1,780,150	69,744,818	7,716,497	25,157,324	4,800,243	11,297,623	120,496,655
Additions	-	1,034	-	1,183,845	223,818	58,221	1,466,918
Disposals	-	-	(1,700,778)	(8,266,003)	(174,000)	(3,818,080)	(13,958,861)
Transfer	(1,780,150)	-	-	-	-	-	(1,780,150)
Transferred as dividend in kind (note 26)	-	(41,385,666)	-	-	-	-	(41,385,666)
At 31 December 2024	-	28,360,186	6,015,719	18,075,166	4,850,061	7,537,764	64,838,896
Accumulated depreciation							
At 1 January 2023	-	26,515,633	4,899,018	22,471,217	3,874,836	9,983,920	67,744,624
Charge for the year	-	4,355,487	-	1,065,397	450,179	426,125	6,297,188
Elimination on disposal	-	-	-	-	(536,897)	-	(536,897)
At 1 January 2024	-	30,871,120	4,899,018	23,536,614	3,788,118	10,410,045	73,504,915
Charge for the year	-	3,251,544	336,405	786,069	513,920	147,650	5,035,588
Elimination on disposal	-	-	(1,700,510)	(8,263,267)	(173,998)	(3,817,665)	(13,955,440)
Transferred as dividend in kind (note 26)	-	(16,373,477)	-	-	-	-	(16,373,477)
At 31 December 2024	-	17,749,187	3,534,913	16,059,416	4,128,040	6,740,030	48,211,586
Carrying amount							
At 31 December 2024	-	10,610,999	2,480,806	2,015,750	722,021	797,734	16,627,310
At 31 December 2023	1,780,150	38,873,698	2,817,479 F-31	1,620,710	1,012,125	887,578	46,991,740

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

6 Advances paid on purchases of properties

	2024 AED	2023 AED
At 1 January	-	5,485,988
Addition during the year	-	381,412
Transfer to investment property (note 7)	-	(5,867,400)
At 31 December	-	-

Advances paid represents amounts paid to purchase of properties in Dubai. During the prior year, the construction was completed, and the property was handed over to the Group. The related cost of AED 5.87 million was transferred to investment properties, based on the determined use of such properties, i.e., internal use and rental purposes.

7 Investment properties

	2024 AED	2023 AED
At 1 January	176,743,193	170,664,999
Transfer to asset held for distribution (note 26)	(158,849,793)	-
Addition during the year	-	210,794
Transfer from advances paid on purchases of properties (note 6)	-	5,867,400
Sold during the year	(3,896,000)	-
Fair value gain	1,947,600	-
At 31 December	15,945,000	176,743,193

The investment properties are situated in Dubai and Abu Dhabi, UAE.

The Group's investment properties are stated at fair value at reporting period and at 31 December 2024 based on the following:

	2024 AED	2023 AED
Valued by independent external valuer	15,945,000	153,000,000
Internal management valuation	-	23,743,193
At 31 December	15,945,000	176,743,193

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

7 Investment properties (continued)

As at 31 December 2024, investment property with fair value of AED 15.95 million was valued by an independent external professionally qualified valuer, who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the investment property valued. The valuation was determined by reference to direct comparison approach which involves adjusting the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics (2023: AED 153.0 million).

As at 31 December 2023, investment properties with fair value of AED 23.74 million was determined internally by the management based on discounted cash flow (DCF) method, fair value is estimated based on significant unobservable inputs. These inputs include: future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows; estimated vacancy rates based on current and expected future market conditions after expiry of any current lease; and terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For disclosure purposes these investment properties are being considered as Level 3.

During the year, rental income earned from investment properties amounted to AED 5.08 million (2023: AED 6.77 million) and direct cost incurred was AED 3.77 million (2023: AED 3.56 million).

8 Inventories and work in progress

	2024 AED	2023 AED
Goods for resale	56,026,820	71,872,280
Work in progress	118,512,918	218,492,220
	174,539,738	290,364,500
Less: allowance for inventory obsolescence	(3,587,570)	(21,311,221)
	170,952,168	269,053,279

The cost of inventories included in cost of sales amounted to AED 1.83 billion (2023: AED 1.54 billion).

The movement in the allowance for inventory obsolescence during the year is as follows:

	2024 AED	2023 AED
At 1 January	21,311,221	18,578,235
Charge for the year	3,292,400	3,242,400
Inventory written off	(21,016,051)	(509,414)
At 31 December	3,587,570	21,311,221

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

9 Contract assets

	2024 AED	2023 AED
Current	352,795,707	242,799,350

Contract assets balances relate to the Group's right on consideration for goods and services provided but not billed at the reporting date. Contract assets are recognized for any work performed in line with a series of performance related milestones under software development, installation and support service contracts in excess of amounts billed to the customer.

Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. Payments that are not due from the customer until the services are complete and therefore a contract asset is recognized over the period in which the services are performed to represent the Group's right to consideration for the services transferred to date. All the contract assets are expected to be realized within one year hence classified under current assets.

There were no significant changes in the contract liability balances during the reporting period. The expected credit loss ("ECL") was assessed to be immaterial as at 31 December 2024 (31 December 2023: nil).

10 Trade and other receivables

	2024 AED	2023 AED
Trade receivables:		
Local and federal government entities	178,953,514	177,194,017
Non-government entities	161,928,887	198,917,764
	340,882,401	376,111,781
Less: Allowance for expected credit loss	(28,573,703)	(46,750,610)
Net trade receivables	312,308,698	329,361,171
Prepayments and other receivables	48,659,868	35,561,552
Advances to suppliers	7,000,145	12,939,821
Retention receivables	2,073	383,669
Due from related parties (note 23)	909,981	1,121,311
	368,880,765	379,367,524

The average credit period on sale of goods and rendering of services is 60 to 90 days (2023: 60 to 90 days). No interest is charged on past due trade receivable balances.

Before accepting any new customer, the Group assesses the potential credit quality of the customer. The Group measures the provision for impairment for trade receivables at an amount equal to lifetime ECL. 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

10 Trade and other receivables (continued)

The Group has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order from counterparty. Trade receivable balances at the end of the year of AED 103.20 million (2023: AED 134.01 million) is due from the Group's 10 major customers representing 30% (2023: 36%) of trade receivables.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Individually assessed AED	Collectively assessed AED	Total AED
At 31 December 2022	22,255,572	17,394,086	39,649,658
Net re-measurement of loss allowance	354,069	6,746,883	7,100,952
At 31 December 2023	22,609,641	24,140,969	46,750,610
Net re-measurement of loss allowance	20,187,919	(12,574,711)	7,613,208
Write-off	(25,790,115)	-	(25,790,115)
At 31 December 2024	17,007,445	11,566,258	28,573,703

The following table details the risk profile of trade receivables based on the Group's provision matrix:

	Past due					Total AED
	<30 AED	31-90 AED	91-365 AED	>365 AED	Specific provision AED	
31 December 2024						
Expected credit loss rate	1.74%	6.76%	13.42%	12.15%	60.99%	8.38%
Estimated total gross carrying amount at default	254,193,691	4,624,057	15,017,923	39,647,659	27,399,071	340,882,401
Lifetime ECL	4,422,970	312,586	2,015,405	4,815,296	17,007,446	28,573,703
31 December 2023						
Expected credit loss rate	1.74%	6.76%	13.42%	20.75%	100.00%	12.43%
Estimated total gross carrying amount at default	224,948,000	27,953,341	34,523,142	66,077,657	22,609,641	376,111,781
Lifetime ECL	3,906,828	1,888,286	4,631,583	13,714,272	22,609,641	46,750,610

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

11 Cash and cash equivalents

	2024 AED	2023 AED
Cash in hand	404,556	259,679
Cash at bank	34,962,523	102,817,114
Cash and cash equivalents	35,367,079	103,076,793

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2024 AED	2023 AED
Cash and cash equivalents	35,367,079	103,076,793
Bank overdrafts (note 15)	(12,451,182)	-
Cash and cash equivalents	22,915,897	103,076,793

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. 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 has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

12 Share capital

The authorised, issued and fully paid share capital of the Company comprises of 1 billion shares of AED 0.03 each. (31 December 2023: 30 shares of AED 100,000 each). On 3 June 2024, the board of directors agreed to increase the Company's share capital as transfer from retained earnings amounting to AED 27.0 million, from AED 3.0 million to AED 30.0 million.

The shareholders and their respective interests are as follows:

	31 December 2024		
	Number of shares	%	AED
Bin Hamoodah Company L.L.C	666,666,667	66.67%	20,000,000
Ibbini Investment Company L.L.C	333,333,333	33.33%	10,000,000
	1,000,000,000	100%	30,000,000

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

12 Share capital (continued)

	31 December 2023		
	Number of shares	%	AED
Bin Hamoodah Company L.L.C	20	66.67%	2,000,000
Ibbini Investment Company L.L.C	10	33.33%	1,000,000
	<u>30</u>	<u>100%</u>	<u>3,000,000</u>

13 Statutory reserve

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 5% of the annual profits should be transferred to a non-distributable statutory reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the Company.

On 3 June 2024, the board of directors agreed to increase the Company's statutory reserve to AED 15 million, in line with the increase in the share capital through a transfer from retained earnings.

14 Provision for employees' end of service benefit

	2024 AED	2023 AED
At 1 January	39,613,382	35,077,463
Charge for the year	9,613,465	8,990,830
Paid during the year	(4,904,646)	(4,454,911)
	<u>44,322,201</u>	<u>39,613,382</u>
At 31 December	44,322,201	39,613,382

15 Bank borrowing

	2024 AED	2023 AED
Bank overdraft	12,451,182	-

Bank overdrafts are obtained from local banks with an annual interest ranging from of one month EIBOR plus 2% per annum and are secured by personal and corporate guarantee of shareholders.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

16 Trade and other payables

	2024	2023
	AED	AED
<i>Current</i>		
Advances from customers	269,781,533	250,304,177
Trade payables	254,126,074	233,955,791
Accrued expenses	122,273,535	122,513,150
VAT payable	9,695,722	8,273,213
Deferred revenue	3,569,846	2,499,178
Trade finance – current portion	940,357	10,355,452
	660,387,067	627,900,961
<i>Non-current</i>		
Trade finance	2,118,810	2,979,080
	662,505,877	630,880,041

The average credit period taken is 90 days (2023: 90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit frame. No interest is charged on trade and other payables.

