

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED 30 SEPTEMBER 2025



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Robust Financial Performance with Consistent Revenue Growth & Industry-Leading Margin, Propelling Growth Through Innovation.

Alef Education Holding Plc (ADX: ALEFEDT) announced its financial results for the nine months period ended 30 September 2025, reporting solid year-on-year growth in revenue and profitability, driven by the successful execution of new contracts.

Financial Highlights

- Revenue grew to AED 572.8 million, an increase of AED 21.3 million (+4% YoY), supported by early IT asset refresh and growth pertaining to new contract wins outside ADEK.
- EBITDA rose to AED 418.0 million, up by AED 20.3 million (+5% YoY), with an improved margin of 73% (+1% YoY).
- Net Profit increased to AED 364.7 million, up by AED 19.4 million (+6% YoY), with an improved margin of 63.7% (+1% YoY).
- All receivables totalling AED 318.5 million were collected during the period, reflecting strong cash generation and disciplined working capital management, with cash standing at AED 492.8 million.
- Balance sheet remains debt-free, which positions the Group to self-fund expansion and sustain dividend distributions.
- A guaranteed dividend payout of AED 135 million for FY 2025 for market shareholders, paid in two equal installments. The interim dividend of AED 67.5 million was distributed in August 2025, implying an interim dividend per share of ~ 5 Fils.

Operational Highlights

- Miqyas Al Dhad reached 90% completion and remains on track for launch in Q4 2025, positioning the Company to unlock a new revenue stream in Arabic language learning.
- Strategic collaboration with Liquid AI to enhance AI-powered learning capabilities and drive scalable, privacy-focused innovation across new markets.
- Alef Education strengthened its position as a global leader in AI-driven education at UNESCO Digital Learning Week 2025 in Paris.
- Alef Education participated in the Educational Innovation Forum on Transforming Knowledge into Practical Applications in Doha.
- In partnership with the Abu Dhabi Civil Defence Authority, Alef Education launched Phase II (2025–2029) of the Bader Educational Awareness Project, following the successful completion of Phase I (2021–2024).
- Alef Education received two awards at the 2025 Middle East Investor Relations Association (MEIRA) Annual Conference in Oman: Best Digital 2024 Annual Report – Mid-Cap Companies and Best Annual Report, Post IPO.

Chief Executive Officer

“First nine months of 2025 highlight the continued strength of our UAE core foundation and the growing momentum of our public, private and international initiatives. Alef Education maintained sector-leading profitability, while advancing key strategic priorities such as the launch of Miqyas Al Dhad, the expansion of its Pathways and Arabic assessment offerings, and the progress of its international portfolio in markets like Indonesia and Senegal. Supported by a debt-free balance sheet, strong cash flows, and disciplined execution, Alef Education is well positioned to scale its impact globally and continue redefining the K-12 learning experience through AI-powered solutions.” Geoffrey Alphonso

Building on strong momentum, Alef Education continues to transform strategic partnerships and recent achievements into scalable, sustainable growth across key markets. Our innovation-driven initiatives and expanding collaborations are deepening the Company’s impact and creating lasting value for students, educators, and shareholders.

Our disciplined execution, operational efficiency, and focus on educational excellence remain at the heart of our strategy. Looking ahead, we will accelerate product innovation, strengthen partnerships, and enhance technology-enabled learning to support the evolving needs of the education sector. With a strong foundation and a clear purpose, Alef Education is well positioned to drive meaningful, long-term impact in K-12 education.

