



H1 2025

Earnings Presentation



Agenda

Speakers



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Forward Looking Statements

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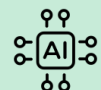
Award Winning EdTech Pioneer Redefining K-12 Education



Purpose-Driven EdTech Pioneer Redefining Learning: on a Path Towards Global Edtech Player



Market Leader in UAE with Long-Term, Recurring Revenues and Government Backing



AI-Driven, Research-Backed Platform Transforming Learning Outcomes



Strong Growth, High Margins and a Debt-Free Model with Strategic Agility



Proven National UAE Success Operating at International Standards



Seasoned Management & Strong Shareholder Base



Scalable Global Model Poised for Global Expansion



Evolving Internationally: A Multi-Pronged Growth Strategy



Revolutionizing Arabic Literacy: Powering Regional Growth Through Innovation



Guaranteed Shareholder's Return: One of Top Earnings & Dividend Yield Payer in ADX

Company Overview

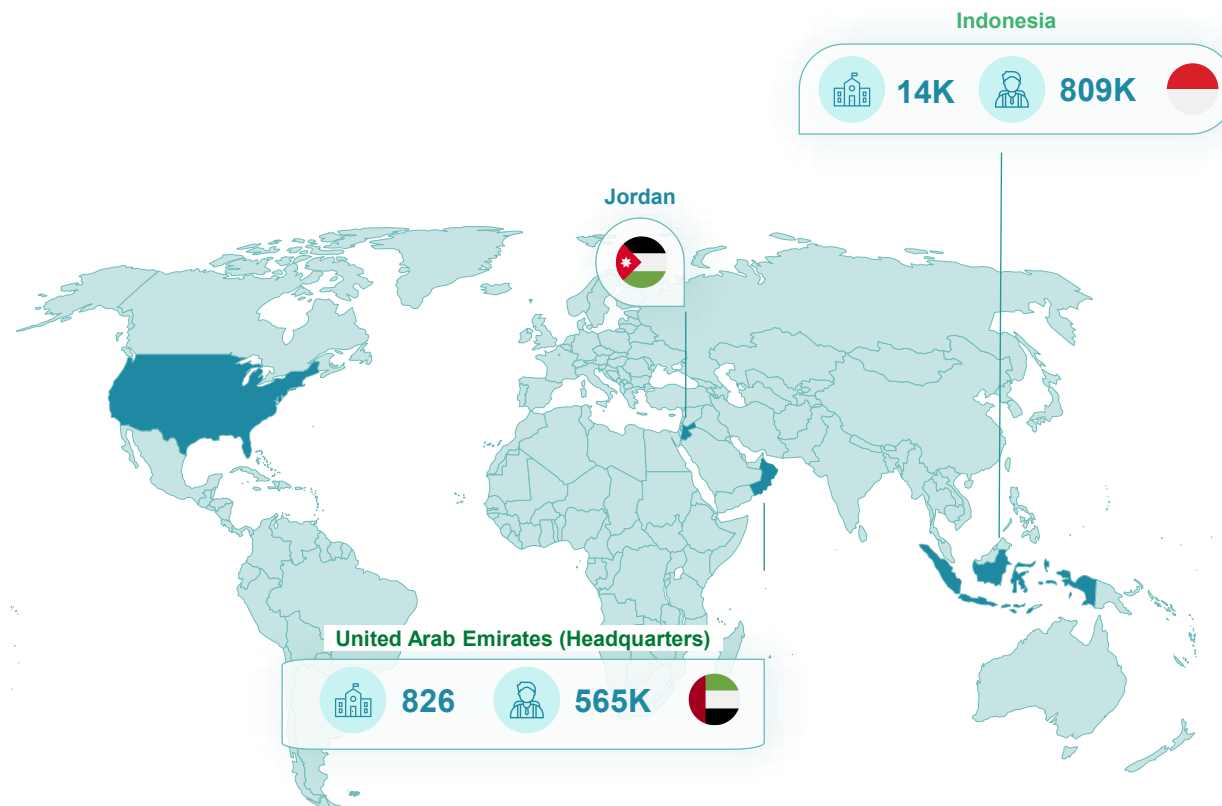


Established Edtech Pioneer with Proven Track Record of Success Across Countries of Operation



Pioneer K-12 Digital Learning Platform

Using **AI-powered, data-driven** solutions to **personalize learning** and **deliver value across every level of the education ecosystem**, from students and teachers to schools and nation-wide education systems.



