

Alef Education Enters 2025 with Strong Q1 Performance, Market-Leading 74% EBITDA Margin and Growing International Momentum

- Q1 2025 Revenues up 2% YoY, reaching AED 179.7 million driven by new contract wins.
- Q1 2025 Net Profit up 2% YoY to AED 115.3 million, on the back of consistent revenue growth and cost optimization.
- 90% of FY 2024 Net Profit distributed in dividends, totaling AED 402.8 million and yielding a strong ~ 10% dividend yield with AED 135 million (~ 10 fils per share) distributed to free float shareholders, and an equivalent amount guaranteed for FY 2025 reflecting Alef Education's disciplined growth strategy.
- 3-year ADEK contract extension secures UAE core revenue through 2033.
- New contract wins with growth drive momentum across UAE, Indonesia, Senegal and beyond.
- Miqyas AI Dhad reaches 86% completion and is on track for Q3 2025 launch, unlocking a new revenue stream in Arabic language literacy.

Abu Dhabi, UAE – 30 April 2025

Alef Education Holding Plc (the 'Company' or 'Alef Education' or 'ADX: ALEFEDT'), an award-winning AI-powered learning solutions provider redefining the educational experience for K-12 students, based in Abu Dhabi, today announced its financial results for the three-month period ending 31 March 2025. This marks the Company's fourth earnings announcement since its debut on the Abu Dhabi Securities Exchange ('ADX') in June 2024. It also follows the successful distribution of a AED 199.2 million cash dividend for H2 2024 in April 2025, as approved during Alef Education's Annual General Meeting ('AGM'), bringing the total FY 2024 dividend to AED 402.8 million, representing 90% of the Company's full-year Net Profit.

Geoffrey Alphonso, Chief Executive Officer of Alef Education, stated:

"As we move through 2025, we're building strong momentum across both our B2G and B2B segments, supported by ongoing investment in innovation and global expansion. Our Q1 2025 results, marked by steady revenue growth and improved efficiency, underscore the strength of our long-term strategy and disciplined execution. With expanding presence in markets like Indonesia and continued progress in the UAE, Alef Education remains focused on transforming education through AI and delivering meaningful value across the education ecosystem and to all our stakeholders."

Strong and Profitable Q1 Growth Builds on the FY 2024 Momentum

Reinforcing its position as a trusted partner for governments and private schools in the UAE and globally, Alef Education continues to see strong demand for its suite of innovative, bespoke

education solutions. In Q1 2025, the Company reported Revenues of AED 179.7 million, marking a 2% year-on-year ('YoY') increase. This was primarily based on the stable contributions from the core UAE portfolio, Abu Dhabi Department of Education and Knowledge ('ADEK') contract, and further driven by robust growth in other business and government contracts outside of ADEK, locally and internationally. Alef Education continued to execute on its growth strategy during Q1 2025, with a strong focus on revenue diversification.

EBITDA rose 2% to AED 132.8 million in Q1 2025, with a market-leading margin of 74%. Net profit reached AED 115.3 million, reflecting a 2% YoY increase, supported by consistent revenue growth and a strong 64% margin, underscoring Alef Education's ongoing commitment to cost discipline and operational optimization.

Alef Education's strong, unlevered balance sheet, solid financial foundation, and robust cash flow generation continue to support its growth strategy. With AED 402.6 million in cash, no debt and a low liabilities-to-assets ratio of 18%, the Company is well-positioned to fund growth ambitions, while sustaining consistent dividend distributions.

A Core Foundation Further Enhanced by Strategic Growth & Strategic Alliances

The Company's recent contract extension with ADEK provides significant revenue visibility until 2033, provisioning for a minimum of 80,000 students with a fixed fee per student. While the ADEK contract constitutes the core of Alef Education's business, the Company is actively pursuing an opportunistic global growth strategy, particularly considering high-margin and value accretive opportunities. To support its goals of geographic expansion, revenue diversification, and customer and product portfolio growth, Alef Education secured a substantial pipeline of high-value leads across both public and private sectors in the MENA region and internationally during Q1 2025.

Supporting its focus on deepening public sector partnerships, Alef Education marks expansion into Morocco in support of the Education Reform Plan 2022–2026, and progress on the MOU with Nahdet Misr to collaborate across the GCC, Levant, and North Africa. Alef Education strengthened its footprint in Indonesia in Q1 2025, aligning with national digital education goals through high-level ministerial talks aimed at long-term collaboration. Strategic partnerships were also forged to advance human capital development and equip students with future-ready skills. Additionally, the Company engaged in ongoing strategic dialogue with the Senegalese government about a potential long-term collaboration, following the visit of Senegal's President to Alef Education in November 2024.