Trade finance pertains to outstanding balances payable in relation to the financing arrangements entered into by the Company to finance its purchase of goods and services from authorised suppliers. The financing arrangement have a tenure of 36 to 48 months and subject to interest rate of 2% per annum.

17 Income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group’s accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025. The taxable income of the entities that are in scope for UAE CT purposes is subject to the rate of 9% corporate tax.

The tax charge for year ended 31 December 2024 is AED 12.7 million (31 December 2023: AED nil million), representing an Effective Tax Rate (“ETR”) of 9% (31 December 2023: 0%). The ETR incorporates tax rates of the UAE.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

17 Income tax (continued)

The average rate of income tax applied on taxable profit of 9%. The charge for the year reconciled to profit before tax as at 31 December 2024 is as follows:

	2024 AED
Profit before tax	139,498,295
Loss not subject to tax	310,285
Expenses not deductible for tax purposes	380,800
Profit subject to tax	140,189,380
Current tax charge	12,664,047

There were no deferred tax as at 31 December 2024 (31 December 2023: nil).

18 Revenue

	2024 AED	2023 AED
Solution	1,834,733,357	1,500,293,928
Services	361,776,821	367,544,510
Talent	126,604,468	138,779,304
	2,323,114,646	2,006,617,742

Geographical markets:

	2024 AED	2023 AED
UAE	2,294,579,240	2,005,388,604
Outside the UAE	28,535,406	1,229,138
	2,323,114,646	2,006,617,742

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

19 Cost of sales

	2024	2023
	AED	AED
Direct materials	1,825,561,400	1,538,662,652
Staff costs	206,505,356	199,606,506
	2,032,066,756	1,738,269,158

20 General and administrative expenses

	2024	2023
	AED	AED
Staff costs	97,485,261	87,641,540
Insurance	14,114,524	11,999,731
Commission	14,174,803	14,062,678
Provision for expected credit loss	7,613,208	7,100,952
Depreciation	4,948,669	6,184,447
Repairs and maintenance	3,284,127	1,571,434
Provision for inventory obsolescence	3,292,400	3,242,400
Transportation	2,708,512	2,366,615
Rent	1,256,832	1,238,987
Professional fees	3,418,386	606,562
Other costs	9,091,228	10,039,855
	161,387,950	146,055,201

21 Other income

	2024	2023
	AED	AED
Rental income, net (note 7)	5,077,599	6,765,446
Gain on disposal of property and equipment	42,081	84,917
Loss on disposal of investment properties	(396,000)	-
Miscellaneous income	6,587,102	2,665,632
	11,310,782	9,515,995

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

22 Basic and diluted earnings per share

Basic earnings per share amounts is calculated by dividing the earnings for the period by the weighted average number of shares outstanding during the period.

There are no dilutive securities, therefore diluted earnings per share is the same as basic earnings per share. The following reflects the earnings and share data used in the earnings per share computations:

	2024 AED	2023 AED
Profit for the period (AED)	126,834,248	133,086,435
Weighted average number of shares in issue	519,125,697	30
Basic and diluted earnings per share (AED)	0.24	4,436,214

23 Related party transactions

The Group, in its ordinary course of business, enters a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of “related parties” as defined in IAS 24: *Related Party Disclosures*. Related parties mainly comprise the major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Balances with related parties at the end of the reporting period are as follows:

	2024 AED	2023 AED
Due from related parties (note 9)		
Al Geemi and Partners Contracting Company L.L.C.	253,384	179,412
Bin Hamoodah Trading and General Services L.L.C.	1,859	-
Bin Hamoodah Company L.L.C.	-	34,829
Bin Hamoodah Properties Company L.L.C.	3,155	-
Gulf Industrial Services Company (GISCO) L.L.C.	643,216	752,681
Gulf Commercial Agency L.L.C.	-	127,614
Gulf Automatic Services and Oilfield Supplies (GASOS) L.L.C.	8,367	-
United Metal Works Establishment L.L.C.	-	26,775
	909,981	1,121,311

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

23 Related party transactions (continued)

Transactions with related parties during the year are as follows:

	2024 AED	2023 AED
Revenue	2,556,512	3,187,339
Dividends distributed (note 26)	434,886,982	90,000,000

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2024 AED	2023 AED
Short term benefits	6,042,574	5,514,556
Long term benefits	78,664	83,860
	6,121,238	5,598,416

24 Contingencies and commitments

	2024 AED	2023 AED
Bank guarantees	506,599,573	494,667,765

The above bank guarantees were issued in the normal course of business.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****25 Financial instruments****Significant accounting policies**

Details of the significant 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 of the consolidated financial statements.

Financial risk management

The Group's management monitors and manages financial risks based on its internal company policies. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques which are reviewed by management on a continuous basis.

The Group does not enter or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Group analyses financial risks under the following captions:

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return on equity. The Group's overall strategy remains unchanged from 2023

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs, and maintaining high standards of business conduct.

Credit risk in relation to the Group refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are trade and other receivables, contract assets and bank and cash balances.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's trade and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties, however significant revenue is generated by dealing with high profile customers, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties. Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

25 Financial instruments (continued)

Credit risk management (continued)

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

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 grading 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 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.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED	Loss allowance AED	Net carrying amount AED
31 December 2024							
Trade receivables	10	N/A	i	Lifetime ECL	340,882,401	(28,573,703)	312,308,698
Due from related parties	23	N/A	i	Lifetime ECL	909,981	-	909,981
Cash and cash equivalents	11	AA	N/A	12-month ECL	35,367,079	-	35,367,079
Contract assets	9	N/A	i	Lifetime ECL	352,795,707		352,795,707
31 December 2023							
Trade receivables	10	N/A	i	Lifetime ECL	376,111,781	(46,750,610)	329,361,171
Due from related parties	23	N/A	i	Lifetime ECL	1,121,311	-	1,121,311
Cash and bank balances	11	AA	N/A	12-month ECL	103,076,793	-	103,076,793
Contract assets	9	N/A	i	Lifetime ECL	242,799,350		242,799,350

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

25 Financial instruments (continued)

Credit risk management (continued)

- i. For trade receivables, contract assets, refundable deposits and due from related parties, 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 loss rate, estimated based on historical credit loss experience based on the past due status of each debtor, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below summaries the maturity profile of the Group's non-derivative financial instruments. The contractual maturities of the financial instruments have been determined based on the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The liquidity profile of the financial liabilities at the end of the reporting period was as follows:

	Less than 3 months AED	3 to 12 months AED	1 to 5 years AED	More than 5 years AED	Total AED
31 December 2024					
Trade and other payables (other than advances from customers)	-	389,665,177	-	-	389,665,177
Trade finance	-	940,357	2,118,810	-	3,059,167
Bank borrowing	12,451,182	-	-	-	12,451,182
	<u>12,451,182</u>	<u>390,605,534</u>	<u>2,118,810</u>	<u>-</u>	<u>405,175,526</u>
31 December 2023					
Trade and other payables (other than advances from customers)	-	367,241,332	-	-	367,241,332
Trade finance	-	10,355,452	2,979,080	-	13,334,532
	<u>-</u>	<u>377,596,784</u>	<u>2,979,080</u>	<u>-</u>	<u>380,575,864</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

25 Financial instruments (continued)

Currency risk management

Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposure. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuation and consequently the Group does not hedge foreign currency exposure.

Fair value of financial assets and liabilities

All assets and liabilities for which fair value is measured or disclosed in the 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 in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management considers that the fair values of financial assets, investment properties and financial liabilities approximate their carrying amounts as stated in the consolidated financial statements.

Fair value measurement of non-financial assets

Fair value of investment properties has been determined by an independent valuer (the “Valuer”) using market value approach, based on the current property market condition in the UAE. The market has been assessed by the Valuer and certain internal data has been provided by the management, therefore, the fair valuation falls under level 3. The following are the valuation technique and fair value hierarchy as at 31 December 2024 and 2023:

	Fair value AED	Fair value hierarchy	Valuation technique
Investment properties	15,945,000 (2023: 176,743,193)	Level 3	Direct comparison approach

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****26 Dividends**

The Board of directors declared cash dividends as follows:

- AED 30.00 million on 2 January 2024
- AED 60.00 million on 20 March 2024
- AED 60.00 million on 2 July 2024
- AED 60.00 million on 6 August 2024
- AED 22.53 million on 1 October 2024
- AED 3.45 million on 19 November 2024
- AED 15.00 million on 31 December 2024

All cash dividends were paid during the year-ended 31 December 2024 (2023: AED 90.0 million).

Dividend in kind

On 19 August 2024, the Board of directors also declared dividends in the form of transfer of items of investment properties and property and equipment amounting to AED 158.85 million and AED 25.01 million, respectively. As of the reporting date, the legal ownership of assets is transferred to the shareholders.

27 Zakat paid

Zakat is calculated and paid at the discretion of the shareholders.

28 Operating segment information

The Group has three reportable segments, as described below, which are aligned with the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Board of Directors review internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segment:

- Solutions segment, which provides integration of IT technologies which includes a complete range of service such as supply of servers, storage solutions, printing solutions, security solutions and services to a variety of customers. This segment is to deliver a successful integration of complex systems which requires both specialized skills and the right level of experience;
- Service segment, which involves hardware support through to proactive 24/7 infrastructure and applications management. Services help shape our customers develop and run their operations and include a range of services that deliver solutions and transition services, on time, on budget and within your agreed criteria; and
- Talent segment, which involves outsourcing resources to customers who are looking for excellent people who are able to contribute to the organizations where they work.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

28 Operating segment information (continued)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports data reviewed by the Group's executive management. Segment gross 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. Information reported to the Board of Directors focuses on the financial performance of each business segment only. No information that includes the segments' assets and liabilities are reported to the Board of Directors.

