Alef EDUCATION ألف للتعليم

Integrated Annual Report 2024

LEARNING WITHOUT LIMITS

with AI-driven education

Contents

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Year in review

Chairman's message

H.E. Abdulhamid M. Saeed Alahmadi
Chairman

Dear shareholders,

I am proud to present Alef Education's first integrated annual report since its debut on the Abu Dhabi Stock Exchange (ADX) in June 2024.

During the year 2024, the Group maintained and improved on its industry-leading profitability margins, supported by a strong revenue base and cost efficiencies. We reported 6% YoY growth in net profit before tax, to reach AED 491.7 Mn. in 2024. Supported by the strong foundation provided by our strategic partnerships and long-term contracts we recorded revenues of AED 759.0 Mn. during the year. Since 2016, our goal has been to positively impact student learning by delivering the best possible outcomes. From Alef Pathways to Miqyas Al Dhad, our diverse product range has enabled us to reach over 1.4 million students – an achievement that underscores the effectiveness of our approach. We have also extended our partnership with ADEK, reaffirming our commitment to innovation and excellence in education.

Revenue	EBITDA		EBITDA Margin
AED 759.0 Mn.	AED 512.2 Mn.	4.8% YoY increase	67.5%

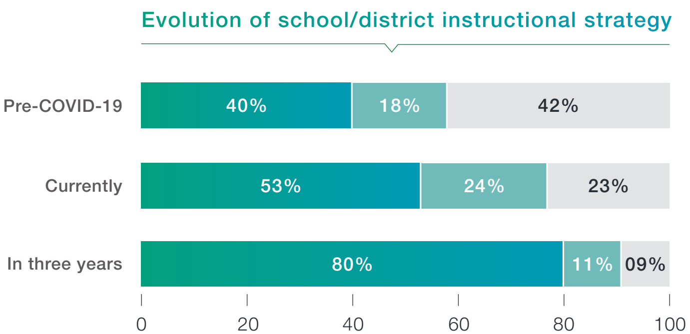
Learn more

The Middle East is experiencing a period of rapid transformation, driven by significant investments in human capital and a growing focus on innovation and economic diversification.

We are witnessing a pivotal shift: regional governments, institutions, and communities are investing heavily in education – recognising it as a cornerstone for economic competitiveness and future prosperity.

Growing importance of personalised learning models

(U.S.K-12* Market 2023)

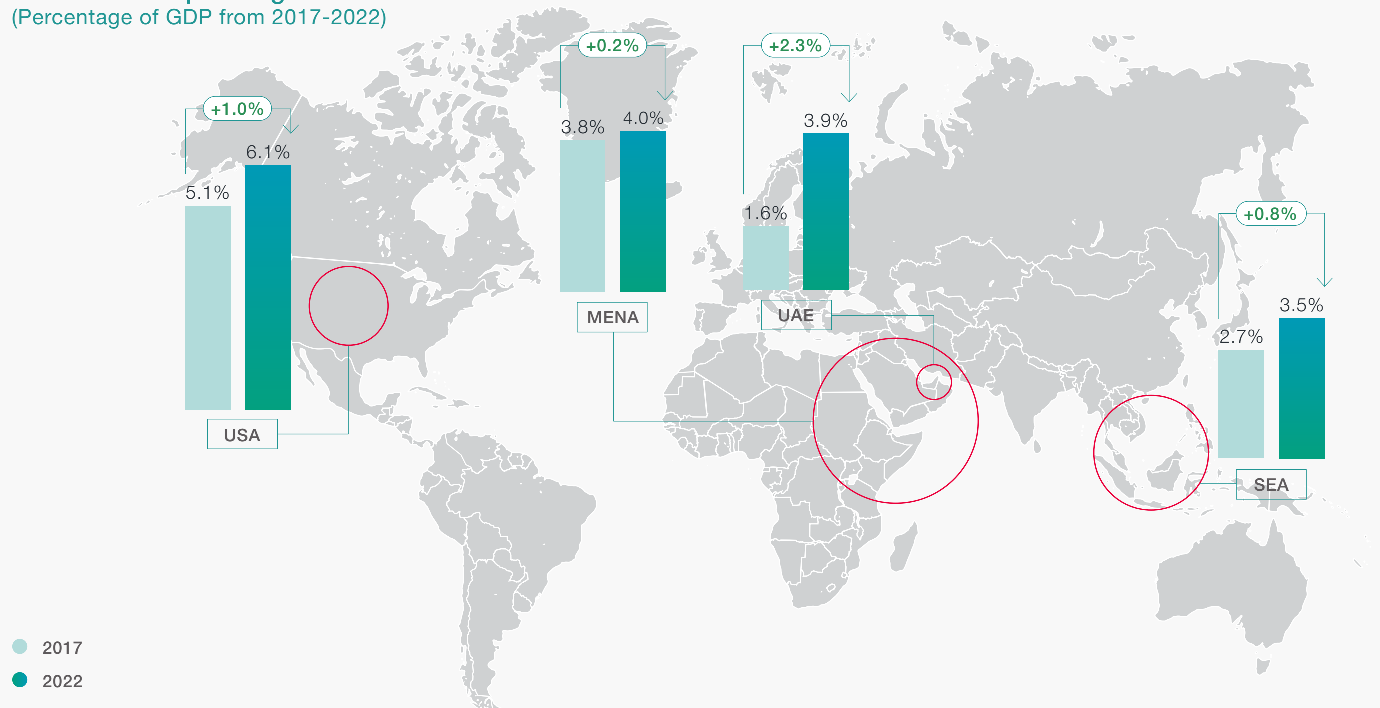


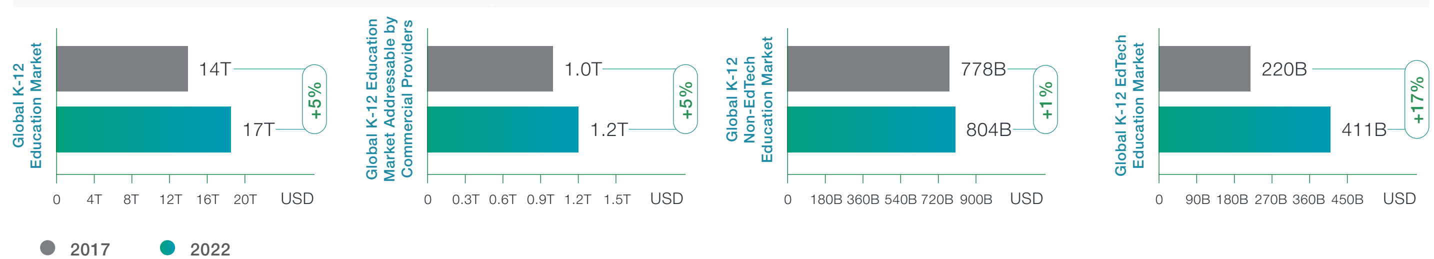
- Prioritise personalised learning experience
- Balanced
- Focused on uniform whole-class instructions

** Kindergarten to above 12th grade*

Government spending on education

(Percentage of GDP from 2017-2022)





With a young and vibrant population eager to excel, a growing focus on Arabic literacy, and robust digital infrastructure at institutions, schools, and homes; the Middle East is poised to become a leader in education. This has created a dynamic and burgeoning EdTech market, with public and private sector schools actively developing and implementing comprehensive EdTech strategies.

Learn more ›

We are excited to be at the forefront of the region's transformative journey, leveraging technology to empower learners and contribute to economic and social progress.

Learn more ›

Our commitment to students and educators is expressed in the pursuit of demonstrable educational outcomes and attainment. For this purpose, we analyse vast quantities of data, conduct comprehensive pilots and field-tests, listen to the needs of our stakeholders, and conduct rigorous research across a number of geographies.

Our findings are proving the transformative power of Alef Education's solutions: to positively impact student learning outcomes and enhance educator experiences.

I am confident that with the dedication of our talented team, the support of our shareholders, and the unwavering commitment to our stakeholders and our overarching mission, Alef Education is well positioned for continued success. We are excited about the future and the transformative impact we will continue to have on the education sector in the region and across the globe.

Alef Education at a glance

We are an award-winning provider of AI-powered learning solutions that are revolutionising Kindergarten to 12th grade (K-12) education. We integrate technology, data analytics, and sound pedagogy to address diverse learning needs, empower educators and decision-makers, and improve educational outcomes.

In June 2024, we completed a **successful IPO** on the Main Market of the Abu Dhabi Securities Exchange (ADX), attracting strong demand from a range of investors that led to a 39x oversubscription.

With a strong foundation, **well-defined growth strategy,** relentless focus on innovation, and proven track record of delivering exceptional learning experiences; we are confident that Alef Education will deliver strong returns to our shareholders and exceed the expectations of educators and students we serve.

Our DNA

Learn more

Our journey

Learn more

Our products

Learn more

Our reach

Learn more

We are founded on the belief that every learner deserves the opportunity to fulfill their unique potential, and our business is redefining education and empowering learners and educators at every step.

Vision

Education redefined – where every learner and educator fulfills their unique potential.

Mission

Making education accessible to all and improving outcomes through AI-powered personalised learning and the latest pedagogical frameworks rooted in data science.

Performance highlights

Revenue
AED 759 Mn.
1.3%

Expenses
AED 280 Mn.
4.9%

EBITDA
AED 512.2 Mn.
4.8%

EBITDA margin
67.5%
230bps+

PBT
AED 491.7 Mn.
6.1%

PBT Margin
64.8%
290bps+

Benchmark
Inclusion in MSCI UAE small cap index

Avg. dividend yield
7.4%-9.1%

Target payout ratio
90%

Cash ratio
2.7x
(2023 – 2.8x)

Current ratio
5.1x
(2023 – 5.6x)

Liabilities to assets
17.8%
(2023 – 17.3%)

Debt to equity
0%
(2023 – 0%)

Interim dividend
(Free-float)
AED 67.5 Mn.

Total dividend
(Free-float)
AED 135 Mn.

Proposed final dividend
(Free-float)
AED 67.5 Mn.

DPS
(Free-float)
~Fils 10

Stable revenue growth, and profit margins outperforming industry benchmarks

Expansive growth prospects with a robust pipeline for new business, products, and partnerships

Expanding reach across target segments and markets, backed by long-term contracts and clear growth strategy

Attractive investment-proposition and unlevered balance sheet to fuel growth

Competitive shareholder returns, backed by dividend-guarantee and long-term payout ratio

Groundbreaking innovation, proven impact, and industry recognition in EdTech

Organic Prospects

AED 250 Mn. Pipeline (TCV)

16 Deals in the Pipeline within MENA and SEA

Miqyas Al Dhad

09 Countries, **103,000** students Field-Testing

07 Governmental MoUs signed

Partnerships

MoU with Nahdet Misr for International Collaboration

16 Discussions Underway with Publishers and Assessment Providers

B2G Expansion

ADEK Contract extended to 2033

AED 40.0 Mn. Contracts awarded (TCV)

03 New clients

UAE B2B Growth

114% Revenue

103% Registered Schools

86% Registered Students

Product Development

Miqyas Al Dhad Launched via JV with MetaMetrics®

07 Products Launched

Impact

MoU with UNICEF and KICD for Climate Education in Kenya

Partnership with UAE-MoE to Support the Humanitarian School

04 Academic papers published

Awards

Disruptor award at Bett Asia Awards

Great Place to Work Re-certified

SIIA CODiE Award

Ranking on the **GSV-150 List**

Business case

Note from our CEO

Geoffrey Alphonso
Chief Executive Officer

What a year it has been for the team at Alef Education and everyone who shares our passion for transforming education!

We wrapped up a successful IPO on ADX in June, and just five months later were included in the MSCI UAE Small Cap Index; a fantastic validation of our financial strength and strategic vision.

Our IPO was a significant step in Alef Education's journey; opening new doors for growth and allowing us to invest further, build scale, and gather momentum for our growth trajectory.

2024 has been a year in which we solidified our position as a trusted partner in education – here in the UAE, and internationally. Our focus on building reliable partnerships and delivering impactful solutions paid dividends as we saw growth across the board and made steady progress against our three-tier **Strategic Roadmap**; led by extension of a long-term strategic contract with ADEK for public schools that drives our ability to Super-Serve the UAE; continued traction in the B2G segment in target international markets; and doubling of our footprint and revenue contribution from the B2B segment.

We're especially proud of the extension of our contract with ADEK – it is an immense vote of confidence in what we do, and will enable us to drive innovation in the education sector while setting a clear path for potential revenue growth.

Learn more

We made remarkable progress in our ambition to be a leader in organic growth. Execution of new contracts, launch of innovative new products, and continued demonstration of our impact on student outcomes saw school and student numbers grow considerably; even as we maintained an 80% renewal rate.

- 103% increase in registered private schools (167 at end of 2024)
- 86% increase in private school students (93,000 as at end of 2024)

Our work with governments across the GCC and other high-growth markets is reaching an exciting new phase; spurred by new contracts, pilot projects, field tests, and promising partnerships entered into in 2024.

Our Team, now more than 400-strong, spans a multitude of countries and boasts industry-leading expertise in education and technology. Building a diverse and talented team and fostering a culture of entrepreneurship and creativity are top priorities. In 2024, we were recertified as a "Great Place to Work" and recognised for our progressive and flexible work policies; which speak volumes about the positive and supportive environment we have cultivated.

Our teams have been busy this year; launching a number of products and initiatives, including **Miqyas Al Dhad** – a joint-venture with MetaMetrics® that is debuting an innovative new framework to improve the literacy skills of Arabic speakers across the Arab world.

What we're building, and why it matters

Our innovation labs bring together multidisciplinary expertise in data science, UI/UX design, software engineering, learning science, pedagogy, research, and psychometrics. They are a crucible for experimentation and ideation, which set us apart in the rapidly evolving EdTech space.

Our products and solutions continue to stand out for their innovative use of technology, creative problem-solving, and exceptional design. This year, in addition to the SIIA CODiE Award, we took home a prestigious Disruptor award from the Bett Asia Awards; recognising the potential of our products and platforms to transform traditional pedagogy and create future-ready schools and students.

We recognise that our products and solutions have a vital role to play; not only in empowering students and educators, but also in contributing to economic growth, fostering sustainability, and addressing critical global challenges like climate change. This is why we integrate sustainability and climate education into our core offering of products and services; and champion sustainability and climate action through the Alef Metaverse and Alef EcoChamps programs. As innovators in the EdTech space, we are committed to empowering the next generation of climate leaders by improving access to high-quality educational resources on climate change, promoting global collaboration, and catalysing sustainable practices in schools and communities.

Harnessing EdTech for good

In November 2024, at COP29, we joined with ICESCO member states in important conversations about empowering girls through climate action, emphasising the power of collaboration to address this critical issue.

I believe that our journey to harness technology and transform education, in a multitude of ways, is just getting started; and I'm excited for the opportunities that lie ahead.

Our model to redefine education

We are founded on the belief that every learner deserves the opportunity to fulfill their unique potential. Integrating a dynamic digital ecosystem, sound pedagogy, cutting-edge data science, and a deep commitment to stakeholder needs; our business is redefining education and empowering learners and educators at every step.

Vision

Education redefined – where every learner and educator fulfills their unique potential.

Mission

Making education accessible to all and improving outcomes through AI-powered personalised learning and the latest pedagogical frameworks rooted in data science.

Visionary leadership

Our seasoned management team brings together in-depth expertise in education and technology, with an outstanding track record of success. Led by former executives from industry giants like Pearson, McGraw Hill, and Houghton Mifflin Harcourt, their wealth of knowledge and experience has proved invaluable in bringing us to where we are today.

The Company is guided by an experienced and well-respected Board of Directors, and backed by the strategic vision of reputable shareholders and our cornerstone investor – Abu Dhabi Capital Group (ADCG). This empowers our business with both the resources and the stringent oversight necessary to achieve our ambitious growth goals.

This exemplary leadership team is uniquely positioned to meet the expectations of our shareholders; guide and grow our business; and understand and respond to the needs of our customers – be they educators, students, or institutions.

The **Corporate Governance** report provides further details of the functioning of our Board and executive team in 2024, the policies that guide our leadership, and the corporate governance framework that undergirds our business and ensures ethical conduct.

Digital foundation and connected ecosystem

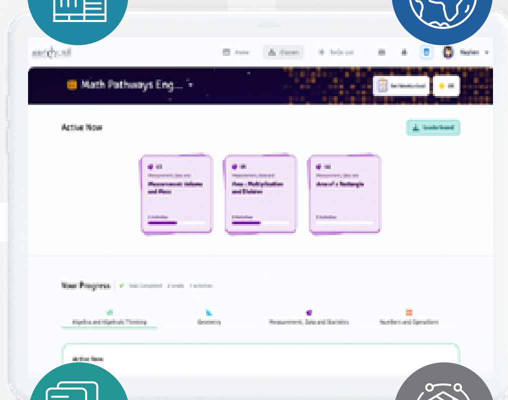
At the heart of our enterprise lies a robust digital foundation built on a powerful combination of data science, cutting-edge technology, and proven learning science. This foundation fuels our growing portfolio of innovative teaching, learning, and assessment solutions, and our innovative offering that caters to the diverse needs of various stakeholders in the education sector. Our flagship products – the Alef Platform, Abjadiyat, Arabits, and Alef Pathways – have gained significant traction, reaching over 1.4 million students in 6,730 schools.

This expanding ecosystem of connected solutions empowers educators and learners with tools resources they need for educational excellence, administrative efficiency, and technological capacity that are essential in the evolving landscape of education.

A connected learning ecosystem bringing quality education to a wider audience

Proprietary education technology platform established in 2016 catering to all key stakeholders in the education ecosystem

International reach with operations in **USA, Indonesia and Jordan** laying the foundation for planned global expansion



Core presence in the UAE capitalising on long-term contract with **ADEK** and supporting **majority of G5-12 public schools in the UAE**

Bringing strong **data science, AI and pedagogy** capabilities through a multipurpose technology platform

Miqyas Al Dhad, a joint-venture with MetaMetrics®, is a promising new venture launched in 2024 that will explore new frontiers for Arabic language teaching, learning, and literacy.

The Outlook section details ongoing ventures and opportunities on the horizon that have the potential to significantly expand our digital ecosystem in the years ahead.

Our products and platforms operate on robust and modern IT infrastructure. We leverage a cloud-first model that constitutes a scalable, flexible, and secure foundation, and incorporate local content servers in select schools and institutions, where necessary. This structure empowers both our core business of digital education solutions and the Company's critical support services.

