

Management Discussion & Analysis Report

9M-2025



05.11.2025

Alpha Data announced a solid nine-month performance driven by broad-based growth and margin expansion. Full-year 2025 outlook maintained.

- ❖ 9M-2025 **revenue of AED 1.84 billion, +12% YoY**, supported by favourable market dynamics in the regional ICT and AI services landscape.
- ❖ 9M-2025 **gross profit of AED 253 million, +24.0% YoY**, with a **gross margin of 13.8%**, reflecting strong operational execution and favourable business mix.
- ❖ **Profit before tax (PBT) of AED 108 million, +13% YoY**. PBT margin of 5.8%, on a par with 9M-2024.
- ❖ All three segments, Solutions, Services, and Talent have recorded **YoY revenue growth** in 9M-2025
- ❖ Continued expansion in Saudi Arabia, with growing interest in Alpha Data's offerings resulted into revenue of **AED 48 million, +220% YoY**, with a **gross margin of 11.6%**, reflecting strong growth in 9M -2025.
- ❖ FY-2025 guidance reaffirmed, backed by a solid delivery pipeline.

Alpha Data PJSC (ADX: ALPHADATA) delivered a successful nine months of 2025. Building on a strong first half, the Company continued to demonstrate operational excellence and consistent delivery.

Growth in the first nine months of 2025 was fueled by accelerating demand for digital transformation, with particular momentum in scalable and secure infrastructure solutions. The Company continued to expand its Managed Services and Cloud Migration businesses and secured several high-value projects in AI-based solutions.

Performance Overview

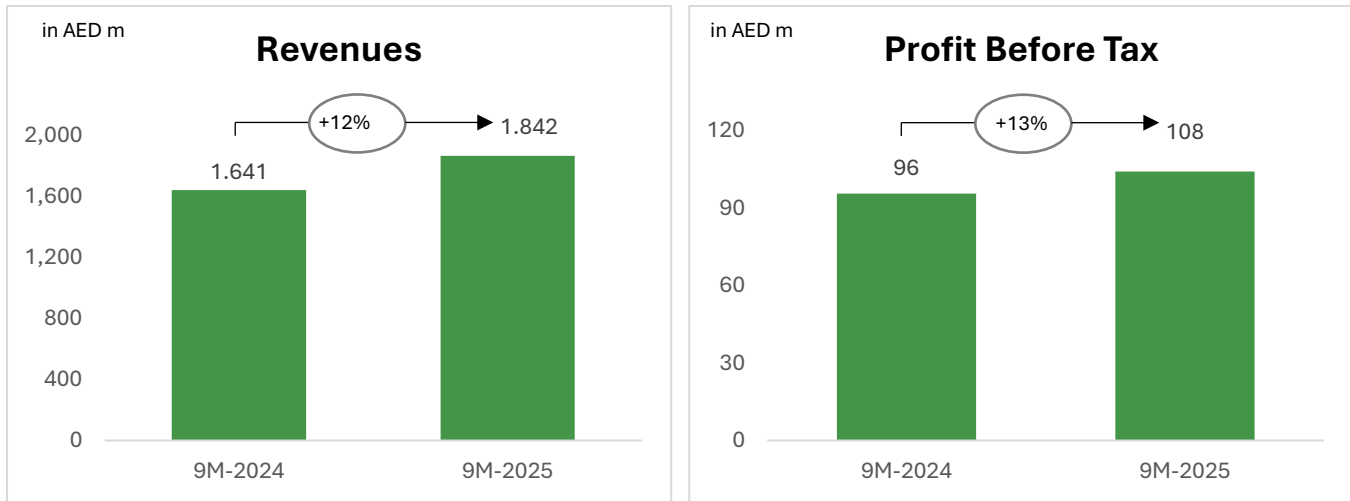
ALPHA DATA PJSC - KEY PERFORMANCE INDICATORS 9M-2025 (January - September 2025)

REVENUE & GROWTH (AED m)				PROFITABILITY (AED m)			
Metric	9M-2025	9M-2024	Change	Metric	9M-2025	9M-2024	Change
Group Revenue	1,842	1,641	12%	Gross Profit	253	204	24%
• Solutions	1,537	1,402	10%	Gross Margin	13.8%	12.4%	1.3%
• Services	194	151	28%	PBT	108	96	13%
• Talent	111	89	25%	PBT Margin	5.8%	5.8%	Stable

SEGMENT GROSS MARGINS				BALANCE SHEET (AED m)			
Segment	9M-2025	9M-2024	Change	Item	Sep-25	Dec-24	Change
Solutions	10.20%	8.90%	+1.3pp	Total Assets	1,112	961	15.7%
Services	39.80%	39.60%	Stable	Total Equity	318	229	39%
Talent	17.20%	20.50%	-3.2pp	Cash	86	35	143%
				NWC	339	232	46%

CASH FLOW (AED m)				KEY RATIOS & PIPELINE			
Metric	9M-2025	9M-2024	Status	Ratio	Sep-25	Dec-24	Trend
Operating CF	9	-42	Positive	NWC as % FY24 Revenue	14.60%	10.00%	4.6pp
Free CF	7	-43	Positive	Current Ratio	1.47x	1.35x	↑
CAPEX	2	1	↑	Backlog (AED m)	~1,000	~950	Strong

Year on Year evolution of Revenues and Profit Before Tax



Alpha Data Group

Group revenues increased in 9M-2025 by 12.0% to AED 1.84 billion fueled by the strong demand for Alpha Data's services. Particularly, the group saw continued momentum in the digital transformation initiatives, supported by increased regional appetite for modern, AI-driven and agile technology infrastructure.

