

Alef Education delivers resilient FY 2025 performance with Revenues of AED 769.5 million and market-leading 71.6% EBITDA Margin; Net Profit growth of 8% exceeds full-year guidance

- FY 2025 revenues increased 1.4% YoY to AED 769.5 million, supported by the continued stability of the core UAE portfolio and growth across non-school B2B/B2G activities, including the signing of eight new non-school B2B/B2G contracts with a total contract value of AED 64.4 million.
- Net profit reached AED 481.1 million, up 8% YoY, exceeding the full-year guidance range of 6-7% YoY growth. Net profit margin expanded by 350 bps to 62.5%, up from 59.0% in FY 2024.
- EBITDA increased by 7% YoY to AED 550.7 million, with the EBITDA margin expanding to 71.6% (360 basis points), reflecting disciplined cost management and operational efficiencies.
- Strong liquidity position maintained, with AED 619.5 million in cash and cash equivalents and zero debt as at 31 December 2025, supporting operational flexibility and disciplined capital allocation.
- Continued progress in domestic execution and non-school growth, including the migration of approximately 4,000 students from the ADEK charter-schools.
- Miqyas Al Dhad advanced towards a Q1 2026 launch, with platform development completed, large-scale field testing covering ~110,000 students across 9 countries, and commercialization activities progressing.
- In line with the Group's 2025 guaranteed dividend commitment, a total dividend of AED 135 million has been declared for FY 2025, payable in two equal instalments, with AED 67.5 million paid in August 2025 and a further AED 67.5 million scheduled for April 2026, subject to AGM approval.
- Product development spend in FY 2025 was reduced by 52% to AED 59.4 million, from AED 123.5 million in the prior year, reflecting efficiency gains and disciplined prioritization, while continuing to deliver cutting-edge solutions that support Alef Education's long-term growth strategy.

Abu Dhabi, UAE – 11 February 2026: Alef Education Holding Plc (the “Company” or “Alef Education” or “ADX: ALEFEDT”), an award-winning AI-powered learning solutions provider redefining the educational experience for K-12 students, based in Abu Dhabi, today announced its financial results for the full-year period ending 31 December 2025 (“FY 2025”).

Alef Education closed 2025 with a resilient full-year performance, delivering revenues of AED 769.5 million, up 1.4% YoY, supported by the continued stability of the core UAE portfolio and broader momentum across non-school B2B/B2G activities, private schools, and international initiatives. Against this backdrop, disciplined cost control and operational efficiencies produced a 71.6% EBITDA margin, marking a 360 bps improvement versus FY 2024 and reinforcing Alef Education's ability to sustain strong profitability alongside the continued execution of its strategy.

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

“Alef Education delivered a solid full-year performance in 2025, reflecting disciplined execution across the business and the continued strength of our core UAE operations. We maintained strong profitability and margin expansion while preserving a debt-free balance sheet, demonstrating the scalability of our operating model. We advanced our core UAE execution with ADEK by expanding our presence in new public schools in Abu Dhabi, broadening activity across private schools and non-school B2B/B2G engagements, as well as advancing our international initiatives. We also made meaningful progress across our product portfolio, with Miqyas Al Dhad completing large-scale field testing and moving through institutional engagement, ahead of its planned launch in Q1 2026.”

FY 2025 Profitable Growth Driven by Margin Expansion and Cost Discipline

Alef Education delivered strong profitability in FY 2025, supported by continued margin expansion and disciplined cost management. EBITDA increased 7% YoY to AED 550.7 million, reflecting higher contributions from new contracts alongside operational efficiencies across the business. As a result, the EBITDA margin expanded to 71.6%, representing a 360 basis point improvement compared to FY 2024, showcasing the scalability of the operating model and the benefits of structural cost optimization.

Net profit rose 8% YoY to AED 481.1 million, with the net profit margin improving to 62.5%, driven primarily by EBITDA growth and efficiency gains across the cost base. Profitability was supported by lower operating expenses, stronger performance from new revenue contracts, higher interest income, partially offset by higher corporate tax.

Alef Education ended FY 2025 with a strong liquidity position, holding AED 619.5 million in cash and cash equivalents as at 31 December 2025, supported by a debt-free balance sheet. This robust financial position supports operational flexibility, enabling the ongoing delivery of ADEK contractual commitments, and enables continued investment in product and platform development, while maintaining a disciplined approach to capital allocation.

Reliable and Attractive Dividend Policy

Beyond driving growth, Alef Education's strong financial position and guaranteed ADEK payments continue to support consistent shareholder returns through a clear and dependable dividend policy. In line with its IPO commitment, the Company guaranteed a minimum annual dividend payout of AED 135 million to public shareholders for FY 2025. The first installment of AED 67.5 million was paid as an interim dividend in August 2025, with the second installment of AED 67.5 million scheduled for payment in April 2026, following the AGM, as previously communicated.

Progressing Domestic Execution and Advancing International Growth

During Q4 and throughout FY 2025, Alef Education advanced its domestic and international growth agenda, translating engagement into tangible delivery and implementation. In the UAE, the Company reinforced its core public-school platform migrating approximately 4,000 students and increasing total students on the Alef Platform in Abu Dhabi public schools to approximately 73,000. In the private-school segment, revenue rose by ~50% YoY, with the platform expanding to 183 schools and 122K paying students, representing approximately 36% of the UAE private-school market.