The Alef Platform is used in approximately 14K schools across the UAE, Indonesia, and Morocco.



Number of Registered Schools



Number of Registered Students (1)

401

UAE Public Schools

100%

Coverage of G5-12 UAE Public Schools

>1.5 M

Registered Students (vs. 200 in 2017)

>65K

Teachers

98%

CSAT²

65%

NPS²

>AED 300M

Projects in pipeline

1. Registered student count in map excludes Miqyas Al Dhad users of 110K and other pilot countries of 27K students.
2. CSAT : Customer satisfaction score is a measurement used to quantify the degree to which customers are satisfied with a service. NPS: Net Promoter Score is a metric that organizations use to measure customer loyalty toward their brand, product or service.

Overview of Our Product Portfolio

G3-12 Supplementary
Alef Pathways

Abjadiyat **arabits**

Current Offering - Pathways

2024 Math K-11/12 English G5-8
Science G5-8 Arabic G5-8

Development Pipeline - Pathways

2025 Math Arabic G9-10 English G3-4
Science G3-4 Arabic G3-4

G5-12 Courseware
Alef Platform

Current Offerings

2024 Math G5-12 English G5-12
Science G5-12 Arabic G5-12

Assessment

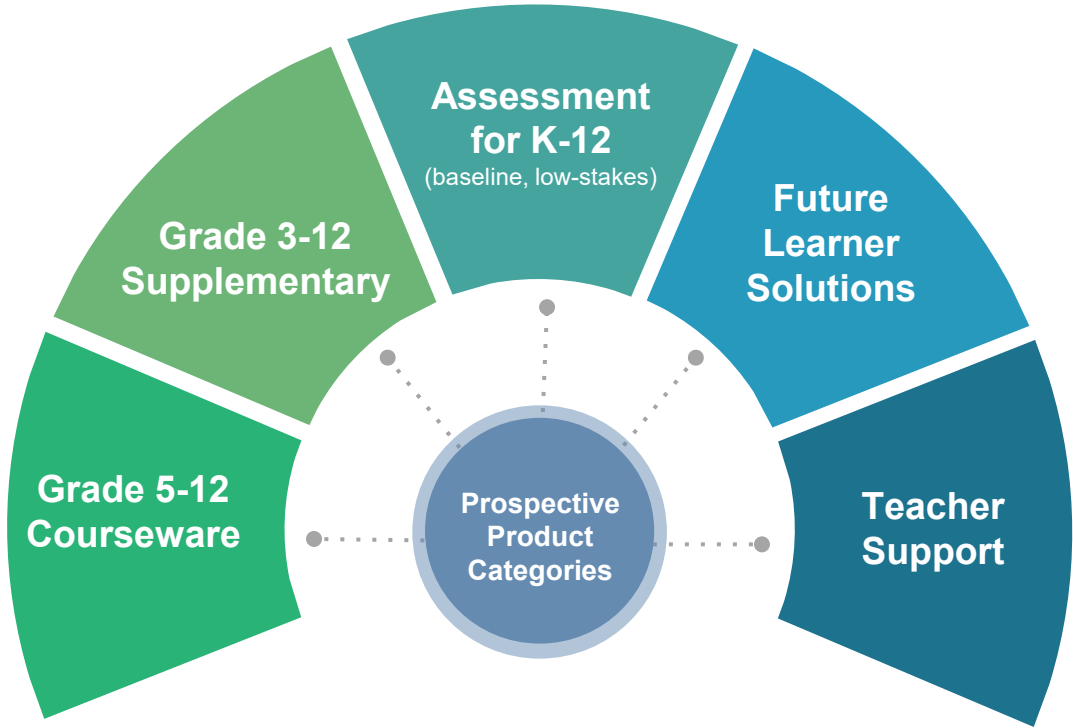
Miqyas Al Dhad

Current Offering

2024 Math Assessment
English Reading Assessment
Arabic Language Assessment

Development Pipeline

2025 Science Field Tests
Arabic Language for non-native speakers
Miqyas Al Dhad Scale



Future Learner Solutions & Teacher Support
Alef Academy

Current Offering

2025 AI Tutor & AI Applications
Alef Academy

Guaranteed Core UAE Mandate, Sustainable Growth Tomorrow

With a strong core leadership mandate in the UAE, Alef Education is accelerating innovation-led growth, unlocking scale through strategic partnerships and pursuing opportunistic international expansion.