Chief Financial Officer

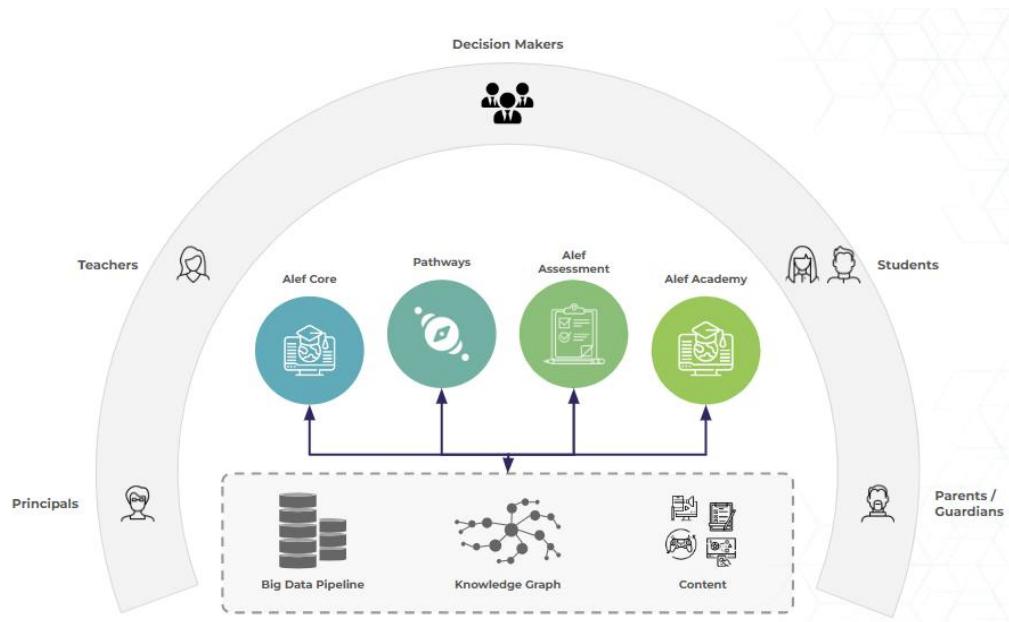
“Our 9M 2025 performance reflects Alef Education’s strong financial foundation and disciplined approach to growth. We continue to balance profitability with investment in innovation, ensuring operational efficiency and long-term value creation. Our financial discipline, supported by debt free balance sheet and robust cash flow generation, enables us fund strategic priorities while maintaining margins and sustainable returns. We remain committed to delivering predictable and attractive shareholder value through guaranteed dividend programme and prudent capital allocation. Looking ahead, our focus is on reinforcing cost efficiency, scaling our platform across high-potential markets, driving sustainable profitability that underpins Alef Education’s leadership in AI-drive education.” Amit Choudhary

Alef Education’s revenue grew by 4% year-on-year to AED 572.8 million, supported by new contract wins, while EBITDA increased to AED 418.0 million with an industry-leading margin of 73%, demonstrating effective cost management and operational excellence.

Net profit rose by 6% to AED 364.7 million, driven by sustained revenue growth, efficient cost control, and solid working capital management. Our AED 492.8 million cash position and debt-free balance sheet provide ample liquidity to fund innovation and support long-term growth.

In line with our dividend guarantee programme, we remain committed to distributing AED 135 million for FY2025, including an interim dividend of AED 67.5 million paid in August 2025. Looking ahead, Alef Education will continue to strengthen its scalable platform, innovation-led portfolio, and strategic partnerships to drive sustainable growth and long-term value creation.

Business Model



Alef Education continues to strengthen its comprehensive ecosystem of educational solutions, designed to address the needs of diverse stakeholders across the education sector. The Company's portfolio includes proprietary innovations, such as Miqyas Al Dhad, a patented tool for evaluating Arabic language proficiency, and the Alef Academy, a dedicated platform for professional development of educators. Additional offerings, including learning pathways, assessment platforms, and tailored core products, further reinforce Alef Education's position as a provider of end-to-end educational solutions. This integrated approach differentiates the Company in the market, delivering a unique value proposition with limited direct competition.

Financial Highlights

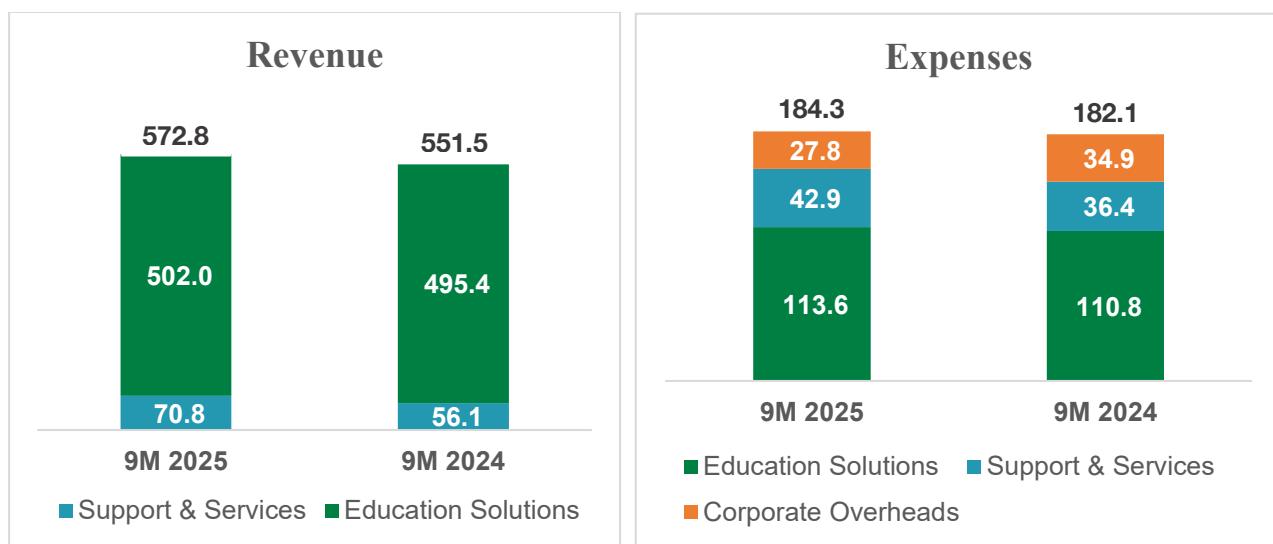
Statement of comprehensive income for the three month and nine-month period ended 30 September 2025 (in AED million)