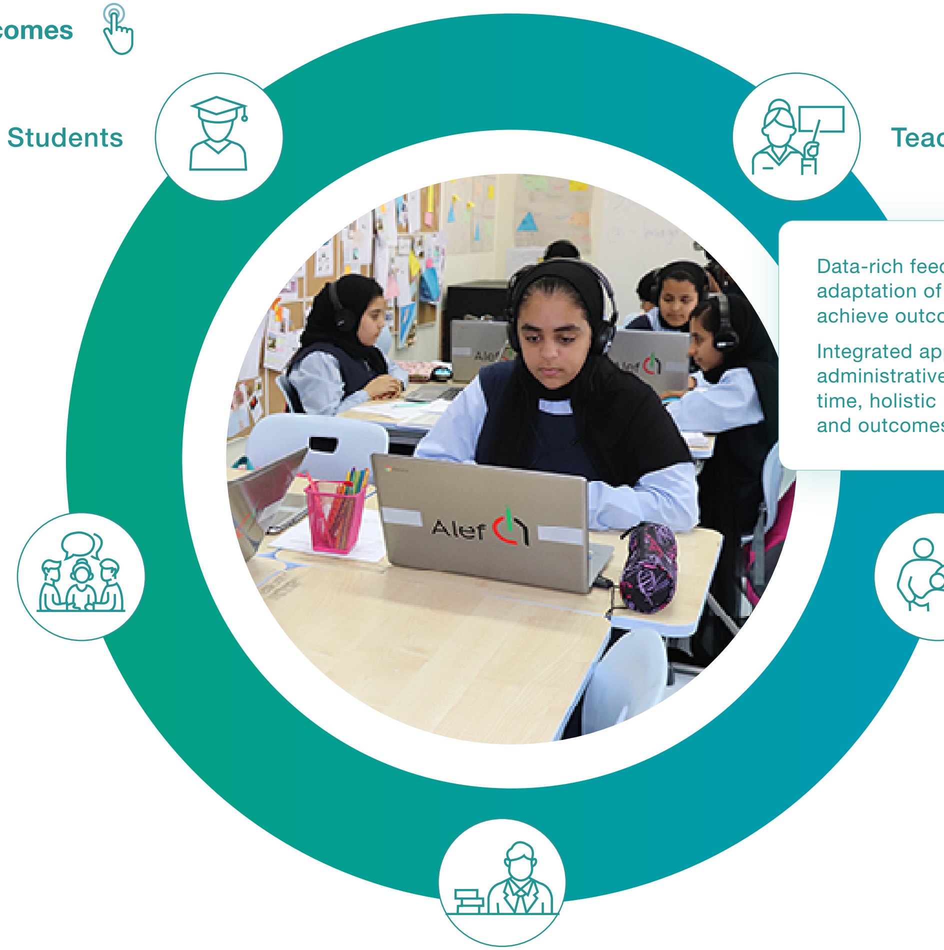
Refer our "certifications and accreditations", and read about our process to build trust with customers, uphold IT security and data privacy, and address the utilisation of emerging technologies.

As an EdTech Company, intangible assets are a key component of our business. This includes advanced proprietary digital learning platforms and a suite of products developed by our in-house team of experts. **Our product portfolio**, delves into details of our various products and platforms.

Sector and stakeholder coverage

We're not just building EdTech products or services; we're creating and continually enhancing and expanding an Alef Education learning ecosystem that supports learners, empowers faculty and administrators, assists parents, and helps institutions achieve their goals. Our commitment to redefining education extends to creating a truly engaging and effective experience for everyone involved in the education sector.

Stakeholder outcomes



Data-rich feedback that allows for adaptation of teaching strategies to achieve outcomes.

Integrated application that reduces administrative burden and provides real-time, holistic insights on student progress and outcomes.

ADEK Schools	Ministry of Defence Schools
144 Schools	3 Schools
68,857 Students	2,209 Students
4,385 Teachers	34 Teachers
6 Subjects	3 Subjects

Alef Education

Alef Platforms and Solutions

Key Products and Services

Schools

- Education software (including updates)
- Development of content
- Required hardware
- Onsite technical support/Call center

Students

- Real-time analytics and feedback
- Personalised Learning
- Engaging content

Teachers

- Ongoing professional development
- Student insights and learning
- Engaging classrooms

Real-time data and insights to school principals

Product overview

The **Alef Platform** is our flagship – a complete digital learning solution for middle and high school students (grades 5-12); especially customised for the MENA region and designed to align with the UAE Ministry of Education syllabus – so teachers and students know they're on-track with the curriculum.

Abjadiyat, is our Arabic learning product focused on early Kindergarten to grade 4. It offers easy to consume and highly engaging content, through a mobile interface, for the youngest learners – featuring a series of interactive lessons and practice, including interactive content for native-speakers early in their Arabic language journey.

Arabits, customised for non-native speakers, is a native Android and iOS mobile application tuned for Kindergarten to 12th grade (K-12) students and packed with features to help students master Arabic and prepare for their grade-level examinations in Arabic. This is a native Android and iOS application optimised for mobile devices.

Alef Pathways is a supplemental, self-paced, and highly personalised mathematics learning programme. Designed for learners throughout the formative grades, 3 to 8, it features the Alef Math Ability Test (AMAT) to determine each student's strengths and weaknesses and provide the most suited learning path that meets their needs. In addition, it offers dashboard access to teachers and parents to track the learning progress of each student.

Core product offering

Alef Platform
Award-winning teaching and learning platform for any subject, language or curricula

Alef Pathways
A supplemental self-paced math programme

Alef Academy
Supporting educator professional development

Abjadiyat
Arabic teaching for K-4 native speakers

arabits
Arabic teaching for non-native learners

Product offering across core markets

Products	Subjects	Grades
Arabits (K-12) Abjadiyat (K-4) Alef Platform Math Pathways (G3-8)	All Core subjects	K-12

Products	Subjects	Grades
Arabits Alef Platform	Arabic Math in Bahasa Indonesia	Grades 6,7,8

Products	Subjects	Grades
Alef Platform Math Pathways	Math	Grades 3-8

Ecosystem and technology adoption support

As a major player in the EdTech arena engaged with the education sector in the UAE, and the wider region, we are committed to advancing digital education through safe and effective integration of technology in the classroom.

Our commitment extends beyond delivery or deployment of digital products; to encompass a suite of professional services that support the digital transformation journey of schools and educational institutions in our target geographies.

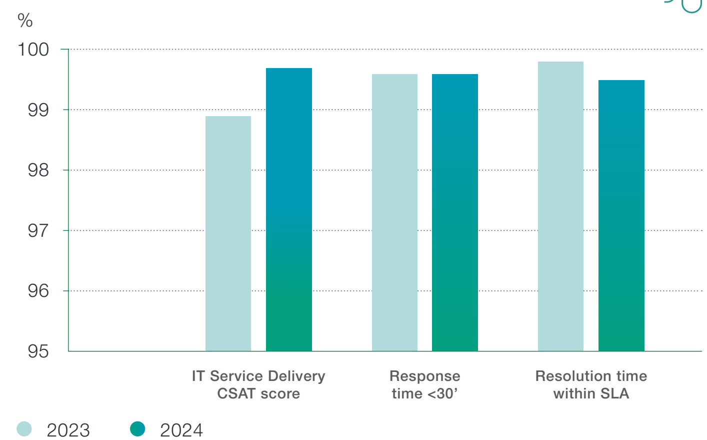
Our dedicated team of Digital Learning Implementation Specialists (DLI Specialists) provides ongoing professional development for teachers; including onsite training, workshops, and regular visits. Alef Education teams also facilitate Professional Learning Communities (PLCs) to foster collaboration and knowledge sharing among educators.

We are able to provide robust IT support to customers to ensure seamless adoption and roll-out of education technology. Ranging from on and offsite IT support, to device maintenance, and project management – our experienced project teams oversee the successful implementation of our solutions to ensure a smooth transition for each school.

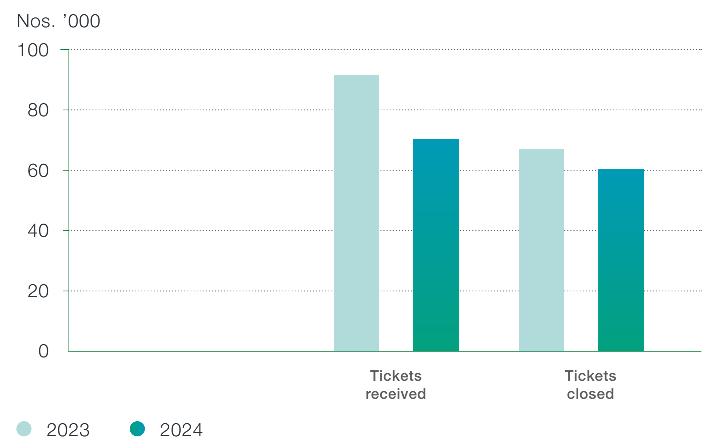
Alef Academy is a unique and customised platform providing educators (teachers and school leaders) with self-paced learning opportunities, toolkits, and tailored resources. These resources not only support implementation of digital learning solutions, but also empower educators for effective teaching to maximise learning outcomes.

We provide ongoing support to educators and other key stakeholders through a dedicated service desk, and a series of digital channels. Our service desk handles thousands of queries and requests each month, and ensures timely and effective resolutions.

Tracking our service quality



Number of tickets



Scalability and innovation

Track record of scale and innovation

Building solid foundation

2016-17
Establishment of Alef Education with the launch of the Alef Platform targeting one school

2018
Launch expansion efforts in key international markets

Rapid growth phase

2019
Signing of long-term ADEK contract

2020
Featured in list of Educational Resources

2021
Expansion into Indonesia through signing landmark deal

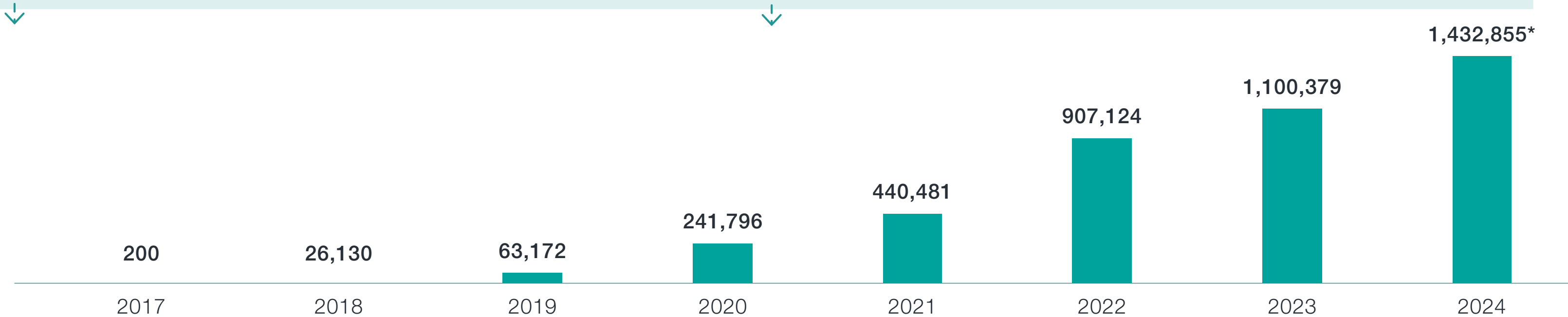
Embarking on new expansion phase

2022
Launch of Arabits

2023
Launch of Alef Pathways and the expansion into Morocco

2024
Alef successfully listed on the ADX Expansion into KSA and Egypt, reinforcing its commitment to regional growth and market leadership

■ Number of registered students



* Includes 103,000 students that were onboarded to participate in the field tests of Miqyas Al Dhad

In 2016, we set out to shake things up in education. We weren't just building another EdTech company; we were on a mission to redefine the whole learning experience. We knew that technology and innovation, when used correctly, could unlock incredible potential in every student.

We started out with a single school and 200 students; where we saw firsthand how the blend of technology, data, and deep understanding of how children learn could make a real difference. In just two years, the UAE Ministry of Education signed an agreement to apply the Alef Platform in ten Abu Dhabi-based public schools, who pioneered our platform.

Additionally, we gleaned experience from a variety of new geographies as we enhanced our multilingual abilities and offering. These years served as a crucial proof of concept; testing our ability to roll out new products and services in a variety of languages, validating the adaptability of our platform in catering to diverse student groups, and providing rich insights into the impact of our products on student learning experience and outcomes.

Following the resounding success of our platform with the early-adopter public schools, Alef Education was awarded a long-term agreement with ADEK running up to 2030 now extended up to 2033.

This long-term arrangement has cemented our position as a leader in the UAE's EdTech space, and given us the perfect springboard for scale and growth at a regional and international level.

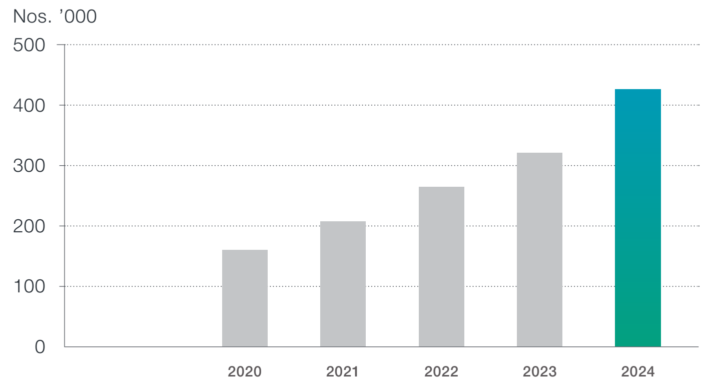
At the end of 2024, our platforms reach approximately 1.4 million registered students and 50,000 teachers, across 7,000 schools. By the end of this year, we had amassed 19,400 digital lessons, 33,940 videos, and 426,650 assessment questions delivered through our platform – a monumental library of learning.

The Alef Education platform now provides digital educational resources to almost all public schools (Cycle 2 and 3 – grades 5 to 12) and many private schools in the United Arab Emirates.

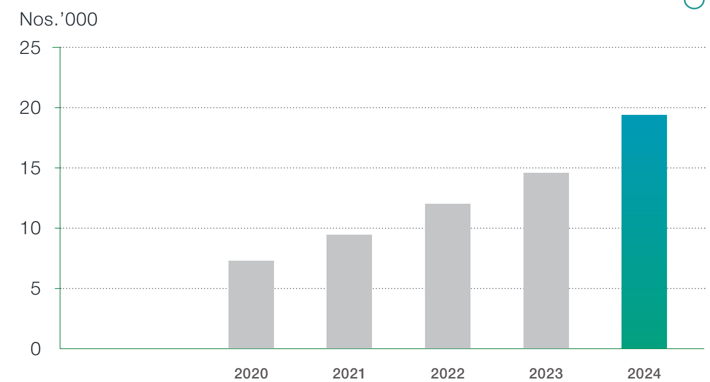
With our systems capturing and processing around 16 million data points per day, we are just getting started. Research teams have successfully completed fifteen academic publications; as we continue to refine our proof of concept to make learning more effective, engaging, and personalised for every student. Read more about our unique **Position in the EdTech,** explore the **Results of our impact studies,** and impact see how we're **Leveraging EdTech for good.**

Building on our robust digital foundation, scalable business model, and innovation-driven development pipeline; we are spurred on by a clearly-defined growth strategy, and well positioned to achieve a leadership position in the EdTech industry.

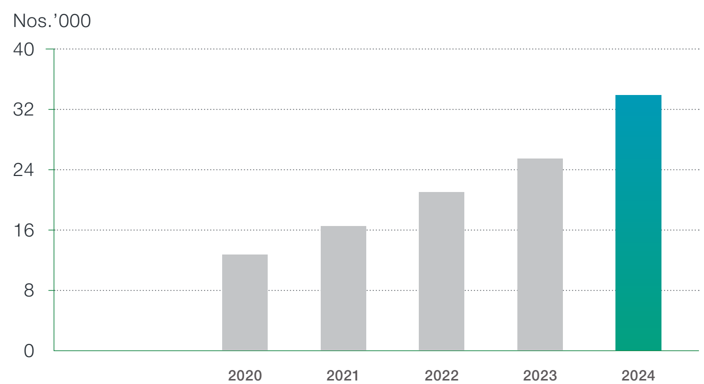
Assessment items delivered



Lessons delivered



Videos delivered



Markets served and geographic reach

We have a growing footprint across the globe, serving students and schools across many countries. Government partnerships continue to represent the core mile of our business; focuses on collaborations with government entities, such as the UAE Ministry of Education. B2B partnerships, while still an emerging growth segment, is a priority strategic area for the Company where we actively engage with private schools to offer innovative and customised solutions to meet their specific needs. We are expanding our reach in this segment a number of organic and inorganic growth opportunities, as detailed in the strategy section.

Banking on our long-term presence and high penetration of the UAE education sector, through government service agreements, we are delivering on our strategic objective to Super-Serve the UAE market. Recent partnerships with key private-sector players in the UAE education sector, such as iCademy and New Century Education, have signaled our entry into private schools and solidified our position in the UAE market.

As our next strategic priority, we have focused our attention on targeted Tier 1 home markets, where Alef Education's burgeoning presence is already making waves. Our footprint in Indonesia, just five years since entering the market, is already our largest base of schools and students, in absolute terms.

In 2024, we stepped into a number of new geographies winning new business in Morocco; launching a partnership with UNICEF and KICD in Kenya; laying the groundwork for education-reform related opportunities in Senegal; agreeing on terms for ICESCO pilot-projects in Malaysia, Azerbaijan, and Gambia; signing MoUs with seven governments as part of the newly launched Miqyas Al Dhad project; and initiating a number of new partnerships for wider commercial opportunities around the globe.

The strategy section provides a detailed look at growth objectives and where we are today.

Awards and recognition

Our propriety EdTech platform, utilisation of emerging technology, and commitment to innovation and excellence have garnered numerous prestigious awards, certifications, and accreditations.

2024 | 2023 | 2022 | 2021 | 2020 | 2019

Finalist, Best Use of Emerging Technology for Learning in Education, SIAA CODIE Awards

GSV 150 List "The Most Transformational Growth Companies in Digital Learning and Workforce Skills"

"The Disruptor Award" BETT Asia Awards

Finalist, General Counsel of the Year, The Oath Middle East Legal Awards

Finalist, Legal team of the Year (large), The Oath Middle East Legal Awards

Great Place to Work certification

Distinguish Partner, Director General's Excellence Award Abu Dhabi Civil Defence

Certifications and accreditations

ISO 27001:2022 – Information Security Management.

ISO/IEC20000-1:2018 – Quality standard for IT service management.

Click to go to **Sustainable Education** on matters regarding industry-specific compliance, data security and data privacy.

Our vision for sustainable education

Q&A with Alef Education's Head of Risk, Compliance, and ESG

As an EdTech solutions provider partnering with governments and businesses, and crafting products and platforms used by students and educators alike; our purpose extends to creating value for all stakeholders in the learning ecosystem while transforming the future of education.

Our vision for sustainability is expressed through a comprehensive ESG strategy that is directly tied to our core business. It is an integral part of how we achieve that purpose sustainably and responsibly.

We have taken a holistic and collaborative approach to defining our **ESG strategy**, establishing a robust **ESG Governance Framework**, and launching a number of strategic initiatives. Having established our ESG strategy last year, we embarked on a phased approach to operationalisation. In 2024, we have laid the foundation for a number of landmark projects and kick-started several key initiatives.

Learn more

Q Considering the Company's position in EdTech, what does sustainability mean for Alef Education?

A Sustainability of our business is directly tied to the value we create for our stakeholders every day. It means ensuring our products, solutions, and initiatives meet their needs and expectations; while also addressing broader challenges in the education sector, the region, and across the globe.

Learn more

Q How are you using EdTech, and Alef Education's products in particular, to address challenges facing the education sector, especially in the UAE?

Learn more

A We are continuously working with government, business partners, technology providers, and schools: to address accessibility challenges, introduce and deliver accessible and relevant content, support digital transformation ambitions, enable integration of technology in classrooms, and empower educators to better use EdTech for teaching and administration. Our social initiatives endeavor to go further: addressing accessibility challenges head-on by supporting access for underprivileged students and underserved communities.

Q What are some of the ways Alef Education is leveraging EdTech for good – to address global challenges?

A As an EdTech player, we have a unique opportunity to equip youth with the knowledge and tools they need to navigate and respond to climate change: arguably the greatest global challenge facing our planet today.

The climate education content we produce, and the groundbreaking partnerships we're forging, are doing just that. In 2024 we signed an **MoU with the Kenya Institute of Curriculum Development (KICD) and UNICEF**; to integrate climate change education into the curriculum in public schools across Kenya. We also joined other ICESCO member states, at COP29, to engage in conversations about **empowering girls through climate action**. Similarly, the **Alef EcoChamps** programme, conducted alongside COP28 last year, reached students nationwide to raise awareness, attention, and responsibility about climate change.

Learn more

Q What are you doing to build trust with your customers, when considering how data security and privacy have emerged as major concerns for users of digital platforms and emerging technologies?

A We prioritise data security and data privacy at every level, following industry-leading standards and guidelines, and ensuring strict compliance with all related regulations.

Our ISO 27001 certification for Information Security Management is testament to the systematic approach, robust security measures, and advanced encryption protocols we employ.