Core UAE Mandate

Guaranteed recurring government revenues from long-term partnerships providing predictable cash flow and supporting consistent dividend payments


401
Active
Schools


174K
Active
Students


9
Year Revenue
Visibility till
2033


100%
Coverage of
G5-12 public
schools


348M
H1 Revenue



Complemented by a Multi-Pronged Growth for Expansion and Diversification



Super-serve the UAE



5 Contracts in active discussions



168+

Private schools



93K+

Paid Private students

- Over **33%** of the **UAE private schools** captured; strong **B2B momentum** continues.
- Accelerating growth with new **government contracts**
- Platform **primed to scale** from **G5-12 to K-4**, unlocking broader **market potential**.



Opportunistic Global expansion



6 Contracts in active discussions

- Focused on **highly selective, accretive high-margin** only **global opportunities**
- **Scalable, replicable model** for new markets and partnerships
- In **active discussions with Indonesian government and local partners** to monetize and strengthen bilateral education cooperation
- **Active discussions on a potential collaboration with Senegal** to transform digital learning in Daara schools following high-level government engagements

Miqyas Al Dhad Driving B2G Expansion

Creating and monetizing the first universal Arabic language measurement scale

Currently under development in partnership with several MENA ministries, Alef's proprietary Miqyas Al Dhad framework is the first universal Arabic language measurement scale—pioneering a new standard in the Arabic-speaking world. It opens sustainable revenue streams in language proficiency and strengthens Alef's regional growth strategy.

Overview

- Miqyas Al Dhad represents a **groundbreaking initiative** committed to advancing and measuring **Arabic language proficiency across the region**.
- Launched in 2024 as a joint venture with **MetaMetrics®**, this promising new endeavour is set to **Advance Arabic Language Literacy**, learning, and literacy by exploring innovative strategies and state-of-the-art methodologies.



Project Progress



87% Overall Project Readiness.
Launch : Q4 2025

- Successfully held 2nd High Advisory board meeting with the participation of 7 MoEs, Al Azhar, and KSA's Talemia.
- Field Test Survey (FTS): Completed with 110K students across 204 schools in 70 cities and villages, spanning 9 countries.
- FTS results presented to 12 government education entities with ongoing commercial discussions. B2B meetings held with ~ 6 major publishers and assessment providers to explore partnerships.

H1 2025 at a Glance



H1 2025 in Review: Strategic and Operational Milestones

Continued Financial Momentum

Revenue rose to AED 357.3M in H1 2025, up 1% year-on-year; EBITDA grew 3% to AED 267.9M with a 75% margin; Net Profit increased 3% to AED 232.3M with a 65% margin.

Miqyas Al Dhad advancing Arabic language literacy across the region

Now 87% complete and set to launch in Q4 2025; over 110K students field test completed in 9 countries with 7 MoUs signed and ongoing commercial discussions.

Strategic Collaboration with Microsoft and Core42

Enabling AI-driven learning and supporting regional and global expansion through advanced cloud infrastructure.

Strategic UAE Expansion with Long-Term Revenue Visibility

ADEK contract renewed through 2033, ensuring stable, recurring revenue as platform scales from G5–12 to K–4, unlocking broader market potential in the UAE.

H1 Interim Dividend for Free Float Shareholders

Alef Education remains committed to an AED 135 million dividend payout for its 20% free float Investors annually for FY 2025, and has accordingly approved AED 67.5 million payout for H1 2025, implying an interim dividend per share of ~ 5 Fils, with the current dividend yield exceeding 9%.



H1 2025 Financial Highlights

Revenue

AED 357.3 M

▲ 1%
YoY

Operating Profit

AED 247.9 M

▲ 3%
YoY

EBITDA*

AED 267.9 M

▲ 3%
YoY

Net Profit

AED 232.3 M

▲ 3%
YoY

Total Assets

AED 1,041.7 M

▲ 13%
YTD

CAPEX

AED 29.1 M

▼ 60%
YoY

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

Clear and Compelling Dividend Proposition

FY 2024 Total Dividend

AED 402.8 M

90% of FY 2024 net profit

FY 2024 Free Float Dividend

AED 135 M

Paid in two distributions: August 2024 and April 2025

Attractive Dividend Yield

~ 10% (FY2024)