	9M 2025	9M 2024	Change (%)	Q3 2025	Q3 2024	Change (%)
Revenue	572.8	551.5	3.9%	215.5	197.3	9.2%
Expenses (excluding depreciation and amortisation)	(154.8)	(153.8)	-0.7%	(65.5)	(60.7)	-7.9%
EBITDA¹	418.0	397.7	5.1%	150.0	136.6	9.8%
EBITDA margin (%)	73.0%	72.1%	+90 bps	69.6%	69.2%	+40 bps
Depreciation and amortisation	(26.7)	(25.4)	-5.1%	(8.5)	(7.9)	-8.5%
Lease expenses (Interest and depreciation)	(2.8)	(2.9)	3.3%	(0.9)	(1.0)	7.5%
Interest income	12.3	10.0	23.2%	5.0	3.2	58.6%
Profit before tax	400.7	379.4	5.6%	145.5	130.9	11.2%
Income tax	(36.0)	(34.1)	-5.6%	(13.1)	(11.8)	-11.2%
Net profit	364.7	345.3	5.6%	132.4	119.1	11.2%
Net Profit margin	63.7%	62.6%	+110 bps	61.4%	60.4%	+100 bps
Earnings per share	Fils 5.21	Fils 4.93 ²	5.6%	Fils 1.89	Fils 1.70	11.2%

¹EBITDA is earnings before interest, tax, depreciation, amortization and lease expenses (interest and depreciation on right of use assets)

²Earnings per share for 9M 2024 is Fils 7.27 calculated based on weighted average effect of period from the date of incorporation of the Company and period ended 30 September 2024. For comparison basis, earnings per share of Fils 4.93 (9M 2024) is calculated assuming the entire 7 billion shares were issued for the full period.

Group Revenue and expenses



In 9M 2025, the Group recorded revenue of AED 572.8 million, marking a YoY increase of AED 21.3 million (+4%) compared to AED 551.5 million in 9M 2024.

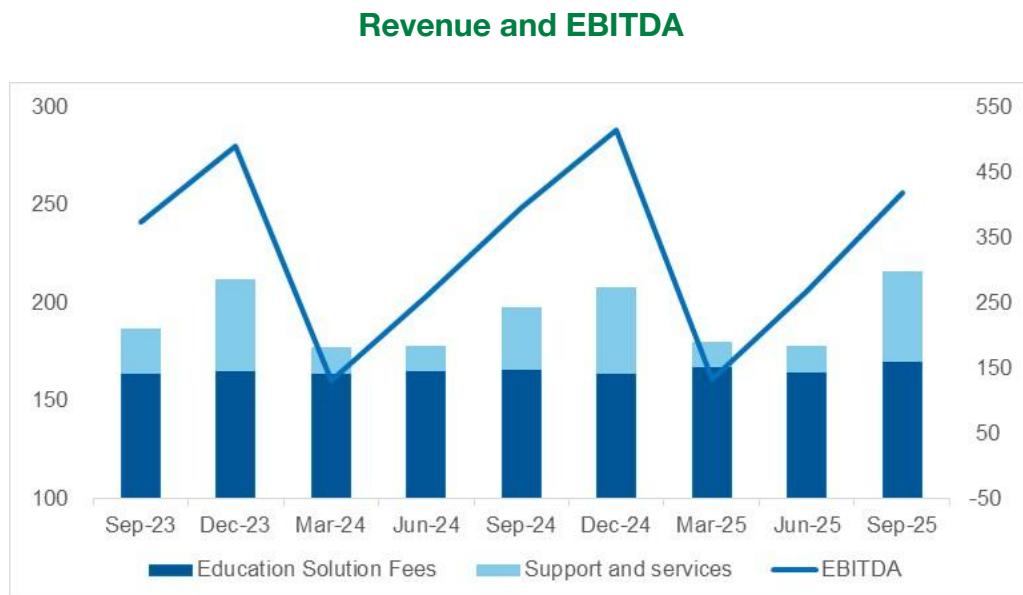
- The revenue growth in Support and service is attributable to early deployment IT asset refresh due to efficiencies in operations.
- The uplift in Education solutions is driven by 6 new contracts secured in 9M 2025 with a total contract value of AED 57 million. Alef is developing a marketplace platform that leverages its strong presence across the UAE's public and private school network, enabling government and institutional partners to engage directly with students and driving new contract wins.
- Total expenses, including depreciation and amortisation and lease expenses, amounted to AED 184.3 million in 9M 2025, up by 1% from AED 182.1 million in 9M 2024. The increase of AED 2.2 million pertains to incremental cost associated with IT assets deployment, offset by cost savings in marketing and professional fee costs. The Group remains focused on strong cost management and prioritizing high-ROI initiatives to maintain strong profitability.