Learn more

ESG strategy

The ESG strategy reflects Alef Education's purpose and impact. It goes beyond financial returns, aligns with our mission and core values, focuses on all stakeholders in EdTech ecosystem, and is in harmony with our overall strategy and management approach.

Learn more

Collectively, our ESG initiatives align with Alef Education's core business: ensuring we are responsible stewards of our financial and non-financial resources, well-positioned to lead the field in our target markets, and capacitated to deliver tangible value to the stakeholders we serve.

ESG vision

Alef Education is committed to building a responsible and sustainable education ecosystem encompassing social inclusion and ethical governance.

Strategic pillar

ENVIRONMENT
Adding value without compromising our planet

SOCIAL
Placing social inclusion at the core of our business

GOVERNANCE
Managing the delivery of our ESG ambitions

Why it's important to us

Environment: Ensures we have a positive impact on the environment while not losing sight of commercial imperatives

Social: Social good is at the heart of our business and part of our culture. Our initiatives build on existing achievements to promote education, inclusion, and climate action; to drive positive social impact.

Governance: The integrity of our business is intrinsically linked to how we promote ethical conduct and transparency, ensure responsible business practices, and incorporate stakeholder and sustainability considerations within our core decision-making.

Priority areas

Focus

Our targets

Where we are today

Emissions, Climate and Energy
Actively promoting energy efficiency and emissions reduction through a series of well-thought-out initiatives

Environmental Stewardship
Fostering positive impact through robust policies, widespread awareness, and direct action to address our environmental footprint.

Education for All
We are committed in fostering inclusivity, equitable access to educational resources, and addressing societal challenges through innovative solutions, creating a positive and socially responsible impact on education and society at large.

Supporting local communities
We are committed to helping our communities stay ahead of challenges by deploying the strength of our resources, people, and digital solutions to support CSR interventions across education, healthcare and the environment.

Culture for change
The significance of human capital is fundamental to our growth driven by values. Our commitment to sustainable people practices and strategic talent management forms the essence of fostering an environment that is supportive and motivating for the development of talent and the fulfillment of their potential. The diverse skill sets, combined with dedication and knowledge has immensely contributed to what we are today.

Ethical Standards and Integrity
We uphold our commitment towards ethical behavior, transparency and accountability. This is reflected in our values, organisation culture, stakeholder relations and all other endeavors. We firmly believe that committing to the highest standards of governance along with novel solutions will enable us to create an ethical environment for all our stakeholders.

Champion responsible business
Championing Responsible Business involves prioritising ethical practices, sustainability and social impact within the corporate landscape. We as a responsible business not only seek financial success but also strive to minimise our environmental footprint, uphold ethical standards in our operations and contribute positively to the communities we serve. We also protect data and respect privacy along with managing supply chains.

ESG strategy delivery
Embedding ESG into decision making process – Governance and Risk as investment criteria

Sustainability successes

Take a look at some of our sustainability wins: the projects we're most proud of, and the tangible impact we're making in pursuit of our multidimensional vision for sustainability.

EdTech as a vehicle for climate education

Enhancing climate literacy, at scale, by integrating climate and sustainability education into core-curriculum, and deploying high-quality learning modules through cloud and digitally-enabled platforms. Partnering with the governments and international organisations to deliver climate education content to over 250,000 students in 4,000 public schools across Kenya.

2024

250,000 students able to access climate education content

4,000 schools linked to access climate education content

25 modules deployed

Learn more

Minimising our impact through environmental stewardship

Actively reducing our environmental impact through employee awareness, waste reduction, resource efficiency, recycling, and responsible reuse/repurposing practices.

During 2023, we coordinated with ADEK to donate 1,500 depreciated devices and 10 charging carts to Al Falah Academy; enabling their students to complete online exams. We donated an additional 1,000 devices in 2024. The initiative has now supported approximately 35% of the student body at the schools.

Al Falah Academy works to provide education opportunities for students from low-income families who face obstacles in accessing education. The school maintains very low and uniform fees for all stages of education, from Kindergarten to twelfth grade; and currently supports 7,000 students through two schools located in Abu Dhabi and Al Ain.

2024

1,105 kg of e-waste designated for resource-recovery/ responsible disposal

1,000 devices donated in 2024, in addition to 1,500 in 2023.

Learn more

Educators' voice

Educators' voice is an initiative between the UAE MoE and Alef Education, aimed at empowering educators worldwide and supporting both their professional development and climate projects.

This initiative seeks to highlight the work of educators to global politicians and decision-makers, shedding light on the challenges they face and the crucial role they play in the global climate response.

The project introduced a registration system for 386 worldwide applicants to showcase sustainable projects, along with a dashboard for tracking of these applications. In the second phase, the Educators' Voice Platform was introduced as a centralised hub for professional development and resource exchange, and connecting to more than 20,000 educators dedicated to green education around the world.

Investment thesis

CFO's review

Amit Choudhary
Chief Financial Officer

FY2024 was a year of steady growth with a corresponding stable financial performance for the Company. We delivered on our commitment to drive sustainable growth, maintain the efficiency of our operations despite macroeconomic pressures, and provide competitive returns for our shareholders.

The year's results affirm the strength and scalability of our business model, with consistent revenue growth and resolute profitability metrics across the board.

Revenue

	2024	2023
Revenue	AED 759.0 Mn.	AED 749.5 Mn.

Our profit increased by AED 28.1 Mn. in FY 2024; driven by higher revenues, and improved interest income, and owing to strict cost monitoring and control across our operations.

Similarly, our net profit margin continued to outperform industry benchmarks, with an improvement to 65% in FY 2024, up from 62% the previous year.

	2024	2023
Net profit before tax	AED 491.7 Mn.	AED 463.6 Mn.
Net profit margin	64.8%	61.9%

Learn more

EBITDA rose 5% YoY to AED 512.2 Mn., reflecting our market leadership and resulting in an EBITDA margin of 67.5%, growing by 230 bps. This impressive result significantly exceeds industry benchmarks, and underscores the financial resilience of our business model and the cost-efficiency of our operations.

	2024	2023
EBITDA	AED 512.2 Mn.	AED 488.9 Mn.
EBITDA margin	67.5%	65.2%

Learn more

We oversaw an increase in CAPEX investments during the year; representing vital and strategic allocation of resources to procure and scale new products, power new innovations, deepen relationships with customers, and launch new initiatives that will generate significant economic benefits in the long-term.

CAPEX

2024	2023
AED 125.5 Mn.	AED 37 Mn.

Arabits purchase **AED 35.3 Mn.**	Abjadiyat purchase **AED 11.2 Mn.**
Miqyas Al Dhad scale **AED 8.9 Mn.**	Pathways and other products **AED 68.1 Mn.**

Learn more

All key financial ratios for FY 2024 demonstrate strong and consistent performance against the previous year, despite additional liability arising from introduction of corporate tax starting in FY 2024.

Cash ratio **2.7x** FY 2023: 2.8x	Current ratio **5.1%** FY 2023: 5.6%
Liabilities to assets **17.8%** FY 2023: 17.3%	Debit to equity **0%** FY 2023: 0%

Learn more

Our unlevered balance sheet remains a core strength. It is not just a marker of financial strength and stability, but also provides us with ample flexibility to fund future growth initiatives while maintaining consistent and attractive dividend distributions.

With the strong financial foundation we have established, the strategic growth trajectory we have envisioned, and the partnerships we have set in motion; We strongly believe that Alef Education is well-positioned to achieve and exceed performance targets while providing sustained value to our shareholders.

Outlook

Looking ahead, the Company will continue to prioritise growth while maintaining profitability. Our investments will be innovation-focused, with the intention of unlocking new business opportunities and new avenues for scale and impact.

- We have been privileged to secure a new Islamic content development contract in FY 2024, exceeding AED 30 Mn. over a three-year period, which would further enhance the Company's growth trajectory in 2025 and beyond.
- Alef Education partnered with MetaMetrics®, in the form of a joint venture, during FY2024 to establish Miqyas Al Dhad: a pioneering initiative dedicated to advancing and measuring Arabic language proficiency in the region. In the months that followed, we have signed several memorandums of understanding (MoUs) with ministries of education in a number of different countries, for their participation in the Miqyas Al Dhad programme. Miqyas Al Dhad Project readiness stood at 77%, at the end of 2024.

Our position in EdTech

By 2019/20, digital learning had become increasingly prevalent in K-12 education. However, the pandemic significantly accelerated this shift; forcing schools to rapidly adopt remote and hybrid learning models and necessitating a significant expansion in the use of technology for teaching, testing, and learning management.

This surge in digital adoption has created a dynamic and rapidly evolving market for K-12 EdTech solutions; led by educators and administrators rethinking the role of technology in the classroom, and innovators embracing cutting-edge technologies.

This presents a unique opportunity for EdTech players, such as ourselves, who are at the forefront of developing data-driven, AI-powered solutions that address the evolving needs of modern learners.

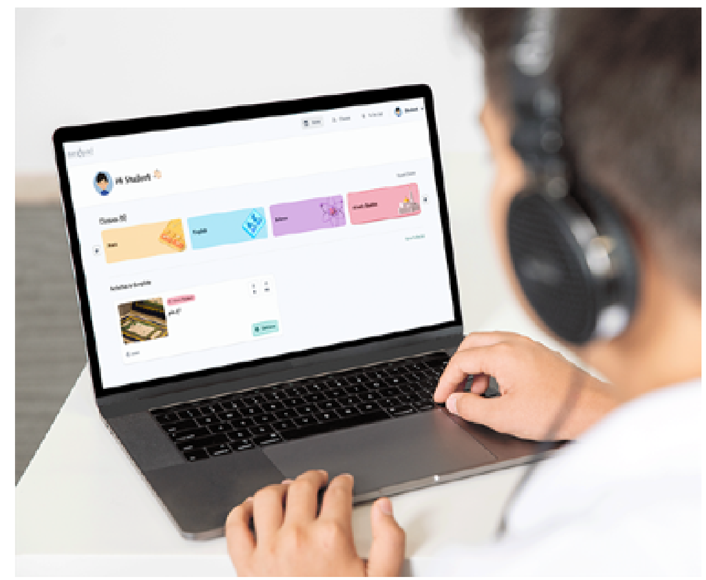
Market overview and trends

The education sector constitutes a sizable and dynamic global market. Its intrinsic link to human capital advancement, societal development, and economic growth have driven governments worldwide to prioritise education spending; making it a resilient sector even during economic downturns.

Industry expectations	Market developments
Data-driven education strategies	Increasing role for technology and digitalisation
Rise of personalised learning	Convergence of content, assessment, and learning management
Need for engaging content and real-time feedback	Entry of venture EdTech and Big Tech

Where traditional classrooms can struggle to cater to the diverse learning needs of individual students; personalised learning solutions are on the rise, engaging content is prioritised, and targeted feedback is highly valued.

However, retrofitting these requirements within the traditional teaching model would considerably increase the administrative and time-burden on teachers and educators. The advent of digitalisation and transformation of the education sector has not only surmounted these barriers; but also enabled education providers to adapt to evolving learning dynamics and better serve the unique requirements of future-ready students and teachers.



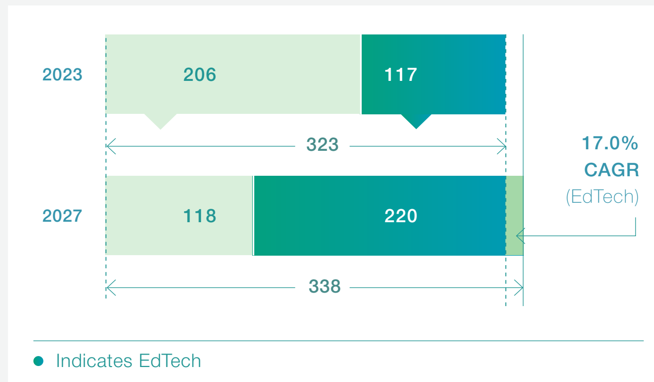
Shift to digital

Market transitioning to digital learning materials

Problems facing education	Benefits of digital learning
Increasing student grade gap	Offers immediate feedback for students, allowing for course correction
Costly and inaccessible quality education	Removes barriers to education due to accessibility from any location
Overcrowding in classrooms prevents students from getting required levels of teacher attention	Easily personalised to individual student needs

Evidenced by increased spending

Global K-12 instructional materials expenditure (AED Bn.)



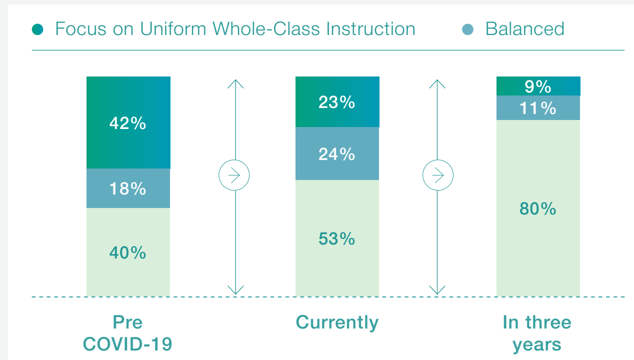
EdTech's share of global K-12 spend on instructional materials is expected to increase from 36% to 65%, reaching AED 220 Bn. in 2027.

Even as educators embrace digital learning in today's competitive global landscape; educational outcomes, as measured by standardised testing, continue to be paramount. In order to achieve this end, governments and education decision-makers are increasingly seeking partners who can demonstrably improve student performance.

Personalised learning

Growing importance of personalised learning models

Evolution of Schools/District Instructional Strategy
(US K-12 Market, 2022)



Instructional strategy is shifting from uniform whole-class instruction, to a model that prioritises personalised learning experiences

Key observations of personalisation fueled by digital solutions

- Enhances student experiences by making them more relevant and engaging
- Boosts academic achievement and optimises efficiency by reducing the time and effort required to analyse student performance

Capturing various benefits for the education ecosystem

- Digital tools allow educators to use data analytics and advanced technologies to serve the unique needs of each learner
- Personalised learning better ensures that the learning content is engaging and optimally challenging for the learner

Learn more

Market convergence

Shaping how new age learning is assessed and administered through mega-market dynamics

Curriculum

Learning management

Assessment

Administrative management

- Convergence towards mega markets, where larger entities encompass a broader range of educational services and offerings
- Emergence of comprehensive educational ecosystems, driven by consolidation of resources, technologies and expertise

Select global companies leading the convergence

Discovery Education

HMH

PowerSchool

Renaissance

Whole child approach

Alef Education adopts a holistic educational philosophy that emphasises nurturing all aspects of a child's development

Creating an environment that ensures students are safe, engaged, supported and challenged

Shift from fragmented distinct markets towards integrated platforms providing end-to-end solutions for diverse educational needs

Trending away - - - - - **Assessment**

Market dynamic	Distinct markets	Markets converging at varied rates	Mega-markets
Customer	Distinct markets	Greater dependencies across buying stakeholders	Core buying cohort drives purchasing
Funding	Each market has dedicated funding/spend to providers	Providers compete for funding, mindshare across market	Disproportionate funding for enterprise solution
Competition	Intra-market best of breed market providers abound	Inter-market; select providers compete across markets	Mega-market; marked by small cohort of comprehensive providers
Social model	- Solutions **optimised for customers' needs** and expectations within the market capacity - Solutions distinguish between admin and teacher needs - Development of solutions in adjacent markets are not at parity with dedicated market players	- **Solutions extend more convincingly into adjacent markets,** either through M&A or stronger product development efforts - Efforts to marry needs of admin and teachers - Development of "hybrid" curriculum solution	- **Comprehensive solution portfolios** with varying degrees of product integration - Developed for teachers and admin needs embedded - Solution portfolio spans, scope restricted to small number of providers

Sectoral positioning and USP in EdTech

Our unique position in the EdTech space sets us apart, while directly delivering on the needs of our target market. From personalised learning through an AI-powered study companion; to an incredibly flexible, cloud-native, platform: our offering is scalable and easy to adapt, with experienced project support for adoption.

Proprietary technology and content give us the ability to quickly roll out new features and improvements – so we can offer customers flexibility and tailored solutions that meet their specific needs.

Personalised learning

We've built our platforms to be personalised – so every student can learn at their own pace.

AI-aided analysis provides learners with individualised instruction that is best suited to their needs – figuring out how each student learns best, and adjusts their lessons accordingly.

Engaging content

We use creativity and a deep understanding of pedagogy to make learning engaging.

Our platforms use mixed media, immersive interactive activities, and even games to make learning more dynamic, enjoyable, and effective.

Immediate feedback

Instant feedback for both teachers and students; means teachers can tailor their lessons to suit the changing needs of learners, and students can identify lagging areas and work towards remediation.

Real-time data

Our system features some powerful tools for schools: giving teachers, principals, and even parents a clear picture of how students are doing.

The robust Learning Management System (LMS) allows review of progress – from district, down to individual student level; putting essential data in the hands of decision-makers that matter.

Relevant curriculum

Our digital repository reduces the administrative burden on teachers. With all lessons aligned with approved curricula and a pipeline of rich content, educators can focus on what they do best – teaching.

Organisational capabilities

Our team has grown significantly over the years, from just 97 employees in 2017 to over 400 talented individuals today. We have strategically invested in building core capabilities in education and technology; focusing on product development, customer engagement and service delivery, and attracting top talent to fuel our growth.

Today, Alef Education is home to 407 highly-skilled and driven employees. We are proud to have a strong core team consisting of 5% Emirati nationals on board; and are actively working to increase their representation in the years ahead.

With our operations now extending to new geographies, we maintain operations in many countries and are committed to complying with all local labor laws and regulations.

Learn more

How we are investing in human capital

Attracting the right talent

We follow a streamlined, multistage recruitment process focused on experience, business alignment, and cultural compatibility.

Additional proficiency assessments are included for highly specialised or technical roles.

Partnerships with agencies and leading educational institutions enable us to attract top local talent as part of our Emiratisation drive.

Engaging and creative culture and workplace

Alef Education's entrepreneurial and creative culture is an essential engine of innovation.

Aside from a culture of open communication, we conduct regular engagement surveys to identify areas for further improvement.

Diverse and multidisciplinary expertise

Our competitiveness and success are fueled by diverse perspectives and a depth of multidisciplinary expertise spanning technology, education, data science, and other emerging fields.

We champion female representation at all levels, consistently maintaining over 40% female representation across the organisation.

Continuous development of future-ready skills

We offer comprehensive and continuous learning and development opportunities for our teams; enabling employees to gain specialised certifications and new skills. Training initiatives encompass a wide range of topics to equip our workforce with technical and other skills required.

Partnerships, such as with AWS EdStart, create enhanced access to cutting-edge technical training that further enhances our organisational capabilities.

Well-being, health, and happiness of our workforce

H&S is integrated as a core business principle that extends to all employees, contractors, and visitors. We ensure compliance with all legal requirements, conduct regular audits, and engage expert service providers.

We have a comprehensive Health and Safety policy in place, complemented by a Health and Safety risk management system, and a detailed emergency response plan. These ensure hazard prevention, contribute to employee participation, and enhance overall health and wellbeing of staff within a positive Health and Safety culture.

Product portfolio

We are passionate about creating innovative learning experiences that empower students and support educators.
Our suite of products and solutions caters to learners across different age-groups and learning styles, and the particular needs of their educators.

Alef Platform

Our flagship platform is a comprehensive teaching and learning solution that delivers curriculum, connects students with teachers, teachers with administrators, and parents with others in the school system.

The platform has proven impact through deployment at scale in the UAE and Indonesia; with Morocco next on the horizon.

Alef Pathways

Our specialised subject-based products that directly address educational challenges.

Pathways is a strong option for both delivery of core-curriculum and remedial solutions targeting learning gaps.

Integral to Pathways is suite of our robust assessment tools, such as the Alef Math Ability Test (AMAT), designed to pinpoint each student's precise learning level and needs.

arabits

Customised solution for non-native speakers.