~10 fils/share. One of Top dividend payer in ADX for FY 2024

Guaranteed Free Float Dividend for FY 2025

AED 135 M

Expected to be paid in two distributions: August 2025 (approved) and April 2026

Post-2025 Dividend Policy

Target 90% Pay-out

Target payout ratio of 90% of net profit balancing reinvestment with sustainable returns

Backed by Strong Fundamentals

- Inclusion in MSCI UAE Small Cap Index
- Continued strong cash flow and earnings visibility

Compelling Investment Proposition

Stock Price

AED 1.06

As per 25 July 2025 closing stock price

Market Cap

AED 7.4 B

As per 25 July 2025 closing stock price

No. of Shares

7 B

Earnings Yield

~ 6.4%

In line with ADX index yield

EPS as per FY2025 guidance and 25 July 2025 closing stock price

Dividend Yield

> 9%

Compared to industry¹ average of ~ 8%

P/E Ratio

15.7x

Compared to industry¹ average of 21.26x

EPS as per FY2025 guidance and 25 July 2025 closing stock price

Data per Bloomberg, ADX website, of 25 April 2025.
(1) Industry average is based on specific peer group average.

Outlook & Summary



Financial Guidance

	FY 2023 Audited	FY 2024 Audited	FY 2025 Guidance	FY 2025 Drivers
Revenue	AED 749.5 M	AED 759.0 M	+3%-4% (YoY)	FY2025 revenue guidance maintained with visibility over strong revenue pipeline through organic growth and new contracts.
EBITDA	AED 488.8 M	AED 516.2 M	+8%-9% (YoY)	Continued strict cost optimization efforts coupled with revenue growth are expected to result in higher growth in EBITDA and margin.
EBITDA Margin	65%	68%	70% +	
Net Profit	AED 463.6 M (No Tax)	AED 447.5 M (9% Tax)	+6%-7% (YoY 9% Tax)	Higher EBITDA growth translates to steady net profit and margin subject to tax, interest income, depreciation and amortization on new products.
NP Margin	62%	59%	60% +	

Concluding Remarks

Continued Positive Macro Tailwinds

- Operating in a high-growth EdTech landscape, fueled by **global investment in personalized learning and digital innovation**, especially across the fast-developing K-12 segment
- With a **young, tech-savvy population** and strong institutional support, the **Middle East and particularly the UAE** is a strong catalyst for Alef Education's regional expansion and impact.

EdTech Pioneer Position

- Leading the **future of K–12 learning** with AI-powered platforms that **personalize education at scale**.
- Driving impact and **creating value across classrooms and countries**—empowering learners, educators, and education systems.
- Partnered **with Microsoft and Core42** to power **AI-driven learning** and enable scalable regional and global growth through advanced cloud infrastructure.

Robust Financial Performance and Dividend Yield

- H1 2025 continues the **positive momentum**, with a **stable core UAE portfolio** and new B2G and B2B wins **locally and internationally**
- **Profitable growth** with net profit up **3% YoY** and a **standout 65% net margin**, driven by continued **cost optimization** efforts
- **Debt-free since inception**, our strong balance sheet and high-margin model fuel **strategic growth while supporting dividend commitments** and **relatively low capex requirements**

Positive Growth Outlook

- Building on **the strong foundation in the UAE**, **super serving** the country, unlocking **broader market potential** including vocational and adult education pathways.
- A **multi-pronged growth strategy**—expanding into **high-potential markets**.
- On a path toward becoming a **global EdTech player**, by scaling globally proven, AI-driven learning model across **new geographies**, leveraging **G2G and G2B partnerships** to accelerate growth.