Continuous Innovation Transforming Learning Outcomes

To meet rising demand for its expanding product portfolio, Alef Education is developing new variants of Alef Pathways and enhancing its Arabic learning offerings with additional content and resources.

As part of its innovation agenda, Alef Education partnered with MetaMetrics® to develop *Miqyas Al Dhad*, the region's first Arabic reading scale aimed at improving literacy for Grade 1–12 Arabic speakers. Created in collaboration with regional ministries, the initiative supports Alef Education's growth strategy by opening new, sustainable revenue streams in Arabic language proficiency. Now 86% complete, *Miqyas Al Dhad* has engaged over 110,000 students across nine countries, with seven MOUs signed to date. The launch is on track for Q3 2025.

Consistent Shareholder Returns and Significant Value Creation

Beyond driving growth, Alef Education's strong financial foundation allows the Company to deliver sustained value to shareholders through a transparent and robust dividend policy. In line with its IPO commitment, Alef Education guarantees a minimum annual dividend payout of AED 135 million to its 20% free-float investors for FY2024 and FY2025, distributed semi-annually.

Alef Education holds a leading position in the UAE's K–12 EdTech space, deeply embedded in the national education framework via ADEK. With guaranteed payments from ADEK, the Company enjoys stable, predictable cash flows, enabling consistent dividend payouts with an attractive yield driving long-term shareholder value. Following the Annual General Meeting ('AGM') held on 27 March 2025, Alef Education successfully distributed a cash dividend of AED 199.2 million for H2 2024 in April 2025. This brought the total FY 2024 dividend payout to AED 402.8 million, representing 90% of the Company's full-year net profit, reflecting ~ 10% dividend yield with AED 135 million (~ 10 fils per share) being distributed to free float shareholders, and an equivalent amount is guaranteed for FY 2025, reflecting Alef Education's disciplined growth strategy.

Outlook

Alef Education enters the remainder of 2025 with a strong outlook, supported by long-term government contracts, a growing international presence, and continued innovation. Revenue is expected to witness 3-4% growth in FY 2025 YoY. EBITDA for the year is expected to increase by 8-9%, generating a higher margin of 70% backed by strict cost optimization efforts coupled with revenue growth. Similarly, Net Profit is expected to increase by 6-7% resulting in a strong and consistent margin of 60%.

With predictable cash flows and a proven model, Alef Education is uniquely positioned to fuel innovation, scale globally, and lead the next era of digital learning, while sustaining attractive dividends and delivering long-term value to shareholders.

<i>AED millions</i>	Q1 2025	Q1 2024	% Change
Revenues	179.7	176.7	1.7%
Total Expenses	56.4	55.7	-1.3%
EBITDA*	132.8	130.7	1.6%
<i>EBITDA Margin</i>	74%	74%	-
Net Profit	115.3	113.0	2.0%
<i>Net Profit margin</i>	64%	64%	-

* EBITDA is earnings before interest, tax, depreciation, amortization and lease expenses (interest and depreciation on right of use assets).

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About Alef Education

Founded in 2016, Alef Education (ALEFEDT on the Abu Dhabi Stock Exchange) is an award-winning AI-powered learning solutions provider that is redefining the educational experience for K-12 students. The Company has established a strong presence in the education technology sector, operating in approximately 14,000 schools across the UAE, the US, Indonesia and Morocco. Its flagship AI-integrated Alef Platform offers personalised learning experiences to more than 1.4 million registered students, enabling them to work at their own pace and reach their full potential anytime, anywhere. With a 100% penetration rate in Cycle 2 (Grades 5-8) and Cycle 3 (Grades 9-12), Alef Education has a proven track record of improving student engagement and achievement, with test scores in Indonesia increasing by 8.5% in Arabic and maths.

The award-winning Alef Platform provides AI-powered learning and teaching solutions that use real-time data to drive improvements across the education system. Alef Pathways is a student-centred, self-paced supplemental math program. Abjadiyat is an Arabic language learning platform that provides engaging and interactive content from kindergarten to Grade 4. Arabits is a complete Arabic learning system for non-native speakers that helps students of all ages learn, practice, and improve their Arabic language skills using AI.

Alongside supporting students throughout their educational journey, Alef Education supports 65,000 educators with tools that enrich instruction and enable high-impact interventions to

improve student learning outcomes. Alef Education promotes engagement, achievement and equity in learning, preparing students for success in an ever-evolving world.

For more information, visit www.alefeducation.com.

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