Tuned for K-12 grades and packed with features to help students master Arabic and prepare for their grade-level examinations in Arabic.

It is a native Android and iOS mobile application

Abjadiyat

An Arabic learning product focused on K-4 levels.

It offers easy to consume and highly engaging content, through a mobile interface that appeals to the youngest learners.

Includes a series of interactive lessons and content for native-speakers early in their Arabic language journey.

مقياس الضاد Miqyas Al Dhad

Our newest offering currently under development.

Miqyas Al Dhad is a rigorous, reliable, and objective global psychometric scale for the Arabic language, designed to assess the difficulty levels of Arabic texts and the proficiency levels of students in Arabic. It is being developed through a collaborative effort among various partners, led by ministries of education in the Arab world.

Alef Academy

A unique and customised platform providing educators (teachers and school leaders) with self-paced learning opportunities, toolkits, and tailored resources.

These resources not only support implementation of digital learning solutions, but also empower educators for effective teaching to maximise learning outcomes.

Alef Guardian

Provides real-time access to the educational journey of their children.

Creates connectivity to, and visibility of, student tasks, performance, and progress. Integrated with school communication channels and able to deliver routine analytical insights.

Current product portfolio

Alef Education	Platform Core UAE MoE
Alef Education	Platform in Bahasa Indonesia
Abjadiyat	K-4
arabits	Arabic non-native
Alef Pathways	Math Pathways Grades 3-8 | English and Arabic

In addition to an extensive existing offering, Alef Education is currently developing a number of products aimed at students of varying ages, across multiple subjects

Product pipeline 2024

- Grade 3-12 Courseware
- Assessment Products
- Math Pathways Grades 9-11 | English
- Math Ability Test
- Science Pathways Grades 5-8 | English
- English Reading Level Test
- Arabic Reading Grades 5-8
- Arabic Reading Level Test
- English Pathways Grades 5-8

Partnerships

In an environment where change is assured, collaboration is key to transforming education. This is why we actively seek out partnerships within and beyond the EdTech ecosystem: working with industry innovators, leading technology giants, governments, educational institutions, and other organisations who believe in our vision.

Aside from leveraging varied spheres of expertise, these partnerships enable better integration, deeper impact, and an overall better experience for our customers.

Technology partners

MetaMetrics®

Microsoft

Amazon Web Services

Google

E& (Etisalat)

Etisalat Digital

Industry decision-makers

Ministry of Religious Affairs of Indonesia (MORA)

Moroccan Ministry of National Education

Ministry of Preschool and School Education of the Republic of Uzbekistan (MPSE)

American Samoa Department of Education (ASDOE)

Early results of our impact

We believe that in order to realise our vision of education redefined, our digital products and services need to address the felt-needs of our stakeholders, benefit the broader education ecosystem, and result in demonstrable improvement to educational outcomes and attainment. Our research into the nexus of education and technology, is a mission toward this end.

This requires real-world application and testing, backed by rigorous research, which in turn feeds into the development loop to refine and improve our products. By design, our digital platforms and products generate a data-rich environment for academic research – allowing our teams to evaluate the impact of solutions through ongoing analysis.

Learn more

Alef Education's research team actively contributes to the field of AI in Education (AIED), with over 15 academic papers published and presented at leading international conferences. This research informs every aspect of our work, from product development and curriculum design to the ongoing refinement of our AI-powered learning platform.

Latest peer reviewed research by Alef Education

2020

- Learning optimum time
- Reducing Class Sizes with Technology

2021

- Automatic short answer grading
- The human factors in the 21st century education
- Factors to Understand Student Approaches to Math Learning
- Technology and Financial Capital in education in the Middle East

2022

- Learning Factors for TIMSS Math Performance
- AI Applications in the UAE K-12 Public Sector

2023

- Adoption of Adaptive Learning Platforms in Schools
- Adaptive Learning in Large Class Sizes
- SEL factors in UAE Public Schools
- Global Competence into Abu Dhabi K-12 Public Schools

Book chapter: Machine Learning in Educational Sciences, Springer Nature Singapore

2024

- Evidence based Research and Development Results in Using AI Math Pathway to Close Accumulated Math Skill Gaps in UAE K-12 Education
- Grit during the COVID-19 Pandemic
- Parental Engagement and Social Emotional Learning
- Where Generative AI fits within and in Addition to Existing AI K-12 Education Interactions: Industry and Research Perspectives

Best Paper at the Conference | Academic Conference Presentation | Academic Research Paper

In 2024, we published five academic papers and contributed one book chapter. Additionally, several papers have been submitted and are currently under review by journals and conferences.

Learn more

Experience and insights, gained from various geographies, have served as a proof of concept: showcasing the impact of our products and services, and the transformative potential of EdTech on student learning.

Increase in Interim Scores

22.5%

Average increase in interim scores

Higher Overall Growth

12.1%

Overall grade improvement achieved by students

Increase in Arabic Scores

13.3%

Average increase in Arabic subject Diagnostician test scores

Increase in Test Scores

8.5%

Average overall increase in Arabic, Math and MTs test scores

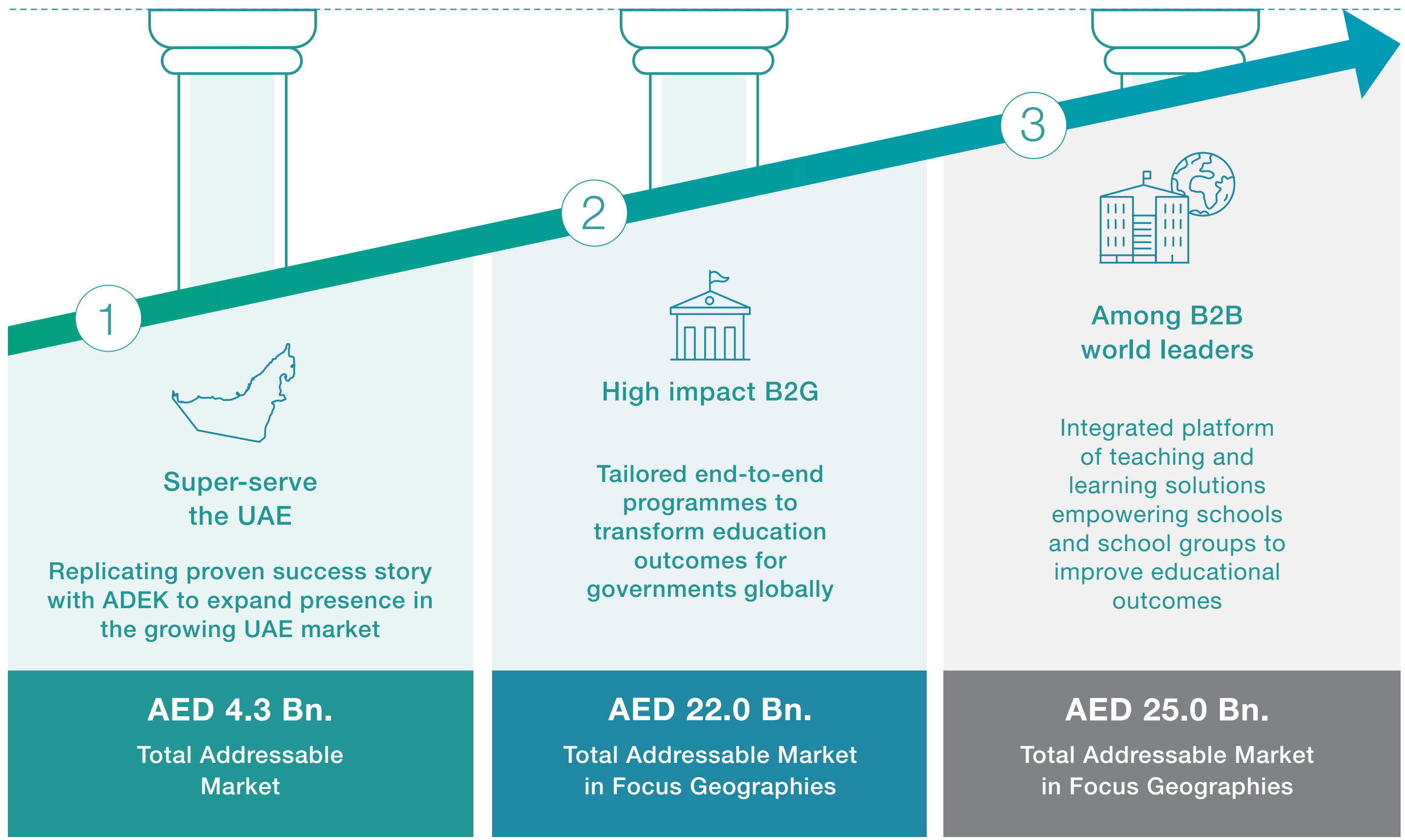
Operating in an expansive digital ecosystem, we understand the critical importance of safeguarding user-data and adhering to the highest ethical standards when utilising data for research. We are committed to responsible data handling practices, ensuring all data is collected, processed, and stored securely and transparently. We prioritise data privacy and security in our operations, and implement robust safeguards that adhere to relevant data protection regulations.

Refer to view details of the extent of our processes for data governance and compliance in line with our vision for sustainable education.

Our strategy for growth

The world of EdTech is moving fast. Our strategic roadmap for growth aims to position Alef Education amongst the world leaders at the forefront of this exciting sector: benefiting from, and actively driving its evolution.

We have established a well-defined strategy that leverages our dominant market position in the UAE, launches expansion through entry into key markets, fuels growth through innovation, and sets us up to scale rapidly through strategic partnerships.



PILLAR 1

Super-serve the UAE

Replicating the proven success story with ADEK to expand our presence in the growing UAE market

As the first pillar of our multi-tiered growth strategy, we rolled out a strategy to super-serve the UAE education sector's public (via B2G) and private (via B2B) segments.

Learn more

The UAE market

In the UAE, over a million children stand to benefit from improvements in Early Childhood Education (ECE). One third of K-12 students experience "learning poverty," and the UAE's performance lags in international assessments such as PISA, TIMSS, PIRLS.

Where we are today

The UAE remains a key strategic market, representing a significant portion of our recognised and recurring revenue through partnerships with government, semi-government, and commercial entities. Our projects in the UAE are characterised by large scale, high customisation, and long timelines. The launch of Miqyas Al Dhad, through a joint venture with MetaMetrics®, strengthened our position as a leading EdTech provider, while our extended partnership with ADEK reaffirms commitment to serving the UAE.

Progress made in 2024

- Our strategic long-term contract with ADEK was extended by an additional three years – till the end of trimester 1 AY 2033/34.
- Partnerships with private schools grew from 82 in 2023, up to 167 in 2024, reflecting 100% increase year over year
- Value (TCV) of contracts awarded during the year (AED 40 Mn.)
- Projected Value (TCV) of proposals and negotiations underway (AED 48 Mn.)

Where we want to be

Extend our presence amongst private schools; deepen our engagement with existing partnered public and private schools – through additional subjects, assessments, and teacher development; and widen our reach by incorporating products and offering for Early Childhood Education (ECE).

Public schools (B2G)

B2G

330+ schools (100% of target market)

5-12 grades served

166,000+ students

Private schools (B2B)

B2B

160+ schools

90,000+ students

PILLAR 2

High impact B2G

Tailored end-to-end programmes to transform education outcomes for governments globally.

Our B2G growth strategy contemplates active pursuit of new B2G partnerships to boost our revenue: focusing on large, long-term contracts with governments and education ministries. Ongoing discussions with potential partners in our target geographies promises a healthy pipeline of opportunities in the UAE, MENA, and further afield.

The focus is on markets with K-12 systems that are largely government-run, with centralised decision-making that allows for durable, long-term, B2G contracts.

B2G remains a crucial channel in our target geographies, where digital adoption is rising: especially in digitally advanced nations, where digital transformation in the education sector is driven by government reforms and a shift from print to digital.

Where we are today

Indonesia

792,967 registered students (339,000 onboarded)

29,000+ registered teachers (8,000 onboarded)

92% Teacher CSAT score

29K Registered teachers

793K Registered students

8K Onboarded teachers

339K Onboarded students

92 Teachers CSAT

8.5% Higher final exam scores for students

Monetisation opportunities

Ministry of Religious Affairs Ministry of Education (on central and district level)

Morocco

960+ enrolled students

17 enrolled teachers

94% SLT satisfaction rate

17 Teachers enrolled to the platform

966 Students enrolled

22.7% Higher final exam scores for students

+27% Higher test scores for Grade 9 English students

94% SLT satisfaction rate

465 Monthly active pilot users

Subscription to English, Arabic, and French languages learning platform for students and teachers

Multiple countries

مـقـيـاس الـضـاد
Miqyas Al Dhad

09 countries field-testing

103,000 students onboarded

93,000 students completed

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 redefine Arabic language teaching, learning, and literacy by exploring innovative strategies and state-of-the-art methodologies.

Learn more ›

Where we want to be

We are focused on achieving significant growth in the B2G segments, in the medium term, driven by newly secured contracts and bourgeoning opportunities in the pipeline. Strategically, we will look to onboard additional clients, schools, and students; while maintaining strength of service for existing contracts that generate stable returns.

We would endeavor to maintain a sustainable revenue-mix: achieved through contribution of our Education Solutions and Support Services within the B2G contracted growth module.

PILLAR 3

Among B2B world leaders

Integrated platform of teaching and learning solutions empowering schools to improve educational outcomes.

The final key growth strategy pillar centers on the Group expanding into the wider B2B market to unlock additional growth opportunities and further strengthen its potential to become a global leader in EdTech.

Our target geographies are seeing increased investment in learning materials and EdTech solutions, with opportunities to succeed for companies that can differentiate themselves through value, usability, and advanced capabilities.

UAE Market

The UAE EdTech market presents a significant opportunity for our products and solutions catering to the K-12 and pre-primary segments. Our strategy prioritises high market penetration in the UAE; leveraging our readily available core content, competitive pricing structure, and expansive client-base. With a strong product pipeline in place to provide students with multiple modules per product-line, we expect growth that reflects the market's high-expendable nature.

Other GCC and MENA markets

The MENA region's EdTech market, offers a compelling landscape for commercial providers; mirroring trends seen in the US and Europe. The region presents significant opportunities within the K-12 and pre-primary segments, as identified through comprehensive market studies.

Our target markets are seeing growing private school enrollment; with international private schools, characterised by high digital adoption and spending, representing a rapidly expanding segment.

Our strategy focuses on achieving stable market-share growth by leveraging our core platform, adaptable assessments, and supplementary products; building on easier adaptability of content. Our efforts center on providing multiple modules per student; aligned with regional curricula pricing structures.

Emerging markets

Recognising the vast potential of emerging markets, our strategy sets out a course for expansion into these regions. With large student populations and increasing digital adoption, these geographies present significant opportunities across a number of segments.

Our strategy targets a market-share for lean growth in specific countries, which align closely with the adaptability of our product lines. A phased approach that prioritises gradual adoption over a longer horizon, alongside our maturing product lines and service capabilities, would ensure we remain competitive even in markets with high competition and lower spending capacity.

Where we are today

Operating on a Software-as-a-Service (SaaS) model, we currently cater to private education groups, generating stable recurring revenues from a growing client base. Traction in the US market, while at a nascent stage, has demonstrated our ability to scale internationally.

Progress made in 2024

Established a strong foothold for growth in KSA and Egypt with a newly hired team. This is a strong initial endeavor that enhances growth prospects within these key markets.

During the year we secured our first deal in KSA, conducted launch seminars, and successfully defined product requirements for the local context; setting the stage with projections of registering over 56,000 students from 150+ private schools within the next few years.

Where we want to be

Gathering momentum through revenue build-up from a wide cross-section of products, including ECE, G3-12 courseware, assessment for K-12, and future learners and teacher support.

Continual expansion within this space by offering more subjects and content areas, as well as catering to a wider range of age groups.

Alongside the Company's first and second growth pillars, which would have a multiplier effect, a broader B2B growth strategy would deepen our presence in a range of growth markets and horizons. This, in turn, would create opportunities to accelerate growth and market-share capture through multiple channels, geographies, and product categories.

Future-growth enablers

Q&A with the Chief Product Officer

For our team at Alef Education, growth in target markets hinges on a multifaceted approach. We believe that innovation-led product development, fueled by continuous iteration, is one of the most significant enablers that will accelerate scale, enhance visibility, expand reach, and solidify our leadership position in the EdTech landscape.

Q How does your product development align with future trends, while also directly addressing current market demands and needs of stakeholders (students, teachers, parents, and education administrators)?

A In today's intensely competitive educational landscape, where educational outcomes and accessibility are paramount, personalised learning is a necessity. Teachers and educators are increasingly requesting content delivery, assessment, and analytics components – delivered as one get-go. This is a trend in the EdTech market as well where we see different verticals, and companies, merging to deliver comprehensive educational offerings. Similarly, governments looking to transform their education systems through digitalisation, are looking for solutions with proven results, interoperability with existing systems, broad deployment capabilities, and actionable data-driven insights.

These are considerations we've baked-in as part of our strategy: delivering a holistic education system with a suite of primary products, anchored to a core curriculum and assessment framework, backed by robust analytics. Personalised learning is central to our mission, and our process to realise this mission is heavily driven by Artificial Intelligence (AI), which is already ingrained into the DNA of our platform and products.

Learn more

Building on this strong foundation, we use a multifaceted approach to **stay** closely aligned with market and stakeholder needs: prioritising, tracking, and improving customer experience, customer satisfaction, and key service delivery metrics; while continually gathering and incorporating feedback into our product development process.

Learn more

Q What are your strategies and considerations in developing new products and features? How do they address key gaps or unmet market-needs?

A When thinking of new products, we always start with the problem that we are trying to solve. We ask ourselves: Will this genuinely make learning better for students? This might mean building something completely new; other times, it might involve integrating proven technologies or ecosystems. Ultimately, it's about choosing what is best for our learners and customers in order to create a friction-free experience, while enabling Alef Education to scale.

Q Can you describe the product-development culture at Alef Education, and how it supports or encourages innovation?

A At Alef Education, we work directly with students, teachers, schools, and parents to drive the development of the platform. We collect insights from our end-user through qualitative means i.e.: survey, focus groups, etc., as well as quantitative means such as data insights and trends. All those insights form the basis of our development, which is supported by a business case to sustain the product development life cycle.
At Alef Education, we have adopted an agile model for product development that is based on rapid delivery and experimentation to fine-tune our end product.

Q How does your product pipeline balance short-term needs against long-term strategic initiatives?

A In 2024 we targeted and achieved the full release of seven products. Four core modules as part of the Alef Pathways platform – for Math, Science, English, and Arabic reading. And three within assessments: bringing carefully crafted products for Math, Science, English, and Arabic – writing, listening, reading. During the year, several of our other products also moved into the field-testing or piloting phases.

At the same time, as part of Alef Education's long-term strategic initiatives for the year, we partnered with MetaMetrics® to launch **Miqyas Al Dhad**. This is a product specifically developed for the Arabic language, and is not only a new venture for us, but also an entirely new frontier for Arabic language teaching, learning, and literacy.