Consolidated statement of profit or loss for the year ended 31 December 2024:

	Solutions	Services	Talent	Total
	AED	AED	AED	AED
Revenue from external customers	1,834,733,357	361,776,821	126,604,468	2,323,114,646
Cost of sales	(1,658,216,559)	(272,337,679)	(101,512,518)	(2,032,066,756)
Gross profit	176,516,798	89,439,142	25,091,950	291,047,890

Consolidated statement of profit or loss for the year ended 31 December 2023:

	Solutions	Services	Talent	Total
	AED	AED	AED	AED
Revenue from external customers	1,500,293,928	367,544,510	138,779,304	2,006,617,742
Cost of sales	(1,339,091,365)	(287,525,024)	(111,652,769)	(1,738,269,158)
Gross profit	161,202,563	80,019,486	27,126,535	268,348,584

Additional information required by IFRS 8 Segment Reporting, is disclosed below:

Information about geographical segments

Consolidated statement of profit or loss for the year ended 31 December 2024:

	UAE	KSA	Qatar	Total
	AED	AED	AED	AED
Revenue from external customers	2,294,579,240	24,257,609	4,277,797	2,323,114,646
Cost of sales	(2,007,480,316)	(20,747,226)	(3,839,214)	(2,032,066,756)
Gross profit	287,098,924	3,510,383	438,583	291,047,890

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

28 Operating segment information (continued)

Consolidated statement of profit or loss for the year ended 31 December 2023:

	UAE	KSA	Qatar	Total
	AED	AED	AED	AED
Revenue from external customers	2,005,388,605	158,637	1,070,500	2,006,617,742
Cost of sales	(1,736,808,150)	(309,460)	(1,151,548)	(1,738,269,158)
Gross profit	268,580,455	(150,822)	(81,048)	268,348,584

29 Approval of consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 3 February 2025.

ALPHA DATA LLC

**Reports and consolidated
financial statements for the year
ended 31 December 2023**

ALPHA DATA LLC

Reports and consolidated financial statements for the year ended 31 December 2023

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Directors' report for the year ended 31 December 2023

The Directors present their annual report, together with the audited consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2023.

Principal activity

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services such as alpha public cloud, mobility, big data, and security solutions.

Results

Revenue for the year was AED 2,006,617,742 compared to AED 1,697,881,878 for the preceding year. Total comprehensive income for the year was AED 133,086,435 compared to AED 101,169,624 for the preceding year.

The proposed appropriation of profits is as follow:

	AED
Retained earnings at 1 January 2023	509,712,021
Total comprehensive income for the year	133,086,435
Dividends paid	(90,000,000)
Zakat paid	(9,760,000)
Retained earnings at 31 December 2023	543,038,456

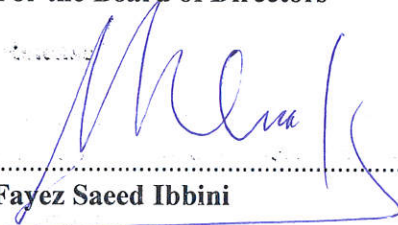
Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2023.

Auditors

The Directors propose the reappointment of Deloitte & Touche (M.E.) as external auditor of the Group for the year ending 31 December 2023.

For the Board of Directors


Fayeze Saeed Ibbini


Faraj Ali Bin Hamoodah

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Alpha Data LLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year, and notes to the consolidated financial statements, including a summary of material accounting policy 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) ('IFRSs').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

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

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 on the other information that we obtained prior to the date of this auditor's report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALPHA DATA LLC (continued)****Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Group and UAE Federal Decree-Law No. (32) of 2021 and for such internal controls as management determines is necessary to enable the preparation of 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 based on these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, we report that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021;
- The Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Group's books of account;
- As disclosed in note 1 to the consolidated financial statements, the Company has not purchased or invested any in shares during the financial year ended 31 December 2023;
- Note 19 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted; and
- 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 2023 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
20 March 2024
Abu Dhabi
United Arab Emirates

**Consolidated statement of financial position
at 31 December 2023**

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property and equipment	5	46,991,740	50,708,874
Advances paid on purchases of properties	6	-	5,485,988
Investment properties	7	176,743,193	170,664,999
Total non-current assets		223,734,933	226,859,861
Current assets			
Inventories and work in progress	8	269,053,279	244,311,245
Contract assets	20	242,799,350	260,844,870
Trade and other receivables	9	379,367,524	294,330,177
Cash and bank balances	10	103,076,793	81,521,578
Total current assets		994,296,946	881,007,870
Total assets		1,218,031,879	1,107,867,731
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	3,000,000	3,000,000
Statutory reserve	12	1,500,000	1,500,000
Retained earnings		543,038,456	509,712,021
Total equity		547,538,456	514,212,021
Non-current liabilities			
Trade finance	14	2,979,080	9,736,739
Provision for employees' end of service benefit	13	39,613,382	35,077,463
Total non-current liabilities		42,592,462	44,814,202
Current liabilities			
Trade and other payables	14	625,401,783	546,548,425
Deferred revenue		2,499,178	2,293,083
Total current liabilities		627,900,961	548,841,508
Total liabilities		670,493,423	593,655,710
Total equity and liabilities		1,218,031,879	1,107,867,731

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Fayez Saeed Ibbini

.....
Faraj Ali Bin Hamoodah

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

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2023**

	Notes	2023 AED	2022 AED
Revenue		2,006,617,742	1,697,881,878
Cost of sales		(1,754,473,648)	(1,489,524,785)
Gross profit		252,144,094	208,357,093
Other income	15	11,865,498	6,860,680
General and administrative expenses		(129,850,711)	(118,854,038)
Finance costs	16	(1,072,446)	(1,175,133)
Net fair value gain on advances paid on purchases of properties and investment properties	6, 7	-	5,981,022
Profit for the year	17	133,086,435	101,169,624
Other comprehensive income		-	-
Total comprehensive income for the year		133,086,435	101,169,624

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

**Consolidated statement of changes in equity
for the year ended 31 December 2023**

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total equity AED
Balance at 1 January 2022	3,000,000	1,500,000	477,494,397	481,994,397
Dividends paid (note 23)	-	-	(60,000,000)	(60,000,000)
Zakat paid (note 18)	-	-	(8,952,000)	(8,952,000)
Total comprehensive income for the year	-	-	101,169,624	101,169,624
Balance at 1 January 2023	3,000,000	1,500,000	509,712,021	514,212,021
Dividends paid (note 23)	-	-	(90,000,000)	(90,000,000)
Zakat paid (note 18)	-	-	(9,760,000)	(9,760,000)
Total comprehensive income for the year	-	-	133,086,435	133,086,435
Balance at 31 December 2023	3,000,000	1,500,000	543,038,456	547,538,456

**Consolidated statement of cash flows
for the year ended 31 December 2023**

	Notes	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		133,086,435	101,169,624
Adjustments for:			
Depreciation of property and equipment	5	6,297,188	6,336,231
Allowance for expected credit losses	9	7,100,952	4,827,475
Employees' end of service benefit charge	13	8,990,830	6,999,004
Allowance for inventory obsolescence	8	3,242,400	3,742,400
Fair value gain in investment properties	7	-	(5,981,022)
Finance cost	16	1,072,446	1,175,133
Gain on disposal of property and equipment	15	(84,917)	(69,264)
Operating cash flows before changing in working capital		159,705,334	118,199,581
Movements in working capital:			
(Increase) in inventories		(27,984,434)	(56,962,907)
(Increase)/decrease/in trade and other receivables		(92,138,300)	19,628,767
Decrease/(increase) in contract assets		18,045,520	(90,901,497)
Increase in trade and other payables		72,095,699	120,531,879
Increase in deferred revenues		206,095	257,942
Cash generated by operating activities		129,929,914	110,753,765
Employees' end of service benefit paid	13	(4,454,911)	(2,537,470)
Net cash generated by operating activities		125,475,003	108,216,295
Cash flows used in investing activities			
Payments for advances paid on purchases of properties	6	(381,412)	-
Payments for additions in property and equipment	5	(2,726,700)	(2,375,454)
Payments for additions in investment properties	7	(210,793)	(1,383,977)
Proceeds from disposal of property and equipment		231,563	69,264
Net cash used in investing activities		(3,087,342)	(3,690,167)
Cash flow used in financing activities			
Dividends and zakat paid		(99,760,000)	(68,952,000)
Finance cost paid		(1,072,446)	(1,175,133)
Net cash used in financing activities		(100,832,446)	(70,127,133)
Net increase in cash and bank balances		21,555,215	34,398,995
Cash and bank balances at the beginning of the year		81,521,578	47,122,583
Cash and bank balances at the end of the year	10	103,076,793	81,521,578
Non-cash transactions:			
Transfer from advance on purchase of properties to investment properties	7	5,867,400	-

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

**Notes to the consolidated financial statements
for the year ended 31 December 2023****1 General information**

Alpha Data LLC (“the Group”) and its subsidiaries (together “the Group”) is a limited liability Company registered in Abu Dhabi, United Arab Emirates (“UAE”). The registered office is P.O. Box 45384, Abu Dhabi, UAE.

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services like alpha public cloud, mobility, big data and security solutions.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2023.

2 Application of new and revised International Financial Reporting Standards (IFRSs)**2.1 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 2023, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023)
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) (effective from 1 January 2023)

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRSs)
(continued)**

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

The following new and revised IFRSs, that have been issued but are not yet effective:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective from 1 January 2024)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the condensed consolidated financial statements of the Group in the period of initial application.

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 condensed consolidated financial statements of the Group.

3 Summary of material accounting policy information

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the UAE Federal Law No. (32) of 2021.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties which is recognized at fair value. The principal accounting policies adopted are set out below:

Basis of consolidation

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

- 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 Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Basis of consolidation (continued)

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Place of incorporation and operation	Legal status	Proportion of ownership interest		Principal activities
			2023	2022	
Tuqnia LLC OPC (formerly Tuqnia – LLC)	UAE	Limited Liability Company	100%	100%	Computer trading, network maintenance and wireless system equipment trading and installation.
Foresight Technology LLC OPC (formerly Foresight Technology Establishment)	UAE	Limited Liability Company	100%	100%	Ready software trading, computer network maintenance and computer system and software design.
Alpha Data Recruitment LLC OPC (formerly Alpha Data Recruitment LLC OPC)	UAE	Limited Liability Company	100%	100%	Supply of labors on demand.
Alpha Data Technology	Qatar	Limited Liability Company	100%	100%	IT installation, data processing and equipment's, maintenance services, set up/develop computer programs and systems.
Alpha Data Information Technology (Single Person Limited Liability Company)	KSA	Sole proprietorship	100%	-	Construction Information and Communication Other service activities

Tuqnia LLC, registered in the name of Bin Hamoodah Company and Mr. Fayeze Saeed Ibbini (Chief Executive Officer), was assigned to the Company, and was held in trust for the benefit of the Company as at 31 December 2022. On 24 October 2023, the legal shareholders decided to transfer the ownership to Alpha Data LLC. The process of transferring the legal ownership was completed on 13 November 2023 and the name was changed to Tuqnia LLC OPC.