Financial Details



Revenue Growth and Increased Diversification



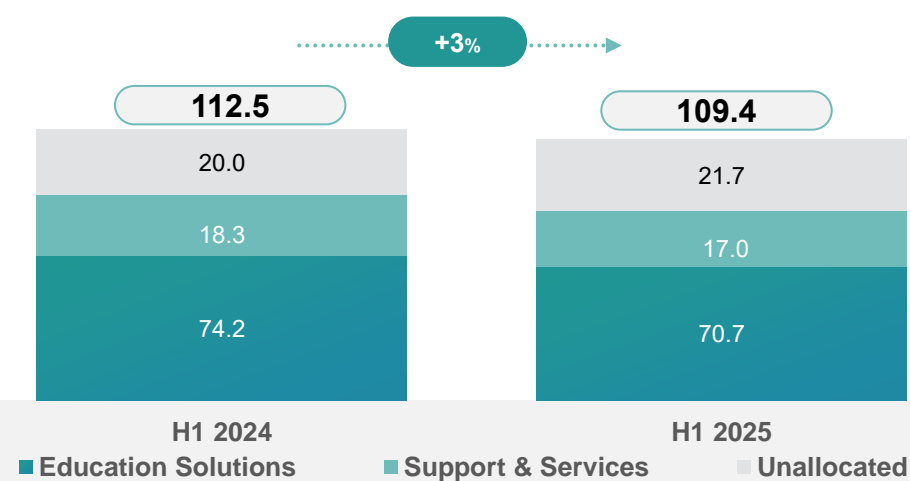
REVENUE BY SEGMENT (AED Million)



- Higher revenue than H1 2024, on the back of a stable UAE portfolio complemented by new contract wins outside ADEK
- ADEK revenue in line with H1 2024 due to a relatively **stable** student count and portfolio
- B2G is up YoY from **new contracts**. B2B is flat due to **seasonal** pattern, with primary revenue cycle to begin from Q3 2025



EXPENSES (AED Million)

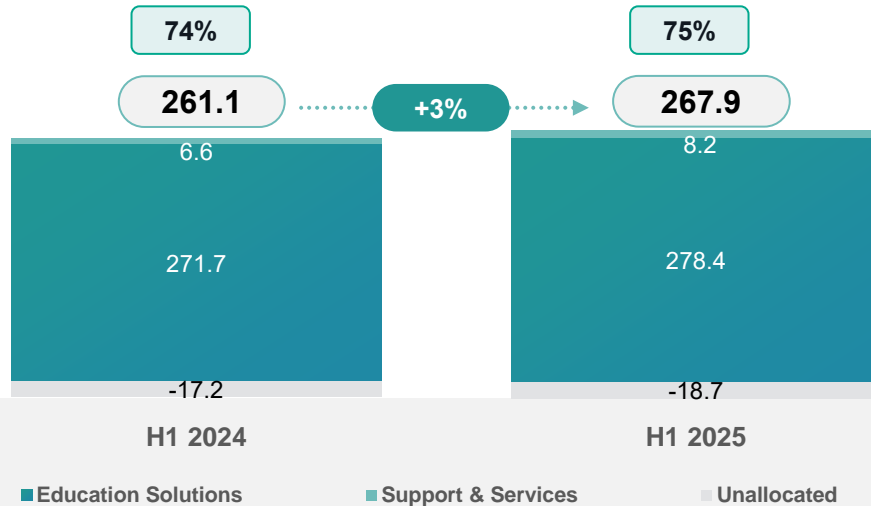


- Support and service **cost efficiencies** contributed to overall expense reduction.
- Continuous optimization efforts helped achieve **marketing, professional fees and other expense** savings compared to the previous year.

Profitable Growth with Operational Efficiency



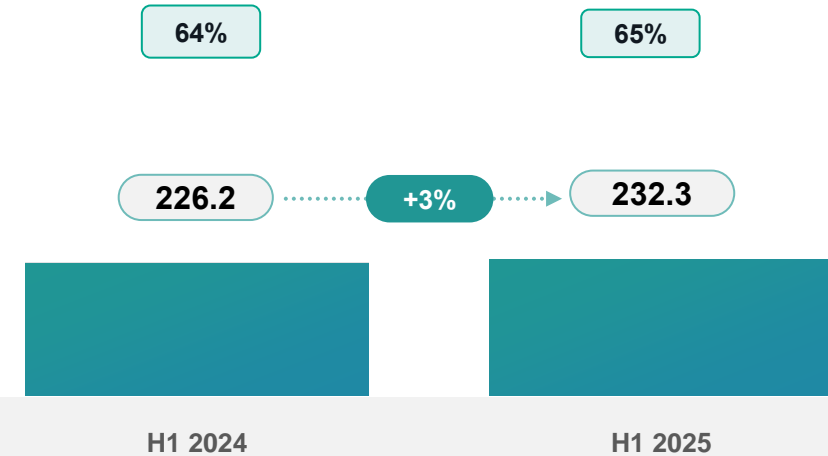
EBITDA* AND MARGIN (%) (AED MILLION)