Group Profitability

EBITDA for 9M 2025 reached AED 418 million, reflecting a 5% increase compared to AED 397.7 million in 9M 2024. This enhanced performance was driven by revenue growth with new contractual wins coupled with cost efficiencies resulting in an improved EBITDA margin of 73%.

Net profit for 9M 2025 reached AED 364.7 million, representing a 6% increase from AED 345.3 million in 9M 2024. The Group improved the strong net profit margin to 63.7%, well above industry benchmarks, underscoring the resilience and efficiency of its operating model.

Seasonality of business



The education solution fee is standard Q-o-Q and expected to grow in Q4 due to start of the new academic year. Support & Services revenue is higher in Q3/Q4 due to cyclical refresh of IT devices at the start of the new academic year.

Customer segments

The Education Solutions and Support & Services segments have been further segmented into four distinct customer categories to provide deeper insight into the Group's performance and revenue composition.

ADEK:

- Long-term ADEK agreement extended through 2033, ensuring stable and recurring revenue visibility.
- Delivering digital education solutions for Grades 5–12 across government-funded schools in Abu Dhabi.
- Partnership reinforces Alef's role in advancing technology-enabled learning aligned with the UAE's education vision.
- ~4,000 new students onboarded through the charter-school migration initiative in Abu Dhabi.
- Total students exceed 73,000 on the Alef Platform for AY 2025–26.
- Strong pipeline for further expansion beyond the minimum guaranteed 80,000 students, driving sustained growth momentum.

Customer segments (continued)

B2B & B2G:

- Expanding regional and international presence through tailored platform and content solutions for government and institutional clients.
- Developing a marketplace platform leveraging Alef's access to UAE schools, enabling direct engagement between partners and students.
- Strategic initiative expected to drive new business opportunities and strengthen Alef's position in the education technology sector.
- Six new contracts signed in 9M 2025 worth AED 57 million, expanding Alef's commercial footprint.
- Maintains a robust pipeline in the UAE and abroad, expected to convert into profitable contracts and support long-term growth.

Private Schools:

- Alef Education serves private schools across the UAE and selective markets outside UAE, supported by strong upselling and cross-selling of flagship and supplementary products across multiple grades.
- Backed by positive customer feedback and high adoption momentum, the business achieved 91% retention and ~50% year-on-year ARR growth.
- Delivered a strong start to AY 2025–26, with private school revenue up AED 2.3 million (144% YoY).
- The Alef Platform now spans over 180 schools and 122,000 paying students, capturing ~35% of the UAE private school market.
- Leading groups such as Shola Group, Victoria Group, and Emirates National Schools adopted Alef's platform, reinforcing its expanding presence in the private education sector.

Miqyas Al Dhad:

- Miqyas Al Dhad, a joint venture with MetaMetrics®, is a groundbreaking Arabic language proficiency initiative launched in 2024 to transform teaching, learning, and literacy across the region.
- The product is 90% complete and on track for launch in Q4 2025.
- First commercial contract secured in the UAE, supported by a robust pipeline expected to drive momentum into 2026.
- Positioned to strengthen Alef Education's leadership in Arabic language learning and expand its influence within the regional education ecosystem.

Outlook

Alef Education is well positioned to sustain long-term profitable growth, supported by its scalable, asset-light, AI-driven platform. The Company remains focused on regional expansion, new geographies, and strategic partnerships, while maintaining profitability through disciplined execution. Future investments will be innovation-led, unlocking new business opportunities and avenues for scale and impact.

Alef Education's differentiated position in the EdTech landscape enables it to meet the evolving needs of learners and educators through personalized, AI-enabled solutions and a flexible, cloud-native platform. Backed by dedicated implementation teams, Alef continues to strengthen its role as a trusted, end-to-end education solutions provider, delivering scalable and adaptable learning experiences across diverse markets.



Vice Chairman



Chief Executive Officer

The Consolidated Financial Statements for the nine month period ended September 30, 2025 are available through the following link on Alef Education's website: <https://www.alefeducation.com/financial-information>.

Investor Relations Enquiries

ir@alefeducation.com

Media Enquiries

Noor Arafat

marketing@alefeducation.com

Alef Education overview

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 7,000 schools across the UAE, Indonesia, Morocco, and the Kingdom of Saudi Arabia. Its flagship AI-integrated Alef Platform offers personalised learning experiences to more than 1.5 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 50,000 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.