Foresight Technology, registered in the name of Mr. Faraj Ali (Chairman), was assigned to the Company and was held in trust for the benefit of the Company as at 31 December 2022. On 24 October 2023, the legal shareholders decided to transfer the ownership to Alpha Data LLC. The process of transferring the legal ownership was completed on 10 November 2023 and the name was changed to Foresight Technology LLC OPC.

Alpha Data Recruitment, registered in the name of Khaled Ghamem Ali Binhamouda Aldhaheeri (Director), was assigned to the Company and was held in trust for the benefit of the Company as 31 December 2022. On 24 October 2023, the legal shareholders decided to transfer the ownership to Alpha Data LLC. The process of transferring the legal ownership was completed on 13 November 2023 and the name was changed to Alpha Data Recruitment LLC OPC.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Basis of consolidation (continued)

Alpha Data Technology, registered in the name of Alpha Data LLC and Naser Jasim Hasan Ahmed Al Khalf (Sponsor), is assigned to the Company, and is held in trust for the benefit of the Company.

Alpha Data Information Technology (Single Person Limited Liability Company) is 100% owned by Alpha Data LLC.

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

All intra-group transactions, balances, income, and expenses are eliminated on consolidation.

Property and equipment

Property 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.

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. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Buildings	20
Leasehold improvement	4 - 8
Computer equipment	4 - 5
Motor vehicles	3 - 6
Furniture and office equipment	4

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties are stated at fair value as at the reporting date. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise. The fair values of investment properties are determined by an independent professional valuer.

The determination of the fair value of investment properties requires the use of estimates such as projected annual net operating income based on expected lease and capitalizing it in perpetuity. These estimates are based on local market conditions existing at the consolidated statement of financial position date. In arriving at their estimates of fair values as at 31 December 2023 and 2022, the valuers have used their market knowledge and professional judgment and have not only relied solely on historic transactional comparables. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

Direct Comparison Approach

We have adopted the Direct Comparison Approach. The Direct Comparison Approach involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and comprises invoiced cost, related freight charges and import duties. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Work in progress includes cost and expenses incurred directly relating to projects, which are yet to be completed and invoiced.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****Impairment of tangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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.

Where 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and as a result of services rendered by eligible employees up to the end of reporting year.

A provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with UAE Federal Labour Law, for their year of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

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

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****Revenue recognition**

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue when it transfers control over goods or services to its customers.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately the Group estimates standalone selling prices using other methods (i.e., adjusted market assessment approach, cost plus margin approach or residual approach).

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.

Contract assets and liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Contract modification

The Group has applied IFRS 15 using modified retrospective approach using practical expedient in paragraph C5(c) of IFRS 15, under which, for contracts that were modified before January 1, 2018, the Group need not retrospectively restate the contract for those contract modifications. Instead, the Group reflected the aggregate effect of all of the modifications that occurred before January 1, 2018 and presented when (i) the performance obligations were satisfied and unsatisfied; (ii) determined the transaction price; and (iii) allocated the transaction price.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****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 the reporting 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 profit or loss in the period in which they arise.

Provisions

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.

Financial instruments

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on, trade receivables, contract assets, as well as on financial guarantee contracts. 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 receivables, contract assets and lease receivables. 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

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

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

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

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

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

(ii) Definition of default

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

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

3 Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

(iv) Write-off policy

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

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****Financial instruments (continued)*****Financial assets (continued)****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 profit or loss. 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 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 investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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 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 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 statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to 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 profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****3 Summary of material accounting policy information (continued)****Financial instruments (continued)*****Financial liabilities (continued)****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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, management has made certain judgments, 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 ongoing basis. Revision to accounting estimates are recognised in the period of the revision 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 judgments and estimate made by management are summarised as follows:

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty (continued)****Critical judgments in applying the Group's accounting policies**

In the process of applying Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the Consolidated financial statements, apart from those involving estimations described below.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of the property as determined by management.

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to lifetime ECL for assets. 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.

Revenue recognition

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- 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 alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Judgements in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty (continued)****Critical judgments in applying the Group's accounting policies**Judgements in determining the timing of satisfaction of performance obligations

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2023, the Group's allowance for impairment of trade receivables amounted to AED 46.75 million (2022: AED 39.65 million).

Allowance for slow moving and obsolete inventories and work in progress

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration, and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates. The allowance for slow moving and obsolete inventories at 31 December 2023 is AED 21.31 million (2022: AED 18.58 million).

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

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

Key sources of estimation uncertainty (continued)

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods, mainly the comparable method of valuation. This involves reference to observable prices and recent valuations undertaken by the experts and third parties within the region adjusted as appropriate to reflect the property specific factors. This also involves further investigations with local authorities/property experts. Adjustments to rates are made as appropriate to reflect property/community specific factors including location, indicated use, size and density. Such estimation is based on certain assumptions, which are subject to uncertainty and may differ from the actual results.

Following are the key valuation inputs and sensitivity analysis:

Year	Valuation technique	Significant unobservable inputs	Assumptions and data
2023	Direct Comparison Approach	Sales rate 1-bed apartment; Sales rate 2-bed apartment; Sales rate 4-bed apartment	The estimated fair value would increase/(decrease) if expected sales rates were higher/ (lower).
		Market Rent retail unit; Market Rent office unit	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).
		Retail yield (9%); Office yield (9%)	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).
2022	Direct Comparison Approach	Sales rate 1-bed apartment; Sales rate 2-bed apartment; Sales rate 4-bed apartment	The estimated fair value would increase/(decrease) if expected sales rates were higher/ (lower).
		Market Rent retail unit; Market Rent office unit	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).
		Retail yield (9%); Office yield (9%)	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

5 Property and equipment

	Land AED	Buildings AED	Leasehold improvement AED	Computer equipment AED	Motor vehicles AED	Furniture and office equipment AED	Total AED
Cost							
At 1 January 2022	1,780,150	68,597,511	10,676,904	23,658,457	4,484,371	11,083,545	120,280,938
Additions	-	187,950	-	629,195	757,168	801,141	2,375,454
Disposals	-	-	(2,960,407)	(4,900)	(215,500)	(1,022,087)	(4,202,894)
At 1 January 2023	1,780,150	68,785,461	7,716,497	24,282,752	5,026,039	10,862,599	118,453,498
Additions	-	959,357	-	874,572	457,747	435,024	2,726,700
Disposals	-	-	-	-	(683,543)	-	(683,543)
At 31 December 2023	1,780,150	69,744,818	7,716,497	25,157,324	4,800,243	11,297,623	120,496,655
Accumulated depreciation							
At 1 January 2022	-	22,197,437	7,859,425	21,379,570	3,846,151	10,328,704	65,611,287
Charge for the year	-	4,318,196	-	1,096,547	244,185	677,303	6,336,231
Elimination on disposal	-	-	(2,960,407)	(4,900)	(215,500)	(1,022,087)	(4,202,894)
At 1 January 2023	-	26,515,633	4,899,018	22,471,217	3,874,836	9,983,920	67,744,624
Charge for the year	-	4,355,487	-	1,065,397	450,179	426,125	6,297,188
Elimination on disposal	-	-	-	-	(536,897)	-	(536,897)
At 31 December 2023	-	30,871,120	4,899,018	23,536,614	3,788,118	10,410,045	73,504,915
Carrying amount							
At 31 December 2023	1,780,150	38,873,698	2,817,479	1,620,710	1,012,125	887,578	46,991,740
At 31 December 2022	1,780,150	42,269,828	2,817,479	1,811,535	1,151,203	878,679	50,708,874

Land having a carrying amount of AED 1.78 million (2022: AED 1.78 million) is registered in the name of a shareholder on behalf of the Group.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

6 Advances paid on purchases of properties

	2023	2022
	AED	AED
At 1 January	5,485,988	5,485,988
Addition during the year	381,412	-
Transfer to investment property (note 7)	(5,867,400)	-
At 31 December	-	5,485,988

Advances paid represents amounts paid to purchase of properties in Dubai. During 2023, the Group completed the construction of a building and the related cost of AED 5.87 million was transferred to investment properties, based on the determined use of such properties.

7 Investment properties

	2023	2022
	AED	AED
At 1 January	170,664,999	163,300,000
Addition during the year	210,794	1,383,977
Transfer from advances paid on purchases of properties (note 6)	5,867,400	-
Sold during the year	-	-
Fair value gain	-	5,981,022
At 31 December	176,743,193	170,664,999

The investment properties are situated in Dubai and Abu Dhabi, UAE.

The Group's investment properties are stated at fair value at reporting period. Investment property with fair value of AED 153.0 million was valued by an independent external professionally qualified valuer, who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the investment property valued (2022: AED 170.66 million).

The valuation was determined by reference to direct comparison approach which involves adjusting the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

7 Investment properties (continued)

The Group's investment properties with fair value of AED 23.74.million as at 31 December 2023 (2022: nil) was determined internally by the management based on discounted cash flow (DCF) method, fair value is estimated based on significant unobservable inputs. These inputs include: future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows; estimated vacancy rates based on current and expected future market conditions after expiry of any current lease; and terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For disclosure purposes these investment properties are being considered as Level 3.

During the year, rental income earned from investment properties amounted to AED 6.77 million (2022: AED 3.90 million) and direct cost incurred was AED 3.56 million (2022: AED 3.43 million).

8 Inventories and work in progress

	2023 AED	2022 AED
Goods for resale	71,872,280	69,094,160
Work in progress	218,974,195	193,795,320
	290,846,475	262,889,480
Less: allowance for inventory obsolescence	(21,311,221)	(18,578,235)
	269,535,254	244,311,245

The cost of inventories included in cost of sales amounted to AED 1.73 billion (2022: AED 1.44 billion).