Learn more

2024 Product development – Alef Pathways

Title	Foundation	3-4	5-8	9-11
Math English	✓	✓	✓	✓ 9-10 Completed
Math Arabic	✓	✓	✓	
English reading			✓	
Arabic reading			✓	
Science English			✓	

Learn more

Corporate governance

Governance framework

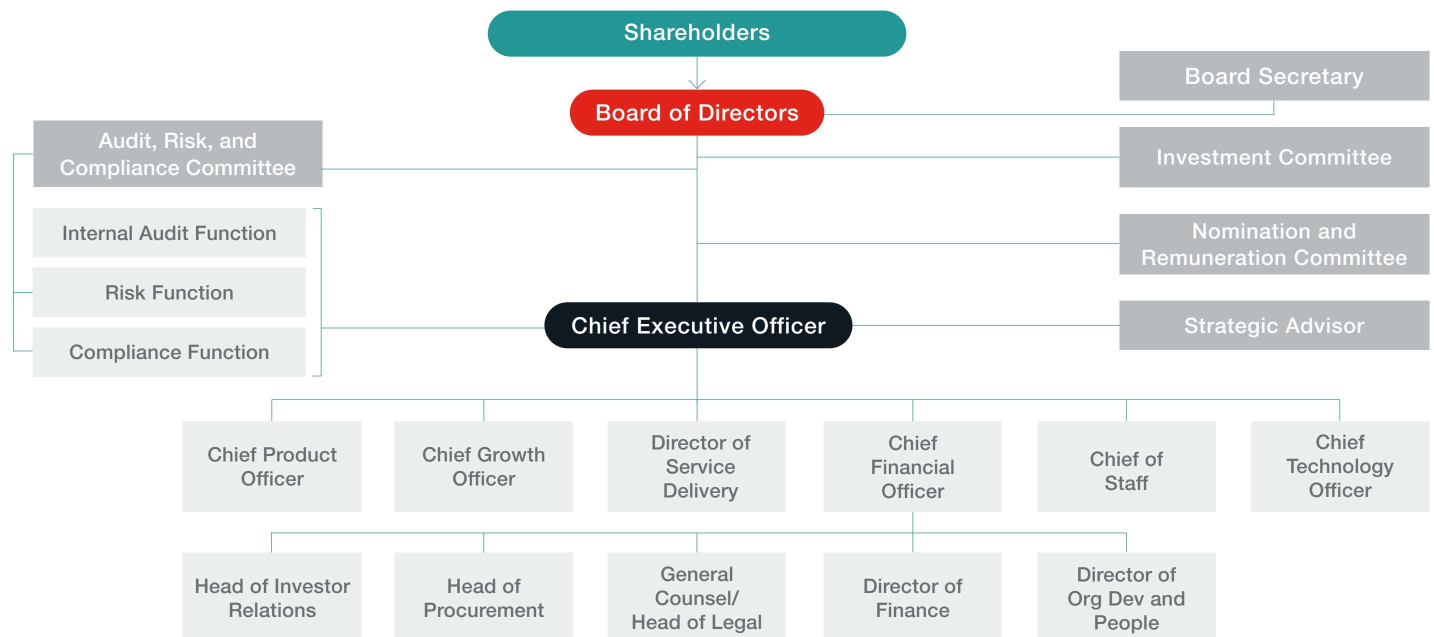
Alef Education's long-term sustainability and our ambition to transform education, depend on good governance practices. This is an area where we set a high bar for ourselves, especially when it comes to transparency, accountability, and ethical conduct. These have always been cornerstones of our business, and we believe they are fundamental to building trust and creating long-term value for all our stakeholders.

We have set stringent standards for corporate governance, in line with international guidelines, industry-specific regulations, and country-specific legislation in our areas of operation. We also strive to go beyond compliance; and are looking to continuously improve our governance practices. Our policies, processes, charters, and codes of conduct are regularly reviewed and updated in keeping with best practices, changes in the regulatory environment, emerging risks and opportunities in the EdTech sector, and the evolving expectations of our stakeholders.

The Corporate Governance report, detailed herewith, explores the Company's governance processes and outcomes, as measured against the principles and guidelines set out by the UAE Securities and Commodities Authority (SCA).

To our shareholders; the following sections and the detailed Corporate Governance report serve as a testament to our commitment to transparency and accountability, and we invite you to review them at length. We are confident that our governance framework provides a solid foundation for the continued success of our Company. We welcome your feedback on our governance practices, and any other elements of our operation.

Our governance framework is designed to ensure accountability, equity, transparency, and responsibility, while prioritising shareholder and stakeholder interests. It outlines roles and responsibilities of key oversight functions, establishes reporting lines, and defines how practices, policies, and guidelines are operationalised across the extent of our operations



Our Board of Directors provides overall oversight and strategic direction on Alef Education's operations and activities. The Board is committed to upholding the highest standards of corporate governance and ensuring that the Company operates in a transparent and accountable manner. Our governance framework is designed to foster a culture of integrity and ethical decision-making across the Organisation.

Specialised Board Committees assist the Board in discharging their responsibilities and exercising ongoing oversight, guided by approved and codified **charters and policies**. Where necessary, the Board may delegate some of its authority to Board Committees and other specified parties.

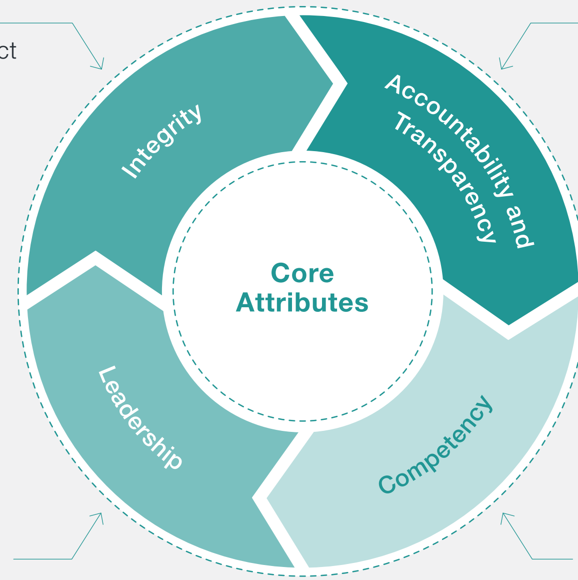
We endeavour to ensure that our Board of Directors, Board Committees, and all delegated parties espouse core attributes that are reflective of our Company values.

Integrity	Accountability and Transparency	Competency	Leadership

Act in good faith and in the best interests of Alef Education, and act ethically and promote an ethical culture within Alef Education.

Held accountable for strategic actions and decisions in relation to Alef Education as a Board Member and Board committee member, if applicable.

Carry out roles and responsibilities in a transparent manner based on honesty and integrity without being involved in any violations or crimes, including money laundering and terrorist financing.



Appropriate leadership accompanied by strong strategic thinking skills, fair and good judgement, and leadership vision.

Possessing appropriate and relevant industry-specific knowledge and business experience in international markets.

Responsibilities of the Board of Directors

The role of our highest governing body spans a number of business dimensions: from governance and strategic oversight, to performance management, financial oversight and monitoring, and internal controls and assurance.

Governance

Strategic Oversight

Performance Monitoring

Assurance

Financial Oversight

Committee Function

Key roles/responsibilities

The Board of Directors is tasked with ensuring high standards of governance throughout the organisation. Their responsibilities include – overseeing corporate governance, ensuring transparency, and fostering ethical behaviour across the organisation, whilst staying updated on governance trends to maintain effective leadership and create sustainable value for all stakeholders. The Board is also accountable for setting strategic objectives, monitoring financial performance, risk management, and compliance with applicable laws and regulations.

- Regulatory Compliance: The Board ensures that the company complies with all applicable laws, regulations, and standards, actively monitoring changes in legislation that may affect the organisation.
- Ethical Standards: The Board promotes a strong ethical culture within the organisation, establishing a code of conduct and ensuring that all employees adhere to principles of integrity and ethical behaviour.
- Stakeholder Engagement: The Board is responsible for engaging with shareholders and other stakeholders, taking their perspectives into account in decision-making processes, and fostering open communication to build trust.
- Succession Planning: The Board oversees executive succession planning, ensuring that there are effective strategies in place for identifying and developing potential leaders within the organisation.

Leadership profiles

Board of Directors







H.E. Abdulhamid Mohammed Saeed Alahmadi

Chairman and Non-Executive Director

His Excellency Abdulhamid Mohammed Saeed Alahmadi is the Chairman of the Endowments and Minors Funds Authority in Abu Dhabi and is also the Chairman of Al Nahda Investment Company.

H.E. is a member of the Board of Directors of Mubadala Investment Company, Abu Dhabi Developmental Holding Company PJSC (ADQ), Emirates Red Crescent, and Al Ain Holding.

H.E. has held several C-suite positions including, the Governor of the Central Bank of the UAE, Group Chief Executive Officer of First Abu Dhabi Bank, CEO, Managing Director and Board Member in legacy First Gulf Bank, and held various key senior positions in Citibank. He also served as Chairman of Abu Dhabi Capital Group and Managing Director of Reem Investments.

In addition to this, H.E. served as a Board member in the UAE government and public sectors, which include Emirates Investment Authority, Abu Dhabi Securities Exchange, and Emirates Integrated Telecommunications Company (Du).

H.E. holds a Bachelor's degree in Business Administration from the University of Arizona, USA.

Executive Management

Geoffrey Alphonso
Chief Executive Officer

A thought leader in education technology, Geoffrey has been listed among the "Top 30 CEOs" list curated by Arabian Business and among the "100 Most Inspiring Leaders" in the Middle East. Geoffrey brings a background of strategic thinking. He has over 25 years of experience implementing business transformations in the North American, Australian, and Middle Eastern markets and has held senior positions in EdTech, telecommunications, and finance globally.

Prior to joining Alef Education, Geoffrey was General Manager and Head of Pearson Education's digital business practice in the Middle East and Africa for over nine years. Geoffrey currently sits on the board of THAKI – a non-governmental organisation that provides digital education products and services to underprivileged children in the MENA region – and is a member of the Forbes Technology Council.

Under his leadership, Alef Education has grown from a startup in 2016 to a prominent organisation. As CEO of Alef Education and founding member of the AI award-winning Alef Platform, Geoffrey leads the overall vision, design, innovation, and product portfolio to cater to global growth at scale. He rapidly grew the company into five new markets, serving more than 1 million learners.

Geoffrey holds an MBA from London Business School.

Board procedures and processes

The Alef Education Board is comprised of seven members, including six independent directors and one non-independent director. This diverse composition ensures a range of perspectives and expertise, which is essential for effective oversight and strategic direction. Each member brings a wealth of experience from various industries, enhancing the Board's ability to guide the Company in a rapidly evolving market.

Appointment

Our Board Director nomination and appointment process adheres to strict criteria, ensuring integrity and ethical conduct, while maintaining diversity. Relevant industry experience is a key determinant, as is maintenance of the highest ethical standards. Appointments are made after assessment of a detailed professional record, and comprehensive vetting process that includes assessment of any potential conflicts of interest. Legal entities must submit official nomination letters. The complete terms of directorship and renomination of the Board, as described in the approved governance manual, are in line with the Company's Articles of Association.

The composition of the Board, Directors' qualifications and positions held, are described at length in the Leadership Profiles. The current Board has been appointed for an initial term of 3 years from the date of their appointment.

In line with our unwavering commitment to gender diversity, we are proud to highlight that our board includes three accomplished female members, representing approximately 43% of our board composition, which reflects our dedication to inclusive leadership and diverse perspectives at the highest levels of our organisation.

Independence

The Board Members' annual declaration, in addition to rigorous appointment criteria and ongoing monitoring, plays an important role in ensuring Board independence. Criteria set out as part of our governance protocols direct that the Board must be independent from executive management, disclose potential conflicts of interest, and refrain from using their position for personal gain. The Nomination and Remuneration Committee reviews and monitors Board Member independence throughout the year, with specific conditions defined to identify impairment.

Conflict of interest

To ensure our highest governing body acts in the best interests of the Company, and continues to uphold stakeholder and shareholder trust, Alef Education employs a number of systems to identify and address any potential or actual conflicts of interest at the Board level.

Full details of our governance processes, with regard to addressing conflicts of interest, are included in the Company's approved Corporate Governance (CG) manual. In addition, a Conflict-of-Interest register, maintained and updated by the Board Secretary, records all disclosed conflicts and the Board's actions therein.

Training and induction

Our comprehensive induction programme, coupled with ongoing training as mandated by an annual training needs-assessment, ensures Board Directors and Executive Management personnel are well-equipped to lead the Company in achieving its ambitions. The needs-assessment takes into account developmental needs and any gaps identified during board performance evaluations.

At a foundational level, the Board Induction programme covers the Company's vision, mission, values, strategies, policies, and other relevant legal and financial information.

Performance assessment

We consider continuous evaluation to be an essential requirement for effective governance. As such, we follow a consistent process of performance evaluation to assess the functioning of our Board of Directors, Board Committees, and Executive Management. Results of an annual performance evaluation, when conducted, will be included in the Annual Corporate Governance report.

To ensure objectivity, independent consultants or specialised professional entities may be called upon to conduct these evaluations. Performance assessments, when conducted, would measure key areas such as strategic alignment, competence, succession planning, regulatory compliance, risk management, executive communication, reporting, and meeting arrangements.

Board function in 2024

During the year 2024, the Board focused on key areas of governance and financial oversight. This included approving audited financial statements for accuracy and transparency, ratifying the 2025 annual budget to align with strategic goals, and approving updated corporate policies and guidelines to maintain high ethical and compliance standards.

Meetings and attendance

As set out by the corporate governance mandates, the Board shall meet at least four times a year, with meetings conducted according to guidelines in the Company's approved governance procedures. The Board Secretary, Huda Qutishat (appointed on 3rd May 2024), functions as the rapporteur for Board of Directors' meetings.

Since listing of Alef Education in June 2024, the Board has met three times with attendance as follows.

Board member	Attendance		
	29 July 2024	30 October 2024	9 December 2024
H.E. Abdulhamid Mohammed Saeed Alahmadi Chairman and Non-Executive Director	✓	✓	✓
H.E. Ahmed Ali Al Sayegh Vice Chairman and Non-Executive Director	✓	No/assigned H.E. Noura as proxy	✓
H.E. Noura bint Mohammed Al Kaabi Non-Executive Director	✓	Yes/Proxy for H.E. Ahmed	✓
H.E. Jameela Al Muhairi Non-Executive Director	✓	✓	✓
Omar Abdulla Al Hashmi Non-Executive Director	✓	✓	✓
Rima Al Mokarrab Non-Executive Director	✓	✓	✓
Dr. Saeed Alghfeli Non-Executive Director	✓	✓	✓

No.	Meeting date	Number of attendees	Number of attendees by proxy	Names of absent members
1.	29 Jul 2024	7	None	None
2.	30 Oct 2024	6	1	1
3.	9 Dec 2024	7	None	None

Key decisions

The Board deliberated on, and passed, a number of resolutions that served to enhance the Company's position as a trustworthy and accountable enterprise. The Board remains vigilant in its responsibilities to uphold the principles of transparency and ethical conduct in all aspects of the Company's operations.

- **Approval of Audited Financial Statements:** The Board reviewed and approved the audited financial statements for Q2 and Q3 for the fiscal year ending 31 December 2024, as part of its mandate to ensure accurate financial reporting and adherence to applicable accounting standards.
- **Approval of Annual Budget:** The Board analysed and approved the annual budget for the fiscal year 2025. This budget reflects the Company's strategic priorities and operational goals, allocating resources in a manner designed to optimise performance and drive long-term growth.
- **Approval of Corporate Policies, Manuals, and Guidelines:** The Board has approved all corporate policies, manuals, and guidelines under the corporate governance framework. This includes a new Code of Ethics and Business Conduct, new Third-Party Code of Business and Ethical Conduct, and new Third-Party Due Diligence Policy. The Company's also made updates to the Speak Up Policy, the Conflict-of-Interest Policy, the Fraud Risk Policy, and the Anti-Bribery and Corruption Policy.

Board committee reports

Audit, Risk, and Compliance Committee (ARCC)

The ARCC assists the Board in ensuring effective internal controls and risk management processes. The Committee's mandate extends to ensuring the integrity of financial statements; overseeing internal assurance, risk, and compliance functions; and managing engagements with external auditors.

The following Board Members were appointed to the ARCC upon its formation, for an initial term of three years from date of appointment.

Committee members (as at 31 December 2024)

- Mr. Omar Abdulla Al Hashmi (Chairperson)
- H.E. Rima Al Mokarrab Al Mheiri
- Dr. Saeed Abdulla Mohamed Bin Mutlaq Alghfeli

Key focus areas in 2024

- Reviewing and providing feedback on key corporate policies.
- Reviewing the Company Financial Statements
- Assessing the Corporate risks and remediation plan status
- Approving the Internal Audit Plan for 2024, monitoring progress of implementation against the audit plan, reviewing of audit reports and findings, and reviewing and overseeing the status of the management action plan.

The Audit, Risk, and Compliance Committee supports the Board in fulfilling its responsibilities regarding financial reporting, external and internal audits, and controls. This includes reviewing and monitoring the integrity of financial statements, assessing the scope of non-audit work performed by external auditors, advising on the appointment of external auditors, managing the relationship with them, evaluating the effectiveness of the external audit process, and reviewing the efficacy of internal control reviews. Ultimately, the Board retains the responsibility for reviewing and approving the annual report and accounts. The Audit Committee considers the relevant laws and regulations of the UAE, the ADGM, the SCA, and the ADX.

According to the committee charter, the Audit, Risk, and Compliance Committee shall comprise at least (3) three Non-Executive Board Members and a maximum of five (5) Members, of which (2) two shall be Independent Board Members. Regardless of the total committee membership, the Committee is chaired by one of the independent members. The Committee meets no fewer than four times a year.

The Audit, Risk, and Compliance Committee takes necessary measures to ensure the independence of the Company's external auditors in accordance with applicable laws.

Members of the Audit, Risk and Compliance Committee acknowledge their accountability for the systems in place, the evaluation of their operational mechanisms, and ensuring their effectiveness. The Chairman also recognises his responsibility for overseeing the committee's policies, reviewing its mechanisms, and ensuring its overall efficiency.

The table below details the meetings held by the Audit, Risk and Compliance Committee, and attendance of the same, since listing of Alef Education in June 2024.

No.	Meeting date	Number of attendees	Number of attendees by proxy	Names of absent members
1.	29 July 2024	8	None	None
2.	24 October 2024	8	None	None

ARCC Attendees	Attendance	
	29 July 2024	24 October 2024
Mr. Omar Abdulla Al Hashmi ARCC Chairman	✓	✓
H.E. Rima Al Mokarrab ARCC Member	✓	✓
Dr. Saeed Alghfeli ARCC Member	✓	✓
Huda Qutishat ARCC Secretary	✓	✓

Nomination and Remuneration Committee (NRC)

The NRC oversees appointment and compensation of the Board, Senior Management, and Employees; while ensuring independence of the Board and related compliance with Company policies and regulatory requirements.

The following Board Members were appointed to the NRC upon its formation, for an initial term of three years from date of appointment.

Committee members (as at 31 December 2024)

- H.E. Ahmed Ali Al Sayegh (Chairperson)
- H.E. Noura bint Mohammed Al Kaabi
- H.E. Jameela Al Mheiri

Key focus areas in 2024

- Reviewing compensation practices
- Assessing recommendations based on an external benchmarking exercise conducted by a third-party
- Overseeing changes in key leadership positions

The Nomination and Remuneration Committee supports the Board in establishing and overseeing policies regarding nominations and remuneration for the Board, its committees, and senior management. The primary purpose of the NRC is to assist the Board of Alef Education in fulfilling its oversight responsibilities with respect, but not limited, to:

(a) Monitoring the nomination process for the Board and Executive Management of Alef Education;

(b) Facilitate the search for balanced and qualified Board and Committee members that will provide sound oversight over the affairs of Alef Education;

(c) Recommending to the Board to update the policies related to the Board membership;

(d) Overseeing succession plans for key Executive Management positions, such as the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO");

(e) Supervising all matters related to the Remuneration of the members of the Board and its Committees and the Executive Management;

(f) Evaluating the performance of the Board and Executive Management of Alef Education; and

(g) Providing recommendations to the Board about the annual bonus and salary amendments of all Employees.

According to the committee charter, the Nomination and Remuneration Committee shall comprise at least (3) three Non-Executive Board Members and a maximum of (5) five members, of whom (2) two shall be Independent Board Members regardless of the total committee membership provided.