- EBITDA 3% increase vs. H1 2024 driven by new contract revenues and improved delivery performance on the back of cost optimization initiatives.
- EBITDA margin up by 100 basis points YoY
- Efficiencies in support, marketing professional expenses and other expenses



NET PROFIT AND MARGIN (%) (AED MILLION)



- Net profit up 3% YoY, driven by higher revenue, lower expenses, and increased treasury income offset by higher tax.
- Net profit margin up by 100 basis points YoY

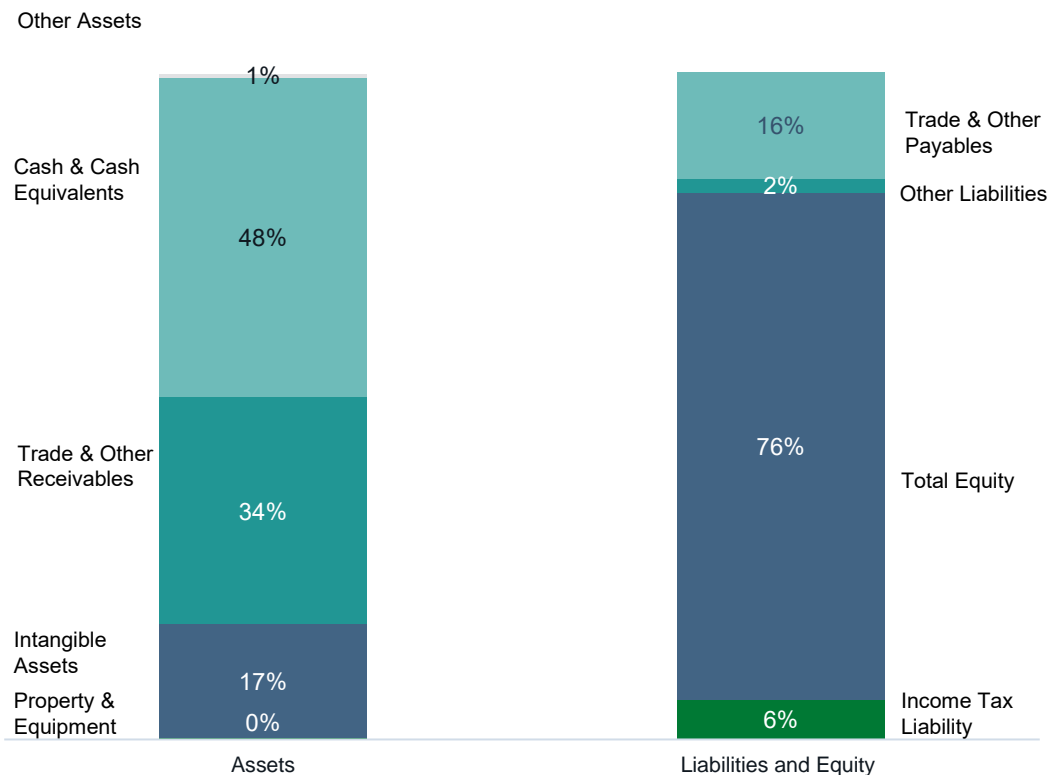
* EBITDA is earnings before interest, tax, depreciation, amortization and lease expenses (interest and depreciation on right of use assets).

Margin %

Profitable Growth with Operational Efficiency

Balance Sheet at Q2 2025

Total AED 1,041.7 Million



Cash & Cash Equivalents

AED 497.1 million
+25% YTD (vs. FY 2024)

Assets to liabilities ratio

4.2x
Financial Strength

- Alef Education remains **debt free since inception**, supported by an **unlevered balance sheet** and a **strong financial profile**.
- With AED 497.1 million in cash and an assets-to-liabilities ratio of 4.2x, the Group is well-positioned to support its growth ambitions, meet annual capex requirements, and sustain dividend distributions.
- During the period Alef Education **collected AED 312.0 million** from a customer which was part of the total receivable balance of AED 318.5 million as of 31 December 2024, highlighting **continued progress in collections** and effective **working capital management**.
- CAPEX** of 29.1 million in H1 2025, driven by continued investment in **intangible assets** and a strategic emphasis on **platform development** of Science, Arabic, and English pathways for foundation grades, along with the Arabic Math version for higher grades. Additionally, the Miqqas Al Dhad scale reached 87% completion due to be completed by Q4 2025.

Thank You