The movement in the allowance for inventory obsolescence during the year is as follows:

	2023 AED	2022 AED
At 1 January	18,578,235	14,877,333
Charge for the year	3,242,400	3,742,400
Inventory written off	(509,414)	(41,498)
At 31 December	21,311,221	18,578,235

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

9 Trade and other receivables

	2023	2022
	AED	AED
Trade receivables:		
Local and federal government entities	177,194,017	139,498,384
Non-government entities	198,917,764	162,333,632
	376,111,781	301,832,016
Less: Allowance for expected credit loss	(46,750,610)	(39,649,658)
Net trade receivables	329,361,171	262,182,358
Prepayments and other receivables	35,561,552	25,812,482
Advances to suppliers	12,939,821	5,055,230
Retention receivables	383,669	530,695
Due from related parties (note 19)	1,121,311	749,412
	379,367,524	294,330,177

The average credit period on sale of goods and rendering of services is 60 to 90 days (2022: 60 to 90 days). No interest is charged on past due trade receivable balances.

Before accepting any new customer, the Group assesses the potential credit quality of the customer. The Group measures the provision for impairment for trade receivables at an amount equal to lifetime ECL. 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 has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order from counterparty. Of the trade receivable balances at the end of the year, AED 134.01 million (2022: AED 92.89 million) is due from the Group's 10 major customers representing 36% (2022: 31%) of trade receivables.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Individually assessed AED	Collectively assessed AED	Total AED
At 31 December 2021	20,775,748	14,046,435	34,822,183
Net re-measurement of loss allowance	1,479,824	3,347,651	4,827,475
At 31 December 2022	22,255,572	17,394,086	39,649,658
Net re-measurement of loss allowance	354,069	6,746,883	7,100,952
At 31 December 2023	22,609,641	24,140,969	46,750,610

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

9 Trade and other receivables (continued)

	Past due					Total AED
	<30 AED	31-90 AED	91-365 AED	>365 AED	Specific provision AED	
31 December 2023						
Expected credit loss rate	1.74%	6.76%	13.42%	20.75%	100.00%	12.43%
Estimated total gross carrying amount at default	224,948,000	27,953,341	34,523,142	66,077,657	22,609,641	376,111,781
Lifetime ECL	3,906,828	1,888,286	4,631,583	13,714,272	22,609,641	46,750,610
31 December 2022						
Expected credit loss rate	3.82%	2.24%	14.59%	11.39%	100.00%	13.14%
Estimated total gross carrying amount at default	102,252,230	84,400,741	31,738,304	61,185,169	22,255,572	301,832,016
Lifetime ECL	3,906,828	1,888,286	4,631,583	6,967,389	22,255,572	39,649,658

10 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	259,679	213,105
Cash at bank	102,817,114	81,308,473
	103,076,793	81,521,578

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. 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 has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

11 Share capital

The authorised, issued and fully paid share capital of the Company comprises of 30 shares of AED 100,000 each. The shareholders and their respective interests are as follows:

	2023 and 2022		
	Number of shares	%	AED
Bin Hamoodah Company L.L.C	20	67	2,000,000
Ibbini Investment Company L.L.C	10	33	1,000,000
	<u>30</u>	<u>100</u>	<u>3,000,000</u>

12 Statutory reserve

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 5% of the annual profits should be transferred to a non-distributable statutory reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the Company.

13 Provision for employees' end of service benefit

	2023 AED	2022 AED
At 1 January	35,077,463	30,615,929
Charge for the year	8,990,830	6,999,004
Paid during the year	(4,454,911)	(2,537,470)
	<u>39,613,382</u>	<u>35,077,463</u>
At 31 December	39,613,382	35,077,463

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

14 Trade and other payables

	2023 AED	2022 AED
<i>Current</i>		
Advances from customers	250,304,177	233,494,198
Trade payables	233,955,791	170,188,514
Accrued expenses	122,513,150	118,812,550
VAT payable	8,273,213	12,129,549
Trade finance – current portion	10,355,452	11,923,614
	625,401,783	546,548,425
<i>Non-current</i>		
Trade finance	2,979,080	9,736,739
	628,380,863	556,285,164

The average credit period taken is 90 days (2022: 90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit frame. No interest is charged on trade and other payables.

Trade finance pertains to outstanding balances payable in relation to the financing arrangements entered into by the Company to finance its purchase of goods and services from authorised suppliers. The financing arrangement have a tenure of 36 to 48 months and subject to interest rate of 2% per annum.

15 Other income

	2023 AED	2022 AED
Rental income, net (note 7)	6,765,446	3,901,663
Gain on disposal of property and equipment	84,917	69,264
Miscellaneous income	5,015,135	2,889,753
	11,865,498	6,860,680

16 Finance costs

The Group has availed bank overdraft facilities during the year and have paid finance costs amounting to AED 1.07 million (2022: AED 1.18 million) accordingly.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

17 Profit for the year

Profit for the year is stated after charging:

	2023	2022
	AED	AED
Staff costs	286,767,660	259,228,741
Depreciation of property and equipment (note 5)	6,297,188	6,336,231

18 Zakat paid

Zakat is calculated and paid at the discretion of the shareholders.

19 Related party transactions

The Group, in its ordinary course of business, enters a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of “related parties” as defined in IAS 24: *Related Party Disclosures*. Related parties mainly comprise the major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Balances with related parties at the end of the reporting period are as follows:

	2023	2022
	AED	AED
Due from related parties (note 9)		
Gulf Industrial Services Company (GISCO) L.L.C.	752,681	525,245
Al Geemi and Partners Contracting Company L.L.C.	179,412	215,494
Bin Hamoodaah Trading and General Services L.L.C.	34,829	8,405
United Metal Works Establishment	26,775	268
Gulf Commercial Agency L.L.C.	127,614	-
	1,121,311	749,412

Transactions with related parties during the year are as follows:

	2023	2022
	AED	AED
Revenue	3,187,339	2,220,393

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

19 Related party transactions (continued)

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2023 AED	2022 AED
Short term benefits	5,514,556	4,935,233
Long term benefits	83,860	62,420
	5,598,416	4,997,653

20 Contract assets

	2023 AED	2022 AED
Current	242,799,350	260,844,870

Contract assets primary relates to the Group's right on consideration for goods and services provided but not billed at the reporting date.

21 Contingencies and commitments

	2023 AED	2022 AED
Bank guarantees	494,667,765	447,069,020
Capital commitments	-	162,000

The above bank guarantees were issued in the normal course of business.

22 Financial instruments

Significant accounting policies

Details of the significant 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 of the consolidated financial statements.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****22 Financial instruments (continued)****Financial risk management**

The Group's management monitors and manages financial risks based on policies derived from the parent company's policies. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques which are reviewed by management on a continuous basis.

The Group does not enter or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Group analyses financial risks under the following captions:

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return on equity. 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 2022.

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs, and maintaining high standards of business conduct.

Credit risk in relation to the Group refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are trade and other receivables and bank and cash balances.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Concentration of credit risk

Concentration of credit risk arises when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Details on concentration of trade receivable balances are disclosed in Note 9. Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its trade customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the central bank. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)**

22 Financial instruments (continued)

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the Group's non-derivative financial instruments. The contractual maturities of the financial instruments have been determined based on the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

Capital risk management

The liquidity profile of the financial liabilities at the end of the reporting period was as follows:

	Less than 3 months AED	3 to 12 months AED	1 to 5 years AED	More than 5 years AED	Total AED
31 December 2022					
Trade and other payables (other than advances from customers)	-	391,445,992	-	-	391,445,992
Trade finance	-	-	2,979,080	-	2,979,080
		391,445,992	2,979,080		394,425,072
31 December 2022					
Trade and other payables (other than advances from customers)	-	313,054,227	-	-	313,054,227
Trade finance	-	-	9,736,739	-	9,736,739
	-	313,054,227	9,736,739	-	322,790,966

Currency risk management

Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposure. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuation and consequently the Group does not hedge foreign currency exposure.

Notes to the consolidated financial statements for the year ended 31 December 2023 (continued)

22 Financial instruments (continued)

Fair value of financial assets and liabilities

All assets and liabilities for which fair value is measured or disclosed in the 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 in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management considers that the fair values of financial assets, investment properties and financial liabilities approximate their carrying amounts as stated in the consolidated financial statements.

Fair value measurement of non-financial assets

Fair value of investment properties has been determined by an independent valuer (the “Valuer”) using market value approach, based on the current property market condition in the UAE. The market has been assessed by the Valuer and certain internal data has been provided by the management, therefore, the fair valuation falls under level 3. The following are the valuation technique and fair value hierarchy as at 31 December 2023 and 2022:

	Fair value AED	Fair value hierarchy	Valuation technique
Investment properties	176,743,193	Level 3	Direct comparison approach
	(2022: 170,664,999)		

23 Dividend paid

As authorized by the Board of Directors on 7 February 2023 of AED 60 million and 8 August of 2023 of AED 30 million a cash dividend was declared and paid on February 2023 of AED 30 million, April 2023 of AED 30 million and September 2023 of AED 30 million (2022: AED 60 million).

**Notes to the consolidated financial statements
for the year ended 31 December 2023 (continued)****24 Corporate tax**

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.

The Cabinet of Ministers Decision No. 116 of 2022 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 and a rate of 0% on qualifying income of free zone entities.

The Group has conducted an assessment of the potential impact of these laws and regulations. Based on this assessment, the Group has determined that no deferred tax implications to be considered in the preparation of these consolidated financial statements.

25 Approval of consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 20 March 2024.

ALPHA DATA LLC

**Reports and consolidated
financial statements for the year
ended 31 December 2022**

ALPHA DATA LLC

Reports and consolidated financial statements for the year ended 31 December 2022

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**Directors' report
for the year ended 31 December 2022**

The Directors present their annual report, together with the audited consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022.

Principal activity

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services such as alpha public cloud, mobility, big data, and security solutions.

Results

Revenue for the year was AED 1,697,881,878 compared to AED 1,282,893,786 for the preceding year. Total comprehensive income for the year was AED 101,169,624 compared to AED 83,187,455 for the preceding year.

The proposed appropriation of profits is as follow:

	AED
Retained earnings at 1 January 2022	477,494,397
Total comprehensive income for the year	101,169,624
Dividends paid	(60,000,000)
Zakat paid	(8,952,000)
Retained earnings at 31 December 2022	509,712,021

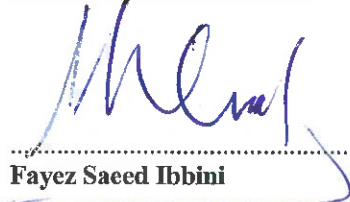
Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2022.