The Committee meets at least once a year, and additional meetings may be scheduled as needed based on Company requirements.

All members of the Nomination and Remuneration Committee must adhere to the Group's information sharing protocol, which provides guidelines on material non-public information and insider trading matters.

Committee members recognise their accountability for the systems of the Nomination and Remuneration Committee, evaluate their operational mechanisms, and ensure their effectiveness. The Chairman also acknowledges responsibility for overseeing the committee's policies, reviewing its mechanisms, and ensuring its overall effectiveness.

The table below outlines the meetings convened by the Nomination and Remuneration Committee, and attendance at the same, since listing of Alef Education in June 2024.

No.	Meeting date	Number of attendees	Number of attendees by proxy	Names of absent members
1.	15 October 2024	3	None	None

Investment Committee (IC)

The Investment Committee (IC), established by the Board of Directors, is tasked with overseeing and guiding the Company's investment activities, including mergers, acquisitions, and partnerships.

The following Board Members were appointed to the IC upon its formation, for an initial term of three years from date of appointment.

Committee members (as at 31 December 2024)

- H.E. Abdulhamid Mohammed Saeed Alahmadi (Chairperson)
- H.E. Jameela Al Mheiri
- H.E. Rima Al Mokarrab Al Mheiri

The IC ensures that investment decisions align with the Group's strategic objectives and risk management framework, and it has full access to all necessary investment information and documentation.

The Board and executive management must promptly respond to IC inquiries, providing relevant data as needed. Comprised of three Board members with diverse expertise in finance and investments, the IC is appointed for an initial three-year term and is required to hold at least four meetings each financial year.

The table on the right summarises the meetings held by the Investment Committee, and attendance at the same, since listing of Alef Education in June 2024.

No.	Meeting date	Number of attendees	Number of attendees by proxy	Names of absent members
1.	18 July 2024	3	None	None
2.	1 October 2024	4	None	None

Key focus areas in 2024

Alef Education remained focused on its mission to redefine education, where every learner fulfills their unique potential. Alef Education's three key growth pillars are; Super-Serve the UAE, High-impact B2G & Miqyas al Dhad pipeline, becoming B2B World Leaders.

Alef Education's core presence remained in the UAE, capitalising on its long-term contract with ADEK, and continued to pursue international growth prospects.

Focus areas included:

- Organic revenue growth with a regional focus
- Cost optimisation with a focus on maintaining current profitability margins
- Continued B2B and B2G growth into local and priority international markets including UAE, KSA, Egypt, and Morocco etc.
- Maximise school penetration by investing in targeted local sales and marketing.

Ethics and integrity

At Alef Education, we believe that organisational integrity begins with our internal stakeholders and inculcation of a culture of ethical conduct within the Company. This is why we have policies, process, and dedicated functions in place to ensure ethical decision-making, transparency, and accountability at every level of the Organisation.

Remuneration and Compensation

The Nomination and Remuneration Committee (NRC) oversees determination and review of remuneration packages for both the Board of Directors and Executive Management.

The NRC ensures remuneration policies are transparent, competitive, and benchmarked against industry peers, both locally and globally. Compensation for Executive Management, similarly, is reviewed annually to ensure alignment with both Company performance and expectations, and market standards. The detailed mechanisms behind calculation of remuneration are outlined in the **Alef Education Remuneration Policy.** The Policy outlines compensation packages for the Board and Executive Management, detailing standards that would enable the Company to attract and retain qualified professionals to achieve its strategic goals.

For the year 2024, the proposed remuneration for the Board of Directors is AED 3,000,000 (to be approved at the Annual General Meeting). There are no bonus or allowances paid/proposed for Board Members other than the above remuneration.

The remuneration of key management personnel during the year was as follows:

	31 December 2024
Short term benefits	9,183,846
Employee's end of service benefits	282,192
Total	9,466,038
Number of key management personnel	6

Key management personnel includes the following positions:

1. Chief Executive Officer
2. Strategic Advisor
3. Chief Financial Officer
4. Chief Growth Officer
5. Chief Technology Officer
6. Chief Product Officer

Related Party Transactions

The following disclosures are defined by the Company's Related Party Transactions Policy that prioritises transparency and maintains compliance with UAE regulations. The policy establishes clear rules for identifying, managing, reporting, and disclosing transactions involving related parties within the Board, Executive Management, and Alef Education employees.

During the year 2024, the Group has purchased the business of Arabits from SAAL Operating Systems – Sole proprietorship LLC, a related party, for an amount of AED 35.3 Mn.

	31 December 2024
Interest income from a related party	2,636,820
Revenue from contracts with customers	266,602
Recharge of expenses to related party	112,772

Statement detailing the ownership of board members in the Company's securities during 2024

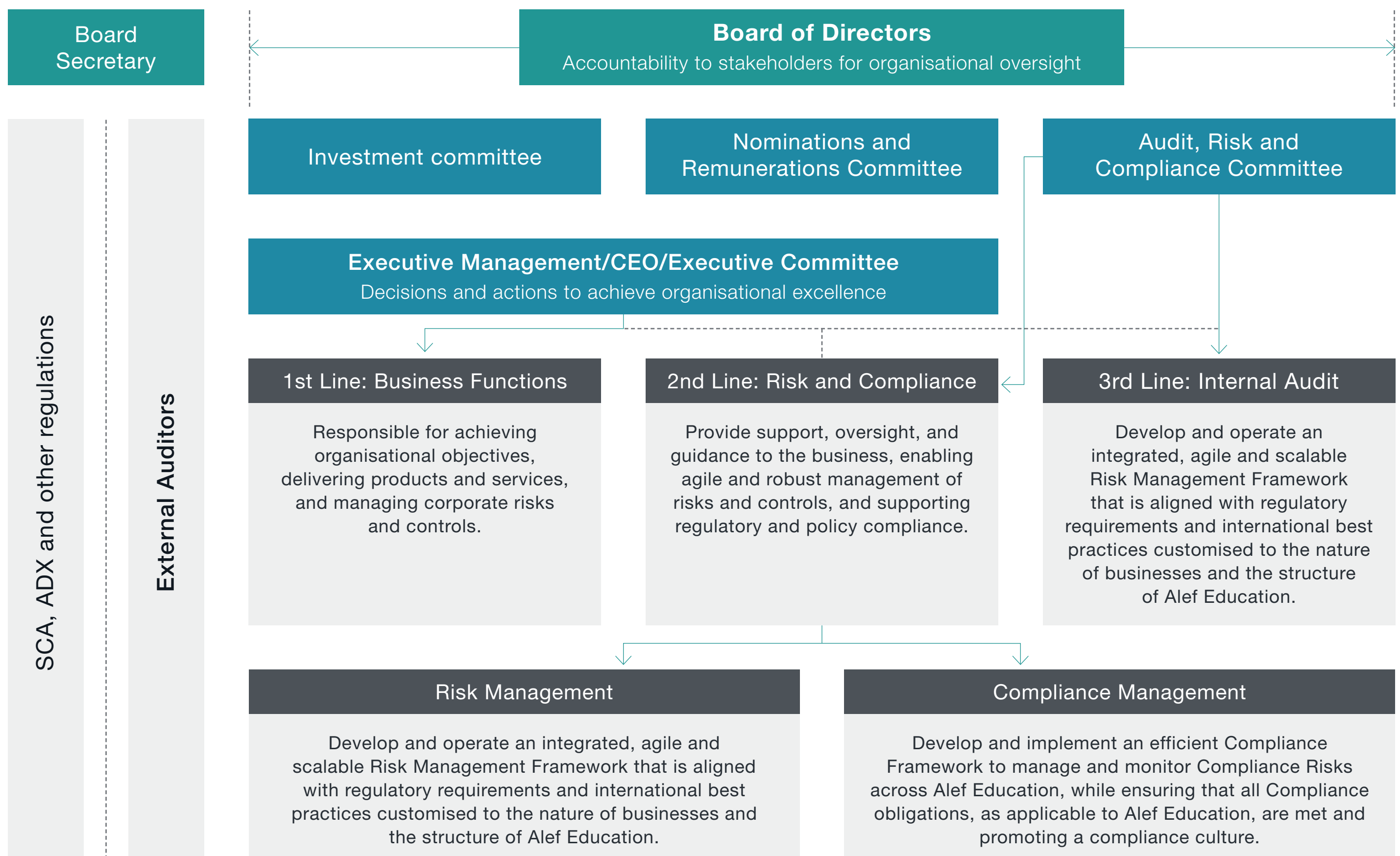
	As of 12 June 2024	Change in shareholding 2024	As of 31 December 2024	Status of ownership
H.E. Ahmed Ali Al Sayegh	740,740	–	740,740	Direct
Dr. Saeed Abdulla Mohamed Bin Mutlaq Alghfeli	740,740	–	740,740	Direct
Mr. Omar Abdulla Al Hashmi	7,686	–	7,686	Direct

Internal Controls

The Company's internal controls are driven by an Internal Audit Department, reporting to the ARCC, which ensures independent, objective assurance over the systems employed. It also provides for audit activities that are designed to add value and improve the Company's operations.

In 2024, the Audit, Risk, and Compliance Committee (ARCC) provided oversight on internal control and risk management processes, including approval and monitoring of the Internal Audit Plan and review of audit reports and findings. The Board of Directors also reviewed and updated the Company's Fraud Risk Policy, in keeping with a broader focus on better assessing corporate risks and putting in place remediation plans for the same.

Internal control framework



Internal Audit

The Internal Audit Department applies a risk-based approach in addition to cyclical audit coverage to identify areas to be audited annually. It carries out an annual risk assessment to develop the annual audit plan for the following year which is approved by the Audit, Risk and Compliance Committee. This takes into consideration the major controls in place and their design effectiveness, including business conduct risks and processes. All recommendations and associated management actions resulting from these reviews are subject to a quarterly follow-up monitoring and reporting process to ensure the timely close-out of audit actions.

The Internal Audit Department ensures compliance with the Company policy, procedures, and SCA Regulations.

Risk Management

Formal risk reviews are performed on a regular basis across various business units and functions, with the support and guidance of the ERM Department. The results of these reviews are used to assess the Company's risk profile and exposure, identify current and emerging risks that are critical to the Group's performance and ability to achieve its strategic objectives and develop management plans to maintain risks within acceptable levels. The outcomes of these reviews are discussed with the Audit, Risk, and Compliance Committee (ARCC) and the Board of Directors.

External Audit

In addition to the internal controls we employ, Alef Education recognises the critical role of external auditors in ensuring the integrity of our financial statements. The ARCC is the key governing body that recommends external auditors, who are then appointed by the General Assembly (GA). Selection is based on factors like reputation, experience, and fees.

External auditors provide an opinion on financial statement fairness, verify asset ownership, assess internal controls, and report violations. There are several checks and balances in place, as mandated by the Company's CG manual, that ensure External Assurers maintain independence and avoid potential conflicts of interest. The ARCC is tasked with evaluating the auditor's performance on an annual basis, in consideration with inputs from the Head of Internal Audit. The appointed Auditor's term is one year, and is subject to annual renewal provided that such term does not exceed six (6) consecutive years (during which the partner in charge shall be changed after three (3) years). The External Auditor can be reappointed only after two (2) years have lapsed since the termination of its appointment.

Details of the appointed External Auditor for the year 2024 are as follows:

Name of the audit firm	Ernst & Young – Middle East
Name of the Partner Auditor	Walid J. Nakfour
Number of years spent as the Company's External Auditor	1
Number of years the Partner Auditor spent auditing the Company's accounts	1
Total value of audit and review fees for 2024 (in AED)	AED 276,500
Total value of audit of special purpose Consolidated Financial Statements for IPO	AED 120,000
Total value to provide underwriter's comfort letters for IPO	AED 1,138,475
Statement of other services that an External Auditor other than the Company Auditor provided during 2024 (if any)	None

Employee Code of Conduct

Alef Education's Code of Conduct (CoC) establishes the ethical standards expected of all employees, consultants, and representatives; and governs our commercial activities while promoting a culture of honesty and accountability. This code provides guidance on ethical risks, mechanisms for reporting misconduct, and reinforces our commitment to integrity across our operations.

The Human Resources department is responsible for administering the CoC, including training and communication, and serves as the primary point of contact for ethical concerns. These training and awareness programmes complement the guidelines set out in the CoC, and serve to raise awareness, drive ethical conduct, and deter wrongdoing. Violations of the CoC may result in disciplinary action, including termination. Compliance is monitored through audits and our whistleblowing mechanism.

We expect all parties involved in the Company's operations to abide by the policies and regulations, and to act in the Company's best interests.

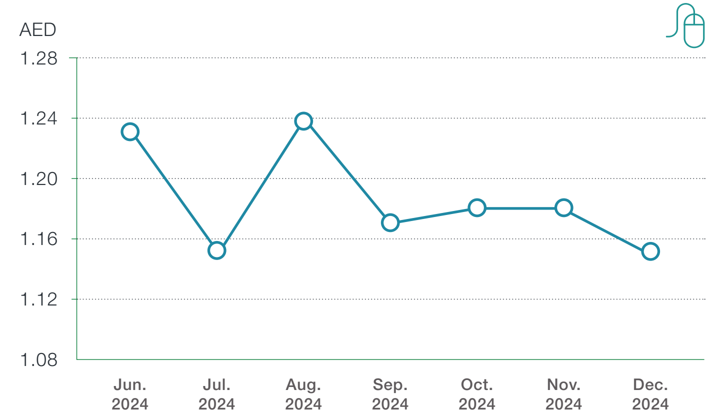
Company policies

Our commitment to practicing sound corporate governance is reflected in a number of comprehensive policies that have been drafted, approved, and are implemented across our organisation. The Alef Education Corporate website presents details of pertinent policies.

- Share Dealing and Insider Trading Policy
- Disclosure and Transparency Policy
- Anti-Bribery and Corruption Policy
- Related Party Transactions Policy
- Gender Diversity Policy
- Conflict of Interest Policy
- Remuneration Policy
- Fraud Risk Policy
- Speak Up Policy
- Code of Conduct
- Third Party Code of Conduct

Shareholder information

The following graph and tables present the Company's closing share price at the end of each month during the year 2024 and share performance against market index as of 31 December 2024:



Date	ALEF	Price (FTSE ADX General (FTFADGI)	ALEF (Rebased to 100)	FTSE ADX General (FTFADGI) (Rebased to 100)
June 2024	1.23	9,060.73	100	100
July 2024	1.15	9,338.96	93	103
August 2024	1.24	9,284.93	101	102
September 2024	1.17	9,425.49	95	104
October 2024	1.18	9,327.92	96	103
November 2024	1.18	9,234.80	96	102
December 2024	1.15	9,419.00	93	104

		Percentage of Shares Owned			
No.	Shareholder Classification	Individuals (%)	Companies (%)	Governments (%)	Total (%)
1.	Local	4.7	87.5	1.0	93.2
2.	Arab	0.8	1.3	–	2.1
3.	Foreign	0.7	4.0	–	4.7
4.	Total	6.2	92.8	1.0	100.0

Shareholders who own 5% or more of the Company's capital (as of 31 December 2024)

No.	Name	Number of Shares Owned	Percentage of Shares Owned in the Company's Capital (%)
1.	Technova Investment – Sole Proprietorship L.L.C.	4,760,000,000	68
2.	Kryptonite Investment L.L.C.	840,000,000	12

Shareholder distribution by volume of ownership (as of 31 December 2024)

No.	Ownership of Shares (share)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned from Capital (%)
1.	Less than 50,000	15,690	56,369,044	0.8
2.	From 50,000 to less than 500,000	528	85,194,014	1.2
3.	From 500,000 to less than 5,000,000	208	255,283,131	3.7
4.	More than 5,000,000	49	6,603,153,811	94.3

External Disclosure and Reporting

Fundamental events and important disclosures that the Company encountered during 2024

Financial Performance and Growth	• Alef Education reported a **6% increase** in **profit before tax**, reaching **AED 491.7 Mn.**. • Revenues rose **to AED 759 Mn.**, supported by long-term B2G contracts and strong B2B expansion. • **EBITDA grew by 5%** to **AED 512.2 Mn.**, with an EBITDA margin of **67.5%**, reflecting strong profitability. • The Company distributed **AED 67.5 Mn. in Q3 2024** as interim dividends, with a total payout of **AED 203.6 Mn.** in 2024.
Contract Extensions and New Business Wins	• The ADEK contract was extended for three years, securing revenue until 2033, with a minimum of 80,000 students covered. • Three new UAE government contracts worth AED 40 Mn. were secured to develop and deliver personalised educational content. • The Company doubled its B2B market share in private UAE schools, increasing from 82 to 167 schools.
Product Development and Expansion	• Development of Miqyas Al Dhad, an Arabic reading scale with MetaMetrics®, reached 77% completion. • The project secured 7 MoUs with regional education ministries and completed field testing in 9 countries. • The Company expanded into Saudi Arabia, Egypt, and Morocco, supporting government education initiatives.
Strategic Partnerships and International Growth	• Entered a contract with the Moroccan Ministry of Education to provide Arabic language programmes to 50,000 students across 300 schools. • Signed an MoU with Nahdet Misr, one of the largest regional publishers, to expand across the GCC, Levant, and North Africa.
Operational Efficiencies and Cost Management	• Operating expenses were reduced by 5% to AED 280 Mn., contributing to improved margins. • Cost control measures ensured sustained profitability, with the net profit margin increasing to 65%.
Shareholder Value and Dividend Policy	• The Company reaffirmed a minimum guaranteed dividend payout of AED 135 Mn. annually for 2024 and 2025. • The dividend yield reached 8.7%, making Alef Education one of the most attractive dividend-paying stocks.

Alef Education is proud to have a strong core team consisting of 5% Emirati nationals on board; and we are actively working to increase this representation in the years ahead. We partner with leading agencies and educational institutions to attract top local talent as part a concerted Emiratisation drive.

	2022 %	2023 %	2024 %
Emiratisation	3.92	6.10	5.43

Investor Relations

Alef Education is committed to effective communications with its shareholders.

Alef Education announces its results to the ADX and its shareholders by way of Management Discussion & Analysis, quarterly Condensed Consolidated Interim Financial Report and annual financial statements.

Significant matters relating to share trading or business development are disclosed to the ADX, and the general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings on Alef Education's website.

Alef Education's investor relations programme includes, but is not limited to:

- Conference calls on financial results with the investment community
- Responding to enquiries from shareholders through Alef Education's investor relations function
- Meetings between investors, analysts, and senior management.

A section dedicated to investors is available on Alef Education's website, which comprises annual reports, quarterly results, corporate governance reports, investor presentations and share price information.

Investor Relations Contact Point

Noor Arafat
050 927 1556
ir@alefeducation.com

Future plans

- We have been privileged to secure a new Islamic content development contract in FY 2024, exceeding AED 30 Mn. over a three-year period, which would further enhance the Company's growth trajectory in 2025 and beyond.
- Alef Education's partnered with MetaMetrics®, in the form of a joint venture, during FY 2024 to establish Miqyas Al Dhad: a pioneering initiative dedicated to advancing and measuring Arabic language proficiency in the region. In the months that followed, we have signed several memorandums of understanding (MoUs) with ministries of education in a number of different countries, for their participation in the Miqyas Al Dhad programme. Project readiness stood at 77%, at the end of 2024.

Financial statements

Directors' report and consolidated financial statements for the year ended 31 December 2024

Directors' report

The Directors present their report together with the audited consolidated financial statements of Alef Education Holding PLC and its subsidiary (the "Group") for the year ended 31 December 2024.

Principal activities

The principal activities of the Group are consulting and research and development in the field of technology education, institute training and development of teachers, educational facilities management, training on the development of personal competencies, educational consultancy, administrative support training services, computer systems and software designing and information technology consultancy.