Gross profit for the first nine months of 2025 increased by 24% year-over-year, with margins improving by 1.3 percentage points to 13.8%. This improvement was driven by a more favorable business mix, including a higher contribution from the Service segment, which carries stronger margins. Additionally, the Solutions segment benefited from a better revenue mix. These factors collectively contributed in general to the overall improved the gross margin.

PBT increased by 13% in 9M-2025 vs. 9M-2024, reaching AED 108 million. The PBT margin stood at 5.8% almost at par with 9M-2024.

In Q3 2025, the PBT margin stood at 4.3%, slightly up from 4.2% in Q3 2024, but remain compressed due to the seasonal nature of the business, with Q3 typically being a softer quarter influenced by summer seasonality.

Solutions Segment

Solutions delivered year-on-year growth in both revenues and gross margins in 9M-2025, reflecting sustained strong traction across key growth verticals. Revenues increased by 10% to AED 1,537 million, while gross profit rose by 25% to AED 157 million, resulting in a gross margin expansion 1.3 percentage points, from 8.9% to 10.2%. The strong performance was driven by a surge in demand for AI based solutions and a higher mix of higher-margin services (cloud migration, cybersecurity, AI).

Services Segment

The Services segment delivered a strong performance in 9M-2025, supported by robust demand for digital transformation, particularly scalable and secure infrastructure solutions. Revenues increased by 28% year-on-year to AED 194 million, against 151 in the previous 9m-2024. The gross profit also grew by 29% to AED 77 million, reflecting a solid gross margin of 39.8%.

This strong performance was driven by:

- Continued expansion in Managed Services and Cloud Migration initiatives
- Successful delivery of large-scale digital transformation projects
- Growing adoption of professional services for AI and cloud implementations

Talent Segment

The Talent segment continued to experience solid demand, recording year-on-year revenue growth of 25% in 9M-2025 and stood at AED 111 million against 89 in the previous 9m-2024, reflecting a sustained market demand. However, gross profit margin declined by 3.2 percentage points YoY to 17.2%, consistent with trends observed in Q2 2025.

Margin contraction was mainly due to lower contribution from a previously high-margin account and onboarding of new clients that are still ramping up to optimal levels. Looking ahead, margins are expected to remain stable, though pricing dynamics may continue to influence short-term performance.

KSA

Revenues in Saudi Arabia surged to AED 48 million in 9M 2025, marking a 220% year-on-year increase from AED 15 million, underscoring the successful scale-up of operations in the Kingdom. The gross profit of AED 6 million at a gross margin 11.6% achieved based on limited revenue.

Balance Sheet and Cash Flow

Alpha Data closed 9M-2025 with a solid liquidity position of AED 86 million. Net working capital stood at 14.6% of FY-2024 revenues, in the upper end of the Group's target corridor of 10%–15%.

Net Working Capital (NWC) improved year-over-year, decreasing from 20.6% to 14.6% in YOY 9M-2025, bringing it within the Company's target range of 10–15%. While this marks significant progress, NWC remains on higher, primarily due to timing differences in receivables and project completions.

Free cash flow stood at positive in 9M-2025 primarily driven by significant working capital movements. With continued operational discipline and improved cash conversion, the Group remains confident in sustaining positive cash flow momentum going forward.

Guidance reaffirmed

With strong execution in 9M-2025 and solid business momentum, the Group remains fully confident in achieving its 2025 targets:

- Revenues in 2025 are expected to grow in line with the medium-term target of a low- to mid-teens increase.
- The PBT margin is expected to reach approximately 6%, following the typical seasonality pattern, with lower business activity and earnings during the summer period, and stronger margins towards year-end.
- KSA revenues are projected to grow significantly in 2025, reaching a mid- to high-double-digit million AED range.
- 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. The dividend payment in October was carried out as guided.

Disclaimer on Forward-Looking Information

This presentation contains forward-looking statements relating to, among other things, Alpha Data's strategy, objectives, future business plans, financial performance, and market developments. These statements are based on current expectations, estimates and projections of the Company's management and are subject to a number of risks, uncertainties and assumptions that are difficult to predict and beyond the Company's control.

Forward-looking statements are typically identified by the use of words such as "believes", "expects", "aims", "intends", "may", "will", "should", "could", "plans", "estimates", "targets", "anticipates" or the negative thereof, or other variations or comparable terminology.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, including, but not limited to, macroeconomic conditions, changes in market dynamics, regulatory developments in the UAE and other jurisdictions, the execution of the Company's growth strategy, operational risks, reliance on key clients and contracts, competitive pressures, cybersecurity risks, and other factors described in Alpha Data's investor communications or public disclosures.

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