Auditors

The Directors propose the reappointment of Deloitte & Touche (M.E.) as external auditor of the Group for the year ending 31 December 2023.

For the Board of Directors


Fayez Saeed Ibbini


Faraj Ali Bin Hamoodah

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Alpha Data LLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

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

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 on the other information that we obtained prior to the date of this auditor's report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALPHA DATA LLC (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the articles of association of the Group and UAE Federal Decree-Law No. (32) of 2021 and for such internal controls as management determines is necessary to enable the preparation of 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 based on these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALPHA DATA LLC (continued)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, we report that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021;
- The Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Group's books of account;
- As disclosed in note 1 to the consolidated financial statements, the Company has not purchased or invested any in shares during the financial year ended 31 December 2022;
- Note 19 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted; and
- 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 2022 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2022.

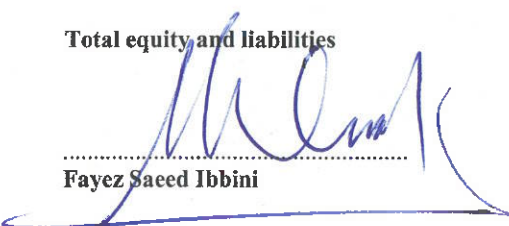
Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
10 April 2023
Abu Dhabi
United Arab Emirates



**Consolidated statement of financial position
at 31 December 2022**

	Notes	2022 AED	2021 AED
ASSETS			
Non-current assets			
Property and equipment	5	50,708,874	54,669,651
Advances paid on purchases of properties	6	5,485,988	5,485,988
Investment properties	7	170,664,999	163,300,000
Total non-current assets		226,859,861	223,455,639
Current assets			
Inventories and work in progress	8	244,311,245	191,090,738
Contract assets	20	260,844,870	169,943,373
Trade and other receivables	9	294,330,177	318,786,419
Cash and bank balances	10	81,521,578	47,122,583
Total current assets		881,007,870	726,943,113
Total assets		1,107,867,731	950,398,752
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	3,000,000	3,000,000
Statutory reserve	12	1,500,000	1,500,000
Retained earnings		509,712,021	477,494,397
Total equity		514,212,021	481,994,397
Non-current liabilities			
Trade finance	14	9,736,739	19,226,979
Provision for employees' end of service benefit	13	35,077,463	30,615,929
Total non-current liabilities		44,814,202	49,842,908
Current liabilities			
Trade and other payables	14	546,548,425	416,526,306
Deferred revenue		2,293,083	2,035,141
Total current liabilities		548,841,508	418,561,447
Total liabilities		593,655,710	468,404,355
Total equity and liabilities		1,107,867,731	950,398,752
 Fayez Saeed Ibbini		 Faraj Ali Bin Hamoodah	

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

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2022**

	Notes	2022 AED	2021 AED
Revenue		1,697,881,878	1,282,893,786
Cost of sales		(1,489,524,785)	(1,106,120,995)
Gross profit		208,357,093	176,772,791
Other income	15	6,860,680	3,418,658
General and administrative expenses		(118,854,038)	(102,622,784)
Finance costs	16	(1,175,133)	(348,437)
Net fair value gain on advances paid on purchases of properties and investment properties	6, 7	5,981,022	5,967,227
Profit for the year	17	101,169,624	83,187,455
Other comprehensive income		-	-
Total comprehensive income for the year		101,169,624	83,187,455

**Consolidated statement of changes in equity
for the year ended 31 December 2022**

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total equity AED
Balance at 1 January 2021	3,000,000	1,500,000	473,491,942	477,991,942
Dividends paid (note 23)	-	-	(60,000,000)	(60,000,000)
Zakat paid (note 18)	-	-	(19,185,000)	(19,185,000)
Total comprehensive income for the year	-	-	83,187,455	83,187,455
Balance at 1 January 2022	3,000,000	1,500,000	477,494,397	481,994,397
Dividends paid (note 23)	-	-	(60,000,000)	(60,000,000)
Zakat paid (note 18)	-	-	(8,952,000)	(8,952,000)
Total comprehensive income for the year	-	-	101,169,624	101,169,624
Balance at 31 December 2022	3,000,000	1,500,000	509,712,021	514,212,021

**Consolidated statement of cash flows
for the year ended 31 December 2022**

	Notes	2022 AED	2021 AED
Cash flows from operating activities			
Profit for the year		101,169,624	83,187,455
Adjustments for:			
Depreciation of property and equipment	5	6,336,231	6,157,658
Allowance for expected credit losses	9	4,827,475	7,219,451
Employees' end of service benefit charge	13	6,999,004	5,840,538
Allowance for inventory obsolescence	8	3,742,400	4,242,400
Fair value loss on advance paid on purchase of properties	6	-	5,334,864
Fair value gain in investment properties	7	(5,981,022)	(11,302,091)
Finance cost	16	1,175,133	348,437
Gain on disposal of property and equipment	15	(69,264)	(48,288)
Operating cash flows before changing in working capital		118,199,581	100,980,424
Movements in working capital:			
(Increase)/decrease in inventories		(56,962,907)	45,823,874
Decrease/(increase) in trade and other receivables		19,628,767	(72,944,736)
(Increase)/decrease in contract assets		(90,901,497)	13,907,090
Increase in trade and other payables		120,531,879	13,422,582
Increase in deferred revenues		257,942	302,759
Cash generated by operating activities		110,753,765	101,491,993
Employees' end of service benefit paid	13	(2,537,470)	(2,305,584)
Net cash generated by operating activities		108,216,295	99,186,409
Cash flows used in investing activities			
Payments for advances paid on purchases of properties	6	-	(50,209,215)
Payments for purchases of property and equipment	5	(2,375,454)	(1,027,844)
Payments for purchases of Investment in properties	7	(1,383,977)	-
Proceeds from sale of investment properties	7	-	7,800,000
Proceeds from disposal of property and equipment		69,264	95,488
Net cash used in investing activities		(3,690,167)	(43,341,571)
Cash flow used in financing activities			
Dividends and zakat paid		(68,952,000)	(79,185,000)
Finance cost paid		(1,175,133)	(348,437)
Net cash used in financing activities		(70,127,133)	(79,533,437)
Net increase/(decrease) in cash and bank balances		34,398,995	(23,688,599)
Cash and bank balances at the beginning of the year		47,122,583	70,811,182
Cash and bank balances at the end of the year	10	81,521,578	47,122,583
Non-cash transactions:			
Transfer from advance on purchase of properties to investment properties	7	-	109,342,908

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

Notes to the consolidated financial statements for the year ended 31 December 2022

1 General information

Alpha Data LLC (“the Group”) and its subsidiaries (together “the Group”) is a limited liability Company registered in Abu Dhabi, United Arab Emirates (“UAE”). The registered office is P.O. Box 45384, Abu Dhabi, UAE.

The principal activities of the Group are the provision of infrastructure solutions and services involving computers, networks, intelligent cabling, telecom equipment and audio-visual systems, software development and installations thereof. The Group also provides offering and services like alpha public cloud, mobility, big data and security solutions.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2022.

Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the “2015 Law”). The Company has not applied the requirements New Companies Law during the year ended 31 December 2022.

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 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 2022, have been adopted in these 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.

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts-Cost of Fulfilling a Contract’s
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture.
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

Other than the above, there are no other material IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2022.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRS)
(continued)**

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to (effective date not yet decided) and
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023).
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided)

The above stated new standards and amendments are not expected to have any significant impact on financial statement of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statement of the Group.

3 Summary of significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the UAE Federal Law No. (32) of 2021.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

3 Summary of significant accounting policies (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties which is recognized at fair value. The principal accounting policies adopted are set out below:

Basis of consolidation

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

- 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 Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

Details of the Group's subsidiaries are as follows:

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Legal status</u>	<u>Proportion of ownership interest</u>		<u>Principal activities</u>
			<u>2022</u>	<u>2021</u>	
Tuqnia – LLC	UAE	Limited Liability Company	100%	100%	Computer trading, network maintenance and wireless system equipment trading and installation.
Foresight Technology	UAE	Establishment	100%	100%	Ready software trading, computer network maintenance and computer system and software design.
Alpha Data Recruitment	UAE	Establishment	100%	100%	Supply of labors on demand.
Alpha Data Technology	Qatar	Limited Liability Company	100%	100%	IT installation, data processing and equipment's, maintenance services, set up/develop computer programs and systems.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Tuqnia LLC, registered in the name of Bin Hamoodah Company and Mr. Fayez Saeed Ibbini (Chief Executive Officer), is assigned to the Company, and is held in trust for the benefit of the Company.

Foresight Technology, registered in the name of Mr. Faraj Ali (Chairman), is assigned to the Company and is held in trust for the benefit of the Company.

Alpha Data Recruitment, registered in the name of Khaled Ghamem Ali Binhamouda Aldhaheri (Director), is assigned to the Company and is held in trust for the benefit of the Company.

Alpha Data Technology, registered in the name of Alpha Data LLC and Naser Jasim Hasan Ahmed Al Khalf (Sponsor), is assigned to the Company, and is held in trust for the benefit of the Company.

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

All intra-group transactions, balances, income, and expenses are eliminated on consolidation.

Property and equipment

Property 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.

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. All other repairs and maintenance expenses are charged to the profit or loss in the period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	Years
Buildings	20
Leasehold improvement	4 - 8
Computer equipment	4
Motor vehicles	3 - 6
Furniture and office equipment	4

Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties are stated at fair value as at the reporting date. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise. The fair values of investment properties are determined by an independent professional valuer.

The determination of the fair value of investment properties requires the use of estimates such as projected annual net operating income based on expected lease and capitalizing it in perpetuity. These estimates are based on local market conditions existing at the consolidated statement of financial position date. In arriving at their estimates of fair values as at 31 December 2022 and 2021, the valuers have used their market knowledge and professional judgment and have not only relied solely on historic transactional comparables. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

Direct Comparison Approach

We have adopted the Direct Comparison Approach. The Direct Comparison Approach involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and comprises invoiced cost, related freight charges and import duties. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Work in progress includes cost and expenses incurred directly relating to projects, which are yet to be completed and invoiced.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****Impairment of tangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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.