Financial results

The revenues earned from contracts with customers and the total comprehensive income of the Group during the years:

	31 December 2024 AED	31 December 2023 AED
Revenue	759,003,628	749,525,426
Total comprehensive income	447,459,429	586,407,899

Directors

The Directors of the Company as of 31 December 2024 were:

- H.E. Abdulhamid Mohammed Saeed Alahmadi (appointed on 3 May 2024)
- H.E. Ahmed Ali Al Sayegh (appointed on 3 May 2024)
- H.E. Jameela Al Mheiri (appointed on 3 May 2024)
- H.E. Noura bint Mohammed Al Kaabi (appointed on 3 May 2024)
- Ms. Rima Ahmed Salim AlMokarrab Almheiri (appointed on 3 May 2024)
- Dr. Saeed Abdulla Mohamed Bin Mutlaq Alghfeli (appointed on 3 May 2024)
- Mr. Omar Abdulla Al Hashmi (appointed on 3 May 2024)
- Mr. Geoffrey Simon John Alphonso (resigned on 3 May 2024)

Directors' statement to the disclosure to auditors

In so far as the Directors are aware, there is no relevant information of which the Group's auditors are unaware.

The Group's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of consolidated financial statements.

Auditors

A resolution to reappoint Ernst and Young Middle East (ADGM Branch) as auditors for the ensuing year will be put to the shareholders at Annual General Meeting.

Abdulhamid Mohammed Saeed Alahmadi

Chairman

Independent auditor's report

EY
Building a better working world

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Registration No. 000001136

Independent Auditor's Report to the shareholders of Alef Education Holding PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alef Education Holding PLC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition

Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue when it transfers control of a product or service to a customer. The Group mainly provides education solutions and IT infrastructure solution which comprises of initial set-up and continuous maintenance services. Revenue from IT services is recognized over time and revenue from Education solution is recognized at a point in time (refer note 3 to the consolidated financial statements for the revenue recognition policy of the Group).

During the year ended 31 December 2024, total revenue of the Group amounted to AED 759,003,628. Given the magnitude of the amount and the inherent risk associated with revenue, we consider revenue recognition to be a key audit matter.

To address the above risk, we performed the following procedures among others:

- We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy;
- Assessed the compliance of such policies with the applicable International Financial Reporting Standards;
- Inspected the contracts with customers, on a sample basis, to test the total contract values, invoicing terms, payment terms, rate per student, and rates of other services rendered to the customers;
- Obtained a representative sample of transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We have performed cut off procedures, including selecting the sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Performed analytical procedures, to identify inconsistencies and/or unusual movements during the year; and
- Assessed the adequacy of the Group's disclosure in the consolidated financial statements in connection with revenue recognition.

Recognition of intangible assets

The Group has significant internally-generated intangible assets – research and development expenditure, which are capitalized in accordance with IAS 38 "Intangible Assets." As at 31 December 2024, the carrying value of these intangible assets amounted to AED 171.9 million. The capitalization and subsequent measurement of these assets involve significant management judgment and estimation, particularly in relation to (refer note 8 to the consolidated financial statements).

– Determining whether the costs incurred meet the criteria for capitalization under IAS 38.

– Assessing the useful lives of the capitalized assets.

– Evaluating the recoverability of the carrying amounts, including the estimation of future cash flows and the selection of appropriate discount rates.

To address the above risk, we performed the following procedures among others:

– We performed procedures to assess whether the intangibles recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy. We selected a sample of capitalized costs and tested whether these costs met the criteria for capitalization under IAS 38.

– We assessed the nature of the costs capitalized to ensure they were directly attributable to the development of content for customers and platform.

– We assessed the appropriateness of management's impairment testing methodology in accordance with IAS 36 "Impairment of Assets".

We have evaluated the key assumptions used in the impairment models, including future cash flow projections and discount rates and performed sensitivity analyses to assess the impact of changes in key assumptions on the impairment assessment.

Other information

Other information consists of the information included in the Board of Directors' report, and annual report other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association, Companies Regulation 2020 of Abu Dhabi Global Market (ADGM), and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

(i) the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Regulations 2020 of ADGM; and

(ii) the financial information included in the Directors' report is consistent with the books of account and records of the Group.

For Ernst & Young Middle East (ADGM Branch)

Walid J Nakfour

13 February 2025

Abu Dhabi, United Arab Emirates

Consolidated statement of financial position

As at 31 December	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property and equipment	5	2,808,947	2,540,005
Right of use asset	7	6,154,404	480,533
Intangible assets	6	171,929,124	79,898,352
Trade and other receivables	8	4,942,592	12,425,319
Total non-current assets		185,835,067	95,344,209
Current assets			
Trade and other receivables	8	340,607,163	154,947,624
Amounts due from related parties	14	–	109,755,488
Cash and cash equivalents	9	396,299,158	261,773,715
Total current assets		736,906,321	526,476,827
Total assets		922,741,388	621,821,036
EQUITY AND LIABILITIES			
Equity			
Share capital	10	70,000,000	–
Shareholders' contribution	10	167,559,022	167,559,022
Other reserve	11	75,000	75,000
Retained earnings		520,657,712	346,786,283
Total equity		758,291,734	514,420,305

As at 31 December	Notes	2024 AED	2023 AED
Non-current liabilities			
Provision for employees' end of service benefits	12	15,806,640	12,921,328
Lease liabilities	7	3,172,036	241,965
Total non-current liabilities		18,978,676	13,163,293
Current liabilities			
Trade and other payables	13	98,050,282	94,008,382
Lease liability	7	3,198,736	229,056
Income tax liability	22	44,221,960	–
Total current liabilities		145,470,978	94,237,438
Total liabilities		164,449,654	107,400,731
Total equity and liabilities		922,741,388	621,821,036

The attached notes 1 to 24 form part of these consolidated financial statements.

Chairman

Chief Executive Officer

Consolidated statement of comprehensive income

For the year ended 31 December	Notes	2024 AED	2023 AED
Income			
Education solution fees		659,668,853	656,945,193
Support and services		99,334,775	92,580,233
Revenue from contracts with customers	15	759,003,628	749,525,426
Expenses			
Salaries and other benefits		(122,390,239)	(127,643,829)
Support and services expenses		(66,072,480)	(63,061,653)
Software licenses		(27,147,144)	(24,111,194)
Amortisation for intangible assets	6	(31,499,278)	(30,732,894)
Legal and professional fees		(17,218,134)	(30,788,935)
Depreciation on property and equipment	5	(1,730,007)	(3,271,862)
Lease expenses	7	(3,932,562)	(3,530,964)
Marketing expenses		(5,544,435)	(7,845,303)
Others		(4,513,585)	(3,624,960)
Total expenses		(280,047,864)	(294,611,594)
Operating profit for the year		478,955,764	454,913,832

For the year ended 31 December	Notes	2024 AED	2023 AED
Income from financial assets carried at fair value through profit or loss	16	–	122,795,687
Interest income		12,725,625	8,698,380
Profit for the year before tax		491,681,389	586,407,899
Income tax expense	22	(44,221,960)	–
Net profit for the year		447,459,429	586,407,899
Other comprehensive income		–	–
Total profit and comprehensive income for the year		447,459,429	586,407,899
Basic earnings per share (AED)	23	0.08	–

The attached notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024	Note	Share capital AED	Shareholders' contribution AED	Other reserve AED	Retained Earnings AED	Total Equity AED
Balance at 1 January 2023		–	167,559,022	75,000	1,392,473,762	1,560,107,784
Total comprehensive income for the year		–	–	–	586,407,899	586,407,899
Dividend paid	24	–	–	–	(1,632,095,378)	(1,632,095,378)
Balance at 31 December 2023		–	167,559,022	75,000	346,786,283	514,420,305
Issuance of share capital	10	70,000,000	–	–	(70,000,000)	–
Dividend paid	24	–	–	–	(203,588,000)	(203,588,000)
Total comprehensive income for the year		–	–	–	447,459,429	447,459,429
Balance at 31 December 2024		70,000,000	167,559,022	75,000	520,657,712	758,291,734

The attached notes 1 to 24 form part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December	Notes	2024 AED	2023 AED
Operating activities			
Profit for the year before tax		491,681,389	586,407,899
Adjustments for:			
Depreciation on property and equipment	5	1,730,007	3,271,862
Depreciation on right of use asset	7	2,542,969	211,364
Amortisation of intangible assets	6	31,499,278	30,732,894
Income from financial assets carried at fair value through profit or loss	16	–	(122,795,687)
Interest expense on lease liability	7	382,143	38,055
Provision for employees' end of service benefits	12	4,871,160	4,286,824
Gain on disposal of property and equipment		–	(6,538)
Interest income		(12,725,625)	(8,698,380)
		519,981,321	493,448,293
Working capital changes:			
Amounts due from related parties		353,154	(289,966)
Trade and other receivables		(178,379,108)	(19,505,309)
Trade and other payables		(5,197,336)	6,444,006
Cash generated from operating activities		336,758,031	480,097,024
Employees' end of service benefits paid	12	(1,985,848)	(2,582,414)
Net cash flows from operating activities		334,772,183	477,514,610

For the year ended 31 December	Notes	2024 AED	2023 AED
Investing activities			
Purchase of property and equipment	5	(1,998,949)	(1,162,776)
Purchase of financial assets carried at fair value through profit or loss		–	(61,464,112)
Proceeds from disposal of financial assets carried at fair value through profit or loss		–	418,270,957
Dividend income from financial assets at fair value through profit or loss		–	20,414,682
Receipt of amounts due from related parties		109,402,334	280,856,346
Proceeds from disposal of property and equipment		–	6,538
Interest income received		12,927,921	5,386,924
Purchase of intangible assets	6	(114,290,814)	(31,739,268)
Net cash flows from investing activities		6,040,492	630,569,291
Financing activities			
Repayment of lease liability	7	(2,699,232)	(258,931)
Dividends paid	24	(203,588,000)	(1,017,489,192)
Net cash flows used in financing activities		(206,287,232)	(1,017,748,123)
Net increase in cash and cash equivalents		134,525,443	90,335,778
Cash and cash equivalents at the beginning of the year		261,773,715	171,437,937
Cash and cash equivalents at the end of the year	9	396,299,158	261,773,715
Significant non-cash transactions			
Issuance of share capital	10	70,000,000	–
Addition to intangible assets		9,239,236	4,106,432
Dividend paid through a related party	24	–	614,606,186

The attached notes 1 to 24 form part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2024

1 Background

Corporate information

Alef Education Holding PLC (the "Company" or the "Parent") is registered in Abu Dhabi Global Market (ADGM) under license number 17843 as a Public Company Limited by Shares. The Company was incorporated on 15 March 2024. The registered address of the Company is External Office 2332, 23rd Floor, Sky Tower, Al Reem Island, Abu Dhabi, United Arab Emirates. The Company and its subsidiary, Alef Education Consultancy LLC are collectively referred to as the Group (the "Group").

The principal activities of the Group are consulting and research and development in the field of technology education, institute training and development of teachers, educational facilities management, training on the development of personal competencies, educational consultancy, administrative support training services, computer systems and software designing and information technology consultancy in the United Arab Emirates.

On 28 March 2024, pursuant to the reorganisation, the shareholders established the Company as a new holding company with a share capital of AED 70,000,000 at AED 0.01 per share (note 10). The Company became the new holding company of the Group through transfer of shares of Alef Education Consultancy LLC. The shares were transferred to the new holding company for nil consideration. The reorganisation was completed on 27 March 2024 during which all the legal ownership of Alef Education Consultancy LLC was transferred to the new holding company.

As the Company is not a business and the reorganisation did not result in any change of economic substance, it is not considered as a business combination as defined by IFRS 3 Business Combinations. Accordingly, the consolidated financial statements of the Group are prepared to reflect that the reorganisation is in substance a continuation of Alef Education Consultancy LLC as if the Company has always owned Alef Education Consultancy LLC.

The Group includes one fully owned subsidiary, Alef Education Consultancy LLC which is incorporated in the United Arab Emirates. Alef Education Consultancy LLC has a subsidiary, Arabic Scale Educational Consultancy – Sole Proprietorship LLC which is incorporated in the United Arab Emirates and its primary activities are development and innovation in computer system and program and educational consultancy. Alef Education Consultancy LLC also has a branch in the Emirate of Abu Dhabi in Abu Dhabi Creative Media Zone Authority and a branch office in Amman, Hashemite of Jordan under an establishment number # 200181807 which provides support in content designing and writing.

On 12 June 2024, the Company listed 20% of its share capital on Abu Dhabi Securities Exchange ("ADX") as part of Initial Public Offering ("IPO").

At 31 December 2024, the Group had an average of 404 employees (31 December 2023: 414 employees).

The consolidated financial statements were authorised for issuance in accordance with a resolution of the Board of Directors on 13 February 2025.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable provision of the Companies Regulations 2020 of Abu Dhabi Global Market (ADGM).

The consolidated financial statements are prepared under the historical cost basis, except for financial assets carried at fair value through profit or loss which are stated at fair value as at the reporting date.

The consolidated financial statements are presented in United Arab Emirates Dirham ("AED"), which is the functional and presentational currency of the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Group reorganisation and business combinations under common control

In the absence of guidance in IFRS for the group reorganisation and business combinations under common control, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires to use judgement in developing and applying an accounting policy that provides reliable and more relevant information. As such group reorganisation has no economic substance and is outside the scope of IFRS 3 Business Combinations.

Business combination under common control is accounted for using the pooling of interest method as follows:

- assets and liabilities of the subsidiary, are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the reorganisation that would otherwise be done under the acquisition method;
- no goodwill is recognised as a result of the reorganisation, except to the extent that existing goodwill was previously recognised in one of the combining entities. Any difference between the consideration transferred and the equity of the entity acquired as at the date of the combination is reflected within equity; and
- the statement of comprehensive income reflects the results of the acquiree entity.

The Group adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group. This approach is applied consistently for all such transactions.

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosures: supplier finance arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Thus, the amendments had no impact on the Group's consolidated financial statements.

Lease liability in a sale and leaseback – Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments had no impact on the Group's consolidated financial statements.

Classification of liabilities as current or non-current and non-current liabilities with covenants – Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's consolidated financial statements.

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 21: Lack of exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

3 Material accounting policy information

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of comprehensive income and is included in the "income – interest income from a related party" line item.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Income from financial assets carried at fair value through profit or loss" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less net of bank overdraft, if any.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables, due from related parties and cash and cash equivalents, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and amounts due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,

(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. Financial liabilities are initially measured at fair value except payables which are carried at amount expected to be payable. Financial liabilities are subsequently measured at amortised cost.

The Group's financial liabilities include lease liability and trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method on the following basis:

Office equipment	– 3 years
Office furniture and fixtures	– 3 years
Office leasehold improvement	– 3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress

Capital work in progress is recorded at cost and transferred to the appropriate asset category and depreciated in accordance with the Group's policies when development of a product is completed and transferred to the customers or ready for use after inspection from both parties.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognized right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognized lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months). Lease payments on short-term leases recognized as expense on a straight-line basis over the lease term.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of three years.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally- generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Platform and content development costs

The Group provide educational services through its technology platform and capitalises costs incurred to develop the platform. The Group also capitalizes the costs incurred for each content (teaching lesson and other educational product) including standard cost to reflect time and effort incurred internally developing the content and if applicable, fees incurred for content and product vendors and standard cost for external reviewers. The development costs are capitalized when the IAS 38 "intangible asset" criteria for recognition of development costs are met.

Subsequent time and effort by the team to maintain and/or upgrade previously published content that was already capitalised in prior periods are expensed in the same period incurred. Additionally, costs for the time spent in developing mock tests and experiential digital lessons are expensed in the year they were incurred.

Amortisation of intangible assets with finite lives is calculated on a straight-line basis over the estimated useful lives as follows:

Computer software	–	3 years
Content	–	4 years
Platform	–	10 years

Employees' benefits

A provision is made for the full amount of end of service benefits due to non-UAE national employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The provision relating to end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the General Pension and Social Security Authority in accordance with the UAE Federal Law (9) of 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Foreign currencies

For the purpose of these consolidated financial statements, the UAE Dirhams (AED) is the functional and the presentational currency of the Group.

Transactions in currencies other than UAE Dirhams are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in statement of comprehensive income in the year in which they arise.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sell or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Fair value measurement

The Group measures financial instruments, such as, financial assets carried at fair value through profit or loss, at fair value at the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the advantageous market to which Company has access at that date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial instruments quoted in an active market fair value is determined by reference to quoted market prices. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include comparison with similar instruments for which market observable prices exist, adjusted net asset method and other relevant valuation models.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Dividends

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Revenue recognition

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement (in writing, orally or in accordance, with customary business practices) between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Group recognises revenue from the following major sources:

- IT infrastructure solution which comprises of initial set-up and continuous maintenance services; and
- Education solutions

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group enters into contracts with its customers for supply of services through its resellers. The Group determined that it controls the services before they are transferred to customers, and it has the ability to direct the use of the or obtain benefits from the services. Therefore, the Group is acting as Principal in these arrangements if it has the responsibility for providing the services to the customers, it acts as the primary obligator and it bears the risk of providing the service.

Education solutions

This solutions fee corresponds to all the revenues received from customers for right of access to the Group's learning solution. The services rendered (including access to the Group's platform, availability of learning contents, on-site support and other ancillary services) are considered as one performance obligation as they are highly interdependent or interrelated. These obligations are fulfilled over time, that is over the academic year.

IT set-up services

The Group provides a combination of procurement and installation of IT equipment to be used for the provision of its education system solutions to schools and students. The revenue is recognised at a point in time once the goods and services are delivered/rendered to the customers.

IT Maintenance services

This service relates to maintenance work that may be required to be carried out on IT equipment for the duration of the contract which generally covers a period of five years. The maintenance service is considered to be a distinct service as it is available for customers from other providers in the market. Revenue relating to the maintenance services is recognised over time. The transaction price allocated to these services is recognised on a straight-line basis over the period of service.

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4 Significant accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

Determining whether unsigned (oral) agreements meet the definition of contract under IFRS 15

Certain contracts for the Government of Abu Dhabi, its departments or related parties, are executed on the basis of orally agreed terms (including estimates of total contract cost and timelines) in line with the Group's historical business practice. Management has determined such unsigned oral agreements meet the definition of a 'contract with customer' under IFRS 15 since the Group and the customer agree upon the essential elements of a contract and any other lawful conditions, though matters of detail are left to be agreed upon at a later date, and the contract is deemed to be made and binding even in the absence of agreement on these matter of detail. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997, a contract can be oral or written, and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties. At year ended 31 December 2024, the balance due on oral agreement was AED 314.5 million (31 December 2023: AED 128.5 million).

Capitalisation of development costs

Product development assets represent direct costs incurred in the development of platform and content prior to their publication. These costs are recognised as intangible assets where the platform and content will generate probable future economic benefits and costs can be measured reliably. Content and platform are amortised upon publication of the title over estimated economic lives of four years and ten years, respectively, being an estimate of the expected operating lifecycle of the product development asset. The assessment of the useful economic life and the recoverability of product development assets involves judgement and is based on historical trends and management estimation of future potential sales. Product development assets are assessed for impairment triggers on an annual basis or when triggering events occur. The carrying amount of platform and content are set out in note 6.

Source of estimation uncertainty

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful life for intangible assets

The useful lives and residual values of the intangibles assets are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of IAS 38 "Intangibles assets" and has determined that these expectations do not significantly differ from previous estimates.

Impairment of intangible assets

The Group determines whether intangible assets are impaired when events or conditions indicate that the carrying amount may not be recoverable. In assessing whether there is any indication that the intangible assets at the end of the reporting period may be impaired, the Company considered the following:

- Changes in the technological, market, economic or legal environment in which the Company operates that had or would have an adverse effect on the Company;
- Plans to discontinue or restructure the operation to which the intangible assets under construction belong; and
- Evidence from internal reporting and external factors that indicates a potential decline in budgeted net cash flows flowing from the asset.

