

## Alef Education Delivers Strong Financial Performance in H1 2025 with Steady Revenue Growth and a 75% EBITDA Margin, Accelerating Innovation and Growth

- H1 2025 Revenues up 1% Year-on-Year (YoY) to AED 357.3M, driven by steady core UAE portfolio, new contract wins and growth outside ADEK.
- H1 2025 EBITDA up 3% YoY to AED 267.9M, with an improved 75% margin (+100 basis points) on disciplined cost management; H1 2025 Net Profit similarly up 3% YoY to AED 232.3M with a 65% margin (+100 basis points).
- AED 497.1 million cash and zero debt as of 30 June 2025, underpinning disciplined global expansion and attractive shareholder returns.
- A guaranteed dividend payout of AED 135 million for FY 2025 to be paid in two equal installments, AED 67.5 million interim dividend approved for payout in August 2025, implying an interim dividend per share of ~ 5 Fils.
- Miqyas AI Dhad reaches 87% completion, on track for launch in Q4 2025. Successful Field Test Survey results sparking strong interest and 7 MOUs signed.
- Collaborations with Microsoft and Core42 to boost AI and sovereign-cloud capabilities.

**Abu Dhabi, UAE – 31 July 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 six-month period ending 30 June 2025 (‘H1 2025’), marking the Company’s first full year as a listed entity and its fifth earnings release since listing on the Abu Dhabi Securities Exchange (“ADX”) in June 2024.

Alef Education continues to deliver strong results in H1 2025 with revenues reaching AED 357.3 million, maintaining a strong EBITDA margin of 75% on the back of continued cost optimization initiatives. Supported by prudent cashflow generation and an attractive dividend profile, Alef Education continues to embark on a disciplined growth strategy, accelerated by value accretive global partnerships and collaborations.

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

*“The first half of 2025 balanced expansion and profitability for Alef Education. We advanced on growing our presence internationally while delivering a market-leading 75 % EBITDA margin. Recent milestones like the imminent Miqyas AI Dhad progress and high-level ministerial engagements in Indonesia and Senegal demonstrate how Alef Education is redefining K-12 learning. With a debt-free balance sheet and a transparent dividend commitment, we continue to invest in the next wave of digital education for students and shareholders alike.”*

## Stable H1 2025 Growth Backed by Leading Margins & Strong Cash Flow

Alef Education reported solid financial performance during the first half of 2025, supported by the continued strength of its long-term partnership with the Abu Dhabi Department of Education and Knowledge ('ADEK') and expanding traction across both UAE and international markets. H1 2025 Revenue increased 1% YoY to AED 357.3 million, primarily driven by stable contributions from the core UAE portfolio alongside robust growth in other business and government contracts outside of ADEK.

Through disciplined cost management and operational optimization, H1 2025 EBITDA rose 3% YoY to AED 267.9 million, resulting in a market-leading 75% margin, a 100 basis points expansion compared to the prior year. H1 2025 Net profit increased 3% YoY to AED 232.3 million, reflecting a 100 basis point expansion in margin to 65%.

Maintaining its focus on profitability and cash efficiency, Alef Education generated healthy free cash flow. As of 30 June 2025, the Company held AED 497.1 million in cash with zero debt and effective working capital management, providing a robust platform to fund disciplined global expansion while sustaining attractive shareholder returns and dividend yield.

### Reliable and Attractive Dividend Policy

Beyond driving growth, Alef Education's strong financial foundation and guaranteed ADEK payments enable 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 FY2025, distributed semi-annually.

The 2025 dividend will be paid in two equal installments, AED 67.5 million interim dividend approved for payout in August 2025 and the second installment of AED 67.5 million will be paid in April 2026. Looking ahead, the Board intends to distribute approximately 90% of annual profits. A debt-free balance sheet, healthy cash flows and recent inclusion in the MSCI UAE Small Cap Index underpin management's confidence in the sustainability of these payouts.

### A Core UAE Foundation Supported by International Portfolio Growth

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 generated > AED 300 million high-value leads across both public and private sectors in the MENA region and internationally during H1 2025.