Where 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and as a result of services rendered by eligible employees up to the end of reporting year.

A provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with UAE Federal Labour Law, for their year of service up to the reporting date. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

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

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****Revenue recognition**

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue when it transfers control over goods or services to its customers.

The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a standalone basis. For items that are not sold separately the Group estimates standalone selling prices using other methods (i.e., adjusted market assessment approach, cost plus margin approach or residual approach).

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.

Contract assets and liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Contract modification

The Group has applied IFRS 15 using modified retrospective approach using practical expedient in paragraph C5(c) of IFRS 15, under which, for contracts that were modified before January 1, 2018, the Group need not retrospectively restate the contract for those contract modifications. Instead, the Group reflected the aggregate effect of all of the modifications that occurred before January 1, 2018 and presented when (i) the performance obligations were satisfied and unsatisfied; (ii) determined the transaction price; and (iii) allocated the transaction price.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****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 the reporting 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 profit or loss in the period in which they arise.

Provisions

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.

Financial instruments

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.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on, trade receivables, contract assets, as well as on financial guarantee contracts. 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 receivables, contract assets and lease receivables. 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

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

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

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

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

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

(ii) Definition of default

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

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

(iv) Write-off policy

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

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****Financial instruments (continued)*****Financial assets (continued)******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 profit or loss. 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 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 investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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 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 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 statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in statement of other comprehensive income are not subsequently reclassified to 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 profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****3 Summary of significant accounting policies (continued)****Financial instruments (continued)*****Financial liabilities (continued)****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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, management has made certain judgments, 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 ongoing basis. Revision to accounting estimates are recognised in the period of the revision 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 judgments and estimate made by management are summarised as follows:

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****4 Critical accounting judgments and key sources of estimation uncertainty (continued)****Critical judgments in applying the Group's accounting policies**

In the process of applying Group's accounting policies, management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the Consolidated financial statements, apart from those involving estimations described below.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of the property as determined by management.

Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to lifetime ECL for assets. 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.

Revenue recognition

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- 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 alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Judgements in determining the timing of satisfaction of performance obligations

The Branch generally recognise revenue over time as it performs continuous transfer of control of goods or services to the customers. Because customers simultaneously receives and consumes the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of transfer of each performance obligation. In determining the method for measuring progress for these POs, we have considered the nature of these goods and services as well as the nature of its performance.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

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

Critical judgments in applying the Group's accounting policies

Judgements in determining the timing of satisfaction of performance obligations

For performance obligations satisfied at a point in time, the Branch considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

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 lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As at 31 December 2022, the Group's allowance for impairment of trade receivables amounted to AED 39,649,658 (2021: AED 34,822,183).

Allowance for slow moving and obsolete inventories and work in progress

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration, and quality issues. Based on the factors, management has identified inventory items as slow and non-moving to calculate the allowance for slow moving and obsolete inventories. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates. The allowance for slow moving and obsolete inventories at 31 December 2022 is AED 18,578,235 (2021: AED 14,877,333).

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

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

Key sources of estimation uncertainty (continued)

Impairment of property and equipment

Property and equipment are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discounting rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that there is no impairment on property and equipment at 31 December 2022 and 2021.

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods, mainly the comparable method of valuation. This involves reference to observable prices and recent valuations undertaken by the experts and third parties within the region adjusted as appropriate to reflect the property specific factors. This also involves further investigations with local authorities/property experts. Adjustments to rates are made as appropriate to reflect property/community specific factors including location, indicated use, size and density. Such estimation is based on certain assumptions, which are subject to uncertainty and may differ from the actual results.

Following are the key valuation inputs and sensitivity analysis:

Year	Valuation technique	Significant unobservable inputs	Assumptions and data
2022	Direct Comparison Approach	Sales rate 1-bed apartment; Sales rate 2-bed apartment; Sales rate 4-bed apartment	The estimated fair value would increase/(decrease) if expected sales rates were higher/ (lower).
		Market Rent retail unit; Market Rent office unit	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).
		Retail yield (9%); Office yield (9%)	
2021	Direct Comparison Approach	Sales rate 1-bed apartment; Sales rate 2-bed apartment; Sales rate 4-bed apartment	The estimated fair value would increase/(decrease) if expected sales rates were higher/ (lower).
		Market Rent retail unit; Market Rent office unit	The estimated fair value would increase/(decrease) if the market rent rates were higher/(lower).
		Retail yield (9%); Office yield (9%)	

Useful lives of property and equipment

Management reviews the residual values and estimated useful lives of property and equipment at the end of each annual reporting period in accordance with IAS 16. Management determined that current year expectations do not differ from previous estimates based on its review.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

5 Property and equipment

	Land AED	Buildings AED	Leasehold improvement AED	Computer equipment AED	Motor vehicles AED	Furniture and office equipment AED	Total AED
Cost							
At 1 January 2021	1,780,150	68,530,455	10,676,904	23,137,277	4,446,321	11,005,937	119,577,044
Additions	-	67,056	-	521,180	362,000	77,608	1,027,844
Disposals	-	-	-	-	(323,950)	-	(323,950)
At 1 January 2022	1,780,150	68,597,511	10,676,904	23,658,457	4,484,371	11,083,545	120,280,938
Additions	-	187,950	-	629,195	757,168	801,141	2,375,454
Disposals	-	-	(2,960,407)	(4,900)	(215,500)	(1,022,087)	(4,202,894)
At 31 December 2022	1,780,150	68,785,461	7,716,497	24,282,752	5,026,039	10,862,599	118,453,498
Accumulated depreciation							
At 1 January 2021	-	18,214,366	7,547,793	20,338,343	3,863,291	9,766,586	59,730,379
Charge for the year	-	3,983,071	311,632	1,041,227	259,610	562,118	6,157,658
Elimination on disposal	-	-	-	-	(276,750)	-	(276,750)
At 1 January 2022	-	22,197,437	7,859,425	21,379,570	3,846,151	10,328,704	65,611,287
Charge for the year	-	4,318,196	-	1,096,547	244,185	677,303	6,336,231
Elimination on disposal	-	-	(2,960,407)	(4,900)	(215,500)	(1,022,087)	(4,202,894)
At 31 December 2022	-	26,515,633	4,899,018	22,471,217	3,874,836	9,983,920	67,744,624
Carrying amount							
At 31 December 2022	1,780,150	42,269,828	2,817,479	1,811,535	1,151,203	878,679	50,708,874
At 31 December 2021	1,780,150	46,400,074	2,817,479	2,278,887	638,220	754,841	54,669,651

Land having a carrying amount of AED 1,780,150 (2021: AED 1,780,150) is registered in the name of a shareholder on behalf of the Group.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

6 Advances paid on purchases of properties

	2022 AED	2021 AED
At 1 January	5,485,988	69,954,545
Addition during the year	-	50,209,215
Transfer to investment property (note 7)	-	(109,342,908)
Fair value loss	-	(5,334,864)
At 31 December	5,485,988	5,485,988

Advances paid represents amounts paid to purchase of properties in Dubai and Abu Dhabi.

During 2021, the Group completed the construction of a building and the related cost of AED 109.34 million was transferred to investment properties, based on the determined use of such properties.

7 Investment properties

	2022 AED	2021 AED
At 1 January	163,300,000	50,455,001
Addition during the year	1,383,977	-
Transfer from advances paid on purchases of properties (note 6)	-	109,342,908
Sold during the year	-	(7,800,000)
Fair value gain	5,981,022	11,302,091
At 31 December	170,664,999	163,300,000

Investment properties represent the fair value of Alpha Green Tower building in JVC, Dubai owned by the Group and completed in 2021, a villa situated at Golf Gardens, Abu Dhabi, 2 office units at 28th floor, Addax Tower, Al Reem Island, Abu Dhabi, UAE and 6 office units in 34th floor, Mazaya Business Avenue BB1, JLT, Dubai, UAE. The Golf Garden villa is held in the name of a related party, for and on behalf of the Company.

The Group's investment properties are stated at fair value at reporting period. Investment property with fair value of AED 170.66 million was valued by an independent external professionally qualified valuer, who holds a recognized relevant professional qualification and has recent experience in the locations and categories of the investment property valued (2021: AED 146 million).

The valuation was determined by reference to direct comparison approach which involves adjusting the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

7 Investment properties (continued)

The Group's investment properties with fair value of AED 17.30 million as at 31 December 2021 was determined internally by the management based on discounted cash flow (DCF) method, fair value is estimated based on significant unobservable inputs. These inputs include: future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows; estimated vacancy rates based on current and expected future market conditions after expiry of any current lease; and terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

For disclosure purposes these investment properties are being considered as Level 3.

During the year, rental income earned from investment properties amounted to AED 7,327,662 (2021: AED 798,438) and direct cost incurred was AED 3,425,999 (2021: AED 356,168).

8 Inventories and work in progress

	2022 AED	2021 AED
Goods for resale	69,094,160	45,540,471
Work in progress	193,795,320	160,427,600
	262,889,480	205,968,071
Less: allowance for inventory obsolescence	(18,578,235)	(14,877,333)
	244,311,245	191,090,738

The cost of inventories included in cost of sales amounted to AED 1,441,624,468 (2021: AED 963,178,343).

The movement in the allowance for inventory obsolescence during the year is as follows:

	2022 AED	2021 AED
At 1 January	14,877,333	10,831,319
Charge for the year	3,742,400	4,242,400
Inventory written off	(41,498)	(196,386)
At 31 December	18,578,235	14,877,333

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

9 Trade and other receivables

	2022 AED	2021 AED
Trade receivables:		
Local and federal government entities	139,498,384	106,913,753
Non-government entities	162,333,632	208,927,394
	301,832,016	315,841,147
Less: Allowance for expected credit loss	(39,649,658)	(34,822,183)
Net trade receivables	262,182,358	281,018,964
Prepayments and other receivables	25,812,482	27,889,759
Advances to suppliers	5,055,230	7,907,862
Retention receivables	530,695	1,408,135
Due from related parties (note 19)	749,412	561,699
	294,330,177	318,786,419

The average credit period on sale of goods and rendering of services is 60 to 90 days (2021: 60 to 90 days). No interest is charged on past due trade receivable balances. The allowance for credit losses as at 31 December 2022 is AED 39,649,658 (2021: AED 34,822,183).