Building on this base, Alef Education expanded its non-school B2B/B2G segment, signing eight new contracts in FY 2025 with a total contract value of AED 64.4 million across domestic and international markets, while continuing to develop a robust opportunity pipeline to support future conversion and diversification beyond the UAE public-school portfolio. These initiatives align with Alef Education's 2025–2030 global strategy, which focuses on non-UAE B2G target markets, leveraging research-backed outcomes and demonstrated educational impact aligned with UN Sustainable Development Goals. The strategy identifies priority collaboration and funding pathways across select international markets.

Alongside strategic progress, Alef Education continued to execute against its product roadmap during FY 2025. New Alef Pathways variants were launched, including Arabic reading for Grades 3-10, alongside expanded Maths, Science, and English offerings. Updates were also delivered across supplementary platforms such as

Arabits and Abjadiyat, and a comprehensive Arabic test assessment covering reading, writing, listening, and speaking skills was launched during the year, further strengthening the Company's product ecosystem and readiness to scale delivery across domestic and international markets.

Miqyas Al Dhad Progressing Toward Q1 2026 Launch

Miqyas Al Dhad, Alef Education's Arabic language assessment and benchmarking platform for Grades 1–12 Arabic language speakers, made significant progress during FY 2025 and is now targeted for launch in Q1 2026, following the completion of large-scale field testing and ongoing internal validation. During the year, field testing was completed across approximately 110,000 students in 204 schools spanning 70 cities and villages across nine countries. In parallel, commercial and institutional engagement progressed with the signing of a MoU to launch a Proof of Concept covering approximately 30,000 students across ~45 schools, alongside the execution of the first commercial multi-year linking study and student measurement agreement ahead of launch, with a total contract value of approximately AED 1.8 million. In addition, Alef Education progressed an ongoing engagement with Ministries of Education and assessment providers, positioning Miqyas Al Dhad for initial deployment in 2026 and the build-out of a scalable commercialization pipeline.

Outlook

Alef Education ended FY 2025 on a solid footing, delivering net profit of AED 481.1 million, up 8% YoY and exceeding the Company's full-year guidance range. This solid performance was supported by the continued strength of Alef's long-term partnership with ADEK, growing momentum in the non-school B2B/B2G segment, expansion within UAE private schools, and increasing opportunities across international markets.

For FY 2026, Alef Education expects to deliver continued growth supported by strong revenue visibility, a contracted pipeline, and disciplined cost management. Performance will be underpinned by the contribution of recently signed contracts and those progressing toward execution, providing confidence in the near-term outlook. The upcoming launch of Miqyas Al Dhad, alongside the continued rollout of enhanced Pathways offerings, Arabic assessments, and supplementary solutions such as Arabits and Abjadiyat, is expected to support further product adoption and revenue diversification.

In parallel, strategic collaborations with Liquid AI and Microsoft are accelerating Alef's AI innovation agenda, including the migration of its full product suite to Microsoft Azure and the integration of sovereign-cloud capabilities. These initiatives enhance scalability, performance, and unlock new revenue opportunities. Alef Education will continue to optimize capital expenditure on product development and innovation to further enhance and expand its product portfolio, strengthening its ability to deliver impactful AI-powered learning solutions across new geographies.

Profitability is expected to remain resilient, reflecting the scalability of Alef Education's operating model and prudent financial management, alongside continued investment in product development and diversification initiatives. Alef Education remains committed to its stable dividend policy, with a target payout ratio of 90%, reinforcing its focus on delivering attractive and sustainable returns to shareholders alongside long-term growth.

Financial Summary

<i>AED millions</i>	FY 2025	FY 2024	% Change
Revenues	769.5	759.0	1.4%
Total Expenses	218.8	242.9	-10%
EBITDA*	550.7	516.1	7%
<i>EBITDA Margin</i>	71.6%	68.0%	+360 bps
Net Profit	481.1	447.5	8%
<i>Net Profit margin</i>	62.5%	59.0%	+350 bps

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

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About Alef Education

Founded in 2016, Alef Education (ALEFEDT on the Abu Dhabi Stock Exchange) is an award-winning AI-powered learning solutions provider that is redefining the educational experience for K-12 students. The Company has established a strong presence in the education technology sector, operating in approximately 17,000 schools across the UAE, Indonesia and Morocco. Its flagship AI-integrated Alef Platform offers personalised learning experiences to approximately 1.8 million registered students, enabling them to work at their own pace and reach their full potential anytime, anywhere. With a 100% penetration rate in Cycle 2 (Grades 5-8) and Cycle 3 (Grades 9-12), Alef Education has a proven track record of improving student engagement and achievement, with test scores in Indonesia increasing by 8.5% in Arabic and maths.

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

Alongside supporting students throughout their educational journey, Alef Education supports 79,000 educators with tools that enrich instruction and enable high-impact interventions to improve student learning outcomes. Alef Education promotes engagement, achievement and equity in learning, preparing students for success in an ever-evolving world.

For more information, visit www.alefeducation.com.

Contacts

Media Enquiries
Noor Arafat marketing@alefeducation.com
Investor Relations Enquiries
ir@alefeducation.com