Building on its strategy to deepen public-sector collaborations, Alef Education entered several new markets in H1 2025. Early in the year, the Company expanded into Morocco in support of

the Education Reform Plan 2022–2026 and made substantial progress on its MOU with Nahdet Misr to collaborate across the GCC, Levant and North Africa. It also enhanced its presence in Indonesia, aligning with national digital-education objectives through high-level ministerial discussions aimed at securing long-term partnerships and monetization.

Most recently, following ongoing talks with the Senegalese government, a high-level Senegalese delegation visited Alef Education's Abu Dhabi headquarters in May 2025 to explore long-term digital-education cooperation.

### **Miqyas Al Dhad Readiness for Launch in Q4 2025**

*Miqyas Al Dhad*, the region's first Arabic reading scale aimed at advancing Arabic Reading proficiency for Grades 1–12 Arabic speakers, is now 87% complete and set to launch in Q4 2025. Developed in collaboration with Arab countries' Education ministries, the initiative supports Alef Education's growth strategy by creating new, sustainable revenue streams in Arabic language proficiency.

In H1 2025, a Field Test Survey ('FTS') involving 110K students across 204 schools in 70 cities across 9 countries was successfully completed. Early results demonstrate strong demand for *Miqyas Al Dhad*: findings have been shared with 12 government bodies, and 7 MOUs have been signed with major publishing and assessment firms. Supported by targeted brand-building efforts, like conference presentations, thought-leadership campaigns and focused media outreach, *Miqyas Al Dhad* is gaining significant momentum as a landmark Arabic-literacy initiative.

### **Strategic Alliances and Global Recognition Accelerate International Footprint**

In H1 2025, Alef Education strengthened its reputation as a trusted global leader in AI-powered K-12 learning through a series of high-profile collaborations.

In May 2025, the Company entered a landmark alliance with Microsoft and Core42, G42's sovereign-cloud and AI-infrastructure arm. By combining Microsoft's global cloud platform with Core42's sovereign-cloud capabilities, Alef Education is positioned to accelerate growth, deliver cutting-edge AI-driven learning experiences, and unlock regional and international expansion opportunities.

Additionally, Alef Education has gained significant regional recognition with the recent wins of two new awards for Innovation and Leadership at the MEA Business Achievement Awards ceremony held in Dubai in June 2025. Alef AI Tutor won the Ground-Breaking Products/Services award in Education & Learning, while CEO Geoffrey Alphonso received the Outstanding Leadership accolade in the HR, Training & Education category.

The Company's innovations were also spotlighted in the global Reuters Vision 2045 documentary series, which showcased how Alef Education is transforming the global education landscape through its innovative AI-driven solutions and initiatives.

## Outlook

Alef Education heads into the rest of 2025 on solid ground. Long-term UAE government contracts, new collaborations such as the one with Microsoft and Core42, and rising interest from markets like Senegal, Indonesia, and Morocco are set to keep momentum strong. The Company's financial outlook remains unchanged from what was disclosed in Q1 2025.

Revenue is expected to witness 3-4% growth in FY 2025 YoY. Consistent with its seasonal billing cycle, where the start of the academic year in September drives the bulk of annual revenue growth, H2 is typically expected to generate higher revenue. 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 over 60%.

Backed by strong cash generation, a debt-free balance sheet, and an assured AED 135 million dividend for FY 2025, Alef Education is well positioned to fund new AI-driven innovations, extend its international reach, and keep delivering attractive, reliable returns to shareholders while advancing the next wave of digital learning.

<i>AED millions</i>	H1 2025	H1 2024	% Change
<b>Revenues</b>	357.3	354.2	<b>1%</b>
<b>Total Expenses</b>	109.4	112.5	<b>3%</b>
<b>EBITDA*</b>	267.9	261.1	<b>3%</b>
<i>EBITDA Margin</i>	75%	74%	<b>+100bps</b>
<b>Net Profit</b>	232.3	226.2	<b>3%</b>
<i>Net Profit margin</i>	65%	64%	<b>+100bps</b>

\* 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 approximately 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 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](http://www.alefeducation.com).

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