Before accepting any new customer, the Group assesses the potential credit quality of the customer. The Group measures the provision for impairment for trade receivables at an amount equal to lifetime ECL. 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 has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting an order from counterparty. Of the trade receivable balances at the end of the year, AED 92,885,134 (2021: AED 105,233,761) is due from the Group's 10 major customers representing 31% (2021: 33%) of trade receivables.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Individually assessed AED	Collectively assessed AED	Total AED
At 31 December 2020	17,371,898	10,230,834	27,602,732
Net re-measurement of loss allowance	3,403,850	3,815,601	7,219,451
At 31 December 2021	20,775,748	14,046,435	34,822,183
Net re-measurement of loss allowance	1,479,824	3,347,651	4,827,475
At 31 December 2022	22,255,572	17,394,086	39,649,658

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

9 Trade and other receivables (continued)

	Past due					Total AED
	<30 AED	31-90 AED	91-365 AED	>365 AED	Specific provision AED	
31 December 2022						
Expected credit loss rate	3.82%	2.24%	14.59%	11.39%	100.00%	13.14%
Estimated total gross carrying amount at default	102,252,230	84,400,741	31,738,304	61,185,169	22,255,572	301,832,016
Lifetime ECL	3,906,828	1,888,286	4,631,583	6,967,389	22,255,572	39,649,658
31 December 2021						
Expected credit loss rate	1.33%	24.23%	25.74%	3.57%	100%	11.03%
Estimated total gross carrying amount at default	191,711,032	11,630,150	28,560,162	63,164,055	20,775,748	315,841,147
Lifetime ECL	2,552,212	1,883,826	7,352,661	2,257,736	20,775,748	34,822,183

10 Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	213,105	194,323
Cash at bank	81,308,473	46,928,260
	<u>81,521,578</u>	<u>47,122,583</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. 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 has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

11 Share capital

The authorised, issued and fully paid share capital of the Company comprises of 30 shares of AED 100,000 each. The shareholders and their respective interests are as follows:

	2022 and 2021		
	Number of shares	%	AED
Bin Hamoodah Company L.L.C	20	67	2,000,000
Ibbini Investment Company L.L.C	10	33	1,000,000
	<u>30</u>	<u>100</u>	<u>3,000,000</u>

12 Statutory reserve

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 5% of the annual profits should be transferred to a non-distributable statutory reserve. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the Company.

13 Provision for employees' end of service benefit

	2022 AED	2021 AED
At 1 January	30,615,929	27,080,975
Charge for the year	6,999,004	5,840,538
Paid during the year	(2,537,470)	(2,305,584)
	<u>35,077,463</u>	<u>30,615,929</u>
At 31 December	35,077,463	30,615,929

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

14 Trade and other payables

	2022 AED	2021 AED
<i>Current</i>		
Advances from customers	233,494,198	123,025,141
Trade payables	170,188,514	155,901,527
Accrued expenses	118,812,550	115,783,294
VAT payable	12,129,549	9,913,917
Trade finance – current portion	11,923,614	11,902,427
	546,548,425	416,526,306
<i>Non-current</i>		
Trade finance	9,736,739	19,226,979
	556,285,164	435,753,285

The average credit period taken is 90 days (2021: 90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit frame. No interest is charged on trade and other payables.

Trade finance pertains to outstanding balances payable in relation to the financing arrangements entered into by the Company to finance its purchase of goods and services from authorised suppliers. The financing arrangement have a tenure of 36 to 48 months and subject to interest rate of 2% per annum.

15 Other income

	2022 AED	2021 AED
Rental income, net (note 7)	3,901,663	442,270
Gain on disposal of property and equipment	69,264	48,288
Miscellaneous income	2,889,753	2,928,100
	6,860,680	3,418,658

16 Finance costs

The Group has availed bank overdraft facilities during the year and have paid finance costs amounting to AED 1,175,133 (2021: AED 348,437) accordingly. There were no outstanding bank overdrafts at 31 December 2022 (2021: nil) as disclosed in Note 10.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

17 Profit for the year

Profit for the year is stated after charging:

	2022 AED	2021 AED
Staff costs	259,228,741	224,437,408
Depreciation of property and equipment (note 5)	6,336,231	6,157,658

18 Zakat paid

Zakat is calculated and paid at the discretion of the shareholders.

19 Related party transactions

The Group, in its ordinary course of business, enters a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of “related parties” as defined in IAS 24: *Related Party Disclosures*. Related parties mainly comprise the major shareholders, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel.

Balances with related parties at the end of the reporting period are as follows:

	2022 AED	2021 AED
Due from related parties (note 9)		
Gulf Industrial Services Company (GISCO) L.L.C.	525,245	233,788
Al Geemi and Partners Contracting Company L.L.C.	215,494	224,233
Bin Hamoodaah Trading and General Services L.L.C.	8,405	-
United Metal Works Establishment	268	-
Gulf Automatic Services and Oilfield Supplies L.L.C.	-	60,123
Bin Hamoodah Company L.L.C	-	22,460
Gulf Commercial Agency L.L.C.	-	21,095
	749,412	561,699

Transactions with related parties during the year are as follows:

	2022 AED	2021 AED
Revenue	2,220,393	1,892,043

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

19 Related party transactions (continued)

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2022 AED	2021 AED
Short term benefits	4,935,233	4,586,944
Long term benefits	62,420	51,154
	4,997,653	4,638,098

20 Contract assets

	2022 AED	2021 AED
Current	260,844,870	169,943,373

Contract assets primary relates to the Group's right on consideration for goods and services provided but not billed at the reporting date.

21 Contingencies and commitments

	2022 AED	2021 AED
Bank guarantees	447,069,020	418,421,613
Capital commitments	162,000	162,000

The above bank guarantees were issued in the normal course of business.

22 Financial instruments

Significant accounting policies

Details of the significant 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 of the consolidated financial statements.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)****22 Financial instruments (continued)****Financial risk management**

The Group's management monitors and manages financial risks based on policies derived from the parent company's policies. The Group seeks to minimise the effects of financial risks by using appropriate risk management techniques which are reviewed by management on a continuous basis.

The Group does not enter or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Group analyses financial risks under the following captions:

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return on equity. 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 2022.

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs, and maintaining high standards of business conduct.

Credit risk in relation to the Group refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are trade and other receivables and bank and cash balances.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

Concentration of credit risk

Concentration of credit risk arises when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Details on concentration of trade receivable balances are disclosed in Note 9. Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its trade customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the central bank. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

**Notes to the consolidated financial statements
for the year ended 31 December 2022 (continued)**

22 Financial instruments (continued)

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the Group's non-derivative financial instruments. The contractual maturities of the financial instruments have been determined based on the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

Capital risk management

The liquidity profile of the financial liabilities at the end of the reporting period was as follows:

	Less than 3 months AED	3 to 12 months AED	1 to 5 years AED	More than 5 years AED	Total AED
31 December 2022					
Trade and other payables (other than advances from customers)	-	313,054,227	-	-	313,054,227
Trade finance	-	-	9,736,739	-	9,736,739
	-	313,054,227	9,736,739	-	322,790,966
31 December 2021					
Trade and other payables (other than advances from customers)	-	293,501,165	-	-	293,501,165
Trade finance	-	-	19,226,979	-	19,226,979
	-	293,501,165	19,226,979	-	312,728,144

Currency risk management

Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposure. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuation and consequently the Group does not hedge foreign currency exposure.

Notes to the consolidated financial statements for the year ended 31 December 2022 (continued)

22 Financial instruments (continued)

Fair value of financial assets and liabilities

All assets and liabilities for which fair value is measured or disclosed in the 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 in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management considers that the fair values of financial assets, investment properties and financial liabilities approximate their carrying amounts as stated in the consolidated financial statements.

Fair value measurement of non-financial assets

Fair value of investment properties has been determined by an independent valuer (the “Valuer”) using market value approach, based on the current property market condition in the UAE. The market has been assessed by the Valuer and certain internal data has been provided by the management, therefore, the fair valuation falls under level 3. The following are the valuation technique and fair value hierarchy as at 31 December 2022 and 2021:

	Fair value AED	Fair value hierarchy	Valuation technique
Investment properties	170,664,999	Level 3	Direct comparison approach
	(2021: 163,300,000)		

23 Dividend paid

As authorized by the Board of Directors on 1 March 2022 a cash dividend of AED 60 million was declared and paid on March 2022 of AED 30 million and December 2022 of AED 30 million (2021: AED 60 million).

24 Approval of consolidated financial statements

The consolidated financial statements were approved by management and authorised for issue on 10 April 2023.

COMPANY

Alpha Data PJSC

(under conversion in the Emirate of Abu Dhabi, United Arab Emirates)
Level 26, Addax Tower,
Abu Dhabi, United Arab Emirates

SELLING SHAREHOLDERS

Bin Hamoodah Company LLC

Al Rawdah, Al Ma'arid
P.O. Box 203
Abu Dhabi
United Arab Emirates

Ibbini Investment Company LLC

6 Zahran Street
Sweifieh District / Wadi As-Seir
Amman
The Hashemite Kingdom of Jordan

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

EFG-Hermes

Suite 301
The Exchange, GV11, DIFC
P.O. Box 30727
Dubai
United Arab Emirates

Emirates NBD Capital PSC

1st Floor Emirates NBD Head
Office Building
Baniyas Road, Deira
P.O. Box 777
Dubai
United Arab Emirates

JOINT BOOKRUNNER

Abu Dhabi Commercial Bank PJSC

Head Office, Sheikh Zayed First Street
P.O. Box 939
Abu Dhabi
United Arab Emirates

LEGAL ADVISORS

To the Company as to English and UAE law

Ashurst LLP

Sowwah Square Tower 3, Level 23
Hamouda Bin Ali Al Dhaheri St
Al Maryah Island
Abu Dhabi, United Arab Emirates

To the Joint Bookrunners as to English and UAE law

Latham & Watkins LLP

ICD Brookfield Place, Level 16
Dubai International Financial Centre
P.O. Box 506698
Dubai
United Arab Emirates

AUDITORS TO THE COMPANY

Deloitte & Touche (M.E.)

Al Sila Tower, 11th Floor, Abu Dhabi Global Market Square,
P.O. Box 990
Abu Dhabi, United Arab Emirates