Estimation of the recoverable amount of the intangible assets, where indicators of impairment were present, is made on the reporting date. Estimation of the recoverable amount requires a determination of the intangible assets, value in use and their fair value less costs to sell. Calculation of value in use requires the Company to make an estimate of the expected future cash flows from individual cash-generating units and determination of a suitable discount rate to calculate the present value of those cash flows.

Based on the review of the current market trends and economic condition, management does not anticipate any material risk on the assessment made for the risk of impairments of intangible assets.

Allowance for expected credit losses on trade receivables

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

5 Property and equipment

	Office equipment AED	Office furniture and fixture AED	Office leasehold improvements AED	Total AED
Cost				
At 1 January 2023	34,075,385	2,200,431	240,465	36,516,281
Additions during the year	1,135,754	27,022	–	1,162,776
Disposals during the year	–	(22,947)	–	(22,947)
At 31 December 2023	35,211,139	2,204,506	240,465	37,656,110
Additions during the year	1,998,599	350	–	1,998,949
At 31 December 2024	37,209,738	2,204,856	240,465	39,655,059
Accumulated amortisation				
At 1 January 2023	29,479,077	2,156,390	231,723	31,867,190
Depreciation	3,236,462	31,950	3,450	3,271,862
Disposals	–	(22,947)	–	(22,947)
At 31 December 2023	32,715,539	2,165,393	235,173	35,116,105
Depreciation	1,708,622	17,935	3,450	1,730,007
At 31 December 2024	34,424,161	2,183,328	238,623	36,846,112
Carrying amount:				
At 31 December 2024	2,785,577	21,528	1,842	2,808,947
At 31 December 2023	2,495,600	39,113	5,292	2,540,005

6 Intangible assets

	Computer software AED	Platform AED	Content AED	Capital work-in-progress AED	Total AED
Cost					
At 1 January 2023	607,676	31,046,714	143,690,960	2,452,943	177,798,293
Additions during the year	–	9,656,122	17,631,849	8,557,729	35,845,700
Transfers	–	–	2,452,943	(2,452,943)	–
At 31 December 2023	607,676	40,702,836	163,775,752	8,557,729	213,643,993
Additions during the year	–	46,476,190	–	77,053,860	123,530,050
Transfer		57,346,435	9,110,262	(66,456,697)	–
At 31 December 2024	607,676	144,525,461	172,886,014	19,154,892	337,174,043
Accumulated amortisation					
At 1 January 2023	607,676	15,076,501	87,328,570	–	103,012,747
Amortisation	–	2,913,267	27,819,627	–	30,732,894
At 31 December 2023	607,676	17,989,768	115,148,197	–	133,745,641
Amortisation	–	8,172,385	23,326,893	–	31,499,278
At 31 December 2024	607,676	26,162,153	138,475,090	–	165,244,919
Carrying amount:					
At 31 December 2024	–	118,363,308	34,410,924	19,154,892	171,929,124
At 31 December 2023	–	22,713,068	48,627,555	8,557,729	79,898,352

Capital work-in-progress represents costs of third-party vendors and in-house staff for the development of platform which is not yet completed at the reporting date and will be completed within a year of the reporting date.

* Included in additions during the year ended 31 December 2024 is the acquisition of education products called Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (note 14).

Included in additions during the year ended 31 December 2024 is the acquisition of an education product called Abjadiyat for a total amount of AED 11.2 million.

On 29 March 2024, the Group signed a partnership agreement with a US-based developer, MetaMetrics® to develop an Arabic reading scale to improve the literacy skills of K-12 Arabic speakers in collaboration with 6 Arab speaking countries. The newly developed Arabic scale is being branded as "Miqyas Al-Dhad Scale". Included in additions during the year ended 31 December 2024 is an amount of AED 8.9 million incurred towards its ongoing development.

Additions during the year ended 31 December 2024 also include AED 68.1 million representing the development of new content, products around assessments and pathways product lines. These include pathways products for Math, English, Arabic and Science along with an assessment solution. Moreover, the Group is supporting growth through internationalization and other key features.

7 Leases

The Group has rented office premises in United Arab Emirates (UAE) for its head office and in Amman, Hashemite of Jordan

Set out below are the carrying amounts of the Group's right-of-use asset and lease liability and the movements during the year:

Right-of-use assets

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	480,533	–
Additions during the year	8,216,840	691,897
Depreciation expense	(2,542,969)	(211,364)
At the end of the year	6,154,404	480,533

Lease liability

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	471,021	–
Addition during the year	8,216,840	691,897
Payments during the year	(2,699,232)	(258,931)
Interest expense	382,143	38,055
At the end of the year	6,370,772	471,021

During the year ended 31 December 2024, the Group reassessed the lease classification of its head office in the United Arab Emirates in accordance with IFRS 16 – Leases. Due to management's discretion to extend the lease beyond 12 months, the lease was reclassified from an operating lease. Consequently, the Group recognized a right-of-use asset of AED 8,216,840, with a corresponding lease liability recorded under current and non-current liabilities.

Following this addition, the Group started recognizing depreciation on the right-of-use asset and finance costs on the lease liability under "lease expenses".

The lease liabilities are classified in the consolidated statement of financial position as follows:

	31 December 2024 AED	31 December 2023 AED
Current	3,198,736	229,056
Non-current	3,172,036	241,965
Total	6,370,772	471,021

Amounts recognized in the consolidated statement of comprehensive income relating to lease expenses:

	31 December 2024 AED	31 December 2023 AED
Interest expenses	382,143	38,055
Depreciation on right-of-use asset	2,542,969	211,364
Expenses relating to short-term leases	1,007,450	3,281,545
Total lease expenses	3,932,562	3,530,964

8 Trade and other receivables

	31 December 2024 AED	31 December 2023 AED
Trade receivables	318,490,318	133,752,712
Prepayments	10,568,774	11,913,674
Accrued income	9,353,457	8,339,893
Advances	1,936,274	3,497,603
Refundable deposits	5,200,932	9,869,061
Total	345,549,755	167,372,943
Current	340,607,163	154,947,624
Non-current*	4,942,592	12,425,319
Total	345,549,755	167,372,943

** Represents long-term margin deposits against bank guarantees issued to a customer and non-current portion of prepaid expenses.*

Included in the trade receivable balance are balances totalling AED 317,451,530 (31 December 2023: AED 132,523,295) due from mainly three government customers in the United Arab Emirates, arising in the normal course of operations. Based on past experience of the Group, these balances are settled regularly and there is no history of significant write-off of receivables. Management considers that this concentration of credit risk will not result in any significant loss to the Group.

The ageing analysis of the trade receivables is as follows:

	Total AED	Neither past due nor impaired AED	0-30 days AED	31-60 days AED	61-90 days AED	91-120 days AED	Above 120 days AED
At 31 December 2024	318,490,318	4,769,322	91,109,196	33,277,239	7,716,339	105,962	181,512,260
At 31 December 2023	133,752,712	3,637,285	90,471,090	674,997	33,871,137	5,098,203	–

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. No provision for expected credit losses was recorded for trade receivables at 31 December 2024 (31 December 2023: nil).

9 Cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows comprise of:

	31 December 2024 AED	31 December 2023 AED
Cash on hand	16,645	6,606
Cash at bank	396,282,513	261,767,109
Cash and cash equivalents	396,299,158	261,773,715

Included in cash at bank are bank deposits with an original maturity of less than 3 months of AED 365,000,000 (31 December 2023: AED 78,501). These are denominated in UAE Dirham and carry interest at market rates.

10 Share capital

The shareholders of the Company and the respective ownership interests is as follows:

	31 December 2024 AED	31 December 2023 AED
Authorised, issued and fully paid 31 December 2024: 7,000,000,000 shares of AED 0.01 each (US$ 0.0027)	70,000,000	–

The share capital of the Company was funded by transferring AED 70,000,000 from the retained earnings. Moreover, the legal formalities with the ADGM were completed on 15 March 2024, and the ADGM issued a Certificate of Incumbency and Business Extract with an amount of USD 19,060,585 (equivalent to AED 70,000,000), divided into 7,000,000,000 (seven billion) ordinary shares with a par value of US$ 0.0027 (equivalent to AED 0.01) as the authorised and paid up share capital of the Company.

On 12 June 2024, the Company listed 1,400,000,000 (20%) of its ordinary shares on the Abu Dhabi Securities Exchange ("ADX")

Shareholders' contributions

Shareholders' contributions are interest free and in the nature of long-term funding. The Group has no contractual obligation towards the repayment of this amount.

11 Other reserve

In accordance with the UAE Federal Law No. 32 of 2021, the subsidiary is required to transfer 5%, (31 December 2023: 5%) of the profit for the year to statutory reserve, which is non-distributable. The subsidiary has discontinued such annual transfers as the reserve has reached 50% of the issued and paid-up share capital of the subsidiary.

12 Provision for employees' end of service benefits

	31 December 2024 AED	31 December 2023 AED
At the beginning of the year	12,921,328	11,216,918
Charge for the year	4,871,160	4,286,824
Payments during the year	(1,985,848)	(2,582,414)
At the end of the year	15,806,640	12,921,328

An actuarial valuation is not considered necessary by management in respect of employees' end of service benefits as the net impact of actuarial valuation is not considered material.

13 Trade and other payables

	31 December 2024 AED	31 December 2023 AED
Trade payables	6,429,987	16,649,944
Accrued expenses and other payables	41,487,642	36,689,925
Advances from customers	36,530,022	30,801,639
VAT payable	13,602,631	9,866,874
Total	98,050,282	94,008,382

14 Related parties balances and transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties included in the consolidated statement of financial position are as follows:

	31 December 2024 AED	31 December 2023 AED
Amounts due from related parties		
Entities under common control		
Capital Investments L.L.C.	–	109,402,334
SAAL Operating System – Sole Proprietorship L.L.C.	–	195,579
New Century Education – Sole Proprietorship L.L.C.	–	157,575
Total	–	109,755,488

Transactions with related parties are as follows:

	31 December 2024 AED	31 December 2023 AED
Interest income from a related party	2,636,820	8,698,380
Revenue from contracts with customers	266,602	237,319
Recharge of expense to a related party	112,772	156,558

During the year ended 31 December 2024, the Group has purchased the business of Arabits from SAAL Operating Systems – Sole Proprietorship L.L.C., a related party for an amount of AED 35.3 million (note 6).

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	31 December 2024 AED	31 December 2023 AED
Short-term benefits	9,183,846	8,402,011
Employees' end of service benefits	282,192	289,663
Remuneration for the directors of the subsidiary	3,000,000	3,600,000
Total	12,466,038	12,291,674
Number of key management personnel	6	6

15 Revenue from contracts with customers

	31 December 2024 AED	31 December 2023 AED
Timing of revenue recognition		
Revenue recognized over the time		
Education solution fees	659,668,853	656,945,193
Support and services (IT maintenance fees)	50,306,230	49,496,003
	709,975,083	706,441,196
Revenue recognized at the point in time		
Support and services (IT set-up fees)	49,028,545	43,084,230
Total	759,003,628	749,525,426

Geographical markets

The Group operates in the UAE, Indonesia and United States of America and Kingdom of Saudi Arabia. Revenue from contracts with customers based in the UAE accounts for 99.96% of the total revenue from contracts with customers.

16 Income from financial assets carried at fair value through profit or loss

	31 December 2024 AED	31 December 2023 AED
Gain on sale of assets	–	102,381,005
Dividend income	–	20,414,682
Total	–	122,795,687

17 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Capital comprises share capital, shareholders' contribution, retained earnings and other reserve.

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs and maintaining high standards of business conduct.

At 31 December 2024, the Group is mainly funded by the shareholders and has no external debt.

18 Financial risk management

The Group's principal financial liabilities comprise of lease liability, amount due to a related party and trade and other payables. The main purpose of these financial liabilities is to manage Group's cash flows and partially finance capital work-in-progress. The Group has various financial assets such as trade and other receivables, amounts due from related parties and cash and cash equivalents, which arise directly from operations.

The main risk arising from Group's financial instruments are foreign currency risk, credit risk, liquidity risk, and interest rate risk.

Foreign currency risk

The Group does not have significant exposure to foreign exchange risk as most of its monetary assets and liabilities are denominated in UAE Dirhams. The Group has a bank account in the Hashemite of Jordan which had a balance of AED 125,350 at 31 December 2024 (31 December 2023: AED 629,900) which did not have a significant foreign exchange exposure at year ended 31 December 2024.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's profit (loss) for the year ended 31 December 2024 would have increased or decreased by AED 2,707,580 (31 December 2023: AED 1,850,719). There is no direct impact on the Group's equity.

Credit risk

Credit risk refers the risk arising on account of a default by counterparty on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually. The Group uses its own trading records to rate its major customers.

The Group is exposed to credit risk on its accounts receivable, bank balances and amounts due from related parties. Credit risk is limited to the carrying values of each class of financial assets in the consolidated statement of financial position.

Concentration of credit risk

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Management believes that the concentration of credit risk, as detailed in Note 9, is mitigated by high credit worthiness and financial stability of its trade customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the United Arab Emirates and Hashemite of Jordan and are highly regulated by Central Banks.

Trade and other receivables, amounts due from related parties and cash and cash equivalents are not secured by any collateral. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Total AED	0-3 month AED	3-12 month AED	1-5 years AED
31 December 2024				
Lease liability	6,766,600	1,072,450	2,440,350	3,253,800
Trade payables	6,429,987	6,429,987	–	–
Total	13,196,587	7,502,437	2,440,350	3,253,800
31 December 2023				
Lease liability	517,590	258,795	–	258,795
Trade payables	16,649,944	16,649,944	–	–
Total	17,167,534	16,908,739	–	258,795

19 Commitments and contingent liabilities

	31 December 2024 AED	31 December 2023 AED
Bank guarantees	16,315,667	8,580,794

Bank guarantees are issued by the bank in the normal course of the Group's business against which the Group is required to maintain security deposits of equivalent amounts.

20 Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, trade receivables, amounts due from related parties, financial assets carried at fair value through profit or loss and some other current assets. Financial liabilities consist of trade payables, lease liabilities, amounts due from a related party and other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There are no financial assets and/or liabilities which should be measured at fair value and accordingly no disclosure is made.

21 Reporting segments

The Group is organized into business units based on its products and services for management purposes. The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) for the Group and monitors the operating results of its business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Based on the information reported to the Group's senior management for the allocation of resources, and measurement of performance of business, the reportable segments under IFRS 8 were identified as below:

(i) Education solution segment, which provides customers the right of access to the Group's learning platform.

(ii) Support and services segment, includes ancillary services such as IT infrastructure set up and maintenance support and services.

(iii) Financial investments segment pertains to maintenance of investment portfolio for returns based on market dynamics.

No operating segments have been aggregated to form the reportable operating segments below:

	Education solution AED	Support and services AED	Financial investments AED	Unallocated AED	Consolidated AED
31 December 2024					
Revenue from contracts with customers	659,668,853	99,334,775	–	–	759,003,628
Expenses	(115,860,236)	(69,057,214)	–	(61,901,129)	(246,818,579)
Depreciation	–	–	–	(1,730,007)	(1,730,007)
Amortisation	(31,499,278)	–	–	–	(31,499,278)
Total expenses	(147,359,514)	(69,057,214)	–	(63,631,136)	(280,047,864)
Operating profit for the year	512,309,339	30,277,561	–	(63,631,136)	478,955,764
Interest income	–	–	–	12,725,625	12,725,625
Profit before tax	512,309,339	30,277,561	–	(50,905,511)	491,681,389
Assets	867,860,171	40,716,934	–	14,164,283	922,741,388
Liabilities	111,217,438	2,639,484	–	50,592,732	164,449,654
Other disclosures					
Capital expenditures					
Purchase of property and equipment	–	–	–	1,998,949	1,998,949
Purchase of intangibles	123,530,050	–	–	–	123,530,050
Total	123,530,050	–	–	1,998,949	125,528,999

	Education solution AED	Support and services AED	Financial investments AED	Unallocated AED	Consolidated AED
31 December 2023					
Revenue from contracts with customers	656,945,193	92,580,233	–	–	749,525,426
Expenses	(135,866,365)	(67,890,680)	–	(56,849,793)	(260,606,838)
Depreciation	–	–	–	(3,271,862)	(3,271,862)
Amortisation	(30,732,894)	–	–	–	(30,732,894)
Total expenses	(166,599,259)	(67,890,680)	–	(60,121,655)	(294,611,594)
Operating profit for the year	490,345,934	24,689,553	–	(60,121,655)	454,913,832
Income from financial assets carried at fair value through profit or loss	–	–	122,795,687	–	122,795,687
Interest income	–	–		8,698,380	8,698,380
Profit before tax	490,345,934	24,689,553	122,795,687	(51,423,275)	586,407,899
Assets	461,524,455	38,004,648	109,402,334	12,889,599	621,821,036
Liabilities	96,965,586	9,964,124	–	471,021	107,400,731
Other disclosures					
Capital expenditures					
Purchase of property and equipment	–	–	–	1,162,776	1,162,776
Purchase of intangibles	35,845,700	–	–	–	35,845,700
Total	35,845,700	–	–	1,162,776	37,008,476

22 Income tax

UAE corporate tax law

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024:

	31 December 2024 AED
Consolidated profit or loss	
Current income tax charge	44,221,960
Deferred income tax	–
Income tax expense reported in the consolidated profit or loss	44,221,960
Reconciliation of accounting income	
Accounting profit before tax	491,681,389
At United Arab Emirates' statutory income tax rate of 9%	44,251,325
Less: Effect of standard exemption	(33,750)
Add: Non-deductible expenses	4,385
Income tax reported in the consolidated statement of comprehensive income	44,221,960
Effective tax rate (%)	8.99

At 31 December 2024, there were no amounts recognised directly to equity or in other comprehensive income. As the Group is based in the United Arab Emirates and therefore, there was zero tax rate for the year ended 31 December 2023.

23 Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to the ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. As at 31 December 2024, there were no potential dilutive shares and hence, the basic and diluted EPS is same (31 December 2023: Nil).

The information necessary to calculate basic and diluted earnings per share is as follows:

	31 December 2024 AED	31 December 2023 AED
Earnings:		
Profit attributable to the equity holders of the Parent	447,459,429	586,407,899
Number of shares		
Weighted average number of ordinary shares – basic and diluted **	5,316,939,891	–
Earnings per share		
Basic and diluted earnings per share (AED)	0.08	–

* *The earnings per share for 31 December 2023 is not calculated considering shares were only issued on 28 March 2024 by the Company.*

** *The weighted average number of shares takes into account the weighted average effect of period from the date of incorporation of the Company and the reporting date. Had the earnings per share been calculated assuming the entire 7 billion shares were issued for the full period, the earnings per share would have been AED 0.06.*

24 Dividends

	Founder shareholders (80%)		Market shareholders (20%)		Total Dividend
	Total amount	Amount per share	Total amount	Amount per share	Total Amount
Interim dividend	136,080,000	AED 0.02	67,508,000	AED 0.05	203,588,000
Proposed dividend	131,656,000	AED 0.02	67,508,000	AED 0.05	199,164,000
Total dividend	267,736,000	AED 0.05	135,016,000	AED 0.10	402,752,000

During the year, an interim cash dividend of AED 203,588,000 was approved and distributed by the Group's Board of Directors through a resolution dated 29 July 2024.

The board of directors during their meeting held on 13 February 2025, have proposed to distribute a final cash dividend of AED 199,164,000 for the year ended 31 December 2024, which will be submitted to the Group's shareholders for approval at the Annual General Meeting.

In December 2023, the Group's shareholders through a resolution dated 13 December 2023 approved a total dividend distribution amounting to AED 1,632,095,378 which was settled on 18 December 2023 via, transfer of financial assets carried at fair value through profit or loss amounting to AED 614,606,186, along with cash balances of AED 1,017,489,192 paid through Capital Investment L.L.C., a related party, to the shareholders in full settlement of the dividend liability.

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